

Press Release: 09 September 2025

FAIS Ombud Orders Payouts in Multiple Complaints Against Luvuyo Burial and Consulting for Unpaid Funeral Claims

The Office of the Ombud for Financial Services Providers (FAIS Ombud) has ruled in favour of three consumers who lodged complaints against Luvuyo Burial and Consulting (Pty) Ltd (FSP No. 47550). Despite faithfully paying their premiums, the consumers were placed under financial strain when the provider failed to honour their valid funeral claims.

In each case, the Ombud ordered Luvuyo Burial and Consulting to settle the unpaid policy benefits with interest, pointing to repeated violations of the Policyholder Protection Rules (PPR) and the Treating Customers Fairly (TCF) principles.

Case 1: Claim Rejected Due to Incorrect ID Number

The Complainant had a funeral policy with Luvuyo Burial and Consulting (Pty) Ltd, which was inceptioned on 17 January 2020. She submitted a claim on 30 March 2024 following the death of an insured member under the funeral policy.

On 18 April 2024, she received a Short Message Service (SMS) informing her that the claim was declined due to the deceased's Identity Number (ID) being incorrectly recorded on the policy. In its response, the Respondent claimed that numerous messages were sent to clients regarding the correction of ID numbers; however, the Complainant did not respond. The policy document states that clients are given up to six months after the inception of the policy to make sure that the ID numbers are correct.

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Fairness in Financial Services: Pro Bono Publico

The Respondent was unable to provide proof of the SMS sent to the Complainant, as they were sent in bulk to all clients. The Respondent later offered to settle the matter by paying R10,000 in four instalments of R2,500 each, starting on 7 February 2025. However, no payments were made by the Respondent.

In assessing the matter, the Office considered the provisions of Rule 21 of the Policyholder Protection Rules (PPR)¹, which addresses issues of misrepresentation.

“21.1 Notwithstanding anything to the contrary contained in a policy, but subject to rule 21.2

(a) the policy must not be invalidated;

(b) the obligation of the insurer under the policy must not be excluded or limited; and

(c) the obligations of the policyholder must not be increased,

... on account of any representation made to the insurer which is not true, or failure to disclose information ... unless a reasonable, prudent person would consider that representation or non-disclosure as being likely to have materially affected the insurer’s ability to assess the risk.”

“21.2. The representation or non-disclosure shall be regarded as material if a reasonable, prudent person would consider that the particular information constituting the representation or which was not disclosed, as the case may be, should have been correctly disclosed to the insurer so that the insurer could form its own view to the effect of such information on the assessment of the relevant risk.”

“21.3 If the age of a life insured under a policy has been incorrectly stated to the insurer, the policy benefits must, notwithstanding rules 21.1 and 21.2 and subject to rule 21.4, be those which would have been provided under that policy in return for the premium payable had the age been correctly stated.”

Furthermore, the Respondent failed to comply with Treating Customers Fairly (TCF) Outcome 6, which requires that *“customers do not face unreasonable post-sale barriers when they want to change a product, switch providers, submit a claim, or make a complaint.”*

The Office found that only the very last digit of the deceased's ID number was reflected incorrectly. The age was still correct. The incorrect ID number did not materially affect the insurer's ability to assess the risk under the policy concerned at the time of issue or any variation thereof. The claim was valid, and the benefit must be paid to the Complainant.

As a result, the Respondent was ordered to pay the Complainant R10,000 together with interest on the said amount at a rate of 11.25% per annum from the date of the determination until the date of final payment.

[Access full determination here...](#)

Case 2: Claim Unpaid Despite Acknowledgement

The Complainant has had a funeral policy with the Respondent, Luvuyo Burial and Consulting (Pty) Ltd, since 6 May 2020. On 25 June 2024, following the death of a listed member under the policy, he submitted a claim of R10,000. However, despite his attempts to follow up with the Respondent, the Complainant did not receive the claim payout.

The Respondent did not deny any aspects of the complaint and, on 23 January 2025, agreed to pay the Complainant R4,000 on 31 January 2025 and R6,000 at the end of February 2025. Despite this acknowledgement, no payments were made. Even after numerous follow-ups by this Office, the claim still remained unpaid.

In assessing the case, the Respondent's conduct was found to be in breach of the Policyholder Protection Rules (PPR)¹. Rule 2A.8.1 provides that *"An insurer must, within two business days after all required documents in respect of a claim under a microinsurance policy or a funeral policy have been received, (a) assess and make a decision whether or not the claim submitted is valid, and (b) (i) authorise payment of the claim; (ii) repudiate the claim; or (iii) dispute the claim and notify the claimant of the dispute."*

Rule 2A.8.2 of the PPR states that *“If a claim is disputed as referred to in rule 2A.8.1(b)(iii), the insurer within 14 business days after expiry of the period referred to in rule 2A.8.1(a) may further investigate the claim; (b) must make a decision whether or not the claim submitted is valid; and (c) must pay or repudiate the claim.”*

The Respondent failed to render the financial service with due skill, care, and diligence, leading to the Complainant's financial loss. The Respondent was ordered to pay the Complainant R10,000 together with interest on the said amount at a rate of 11.25% per annum from the date of the determination until the date of final payment.

[Access full determination here...](#)

Case 3: Valid Claim Ignored

The Complainant held a funeral policy with the Respondent, Luvuyo Burial and Consulting (Pty) Ltd, and lodged a complaint with this Office on 26 November 2024 after the Respondent failed to fulfil a claim for the funeral benefit of R10,000 in respect of a listed member under the policy.

During the investigation, the Respondent did not dispute the validity of the claim and, on 23 January 2025, agreed to pay the Complainant four equal instalments of R2,500 from February to May 2025. Despite this acknowledgement, no payments were made.

As a result, the Respondent was ordered to pay the Complainant R10,000 together with interest on the said amount at a rate of 11.25% per annum from the date of the determination until the date of final payment.

[Access full determination here...](#)

The Financial Sector Conduct Authority (FSCA) suspended Luvuyo Burial and Consulting's licence as a Financial Services Provider on 17 April 2025, and the licence was subsequently withdrawn on 25 August 2025.

Should you believe that you have been financially prejudiced because of the financial service rendered to you with respect to a regulated financial product, please lodge a written complaint directly with the service provider. If the complaint remains unresolved after six weeks, you can visit our Complaints Portal at www.faisombud.co.za and select 'Lodge Complaint'. Alternatively, you may submit a complaint in writing to info@faisombud.co.za. You can also call our Client Care Centre at (012) 762 5000 or Sharecall at 086 066 3274 for assistance in submitting a complaint.