

31 May 2024

**Final report by the Complaints Commissioner****Complaint number 202300742***The complaint*

1. On 8<sup>th</sup> January 2024, you asked my office to review a complaint about the FCA and its handling of Safe Hands Plans Limited (“Safe Hands”).

*What the complaint is about*

2. The FCA summarised your complaint as follows:

*“You told us that Fairer Finance, the Funeral Planning Authority (FPA) and Dignity made the FCA aware in 2017 that Safe Hands was not following the rules in the Regulated Activities Order (RAO) under the Financial Services and Markets Act 2000 (FSMA) in relation to pre-paid funeral plans which exempted them from regulation. Therefore, you believe that Safe Hands was carrying out a regulated activity without the relevant permissions and the FCA failed to act. 20 September 2023 Our Ref: 210369493 2 As part of this, you said: - While the legislation was very clear that firms would be subject to FCA regulation if companies did not follow strict rules, the FCA did not police this important part of its perimeter at all. - Once legitimate concerns were raised with the FCA about Safe Hands in 2017, no action was taken.”*

*What the regulator decided*

3. Having conducted an investigation into your complaint, the FCA decided not to uphold it.

*Why you are unhappy with the regulator’s decision*

4. You are unhappy with the regulator’s decision because you believe that: *“the FCA, the Treasury, the trustees regulator all failed by varying degrees to Look*

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*after the interests of Safe Hands customers. I received a reply from the FCA turning down my complaint with a 10 page summary Of lawyer /solicitor speak that to me was mostly nonsense. The bare facts from my point of view is that the owner and the trustees were allowed to plunder the (ring fenced) fund of millions of pounds under the noses of various government departments with only pensioners like myself non the wiser what was happening.. I am 84 years old and I paid nearly £7000, for myself and my wife's funerals only for it to be used to fund the lifestyle of a wannabe racing driver."*

#### ***Background to Safe Hands and the FCA's Regulation***

5. By way of background information, Safe Hands was incorporated on 30<sup>th</sup> January 2014 to provide pre-paid funeral plans to plan holders.
6. At the time, the regulatory regime applicable to funeral plan providers contained an exemption set out in Article 60 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (RAO). This is a matter for Parliament not the FCA.
7. Safe Hands was exempt from the regulation by the FCA because of the legislation. On 23<sup>rd</sup> March 2022, Safe Hands went into administration leaving some 46,000 plan holders, including yourself, concerned about the effect this would have on the instalments made.
8. I understand your frustration at the fact that individuals were able to take advantage of the legislation to cause harm to customers. However, the legislation at the time allowed funeral plan providers to operate without FCA approval if such providers could satisfy certain criteria set out in the legislation.
9. As Safe Hands was operating within the terms of the exemption, the FCA had limited powers in relation to the firm. For example, the FCA could only intervene if the firm was breaching the RAO or if the FCA knew about criminal activity at the firm: neither of which happened here. Therefore, the FCA had no power to intervene.
10. There is currently an investigation by the Serious Fraud office (SFO) into Safe Hands, which does have the remit to investigate allegations of fraud in the circumstances.

11. I am extremely sympathetic to your situation. However, the legislation (made by Parliament) did not give the FCA any power in relation to the matters about which you complain. You may wish to raise these issues with your MP.

*My decision*

12. In view of the above, I agree with the FCA's decision and do not uphold your complaint.

Rachel Kent  
Complaints Commissioner  
31 May 2024