

24 Pre-Paid Funeral Plans

This Information Sheet explains what pre-paid funeral plans are and offers advice on what to look for if you are thinking about buying one. It also briefly explains what to do if you have a complaint about a pre-paid funeral plan.

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What are pre-paid funeral plans?

Pre-paid funeral plans are schemes set up by funeral plan companies and funeral directors that enable you to pay for all, or a large part, of your funeral in advance. The plans vary greatly, but they all allow you to make the arrangements for your funeral, without worrying that your family or friends will have to deal with it after your death.

Other ways of paying for a funeral

Pre-paid funeral plans are not the only way to pay for your funeral in advance; some life insurance companies and friendly societies operate schemes to help you cover your funeral expenses. Alternatively, you could invest your money in a high interest account. For further information about the options, seek advice from an independent financial adviser. The **IFA Promotion** hotline on 0800 085 3250 can give you details of your nearest independent financial adviser.

Funeral Payments

If your husband or wife dies and **you are claiming a means-tested benefit** such as Minimum Income Guarantee, Council Tax Benefit, Housing Benefit or Disabled Person's Tax Credit, you may be able to get help with their funeral costs. You may also be able to claim if a close relative has died. Although you may have to prove that you are their closest surviving relative, and that it is not reasonable for anyone else to pay for their funeral. It doesn't make any difference whether the person who died was claiming any benefits or not, but if the deceased had a funeral payment plan, then the cost should be paid out of that.

The help you can receive is a maximum payment of £600 plus the cost of buying a burial plot and burial fee, or the cremation fee and associated medical expenses.

If you claim a funeral payment on or after 8 October 2001, and you are over 60, you will get the funeral payment no matter how much you have in savings, as long as you are receiving one of the benefits mentioned above.

You may also be able to apply for additional money to cover certain travelling expenses. To apply for a Funeral Expenses Payment, ask for an application form at your local Benefits Agency. Claims for Funeral Payments must be made within 3 months of the funeral.

There is more information on funeral payments in Help the Aged's free advice leaflet '**Can You Claim It?**' which is available from the Information Department (address on page 9). For further advice on Funeral Payments you can ring SeniorLine, Help the Aged's freephone advice line on **0808 800 6565**. If you are in Northern Ireland, call **0808 808 7575**.

How do pre-paid funeral plans work?

If you are thinking of buying a pre-paid funeral plan, you may be offered a selection of funeral 'packages' by the funeral plan company. The packages vary considerably in cost and style, so you should be able to find one to suit your income and taste. Some companies will put you in touch with a funeral director in your area to discuss the funeral that you want.

You can pay for the plan in one lump sum, or some funeral plan companies will let you pay in monthly instalments of up to five years. Paying in instalments is obviously a good idea if you do not have the available cash or savings, but it usually works out more expensive. If you die before your instalments have been completed, your relatives may have to pay the outstanding amount. You should check this with the funeral plan company.

It is very important to check with the funeral plan company that your money is set aside for the sole purpose of carrying out your funeral and that it is completely protected, even if the company goes out of business.

A trust fund, properly invested and managed by independent trustees, is usually the most effective method of protecting your money. You should ask the funeral plan company whether they have such a trust fund. If they don't, you should make sure that alternative arrangements have

been made to protect your money, even if the company fails. **If adequate arrangements are *not* made, you risk losing all your money and the funeral plan.**

Points to consider when buying a funeral plan

- **Shop around.** Get quotes from two or three companies. Prices can vary.
- **Does the funeral plan company belong to a trade association?** Which one? Request a copy of their code of practice.
- **How long has the company been established?** A well-established business could be a better choice than an untested company.
- **If you are claiming any means tested benefits**, such as Minimum Income Guarantee, Housing Benefit or Council Tax Benefit, you should be aware that having a funeral plan could count as savings. This can affect the amount of benefit that you receive. Ring **SeniorLine** on **0808 800 65 65 (0808 808 7575** if you are in Northern Ireland) for more advice.
- **Check what is included in the quote.** Does it include transportation to the crematorium or cemetery, pallbearers, an obituary notice in the local paper? Think about what you want before you commit yourself and make sure that your chosen plan includes it.
- **Does the cost of the plan include disbursements?** (These are costs that the funeral director has no control over, such as cemetery or crematorium fees and doctors' fees). Some funeral plans will not cover the costs of disbursements at all, or will limit the amount they will pay towards them. If the fees exceed this limit when your funeral is carried out, your relatives may have to pay any outstanding costs.
- **Can you choose the funeral director?** Or will one be chosen for you?
- **If you change your mind after you have paid for the plan**, can you get a full refund? (If you paid for the plan a long time ago, the refund will probably not include interest).

- **How does the company invest the money from the plans?** Money from pre-paid funeral plans should **always** be kept either in a trust fund or in an account separate from the rest of the company's business. If it is not, you risk losing all your money should the funeral plan company go out of business. Check whether the trust is administered by trustees independent of the company.
- **If you were to move house**, check that a funeral director near to your new home could take the plan.
- **Do not let a funeral plan company pressurise you into choosing their plan.** You should be completely sure about a company before you sign anything or start paying for the plan.
- **Do not commit yourself to buying a plan until you are absolutely sure about both the plan and the company.** If you are in any doubt, seek advice from a financial adviser or someone with financial expertise.
- **Remember to tell your family or friends that you have taken out a plan so that they do not arrange and pay for another funeral for you.** If they do arrange and pay for another funeral, the funeral plan company may not be obliged to refund the money you paid towards your funeral.

Where can you buy pre-paid funeral plans?

A number of companies offer pre-paid funeral plans. They often advertise in the local and national press, in magazines or on television. Some independent funeral directors also have their own plans so it could be worth shopping around.

Help the Aged offers its own range of pre-paid funeral plans. For further details contact **Help the Aged Funeral Plans**, Freepost SCO5885, Glasgow, G61 2BR or call 0800 169 1112. Website: www.helptheaged.org.uk.

The names and addresses of a number of other organisations are also given below. (Listing an organisation in this sheet does not constitute a recommendation by Help the Aged.)

Age Concern Funeral Plan

Spencer House
62a The Parade
Sutton Coldfield
West Midlands B72 1GT
Tel: 0800 387 718
www.ace.org.uk

Co-operative Funeral Service

8th Floor, PO Box 183
Trafford Plaza
73 Seymour Grove
Manchester M60 5FH
Tel: 0800 289 120
www.funeralcare.co-op.co.uk

Funeral Planning Services

Flint House
Ipswich Road
Long Stratton
Norwich NR15 2TA
Tel: 01508 532 632
www.funeralplans.co.uk

Golden Charter

Melville House
70 Drymen Road
Bearsden
Glasgow G61 2RP
Tel: 0800 833 800
www.golden-charter.co.uk

Golden Leaves Ltd

299-305 Whitehorse Road
Croydon
Surrey CR0 2HR
Tel: 0800 85 44 48
www.goldenleaves.co.uk

Some funeral plan companies have representatives who visit you in your own home. This can be a very good idea if you are unable to leave your home easily, but do be careful that you are not rushed into making a decision about buying their plan immediately. Ask if you can contact them later once you have had a good think - there is no reason for you to sign any agreements there and then. After all, you are thinking of spending a lot of money with them.

Remember to take the time to shop around for a plan which suits you best and never be rushed into making a decision.

How to complain if something goes wrong

To make a complaint, you should initially write to the funeral plan company giving details of your complaint. They should reply promptly and either resolve your complaint or give you a fair explanation of the matter. If your complaint is not resolved, you may wish to take further action. How you do this will depend if the funeral company is a member of the **Funeral Planning Authority** who provide a conciliation scheme.

If the funeral plan company or funeral director does not belong to the Funeral Planning Authority, you can take your complaint directly to the County Court if it cannot be resolved (in Scotland, the Sheriff's Court). It is a good idea to get advice from your local Citizens Advice Bureau before taking any action.

Helpful addresses

Citizens Advice Bureau

Your local CAB will be listed under 'C' in the phone book.

IFA Promotion

17-19 Emery Road
Brislington
Bristol BS4 5PF
Hotline: 0800 085 3250
www.ifap.org.uk

Funeral Planning Authority Limited

Harelands
22 Bentsbrook Park
North Holmwood
Dorking
Surrey
RH5 4JN
Tel: 01306 740878
www.funeralplanningauthority.com

For further information contact:

Information Department
Help the Aged
207–221 Pentonville Road
London N1 9UZ
Tel: 020 7278 1114

Senior Line is the free welfare rights advice and information service run by Help the Aged for older people and their carers. Trained advice workers offer free, confidential and impartial advice about:

- Welfare and disability benefits
- Community and residential care
- Housing options and adaptations
- Access to health and community services
- Equipment to assist independence
- Support for carers
- Agencies offering local practical help

Telephone: **0808 800 6565** Textphone (Minicom): **0800 26 96 26**
9am to 4pm, Monday to Friday. Your call will be free of charge.

If you are in **Northern Ireland**, contact Senior Line on **0808 808 7575**.

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