

Care homes market study – summary of information provided by individuals

On 2 December 2016 the Competition and Markets Authority announced that it was carrying out a market study into care homes for the elderly, to review how well the market works and if people are treated fairly.

As part of the announcement, we said we wanted to hear from care home residents and their relatives who felt they may have been treated unfairly by a care home because of concerns about the fairness of a care home’s contract terms or practices. More details of the type of information we were seeking and how the CMA could be contacted were provided on our reporting page.

We also invited comments from interested parties (including individuals) on the issues raised in our Statement of Scope.

In our Statement of Scope we stated that for transparency we would publish on our website an aggregated and anonymised summary of submissions by individuals relating to personal experiences. This document provides a high level summary of the types of reports we received from residents, their relatives or other individuals between the period of 2 December 2016 and 31 January 2017. It also summarises comments made by individuals on our Statement of Scope.

We would like to thank everyone who took the time to share their experiences with us.

The CMA received 122 ‘contacts’¹ from members of the public covering a wide range of issues. Whilst predominantly these related to self-funded residents, we also received information about issues affecting residents who are solely state funded (such as by a local authority or the National Health Service) and residents whose care fees are partly funded by a local authority and ‘topped up’ by another person, such as a relative of the resident.

The types of issues reported to us are summarised below:

¹ Information provided by email or letter. Of these, nine related to issues which fell outside the scope of the market study.

Initial consumer research

Reported issues include:

- (a) A lack of information about the prices charged by care home providers. This makes it difficult to carry out any comparison on costs between different care homes and value for money.
- (b) Insufficient guidance about the discharge process from hospital and how, at this point, to select and transfer to a care home.
- (c) Difficulties understanding how the costs of staying in a care home are going to be met. The financial arrangements and cost implications are not sufficiently clear to either the prospective resident or to their relatives in advance of their placement.

Enquiries with specific care homes before moving in

Reported issues include:

- (a) A requirement to pay substantial deposits before moving into a care home, often in addition to paying fees in advance.
- (b) A requirement to pay other substantial fees before moving in, such as 'administration', or 'set-up' fees, with little information provided on what the fees specifically cover.
- (c) A lack of information about care home costs and pricing structures, including a lack of transparency about what processes are used for determining the level of care needed.

Contracting with a care home – the 'moving in' stage

Reported issues include:

- (a) Residents or their representatives not being provided with a contract before moving into a care home.
- (b) Having insufficient time to read and consider the contract properly.
- (c) Care home staff not taking time to explain the contract thoroughly.
- (d) Insufficient or confusing information about the responsibility of and financial implications for a relative (or other individual) of being a guarantor.

During the contract – when the resident lives in the care home

The majority of issues reported to us related to things which happened (or came to light) once a resident had moved into a care home. Reported issues include:

- (a) Self-funders paying more than state funded residents for equivalent care home services.
- (b) Dissatisfaction about the size of fee increases, for example the resident or relative considers these to be unreasonable.
- (c) A lack of explanation about how fee increases are calculated and justified.
- (d) A lack of clarity around NHS Funded Nursing Care (FNC) contributions and how this impacts on the weekly fees payable by residents.
- (e) Backdating of fees.
- (f) Confusing invoicing processes, which make it difficult for residents or their representatives to understand and keep track of payments.
- (g) Additional 'surprise' charges, for example being charged for accompanied visits to medical appointments, purchasing medical supplies, 'surcharges' for processing payments.
- (h) An inability to move homes following a fee increase. The potentially adverse impact on the residents' health and well-being that may result from moving to another care home means that residents and relatives feel they effectively have no choice but to pay the increased fee (rather than move to another care home).
- (i) A reluctance to complain because of a fear of reprisals, including notice being served on the resident to leave.
- (j) Where the complaints process has been used, it was ineffective, either because the complaint was not addressed properly or the internal complaint processes were either not followed or were procedurally flawed.

Terminating the contract

Reported issues include:

- (a) Being charged fees for extended periods after a resident has died and their room has been emptied (including paying to cover any shortfall in state funding which stops immediately on a resident's death).
- (b) Deposits not being refunded in full, even though all fees have been paid.

(c) Some fees not being refunded or partly refunded.

Additional comments received from individuals on our Statement of Scope include:

- (a) Some local authorities favour their own care homes over independent care home providers, when purchasing care home services.
- (b) The study should take account of funding for the care homes sector and how funding levels affect the market.
- (c) It is unfair that the fees paid by local authorities for places in care homes can be lower than those paid by self-funders.
- (d) The current system of public funding for places in care homes involves input from a number of agencies in terms of the assessment process, and they do not speak to each other. There needs to be better communication between parties and clearer information on their roles in assessing the needs of prospective residents.
- (e) Experience of insufficient choice of care homes and a lack of available beds in care homes that met an individual's specific needs. The lack of availability resulted in a longer stay in hospital for the individual.
- (f) The study should take account of reports of care home managers denying access to families of residents who have complained about or said that they are dissatisfied with a particular care home.