

## The Pros and Cons of Pre-Paid Funeral Plans

### What is a Funeral Plan?

A funeral plan enables customers to pay in advance for their funeral or the funeral of a loved one – it is a contractual arrangement with a funeral plan provider, ideally a provider registered with the FPA, who will assist in arranging the funeral when the time comes and ensure the items covered by the plan are paid for. Pre-paid funeral plans allow you to agree on the type of funeral you wish to have and cover the costs in advance, so that your loved ones don't need to worry about finding the money to pay these fees in addition to dealing with the emotional burden.

Funeral plans also allow you to shop around and find the best provider for the type of funeral you would like when it is easier to do so and also choose how much you wish to spend on various elements of the funeral. Plans also help avoid the risk of future inflation of costs for those elements included in the plan. It is important to note that pre-paid funeral plans may not always cover all costs associated with your funeral and you should ensure you fully understand what is and is not covered.

A pre-paid funeral plan can provide peace of mind that everything is taken care of, so that family members can rest assured that the arrangements are covered when you pass away. Additionally, the opportunity to get your affairs in order in advance is a huge benefit for many people who want to know that their last wishes will be carried out without any hitches or disputes.

### How Do I Choose Between Pre-Paid Funeral Plans?

There are a few factors to consider when choosing a pre-paid funeral payment plan. Firstly, your budget will impact how much you have to spend and whether you have sufficient funds to pay for the plan in one lump sum or if you would like to pay for the plan in instalments. It's also important to note that there are pros and cons to every plan, so you need to read the details carefully of the plans you're considering so you know exactly what is included. Assessing every detail of your funeral and treatment after death is not an enjoyable experience for anyone, but it is important in order to ensure that the arrangements made once you've passed on meet your wishes.

There are plenty of providers on the market to choose between, whether you opt for a large national company or an independent funeral director. But one of the most important factors to consider is whether your provider is regulated by the Funeral Planning Authority (FPA). The FPA regulates providers of funeral plans so you can trust that plans with an FPA registered provider have been subject to independent scrutiny focused around customers' interests. The FPA will also help with any future dispute or complaint.

**It is not the role of the FPA to recommend a funeral plan to customers or indeed recommend any particular plan provider, other than to highlight the importance of FPA registration. However, we do think it is helpful to explore some of the potential pros and cons of funeral plans.**

## Pros of Pre-Paid Funeral Plans

The first benefit of a pre-paid funeral plan is peace of mind. The death of a loved one is incredibly stressful and upsetting, so knowing that at least some of the financial burden and planning is taken care of reduces some of this distress. Individuals who choose a pre-paid funeral plan can rest assured that their family won't have to deal with all the stress and logistical challenges of organising a funeral and raising the funds, all while grieving a huge loss.

Another benefit is that you can ensure that you'll have the funds, either fully or partially, in place to pay for the send-off you want. You can make arrangements and choose specific details that may otherwise be missed, so you can be sure that your funeral will go ahead as you imagined. This also ensures that the scope for family and friends debating your wishes is significantly reduced.

Depending on the plan you choose, you can avoid the rising costs of funerals by essentially fixing your funds in place to pay for the funeral you want at the current price of the plan. This removes a substantial part of the risk of your family being unable to give you the funeral you wish because of financial constraints – fixing your funds with a pre-paid plan alleviates this worry.

## What are the Cons of a Funeral Plan?

There are some potential cons to consider. Firstly, you need to find the funds in advance of your death either as a lump sum or as regular payments which may be a burden for some.

It's also important to remember that not all costs are covered – most plans don't include every aspect of a funeral, such as the church service or any wake, for example. So, while a cost-effective option, your relatives may still need to pay something towards the funeral for items not covered by the plan. This is a key reason to ensure you know what is and is not covered and to communicate this to those who may be arranging matters after your death.

If you envisage moving home to a different part of the country you should ensure that the plan you are buying allows this to happen and the conditions and any potential costs are clear to you. Different plans have different approaches.

Additionally, funeral plans are not suitable for someone who could die imminently. If you believe your death is imminent then you should take care in ensuring any plan is providing you with genuine value over the alternative of paying for the funeral when the time comes.

## Conclusion

A pre-paid funeral plan allows you to spread the cost of your funeral, so the majority of the fees are paid for in advance to protect your loved ones from the financial burden. It also allows you to specify what **you** want for **your** funeral. With an FPA-regulated provider, you

can be sure that they are subject to independent scrutiny on an on-going basis. We recommend that all customers fully understand any plan they are buying to ensure it meets your needs.