



Citizens Advice Scotland response CMA Funerals market study

Citizens Advice Scotland (CAS), our 60 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Advice for Scotland provides information on rights and helps people solve their problems.

In 2015/16 the Citizens Advice network in Scotland helped over 310,000 clients in Scotland alone and dealt with over one million advice issues. With support from the network clients had financial gains of over £120 million and our Scottish self-help website Advice for Scotland received over 4 million unique page views.

Citizens Advice Scotland welcomes the opportunity to provide evidence to the Competitions & Markets Authority. This response is largely based on the CAS 2016 report 'Funeral Poverty in Scotland: A Review for the Scottish Government'¹ and our ongoing work, since 2014, reporting the costs of burial and cremation charges across Scotland².

Competition and transparency in the provision of funerals

In relation to competition and transparency in the provision of funerals, as highlighted in CAS (2016) 'Funeral Poverty in Scotland' the funeral industry is unregulated meaning anyone can set up a business and call themselves a funeral director. There are two principle trade associations, The National Association of Funeral Directors (NAFD) and The Society of Allied and Independent Funeral Directors (SAIF). Both organisations run inspection and auditing schemes of their members and offer them training, advice and guidance. However, there is no requirement on an individual to be a member of either trade association in order to practise as a funeral director. For any individual who is a member of one of these bodies and then later are excluded due to not adhering to their code of practice they are not prevented from continuing practicing as a funeral director.

Additionally, within Scotland an Inspector of Funeral Directors has been appointed by the Scottish Government. Following her review of the funeral profession further recommendations in relation to how this is regulated are expected. CAS welcomes her focus on care and a high level of service. As part of that we would emphasise the importance of consumers receiving transparent information which can easily be compared.

Both the NAFD and SAIF require their members to display their price lists, and to ensure a copy is available to customers when arranging a funeral. They also require members to provide a written itemised estimate to customers. However, there is no standard wording to describe these items and it may not be clear what is required and what the customer could

¹ https://www.cas.org.uk/system/files/publications/funeral_poverty_in_scotland_0.pdf

² Our most recent report can be viewed online,

https://www.cas.org.uk/system/files/publications/cost_of_saying_goodbye_2017.pdf

provide themselves. This means that for consumers it can be difficult to compare one funeral director's charges with another. Given that consumers will be making these decisions at a difficult time when they are grieving a loved one it is key that information is provided in as clear a manner as possible. Therefore, CAS would recommend that, in addition to being required to provide price lists and itemised estimates, there should be a standardisation of the language and terms used across the industry to allow consumers to compare the costs of different funeral directors.

Moreover, there is an argument for the development of a standardised descriptor of a 'simple' funeral, with all funeral directors being required to issue an itemised price list, displayed on their premises and on their websites. This would allow consumers to compare different companies in an informed manner.

In carrying out our research for 'Funeral Poverty in Scotland' consumers raised the issue of upselling of coffins by funeral directors. A number of people we spoke to suggested that consumers were being led to mid-range coffins as a starting point. We were informed by funeral directors that this was not permitted under the trade association's codes of conduct and was not considered good practice. Nonetheless, as mentioned previously, not all funeral directors are members of trade associations so a requirement on funeral directors to ensure consumers were aware of all coffins available, at all prices, would be welcomed. In order to ensure there is no harm to consumers we would welcome information on all aspects related to the cost of a funeral being provided in a transparent manner, with a requirement that consumers be provided with information related to a variety of options, including low cost options.

The scope of market study also asks about the provision of information online. Consumers should be able to access information in a number of ways, however, it is important to recognise that not all consumers have the ability or skills to access information online. A recent CAS report³ undertook a survey of over 1,200 Citizens Advice Bureaux clients and found that: one third of respondents either had difficulty using a computer (18%) or simply cannot use one at all (16%); almost one in every five respondents never use the internet (18%); and around half of respondents could not download, complete, save, or upload electronic forms independently. On average around 31% of respondents are not able to undertake these tasks at all, and 21% require help. A small proportion of respondents (11%) were able to manage these skills on their own, but experienced difficulties doing so.

It is also important, if something goes wrong, for consumers to have a clear and straightforward way in which to make a complaint against a funeral director. Members of NAFD are able to have complaints conciliated and arbitrated by the Funeral Arbitration Scheme (FAS). IDRS Ltd provide these schemes and they are recognised as an Alternative Dispute Resolution (ADR) provider by the Chartered Institute of Trading Standards. SAIF members have a similar scheme they can access which is also provided by IDRS Ltd, called the Independent Funerals Directors Arbitration Scheme (IFDAS). However, CAS has some concerns about the fees levied on consumers who make complaints through these schemes.

³ Disconnected: Understanding digital inclusion and improving access, Citizens Advice Scotland, 2018, https://www.cas.org.uk/system/files/publications/cas_disconnected_report.pdf

In relation to FAS, whilst the initial registration fee is limited to £50 for the consumer, the rules of the process state that an award of funeral directors costs in the arbitration process can be made against the consumer⁴. This is currently £500+ and we believe that being held potentially liable for such a high level of fee could act a barrier and will discourage some who may wish to make a valid complaint. The fee levied on the consumer for IFDAS is a much higher - £200 at point of complaint - again meaning accessing a level of complaints resolution is expensive to the consumer. While the justification for fees is made on the basis of reducing the risk of vexatious complaints it has not been proven that providers of free to access dispute resolution are regularly targeted by those bringing unsubstantiated or vexatious complaints⁵. CAS is concerned that these fees could reduce the likelihood of a consumer pursuing a complaint.

⁴ Arbitration Service Rules, Funeral Arbitration Scheme

(<http://www.cedr.com/idrs/documents/150714155832-fas-arbitration-rules-2012-edition.pdf>)

⁵ Alternative Dispute Resolution for Consumers, National Association of Citizens Advice Bureaux, 2014

(https://www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/adr-consultation-response--branded-.pdf)

Crematoria market power

As highlighted above, CAS has reported on burial and cremation charges annually since 2014⁶. Increasing information and transparency was one of the benefits of these reports. We would also like to highlight that the Burial and Cremations (Scotland) Act 2016 introduced a legal duty on local authorities to provide their burial and cremation charges on their website which will hopefully assist consumers seeking this information.

In the most recent report, The Cost of Saying Goodbye (2017) CAS reported that the average increase in cremation charges in Scotland since 2016 was 3%. Privately owned crematoria, on average increased their charges slightly more than local authority crematoria, 4% compared to 2.4%. The difference between the most expensive and the least expensive local authority cremation charges was £284.30. This is a small decrease of £12.70 or 4% from 2016⁷.

In the 2017 Cost of Saying Goodbye report a comparison was also made between figures from 2014 and 2017. Since 2014 the local authority with the highest increase in cremation costs both in terms of percentage and monetary value is Highland with an increase of 79% or £385. They have moved from having the lowest local authority cremation charges in 2014 to having the highest local authority cremation charges in 2017.

Cremation charges have increased on average by 17% between 2014 and 2017⁸. The increase in cremation charges in local authority crematoria in Scotland is higher than the increase in private cremation charges in Scotland, 22% compared to 13% in private crematorium. The large increases in Highland and South Ayrshire may have skewed this figure.

Although cremation costs vary across Scotland they are cheaper than a burial in all areas of Scotland. CAS' 'Funeral Poverty in Scotland' report found that in recent years many crematoria had made changes in order to meet regulations, such as installing mercury abatement measures. To a certain extent this may explain the difference in prices. Nonetheless, it can be seen that prices tend to be lower in areas where there are multiple crematoria for people to choose from. The most expensive crematoria tend to be in areas where a single private operator is the only one within a significant radius. Conversely however some private crematorium have fees cheaper than that of some local authorities. This may suggest that, in some areas, where there are more crematoria competition is greater and this means that consumers pay less for their services.

⁶ The Real Deal, Citizens Advice Scotland, 2014, <https://www.cas.org.uk/system/files/publications/Real%20Deal%20-%20Funeral%20Costs.pdf>; The Cost of Saying Goodbye Citizens Advice Scotland, 2015, https://www.cas.org.uk/system/files/publications/the_cost_of_saying_goodbye.pdf; The Cost of Saying Goodbye Citizens Advice Scotland, 2016, https://www.cas.org.uk/system/files/publications/cost_of_saying_goodbye_2016_digital_1.pdf; and The Cost of Saying Goodbye Citizens Advice Scotland, 2017, https://www.cas.org.uk/system/files/publications/cost_of_saying_goodbye_2017.pdf

⁷ Detailed figures can be seen in Appendix 1

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This report also found that generally the range in prices for cremation (£380) is significantly less than the range in prices for burials in Scotland (£2,100). There are also a number of low cost options being introduced. As reported by Royal London, the popularity of 'direct cremations' are increasing⁹. There is not a standard direct cremation but one could include not having a ceremony as part of the cremation or having the cremation ceremony in a less popular time slot. CAS welcomes consumers having increasing options when making choices about how to provide their loved one with a send-off after their death. However, it is important that, regardless of the cost, certain standards of care of the deceased are maintained. Additionally, we would emphasise that we would not want any consumer to feel that have to take a low cost option when they do not wish to do so as this could lead to feelings of guilt and negatively impact their grieving process. It is important that the consumer can give their loved one a dignified funeral which demonstrates the respect they had for them.

⁹ A False Dawn, Royal London, 2017, <https://www.royallondon.com/Documents/PDFs/2017/Royal-London-National-Funeral-Cost-Index-2017.pdf>

Appendix 1

Table 1: Cremation charges across Scotland 2017, from highest to lowest

Rank	Crematorium	Ownership	Cremation Charge 2017	Change 16/17
1	Dundee	Private	£ 999.00	£69.00
2	Moray	Private	£ 999.00	£65.00
3	Parkgrove, Angus	Private	£ 999.00	£65.00
4	Holmsford Bridge, Irvine	Private	£885.00	£70.00
5	Highland	Local Authority	£870.00	£21.00
6	South Ayrshire	Local Authority	£827.00	£39.00
7	Holytown	Private	£800.00	£64.00
8	West Lothian	Private	£800.00	£30.00
9	Melrose Crematorium	Private	£800.00	£30.00
10	Baldarroch Crematorium	Private	£795.00	£0.00
11	Roucan Loch, Dumfries	Private	£775.00	£30.00
12	Perth and Kinross	Local Authority	£749.00	£0.00
	Scottish Average		£743.78	£25.23
13	City of Edinburgh	Local Authority	£735.00	£27.00
14	Houndwood Crematorium	Private	£720.00	£0.00
15	City of Aberdeen	Local Authority	£693.00	£0.00
16	Seafield, Edinburgh	Private	£692.00	£7.00
17	Warriston, Edinburgh	Private	£692.00	£7.00
18	Fife	Local Authority	£663.00	£21.00
19	Craigton, Glasgow	Private	£652.00	-£53.00
20	Argyll and Bute	Local Authority	£647.00	£19.00
21	West Dunbartonshire	Local Authority	£642.00	£25.00
22	Glasgow Crematorium (previously known as Maryhill Crematorium)	Private	£625.00	N/A
23	Paisley	Local Authority	£625.00	£55.00
24	Falkirk	Local Authority	£608.00	£0.00
25	City of Glasgow	Local Authority	£605.00	£6.00
26	South Lanarkshire	Local Authority	£599.40	£0.00
27	Inverclyde	Local Authority	£585.70	£33.70

Table 2: Increases in cremation charges 2016-2017, from highest to lowest (by percentage)

Rank	Crematorium	Ownership	Cremation Charge 2017	Change 16/17
1	Holmsford Bridge, Irvine	Private	£885.00	£70.00
2	Dundee	Private	£999.00	£69.00
3	Moray	Private	£999.00	£65.00
4	Parkgrove, Angus	Private	£999.00	£65.00
5	Holytown	Private	£800.00	£64.00
6	Paisley	Local Authority	£625.00	£55.00
7	South Ayrshire	Local Authority	£827.00	£39.00
8	Inverclyde	Local Authority	£585.70	£33.70
9	West Lothian	Private	£800.00	£30.00
9	Melrose Crematorium	Private	£800.00	£30.00
10	Roucan Loch, Dumfries	Private	£775.00	£30.00
11	City of Edinburgh	Local Authority	£735.00	£27.00
	Scottish Average		£743.78	£25.23
12	West Dunbartonshire	Local Authority	£642.00	£25.00
13	Highland	Local Authority	£870.00	£21.00
14	Fife	Local Authority	£663.00	£21.00
15	Argyll and Bute	Local Authority	£647.00	£19.00
16	Seafield, Edinburgh	Private	£692.00	£7.00
17	Warriston, Edinburgh	Private	£692.00	£7.00
18	City of Glasgow	Local Authority	£605.00	£6.00
19	Baldarroch Crematorium	Private	£795.00	£0.00
19	Perth and Kinross	Local Authority	£749.00	£0.00
19	Houndwood Crematorium	Private	£720.00	£0.00
19	City of Aberdeen	Local Authority	£693.00	£0.00
19	Falkirk	Local Authority	£608.00	£0.00
19	South Lanarkshire	Local Authority	£599.40	£0.00
20	Craigton, Glasgow	Private	£652.00	-£53.00
	Glasgow Crematorium (previously known as Maryhill Crematorium)	Private	£625.00	N/A

Table 3: Increases in cremation charges 2014-2017, from highest to lowest (by percentage)

Rank	Crematorium	Ownership	Change 14-17 - £	Change 14-17 - %
1	Highland	Local Authority	£385.00	79%
2	South Ayrshire	Local Authority	£244.00	42%
3	Argyll and Bute	Local Authority	£139.05	27%
4	Holytown	Private	£147.00	23%
5	Holmsford Bridge, Irvine	Private	£160.00	22%
6	City of Aberdeen	Local Authority	£125.00	22%
7	Parkgrove, Angus	Private	£169.00	20%
8	Dundee	Private	£169.00	20%
9	Moray	Private	£169.00	20%
10	Inverclyde	Local Authority	£98.30	20%
11	Falkirk	Local Authority	£92.00	18%
	Scottish Average		£104.99	17%
12	West Dunbartonshire	Local Authority	£94.00	17%
13	West Lothian	Private	£115.00	17%
14	Roucan Loch, Dumfries	Private	£85.00	12%
15	City of Edinburgh	Local Authority	£72.00	11%
16	City of Glasgow	Local Authority	£43.00	8%
17	Fife	Local Authority	£44.00	7%
18	Paisley	Private	£40.00	7%
19	South Lanarkshire	Local Authority	£34.40	6%
20	Craigton, Glasgow	Private	£32.00	5%
21	Seafield, Edinburgh	Private	£22.00	3%
22	Warriston, Edinburgh	Private	£22.00	3%
23	Perth and Kinross	Local Authority	£19.00	3%
24	Glasgow Crematorium	Private	£0.00	0%