

Chapter 6

Information about the firm and its services

6.5 Payments to funeral plan intermediaries

Application

6.5.1 R This section applies to a funeral plan provider.

Requirement not to offer commissions

6.5.2 R A firm must not offer or pay (and must ensure that none of its associates offers or pays) any commissions, remuneration or benefit of any kind to:

- (1) another firm in connection with that firm’s business of engaging in funeral plan distribution;
- (2) another person in connection with:
 - that person’s business of engaging in funeral plan distribution:
 - (i) for which it does not require authorisation; or
 - (ii) which it carries on in breach of the general prohibition;
 - business of that person which would involve engaging in funeral plan distribution but for an exclusion in the Regulated Activities Order;
- (c) that person’s business of introducing customers to another person in relation to funeral plan contracts;
- (3) a person in (1) or (2) in relation to any related services; or
- (4) any third party for the benefit of a person, and in the circumstances described, in (1) to (3),

except as provided in this section.

6.5.3 R FPCOB 6.5.2R does not apply to training or support which meet the requirements of FPCOB 6.4.14R and FPCOB 6.4.15R.

6.5.4 G FPCOB 6.5.2R prevents a funeral plan provider from making payments, or offering benefits, to persons involved in distributing the firm’s funeral plan contracts. This includes payments made, or benefits offered, to a firm’s appointed representatives.

- 6.5.5

R

■ FPCOB 6.5.2R does not prevent a *funeral plan provider* from making payments to a *person* merely to *communicate a financial promotion*.
- 6.5.6

G

Payments to employees

(1) The *rules* in this section do not apply to payments made by *firms* to their *employees* in relation to sales activity.

(2) *Firms* should refer to ■ SYSC 19F and the FCA’s final *guidance*, ‘Risks to customers from financial incentives’ (January 2013) when considering the structure of any incentive schemes for their *employees*.

[Note: see <https://www.fca.org.uk/publication/finalised-guidance/fsa-fg13-01.pdf>]