

## Chapter 6

# Information about the firm and its services

## 6.1 General requirements for firms

### Application

6.1.1

**R**

This chapter applies to:

- (1) a *funeral plan intermediary*; and
- (2) a *funeral plan provider* in relation to the distribution of its own *funeral plan contracts*.

### Interaction with the customer's best interests rule and Principle 7

6.1.2

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To comply with the *customer's best interests rule* and *Principle 7* (Communications with clients), a *firm* should consider the information needs of the *customer* and, if different, the *covered individual*, including:

- (1) what a *customer* and/or *covered individual* needs in order to understand the relevance of any information provided by the *firm*; and
- (2) the point in the sales process at which information will be most useful to the *customer* to enable them to make an informed decision.

### Status disclosure: general information provided by firms

6.1.3

**R**

In good time before a *customer* enters into a *funeral plan contract*:

- (1) a *firm* must provide the *customer* with at least the following information:
  - (a) its identity, address and whether it is a *funeral plan intermediary* or a *funeral plan provider*;
  - (b) the appropriate statutory status disclosure statement (see ■ GEN 4);
  - (c) the fact that it is included in the *Financial Services Register* and the means for verifying this;
  - (d) whether it provides a *personal recommendation* about the *funeral plans* offered or information;
  - (e) whose *funeral plans* it offers;
  - (f) the procedures allowing *customers* and other interested parties to register *complaints* about the *firm* with the *firm* and the *Financial Ombudsman Service* or, if the *Financial Ombudsman*

Service does not apply, information about any out-of-court complaint and redress procedures available for the settlement of disputes between the *firm* and its *customers*; and

- (2) a *funeral plan intermediary* must also provide the *customer* with the following information:
  - (a) whether it has a direct or indirect holding representing 10% or more of the voting rights or capital in a given *funeral plan provider*;
  - (b) whether a given *funeral plan provider* or its *parent undertaking* has a direct or indirect holding representing 10% or more of the voting rights or capital in the *firm*; and
  - (c) whether it is representing the *customer* or is acting for and on behalf of the *funeral plan provider*.

#### Scope of service: funeral plan intermediaries

6.1.4

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- (1) Where a *funeral plan intermediary* proposes or advises on a *funeral plan contract* then in good time before the conclusion of a *funeral plan contract* and, if necessary, on its amendment, a *funeral plan intermediary* must provide the *customer* with at least information on whether the *firm*:
  - (a) gives a *personal recommendation*, on the basis of a fair and personal analysis of *funeral plans* available in the market; or
  - (b) is under a contractual obligation to conduct *funeral plan distribution* exclusively with one or more *funeral plan providers*, in which case it must provide the names of those *funeral plan providers*; or
  - (c) (i) is not under a contractual obligation to conduct *funeral plan distribution* exclusively with one or more *funeral plan providers*; and
    - (ii) does not give a *personal recommendation* on the basis of a fair and personal analysis of *funeral plans* available in the market;
 in which case it must provide its *customer* with the name of those *funeral plan providers* with which the *funeral plan intermediary* may and does conduct business.