



SAIF's FCA update 120721

In the text below, links to further information on third-party websites are underlined and in light blue.

Financial Conduct Authority (FCA) - preparing for funeral plan regulation

Policy statement published and consultation on resolution proposals

The FCA has published its funeral plan regulation policy statement, setting out the majority of its final rules for the regulation of prepaid funeral plans which comes into force in July 2022. The statement can be read [here](#) but be aware that it spans some 300-plus pages. The content is primarily aimed at plan providers, however, it is sensible for funeral directors who sell plans to stay up-to-speed on developments. There is also a [consultation paper](#), which covers proposed rules on resolution and access to the Financial Services Compensation Scheme (FSCS) in the event of regulated firm failure. Feedback is required by 31st August 2021.

The SAIF-FCA Taskgroup will be responding to the consultation on behalf of the Society.

In terms of how this affects funeral directors, the FCA advises:

- Get ready for regulation - there may be a few member independent funeral directors who wish to apply for direct authorisation from the FCA to sell their own funeral plans. If that includes you, then you need to start preparing now for FCA regulation
- You might be thinking about becoming an appointed representative (AR), this is where your chosen funeral plan company authorises you to sell their plans. If so, your funeral plan company, known as the principal firm, will apply from 1st September 2021 to the

FCA and will be in touch with you at some point about preparing to become an AR
- If you are an intermediary (funeral directors can be intermediaries), sign up for the FCA's [webinar](#) to learn more about regulation and how it will affect you.

Separately, prepaid funeral plan providers are being urged not to delay their applications to become regulated:

- The timeline for applying for and becoming regulated is short, don't wait until September to begin your application, prepare now
- Submit a good quality application as soon as possible - if you don't you may not have enough time to become authorised before FCA regulation takes effect and may need to cease trading. You will be able to access the application form on the FCA's system in August and submit it from 1st September.

Affected members are encouraged to use the FCA's online support tools, which can be found [here](#) and will guide you through the application process.