

Citizens Advice response to the Statement of Scope on the Funerals Sector



Introduction

Citizens Advice welcomes the Competition and Markets Authority looking into issues within the funeral market. In the last 12 months, Citizens Advice has helped our clients with 293 issues related to funeral services, and our Consumer Service has advised clients on 384 problems. Whilst not as prevalent as some other issues, problems within the funeral market can result in significant detriment to people who are going through one of the most emotional and stressful times in their lives.

Citizens Advice has previously carried out research in two similar areas: care homes¹ and divorce lawyers². Both of these sectors, like funeral services, are often distress purchases, and leave consumers vulnerable to getting a poor deal when they're going through a difficult time. This can be due to hidden charges, complex pricing, or the challenging market landscape. Furthermore, as is seen in the funeral market, choices are often limited by geography, financial resources and time. We argued for clearer upfront information provision to enable effective and informed choices, and stronger consumer protections. We believe the CMA's study on funeral services is a positive step, and look forward to improvements being made in this market.

We have gathered the following evidence through three channels:

1. We surveyed 14 clients across 5 local Citizens Advice offices on relevant questions from the scope. We acknowledge that these results are not representative however hopefully indicative of some views and experiences of consumers. The survey asked about past experience in choosing a funeral director and future hypothetical situations for those who have not made this choice before. This aimed to provide a wider understanding of how consumers expect to behave in this circumstance, in addition to how they have made choices in the past, and enabled us to collect more responses in the time available.
2. Evidence was submitted from a Project Manager for the Last Rights project at a local Citizens Advice Office. This project is a 1 year pilot providing end-of-life planning support in the Kensington and Chelsea area. They have delivered over 20 workshops for groups of residents and

¹Citizens Advice, [Hidden charges in care homes](#), February 2016.

²Citizens Advice, [Divorced from reality](#), March 2017.

professionals and undertaken 37 cases of individual support, many of which were concerned with funerals.

3. We've drawn case issue statistics from data collected across our local offices in England, Wales and Northern Ireland, in addition to our consumer service.

Background

Citizens Advice welcomes this investigation into the funerals sector. Problems in this sector impact hundreds of our clients in an already challenging time of their lives. As an unregulated market, we see two key issues.

Firstly, we see **customers struggle to navigate a complex market with unclear and expensive pricing**. Bereaved people in general do not approach the organising of a funeral in the same way they would approach any other expenditure of that scale (Money Advice Service calculates the average funeral using a funeral director costing £4,078.)³. They hope to get the matter organised expediently, and they often have no previous experience or expectation of the costs. Pricing tends to be listed according to the how the funeral is 'packaged', with varying additional services included on top of, say, a 'simple' funeral. There is a tendency to mask price differences behind similar 'package' prices. For instance a simple funeral generally costs between £1995 - £2125 in many local companies in West London, but the inclusions and exclusions are very different. Some of these packages allow extras while others are inflexible: if a single variation is wanted, the package is not available and the customer will get an itemised bill. The cost of this might be higher even if the variation was to omit a component of the package. Furthermore, many package prices don't include third party costs, and can be misleading.⁴ Additionally, funeral directors rarely make any enquiry about the mourners' financial means before arranging a suitable funeral. Defaulting customers is a significant problem in the funeral industry, but there are no protections in place to ensure that nobody is sold a service they cannot afford. In addition to this, funeral directors are not always clear about the criteria for DWP Funeral Payments, and some are unwilling to assist their customers with an application, so it is often the case that the customer believes they will get a grant when in fact they are not eligible. This can lead them to commit to a bigger package than they can afford.

³ Money Advice Service, [How much does a funeral cost?](#), 2018

⁴ The Co Operative Funeralcare, [The Simple Funeral](#), 2018

Secondly, **choosing a funeral director is a distress purchase for the majority of people, which leaves customers vulnerable to being mis sold a funeral or exploited for a greater price.** People who have just been bereaved do not practice the same level of financial care or caution when arranging a funeral. There are several reasons for this. Often, people don't have any experience to go on, so don't know what to expect. Being distressed and anxious, they're often happy to accept the first sign of kindness from a funeral director as a sign that the commercial interest will be secondary. People usually have multiple responsibilities and worries, and want to get the matter of the funeral sorted. Because of this, it can feel easier just to hand it over to the 'experts'. Furthermore, because people rarely discuss funeral wishes with each other, there is a tendency to revert to tradition and social pressure. Funeral directors can exploit this to sell costly conventions, rather than openly encouraging their customers to think of a truly personal ceremony.

Response to the Scope

Consumer circumstance and decision making

Consumers are predominantly making this decision at a highly challenging time. Of our respondents, the majority stated that they would choose a funeral director when they have just experienced a bereavement, and a similar number of respondents would do this when someone close to them is very sick.⁵ It is unusual for people to make this choice under alternative circumstances, or because they want to be prepared for future events.

We asked consumers what they felt was the most important factor when choosing a funeral director. A large majority said it was the cost of the service. The quality of the service was also commonly believed to be the most important factor amongst respondents. A minority prioritised the ease of finding out about the services offered, or the distance / time it takes to travel to the funeral director.

Consumers are willing to travel varied distances to speak to a funeral director. Most respondents were either willing to travel to a funeral director under 30 minutes away or to a funeral director under an hour away. Some prefer to stay

⁵ We are avoiding using percentages due to having a base size of 14. As aforementioned, we acknowledge that this research is not representative. We believe it should still be indicative of some of the issues and experiences experienced by funeral market consumers, however.

closer to home, and don't want to travel longer than 15 minutes. Only one respondent was willing to travel for up to 2 hours to see a funeral director.

The market should ensure it reflects consumer behaviour, and the circumstances in which people usually face choosing a funeral director. Consumer protections should be strengthened to ensure that the potential for exploitation is minimised, and people can make a choice free from unobjective influence.

Information provision

We asked respondents at what point information such as low cost funeral options and itemised prices was provided to them. A couple of respondents found this information on the providers' websites. The majority of respondents found this information when they made contact with a service - either through specifically asking for it, or through it being volunteered to them.

Although this information is most commonly volunteered by the provider to the customer, itemised pricing, services offered, and general choice available are often not clear.

"I have never seen a funeral director stating unambiguously what embalming actually involves or that it is unnecessary. I have never seen a funeral company include the option of the cheaper time slots at crematoria in their price lists, or the choice of crematoria with the price difference. I have [also] never seen a funeral company that lets their customers know they can find their own celebrant. A local priest, who had been in charge of his church in [my] area for 4 years, told me he has never been asked to perform a ceremony as the funeral company has always arranged a celebrant for his parishioners before he had a chance to offer."

- Project Manager, Last Rights Project

The market should mandate clear, upfront and unambiguous information on services and pricing to enable consumers to make an informed choice when choosing a funeral director. It should also be made clear when additional services are optional, or where consumers can exercise choice to make the experience more personal or save money.

Evaluating quality

The majority of respondents either have or would rely on word of mouth - such as the positive or negative experience of family or friends - when evaluating the quality of funeral directors. A number of respondents were not sure how they would go about evaluating quality, and one respondent said they wouldn't do this at all. Another respondent said that they would evaluate the quality of a funeral director based on how they advertise the quality of their service. This is concerning as they're completely dependant on the honesty and transparency of the funeral director in question.

"On the whole, funeral directors have excellent interpersonal skills and a basic professional qualification, so their customers usually feel they've been treated with great sensitivity and respect. This can make it harder to be critical or follow up any complaint they may have after the event is over. Many people may also refrain from complaining as they don't want to prolong such an upsetting period."

- Project Manager, Last Rights Project

Clear information on what to expect and what consumers are entitled to should be made available. As people often haven't chosen a funeral director on multiple occasions, this can leave them more vulnerable to substandard service. Measures that enable informed and effective evaluation of quality should be introduced to protect consumers and drive up standards across the market.

Comparing services

We asked respondents if they have or would use a comparison site or similar service when choosing a funeral director. Some respondents didn't know such services existed. The majority stated that they have or would not use such a service when choosing a funeral director. One respondent stated that they "would rather take word from people close to me than a website; it is too personal of a matter to use a comparison site". Another respondents stated "It seems a bit odd to go on comparison sites for something so sensitive. Holiday?

Yes. Funeral? No!”. Other reasons cited for not using such a service included being computer illiterate, thinking it sounds too complicated, and already knowing what director would be chosen.

Some respondents would use a comparison website or similar service, however. One respondent approved of the idea, stating “they would be helpful, I didn’t know they existed”. This is especially the case when customers have difficult budget restrictions - “knowing costs beforehand when you’re on a very limited budget is important.” Such services can have other benefits too. Another respondent said, “I live in a rural area so competition might be quite spread out, but it would have helped me understand what was value for money and what the cost would have been”. The project manager of the Last Rights Project expressed concern about the confusing nature of comparison sites.

“If they know about comparison sites, they may have a look and be confused or overwhelmed – I do, even though I am an everyday user of such services. Many of these services are less than objective (for instance only accepting entries from companies that pay a fee)”

- Project Manager, Last Rights Project

For price comparison services to be effective, there needs to be increased awareness of their existence for consumers. The services must be designed with users at the forefront - ensuring they are as clear, accessible and unambiguous as possible. Funeral companies need to publish all the components of each package with their prices, in addition to the cost of disbursements and any extras. Companies also need to use the same language, so their customers know what they are comparing. Furthermore, services should clearly state when they are not comprehensive comparison sites and operate by taking fees, so consumers are aware there are other options available.

Barriers to choosing a funeral director

There are a variety of barriers that consumers face when choosing a funeral director. We asked respondents what they consider to be the biggest barrier, and an equal number of respondents thought this was either confusing information given by the service, or it being difficult to compare available options. This was reinforced by one respondent, who stated that “funeral directors are unwilling... to publish their charges on their website for easy comparisons”.

One respondent found the biggest barrier to be hidden costs, and another raised the issue of challenging payment requirements. The funeral market commonly demands large upfront payments, and one respondent found the lack of ability to use a payment plan challenging:

“We had a very limited income to bury my dad with - we could not get help from the local authority/government as were working small hours and earning a tiny amount but not claiming any benefits that could passport us to help (too young for tax credits at the time). When I asked if a payment plan was possible I was told no so we ended up doing a memorial fundraiser to pay the cost as we had no other way”.

Whilst there is a variety of barriers to choosing a funeral director, in many cases small changes can be made which can significantly improve the experience of consumers. Actions such as mandating the introduction of payment plans for low income consumers or setting requirements for clear service or pricing information can protect consumers from additional challenges in an already difficult time.

We help people find a way forward

Citizens Advice provides free,
confidential and independent advice
to help people overcome their problems.

We advocate for our clients and consumers
on the issues that matter to them.

We value diversity, champion equality
and challenge discrimination.

We're here for everyone.



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