

CMA Funerals market study – Response from St. Margaret’s Hospice Funerals

St. Margaret’s Hospice has been providing end of life care services in Somerset since 1982. In recent years we have seen an increase in the distress and anxiety of bereaved families when they have been faced with the financial burden of organising the funeral of a loved one. On several occasions families have been left in debt following even the simplest of funeral packages. There has been a reluctance from independent funeral directors to meet the financial shortfall when requested, resulting in deceased patients bodies occupying our mortuaries for several weeks until funding from the WPA have been secured.

In 2017 St. Margaret’s Hospice in Somerset established Hospice Funerals LLP in a joint venture with Low Cost Funeral Limited. The object of Hospice Funerals LLP is to offer advice on the set-up of funeral subsidiaries by hospices in the UK, and to manage those funeral operations on their behalf. The first such operation is St. Margaret’s Hospice Funerals, which began trading in Taunton in January 2018.

The launch of Hospice Funerals followed a major stakeholder consultation programme, detailed market research and careful consideration of the ethical issues involved. Our senior management team and Board of Trustees firmly believe our new funeral service is a logical extension of the hospice’s end of life care, which will significantly address funeral poverty by providing guaranteed, fixed price funerals that fall well below the average funeral costs. Our overall ambition has been to provide a quality service with lower cost options and choice for families in the attempt to reduce the escalating prices charged by some funeral operators, as well as helping to provide families with a seamless, responsive, compassionate and high quality service at such a critical time.

The surplus profits generated from our funeral services are being re-invested into the charity, enabling us to enhance the care and support we provide within our In-patient Units and to those living with specialist palliative care needs in their homes.

Hospices, like the rest of the care sector, are being challenged by squeezes on government funding and an ever increasing ageing population. Our new venture will create a sustainable new source of income to enable us to continue caring for people in Somerset with life-limiting illnesses, free at the point of service.

As highlighted by the Sun Life Cost of Dying Report and other research, average funeral prices have risen by 70% over the past decade. This indicates that the market has not been working for the benefit of bereaved families.

A major driver for us in launching Hospice Funerals is our desire to address the issue of funeral poverty by providing competitively priced services, including a low cost funeral option, and therefore increase competition and transparency in the market place.

Competition and transparency in the provision of funerals

In addition to general submissions on this theme, we would particularly welcome responses to the following questions:

c) In what settings and under what circumstances do consumers decide which funeral director to contact?

Part of the work we conduct in palliative care is to advocate advanced care planning. These conversations are patient led. The hospice movement encourage patients to voice their preferences and discuss their preferred choices. This includes funeral planning.

A significant proportion of our patients have pre-paid funeral plans in place before they are referred to the hospice's services. For those who do not, we encourage them to discuss their funeral wishes with family members as part of their advanced care planning. However, for many families choosing a funeral director is still a decision they make at a very difficult time immediately following the death of a loved one. When families are suddenly faced with arranging a funeral at the same as grieving for their loved one, it becomes the ultimate 'distress purchase'. We give patients and their families advice on what they should consider when selecting a funeral provider as well as information on registering a death.

d) What factors are important to them in making that choice? How far (in terms of distance / time) are consumers prepared to travel to reach a funeral director? Do consumers have sufficient information on the alternative funeral directors available locally?

The most important factor for most families is giving their loved one a fitting send-off. The cost is rarely a significant factor, perhaps because bereaved families are too upset by the loss of their loved one to give this much thought, or because it feels distasteful to talk about money when saying farewell to a family member. People do not tend to look further than the nearest reasonable sized town for a funeral director. For those in rural areas, that might mean a journey of around 45 minutes. In our experience, most people faced with organising a funeral do not have sufficient information about local funeral directors, especially if relatives come from outside the area. We do not recommend funeral directors as we have no control over the quality of the experience or price.

e) Is sufficient information (including low cost funeral options and itemised prices) made available by funeral directors, when is it provided and does it allow for meaningful comparisons of services between funeral directors?

Currently there is a lack of consistency in the way funeral directors present this information, making comparison between different packages and providers is more difficult than it should be. We are aware of cases where families have been presented with unexpected costs, causing stress and financial difficulty. While we have seen some welcome moves towards increased transparency in terms of options and prices, there is still a long way to go. At the very least, it should be standard practice for funeral directors to make clear at the outset whether or not prices quoted include disbursements. Our marketing materials display final and inclusive prices, making clear that all third party costs are included. We believe this is best practice and should be the industry standard. Alongside this clear pricing information is the following comparison table:

f) How do consumers evaluate non-price factors, such as quality?

With great difficulty. Often they have little to go by other than word of mouth or personal recommendation.

k) Could funeral directors providing enhanced online information enable effective comparisons, and if so, what information should they provide?

Yes, but consistency of presentation would make comparison between different providers easier. Funeral directors should make clear what is and is not included in different funeral options and what, if any, additional costs (such as disbursements) will need to be paid by the bereaved family.

l) Are there other ways to improve transparency of information that we should consider?

A standardised Key Facts Illustration, of the type that is mandatory for mortgages, could help to enable comparisons between funeral packages offered by different funeral directors.

m) Are there measures that could help consumers evaluate non-price factors, such as quality, together with prices?

A national regulator, independent of and not funded by the funeral industry, could conduct inspections and award a quality mark to funeral directors who meet required standards.

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