

**Funeral Plan: Conduct of Business sourcebook**

# Chapter 13

## Cancellation



## 13.1 Application

13.1.1

**R**

This chapter applies to a *firm* entering into a *funeral plan contract*.



## 13.2 The right to cancel

**13.2.1** **R** A *customer* has a right within the longer of:

- (1) 30 *days*; or
- (2) 7 *days* of being notified of the appointed funeral services provider (■ FPCOB 10.1.4R); or in the case of an *instalment payment funeral plan contract*, 30 *days* or the *moratorium period*, whichever is longer; or
- (3) in the case of an *instalment payment funeral plan contract*, the *moratorium period*,

to cancel the *funeral plan contract*, without giving any reason and without being required to pay any amount to do so.

**13.2.2** **R** The following events in relation to an *instalment payment funeral plan contract* must, for the purposes of this chapter, be taken to be a cancellation:

- (1) the death of the *covered individual* (other than as a result of an accident) within the *moratorium period*;
- (2) the cancellation by the *firm*, having complied with the payment shortfall rules (■ FPCOB 2.3), of the *funeral plan* due to the *customer's* failure to settle a *payment shortfall*.

**13.2.3** **R** ■ FPCOB 13.2.2R does not apply where the *customer* and *firm* have agreed that any party may pay sums outstanding under the *instalment payment funeral plan* and the *funeral plan* be redeemed.

**13.2.4** **G** A *firm* may provide longer or additional cancellation rights voluntarily, but if it does these should be on terms at least as favourable to the *customer* as those in this chapter, and any differences should be clearly explained.

### Exception to the right to cancel

**13.2.5** **R** The right to cancel does not apply to a *funeral plan contract* under which a redemption request has been made or the funeral has been provided.

**Start of the cancellation period**

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13.2.6

**R**

The cancellation period begins either:

- (1) from the *day* the *customer* is informed that the contract has been concluded; or
- (2) from the *day* on which the *customer* receives the contractual terms and conditions and any other pre-contractual information required under this sourcebook, if that is later than the date referred to above.

**Exercising a right to cancel**

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13.2.7

**R**

If a *customer* exercises the right to cancel:

- (1) they must notify this to the *firm* before the expiry of the relevant deadline;
- (2) a *firm* must enable a *customer* to make the notification via the same medium by which the *customer* purchased the *funeral plan contract*; and
- (3) the deadline shall be deemed to have been observed if the notification, if on paper or another *durable medium*, is dispatched before the deadline expires.

13.2.8

**G**

A *firm* may provide additional methods by which the *customer* can make a notification of cancellation to the *firm*.

## 13.3 Effects of cancellation

### Termination of contract

- 13.3.1 **R** By exercising the right to cancel, the *customer* withdraws from the *funeral plan contract* and the contract is terminated.

### Firm's obligation on cancellation

- 13.3.2 **R**
- (1) This *rule* applies where a *funeral plan contract* is:
    - (a) cancelled by the customer in accordance with ■ FPCOB 13.2.1R; or
    - (b) deemed cancelled by the *funeral plan provider* (■ FPCOB 13.2.2R) during the *moratorium period*.
  - (2) A *firm* must, without any undue delay and no later than within 30 *days*, return to a *customer* any sums it has received from them in accordance with the contract, except as specified in this section.
  - (3) This period shall begin from the *day* on which the *firm* receives the notification of cancellation.

