

May 2025 update:
This letter is historical.
See our [supervisory correspondence page](#)
for more information and current views.

12 November 2021

Dear Chief Executive

Apply now for authorisation as a funeral plan provider

The Government has legislated to bring the pre-paid funeral plans markets into the Financial Conduct Authority's (FCA) statutory regulation from 29 July 2022. Our regulation of the market is intended to improve outcomes for consumers. The rules we are putting in place will provide clear and proportionate standards that firms operating in the sector must meet.

By 29 July 2022, all funeral plan providers and intermediaries must have appropriate authorisation to continue funeral plan activities.

If you're not authorised (or exempt) by this date, you must stop selling and administering funeral plans.

Our regulation will extend to:

- **providers:** firms that enter into and administer funeral plan contracts (including those sold before FCA regulation)
- **intermediaries:** firms that sell funeral plans to customers on behalf of providers (this may include, for example, funeral directors, will writers and lead generators)

Continuing with regulated activity without appropriate authorisation (if you're not an exempt person) is a criminal offence.

If you're a provider of funeral plans and don't intend to apply for authorisation, please contact us now to let us know, at funeralplans@fca.org.uk.

We have engaged with plan providers as part of our preparations to regulate the market. This letter gives you further important information to support your firm's preparations. We look forward to continued engagement with you to improve market outcomes for consumers.

The application process

Our authorisations gateway has been open since 1 September 2021 so your firm can now apply for authorisation. I would strongly encourage you to submit a high-quality, complete application as soon as possible. We have full details on our website: <https://www.fca.org.uk/firms/regulating-funeral-plans/apply-authorisation>.

If you submit your application after January 2022, or before the end of January 2022 but omit relevant information and/or documents, you should not expect your application to be determined before 29 July 2022. Plan providers that are not authorised by this date will

need to cease doing pre-paid funeral plan business as continuing to do so without authorisation will be a criminal offence.

There is extensive information on our website on the process and materials required to apply for authorisation, and my teams have been in direct contact with a wide range of firms and industry associations to provide more details. If you have not yet done so, please look at all the available information to help you submit a complete application as soon as possible.

Firms that do not obtain authorisation

We will operate a robust authorisation gateway and expect all plan providers to meet our high standards before they are approved. Some firms may choose not to apply for authorisation and exit the market, some may be refused authorisation if they do not meet our standards, and others may apply but later withdraw their application before it is determined.

If your firm does not wish to apply for authorisation, you will need a clear plan to wind down your existing pre-paid funeral planning business before 29 July 2022. For example, you should secure a transfer of your contracts to a provider that intends to continue with authorised business post-regulation, or otherwise refund your customers. If you do not intend to apply for authorisation you should confirm this by emailing funeralplans@fca.org.uk and sharing your wind-down plans with us.

If your firm is refused authorisation, you will be expected to stop the sale and administration of your plans and provide a clear wind-down plan for your existing contracts before 29 July 2022. We may publish a consumer warning to inform consumers that your authorisation has been refused.

If your firm decides to withdraw its application after submitting it and to exit the market, you will be asked to provide a clear wind down plan for your existing contracts. If your firm wishes to resubmit another application following a previous withdrawal, you must do so before the end of January 2022, otherwise you should not expect us to determine your application before regulation begins.

Keeping your customers informed

At all stages in the process, in any scenario, you should communicate fairly and transparently with your existing customers. If you know your firm will not obtain authorisation you should inform your customers of your intentions regarding their funeral plans in line with your contractual obligations, explaining clearly what will happen.

As soon as you know your firm will not obtain authorisation, you must stop selling new plans to new customers. It is unacceptable and may be unlawful for a firm to continue to sell plans which it will not be able to deliver after 29 July 2022 as it will not be authorised to do so.

Record of plan providers' authorisation status

To keep consumers informed in the lead up to our regulation of the market, we are maintaining a central record of all plan providers available on our website for consumers. We will use this to confirm whether firms have applied for authorisation or not, and the status of their application.

We will publish further communications – including warnings and notices to consumers, as necessary and appropriate – about specific firms that do not obtain authorisation.

Next steps

We look forward to continued engagement with you in the coming months. If you have questions or require further information on any of the points raised in this letter, please contact my team at funeralplans@fca.org.uk.

Yours sincerely

Matt Brewis
Director of Insurance & Conduct Specialists