



Competition and Markets Authority  
Care Home Market Study

Written evidence from Later Life Ambitions

Later Life Ambitions brings together the collective voices of over 250,000 pensioners through our organisations – the National Federation of Occupational Pensioners, the Civil Service Pensioners’ Alliance, and the National Association of Retired Police Officers.

Later Life Ambitions welcomes the Competition and Markets Authority’s Care Homes Market Study update paper. The CMA’s findings echo the problems experienced by many of our members in accessing, and funding the care they need.

As health almost inevitably declines during later stages of life, the provision of care for the elderly is of huge importance. We would like to see significant change made to the way in which the care home market operates in England to ensure that elderly people and their relatives can make informed decisions about their care.

This submission is a response to question 1 of the update paper. It is based on the direct experience of our members, using their own words wherever possible.

**Do you agree with our analysis of the issues affecting the care homes market? Please provide evidence in support of your views.**

**Complexity of the care home system**

Later Life Ambitions strongly agrees with the CMA’s finding that many people find it challenging to make decisions about care. The social care system and its funding arrangements are hugely complex, and these factors are exacerbated by the time pressured circumstances in which elderly people, and their families often find themselves in.

Choosing a care home is a significant financial and emotional decision, so it is imperative that residents and their families have access to all the information they need to make an informed choice. These concerns were summarised by one Later Life Ambitions member who said: “*we should be looking for a much more open and user friendly system, instead of the apparent cloak and dagger model that currently exists.*”<sup>1</sup>

The complexity of the social care system is further compounded by the social care funding model. Different funding sources and various eligibility criteria add to the stress experienced by residents and family members when choosing a home. Many of our members raised this as a specific issue, with one describing the lack of transparency of funding as their “*single biggest issue.*”<sup>2</sup>

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<sup>1</sup> See appendix 1

<sup>2</sup> See appendix 1

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Later Life Ambitions agrees with the CMA's assessment that while there are many useful sources of information available to residents and their relatives, there is no one authoritative source that people are directed to. The provision of information for state-funded residents varies greatly in different local authorities, while self-funded residents often find it difficult to access prices, terms and availability of beds from care homes on websites.

We are encouraged by the CMA's possible recommendations in this area. In particular, we would like to see the idea of a "care navigator" developed further. This would give residents and their families a single point of contact enabling them to make an informed decision with the support of an independent and trusted adviser.

## **Complaint and redress systems**

Given the complexity of the care-home system, it is vital that residents and their families have access to an effective complaints and redress system.

Although there are statutory obligations for care homes to have a complaints procedure, many of our members are not aware of how to make a complaint. The lack of oversight from an independent body was also identified as an issue, as well as concern about possible retaliation to family members living in the care home.

Later Life Ambitions firmly agrees with the CMA's recommendations that all care homes should introduce a complaints system – following a model process – which is clearly sign-posted, easily accessible, and with means of escalation if necessary. We would also recommend that the Care Quality Commission has enhanced oversight of this process.

## **Improving consumer protection**

Later Life Ambitions welcomes the CMA's decision to open a consumer protection case to investigate concerns about certain care homes charging families for extended periods after a resident has died, and homes charging large upfront fees. These practices are wholly unfair at what is an already distressing time for relatives.

Many of our members told us that they have direct experience of these practices. Some members said that they were charged excessive up-front fees by homes before being considered for a place. These fees included non-refundable administration charges, health assessment charges, and one-off management fees. For example, one member told us:

*"With regards to up-front expenses I had to pay, prior to my mum even being considered for a place in the home, £2,000 for an assessment to be undertaken, which was a tick box questionnaire and the recording of mums medical history. From start to finish it took about 30 minutes."*<sup>3</sup>

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<sup>3</sup> See appendix 2

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Other members told us that they were charged fees for an extended period following the death of a resident. Members remarked that while the charges were often stipulated in the terms and conditions the process allowed care homes to double charge for the room; one charge from the former resident, the second from the new resident:

*“When my late mother died, I was charged the full 14 days’ fees as in the terms and conditions despite the fact that the room was cleared within 48 hours which means they could have two fees over that period.”<sup>4</sup>*

Our members have had experience of the other practices that the CMA highlights in the update paper. Some highlighted that the care home would not reduce weekly fees when the resident was away from the care home, despite residents not receiving any care or food during this time.

There was also concern about how NHS Funded Nursing Care contributions, and Continuing Health Care are approached by providers. In particular, members did not understand why some providers did not account for this funding on invoices. One member said: *“surely the firm should declare the income to the customer, show the full price of care, and deduct the monies received?”<sup>5</sup>*

## **Price difference between local authority and self-funded residents**

We are particularly concerned about the high costs that self-funders pay in care homes and how this is used to cross-subsidise those who rely on the local authority to cover the cost of their care. For example, a typical self-funding resident in a care home in England is charged £754 a week while their local council pays only £511 for exactly the same provision. Later Life Ambitions members identified this issue as being *“grossly unfair,”<sup>6</sup>* with one member saying that it *“discriminates against those who pay their own fees.”<sup>7</sup>*

We welcome the CMA taking steps to understand why price differentiation arises between self-funders and those who rely on the local authority. We would urge you to ensure that self-funding residents are not treated unfairly in the system.

## **Further information**

Later Life Ambitions would be delighted to provide further evidence to the CMA.

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<sup>4</sup> See appendix 3

<sup>5</sup> See appendix 4

<sup>6</sup> See appendix 5

<sup>7</sup> See appendix 5

## Appendix – Later Life Ambitions members' experiences

The below are direct quotes from our members which have been anonymised.

1. “My single biggest issue is the lack of transparency for service users on how to claim financial help through the system called ‘Continuing Nursing Care’ and the widespread differences across the country on how this offer is interpreted by CCGs. All CCGs hold a sum of money which is ringfenced for this service but not sure if it goes back into the main CCG budget at the end of each financial year?

“We should be looking for a much more open and user friendly system instead of the apparent cloak and dagger model that currently exists. We should ask CCGs to publish in the Annual Report the sum of money that they hold each year for Continuing Nursing Care and how much of it gets spent.”

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2. “Due to dementia, my mother had to (for the last six months of her life) go into a care home. I chose the home in question as it had good reviews and did palliative care. The home was part of the [name redacted] group. With regards to the up-front expenses I had to pay, prior to my mum even being considered a place in the home, £2,000 for an assessment to be undertaken, which was tick box questionnaire and the recording of mum’s medical history. From start to finish it took about 30 minutes. (I did question the cost which was reduced to £1,000) and then pay a further refundable deposit of £2,000.

“During her short stay before she passed away, mum had intervals (weeks at a time depending on her medical needs) in hospital totalling around two months. We had to pay in full during her time away from the home. There was no reduction in her fees of a £1,050 per week. There was no recognition that she was not receiving any care or food during this time.

“When she passed, we had to pay 7 days rent again in full ... being told that it allowed us a week to empty her room. I did get my deposit back but it took two months and lots of emails and phone calls. Whilst mum was in the home she was cared for in a professional and caring environment and I have no complaints on that side of things. Any of my concerns were dealt with in an appropriate manner.”

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3. “I have had experience of a care home called [name redacted] in Stratford-upon-Avon where my late mother was a resident firstly on respite then from March to November 2016. When my late mother died, I was charged the full 14 days’ fees as in the terms and conditions despite the fact that the room was cleared within 48 hours which means they could have had 2 fees over that period. I believe that if the home insist on charging for 14 days then it should be at a reduced rate or are they using the fees to do the room up for the next resident?”
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4. “My mother is a resident in a care home suffering from dementia. She has sufficient amounts of savings to be a full fee payer, until May 2016 when her money has gone to the threshold where the local authority takes over a percentage of the fee. A total of £3,650 per month.

“The local authority took 6 months to set up the package. My mother has been a resident in the care home for 7 years, under constant supervision of social services, but they still had to go through the system fresh.

“My mother also receives an allowance from the NHS, which is paid direct to the nursing home firm [name redacted]. This has been paid since she became a resident. This sum is £8,125 this year.

“I have asked for an account of where this money is going and why this is not displayed on the invoices. The money is not deducted from the cost of my mother’s charge. I was told it was for her nursing care.

“Surely the firm should declare the income to the customer, show full price of care, and deduct the monies received.”

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5. “There is one thing which I think is grossly unfair and should be brought out in the open. It is the fact that councils can and do negotiate lower fees for their care home residents than for people who have to pay their own fees. This means obviously that those who pay their own fees have to pay more.

“A care home does this so they can get a large proportion of ‘regular’ clients from the local council, but in these days of equality I think this should be illegal as it discriminates against those who have to pay their own fees.”

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6. “I have had a lot of experience in this issue in recent years, both my parents are in self-funded care. They are well looked after but at great personal financial expense. We are all generally pleased with the care and support they receive, but there are numerous administrative issues that cause concern and aggravation. I am also going through something similar with my wife's parents. The situation is difficult to manage and deal with.”