Forbearance Policy

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Version Control

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Document Governance

Policy Owner	Kim O'Shea
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1. Introduction

This document outlines the forbearance policy for funeral plans purchased via instalment plans directly with Golden Leaves Ltd. The purpose of this policy is to provide guidance on how the firm handles requests for forbearance due to financial difficulties or other exceptional circumstances.

2. Scope

This policy applies to all customers who have entered into a funeral plan agreement and are paying by instalment plans administered directly by Golden Leaves Ltd. It does not apply to funeral plans purchased via credit agreements, which are subject to the terms and conditions of the lender, Funeral Safe, as outlined at the point of agreement.

3. Definitions

The firm has defined the following in relation to this policy:

- Forbearance: A temporary suspension, reduction of instalment payments and/or downgrade of plan purchase due to financial hardship or other valid reasons.
- Instalments: Regular payments made towards the total cost of the funeral plan.

4. Eligibility Criteria

To be eligible for forbearance, customers must meet the following criteria:

- Remaining Payments: The customer must have more than three payments left on their instalment plan.
- Missed Payments: The customer must have missed two consecutive payments within the instalment schedule.
- Communication of Hardship: The customer must communicate financial hardship or other significant circumstances to the firm via email, telephone, or letter.

5. Request Procedure

Customers seeking forbearance must follow these steps:

1. Submit a written and/or telephone request for forbearance.
2. Provide an explanation of the circumstances.
3. Provide relevant supporting documentation to substantiate the request, where required.
4. Complete the financial review form with Finance function as required to process the request.

The Finance function will handle forbearance requests at the point of customer enquiry. A dedicated credit controller will initiate contact to complete the Review Process. If further information is needed, the customer may be asked to provide supporting documents, such as financial statements or medical certificates, to substantiate their claim.

6. Review Process

Upon receiving a forbearance request, the Finance function, specifically the Credit Control team, will:

- Acknowledge receipt within five working days of the forbearance request.
- Review the request and any supporting documents.
- Complete an assessment of the customer's situation via telephone and determine eligibility using a Financial Review Form.
- Notify the customer of the outcome within five working days of receipt acknowledgment.

The review process includes the following steps:

- Review the customer account to establish:
    - Plan purchase date
    - Plan type
    - Instalment plan duration
    - Number of successful payments
    - Number of unsuccessful payments
- Complete a Financial Review Form with the customer via telephone, detailing:
    - Date contacted
    - Financial circumstances
    - Summary of the discussion

7. Forbearance Options

The forbearance options are designed to assist customers experiencing financial strain while maintaining an active funeral plan. Full payment of the instalment schedule is required to realise the full value of the plan at the point of maturity. Depending on the assessment of the customer's financial situation, the following forbearance options may be available:

- **Repayment Holiday:** A temporary suspension of instalment payments for a period of up to six months, with no additional interest or charges during this period. If a customer is granted a three-month repayment holiday and requests further assistance at the end of this period, additional support may be provided. However, the total repayment holiday cannot exceed six months.

- **Reduced Instalments:** A reduction in the instalment amount, with adjustments to the repayment schedule. Customers will be informed of any additional costs due to extended repayment periods.
- **Plan Downgrade:** An option to downgrade the plan to a more affordable option, subject to terms and conditions.

Further details on the implementation of these options, including customer communication and documentation requirements, are outlined in the accompanying Forbearance Procedure document.

8. Terms and Conditions

At point of purchase, the firm has not included specific reference to forbearance in its terms and conditions. Each request is treated on a case-by-case basis and is applied on exceptional circumstances to enable the support of customers in financial difficulties. In line with the regulatory expectations of Consumer Duty this policy has been developed to underpin a framework of consumer support and understanding to enhance outcomes for consumers.

Terms and conditions refer to non-payment of instalments and the relevant timeframe for cancellation from the point of notification by the firm.

9. Cancellation

If no suitable forbearance option is available for the customer, this should be documented in the Financial Review Form, and notification of the plan cancellation should be sent to the customer by email or letter. While every effort will be made to support customers facing financial difficulties, forbearance options are limited to those outlined in this policy and depend on the customer’s continued ability to meet the payment schedule following forbearance approval.

Should forbearance be unfeasible, the firm will proceed with the cancellation of the plan in consultation with the affected customer, with any applicable fees deducted in accordance with the cancellation terms and conditions provided at the time of purchase. Prior to cancellation, the customer will be informed of all relevant forbearance options in this policy, and a record of this communication will be retained on the customer’s account within the Financial Review Form.

10. Responsibilities

The responsibilities for forbearance considerations are threefold in relation to this policy:

- **Customer Responsibilities:** To inform us promptly of any changes in their financial situation and to adhere to the terms of the forbearance agreement.

- **Golden Leaves Responsibilities:** To provide a fair review process and timely response to forbearance requests.
- **Finance Responsibilities:** To action forbearance requests and provide a written outcome to customers detailing the options available and/or the reasons for any decline.

Initial responsibility for notifying financial difficulties rests with the customer. However, if a customer fails to meet the payment schedule of their instalment plan, consideration of financial difficulty should be acknowledged at the point of contact when initiated by Golden Leaves.

11. Vulnerability

Customer notification of financial difficulty serves as an indicator of vulnerability and will be handled in accordance with the firm's regulatory expectations under Consumer Duty. Principally, the Consumer Support outcome ensures that appropriate options are made available to customers via this forbearance policy.

When customers notify the firm of financial difficulties, this must be recorded within the customer account in the CRM system under the 'Vulnerabilities' section. In relation to forbearance, the vulnerability should be recorded under the 'Resilience' type and 'Financial Difficulty' sub-type to ensure accurate records and appropriate handling of customer accounts. Given the fluid nature of financial situations, customers may move in and out of vulnerability, which can be recorded in the CRM system via a 'Start Date' and 'End Date'.

12. Training and Awareness

All staff involved in the administration of funeral plans and the handling of forbearance requests will receive regular training on the policy, its procedures, and the importance of supporting vulnerable customers. Training will be updated following any changes to the policy or related regulations.

13. Complaints Handling

In the event a customer is dissatisfied with the outcome of their forbearance request they are entitled to make a complaint which will be handled in accordance with the firm's complaint handling policy. Customers will be provided with the relevant contact information at the point of expression of dissatisfaction and/or request to make a complaint.

14. Monitoring and Reporting

The effectiveness of this policy will be monitored via monthly reporting provided to the Compliance and Risk Committee. This will include the following:

- Volume of requests
- Number of requests approved
- Number of requests declined
- Types of options approved
- Initial plan purchase types
- Volume of repayment holidays in place
- Volume of downgrades
- Volume of extended instalment plans

This monitoring will enable the firm to ensure that customers are receiving adequate support in line with the policy, and that the review process is completed in a fair and balanced manner, considering both customer and commercial considerations.

15. Policy Review

This policy will be reviewed annually by the Head of Regulation or as required due to changes in regulation or internal procedures. The review will assess the effectiveness of the policy in supporting customers in financial difficulties and ensuring compliance with regulatory requirements. Any updates to the policy will be communicated to all relevant staff and stakeholders.