



Buckingham Wills & Probate

Part of Bicester Wills Ltd

Your Guide to Prepaid Funeral Plans



**This guide will help you make the decisions
which are right for you and your family**

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This guide answers any questions you may have regarding Prepaid Funeral Plans. Whether it is for yourself, or someone close to you, it will guide you through the processes and give you reassurance and peace of mind that things have been put in place for your family during their loss.

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What is a funeral plan?

A funeral plan is a contract between you and a funeral director for your, or another person's, funeral arrangements. The agreement includes your funeral wishes and requires you to make payment in advance either in a lump sum, or in regular installments over a fixed period.



When you die, your funeral director is responsible for carrying out the funeral, and they receive payment for those agreed arrangements directly from your funeral plan.

Prepaid funeral plans enable you to make financial provision for your funeral, by fixing the cost of most elements of the funeral. It is estimated that the cost of a funeral in the UK has increased by 103% since 2004. Purchasing a prepaid funeral plan now protects you and your family from future inflation of funeral costs.

Why should I purchase a funeral plan?

There is more than one reason to purchase a funeral plan. You may want to feel confident that your wishes for your funeral are carried out to the letter. You may wish to avoid a fuss and would like to ensure that you have a direct cremation, which means there will be no ceremony or committal at all. Making a plan which stipulates particular arrangements, and making payment for these now, will ensure your wishes are carried out.

You may be concerned about how your family will cope having to deal with the practicalities of funeral arrangements and/or how they will pay for them when the time comes. You can relieve the pressure of this by specifying what you would like to happen and making the payment now.

You may be aware that research shows the average cost of a funeral, whether a burial or a cremation, is increasing by above the rate of inflation. At present, it is estimated that a very basic funeral in the UK will cost in the region of £4,000.00. The costs are continuing to rise.

A funeral plan costs a fixed sum, which is determined by the type of plan you choose, and the costs of the funeral director's arrangements as set out in the plan will be covered when the time comes for it to pay out, regardless of inflation.

Putting a funeral plan in place means you can ensure your family will not struggle to cover the costs when the time comes.



What happens if I don't have a funeral plan?



Without a funeral plan, in the event of your death, your loved ones will need to make the funeral arrangements for your burial or cremation, and any ceremony, themselves. They will need to pay for all aspects of the funeral either from their own funds, or by approaching your bank with a copy of the death certificate and itemised funeral bills to request

an advance from your estate. Some families report using credit cards, selling belongings, or having to cut costs in order to pay for a family funeral.

A funeral plan allows you to release your loved ones from the pressure of making and financing funeral plans on your behalf, at a time when they are coming to terms with your loss.

Can I specify what I would like to include in my plan?

Without a funeral plan, in the event of your death, your loved ones will need to Your funeral plan can be as detailed or as vague as you wish, and there are a variety of packages for you to choose from. Two crucial things to consider are whether you wish to have a burial or a cremation; and whether you wish to have a funeral ceremony.

This is enough information to identify a basic funeral plan. If you would like to personalise the plan further, perhaps a particular type of coffin or funeral cars, then there are tailored plans available. We have access to a wide range of the funeral plan products on the market and can recommend the one which best meets your requirements.

It is important that you and your family are clear about your wishes before you take out a funeral plan, so that the plan most appropriate for you is selected.





How much does a funeral plan cost?

The cost of your funeral plan depends entirely on what you would like it to cover. The average cost of a funeral is currently around £4,000.00 and a prepaid funeral plan is likely to cost in the region of £1,745.00 - £4,000.00, depending on the type of plan you choose. The benefit of incurring that cost now is the protection it offers against the continuing inflation of funeral costs.



You can choose to pay in a lump sum or in installments. Where a plan is paid for by installments, there will be an additional cost for administration fees and interest.

What happens to the money I paid for the plan?

The money you pay for the plan is invested in a trust, which provides protection for the funds you have paid. Neither we nor the funeral director have access to the money which means that, should something go wrong with the funeral director or the plan provider, your money is ring-fenced and kept safe for your funeral costs when they arise.

What if the cost of my funeral is more than I paid for my plan?

When you take out a plan, it will set out exactly which arrangements are covered by the cost of the plan. The money you pay will cover the costs of the funeral director carrying out these arrangements.

There are third party costs, known as disbursements, which may not be covered, such as medical costs, newspaper notices or funeral flowers. Some plans include the option for a contribution towards disbursements. This means that there will be a sum to put towards the costs when they are incurred, but it is clear that the exact costs cannot be known in advance. At the time of your funeral it may be necessary for your family to pay the outstanding balance on any such expenses.



Costs which cannot be anticipated will not be covered. For example, if you were to die abroad, the costs of repatriation would not necessarily be covered by your plan.

It is important to note that the plans do not include the cost of purchasing a grave. If you have purchased a prepaid plan to be buried, you or your family will need to make separate arrangements regarding the purchase of a burial plot.

We will talk you through exactly what is and is not covered in any recommended plan before you make the decision to purchase.

What happens if I die before the funeral plan has been fully paid for?

When you have paid in full, you have nothing else to do to ensure the plan will pay out. If you have chosen to pay by installments, there are one of two possibilities.

If you purchased a plan on a monthly installment arrangement, the plan provider will inform your family how much you have already paid. They can then pay the sum of the remaining installments to meet the total cost of the plan, and then the plan will proceed as normal. Your funeral arrangements will take place and the plan will pay the funeral director for their costs as agreed. Alternatively, your family may choose to cancel the plan and cover the costs of the funeral themselves. They are permitted to do this, but will incur a cancellation fee, which varies depending on the provider.

If you purchased a plan on fixed monthly payments, then it will depend on the specific provisions in the contract. Most providers will pay the funeral director the full sum from the plan as long as you have met every monthly payment on your payment schedule for at least two years.

We will discuss this in detail with you before you make a decision as to which plan best meets your requirements.





Can I make changes to my plan after it is in place?

It is possible to make changes to your plan with most providers, but if you do so, you will have to pay an administration fee. If you wish to make significant changes to your plan, it may be advisable for you to cancel the existing plan and take out a new, tailored plan. You will still incur a cancellation fee in this situation.

Can I cancel my plan completely?

Yes, you can cancel. After you purchase the plan you have a cooling off period of around 28 days in which you are free to cancel your plan without incurring any charges. After this period, you may still cancel, and ask for your money back, but you will incur a cancellation fee which varies across the providers. We will tell you about this fee before you take out the plan.

How are prepaid funeral plans regulated?

The Funeral Planning Authority (FPA) has been set up to regulate the providers of prepaid funeral plans. You should only consider purchasing a funeral plan with a provider who is registered with the FPA. Registered providers are obliged to adhere to a Code of Practice and specific set of Rules to ensure that they act in a way which meets the FPA's standards.

Once registered, a provider must go through an annual re-registration process and demonstrate to the FPA that they continue to meet their high standard of compliance. The FPA can audit the providers documentation and plans, and expects all its registered providers to go beyond the statutory requirements for protecting the interests of their customers.

The FPA also provides some direct consumer services. If someone has purchased a funeral plan but the paperwork cannot be found when it is needed, the FPA will conduct a search of its existing registered providers to try and find the plan. This is another reason to purchase a plan from an FPA registered provider.

Should a consumer have a complaint regarding their plan provider, which has not been resolved satisfactorily by the provider themselves, they can approach the FPA for further assistance in dealing with the complaint.

If you would like to make an appointment to discuss Prepaid funeral Plans, please get in touch on **01280 811201** and we will be happy to help.



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Buckingham Wills & Probate is part of Bicester Wills Ltd which was set up in 2010 by Gail Church, who was an Independent Financial Adviser for over 15 years. Gail now specialises in Will writing and estate planning from offices in Crown Walk, Bicester; Castle Street, Buckingham and covers the Brackley, Buckingham and Oxfordshire areas.

Buckingham Wills & Probate provides clients with an affordable Will writing and estate planning service, and can also offer Inheritance Tax planning advice, Lasting Powers of Attorney, Probate assistance and Trusts. All services are on a fixed fee basis.

“My parents had funeral plans, and when my Mum passed away not only did we not have the financial burden of a funeral we had the support of a very caring funeral service who organised everything for us.”

“My mother had dementia before she died and her account was frozen. If I hadn't the money I would have had to cope with trying to get her money released and deal with the funeral. We decided to remove that problem for our children and take out a Plan.”

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