

WESTERLEIGH GROUP

Response to the statement of scope for the CMA Funerals market study – 29 June 2018

Introduction

Westerleigh welcomes the opportunity to respond to the CMA's invitation for comments on the Statement of Scope for its market study into the supply of funerals in the UK.

Westerleigh was established in 1992 and is the leading independent operator of crematoria in the UK. Westerleigh operates 29 crematoria spread across the country and cares for over 40,000 funerals per annum. Westerleigh's mission is to serve the local communities in which it operates and to provide the best possible care to people suffering bereavement.

Scope of the CMA's review

Given Westerleigh's position in the market, we have focused our comments on the themes set out in the CMA's statement of scope regarding crematoria market power. In this respect we note that the CMA's current scope relates primarily to concerns around rising cremation fees. However, the significant variability in the quality of facilities in the UK means that crematoria cannot be compared on the basis of price alone. We would therefore encourage the CMA to ensure that qualitative aspects of crematoria are appropriately included within the scope of the market study.

As the CMA notes, average cremation fees have increased over recent years, which reflects a number of factors. Local Authority crematoria, representing the majority, have been the main driver of average prices, with the costs of meeting environmental regulations, increasing repair and maintenance costs of ageing facilities and tightening budgets all having been reported as key factors. Comparison of average fees alone, however, does not provide a full picture. The crematorium sector has become increasingly fragmented, with more people choosing new facilities offering a high quality service at a modest premium to average, as well as the impact of "direct cremation" and similar providing low cost options. Local Authority crematoria are likely to face challenges in future as older crematoria will require further investment to refurbish or replace in order to be fit for purpose (more than 200 (c. 70%) of UK crematoria were opened more than 50 years ago).

Westerleigh and other operators developing new crematoria, are increasing competition and choice for the consumer. Westerleigh has developed a significant number of new crematoria in recent years. Many of these crematoria are in areas that previously offered no provision within a reasonable drive time for the local community. The number of crematoria in the country has increased by an average of 1.2% per annum over the last 20 years, despite a reduction in the number of deaths over that period. This means that more people now have more choice than ever before, with the majority of the UK population having a choice of crematoria within a reasonable drive-time. In addition, the increase in capacity has led to an increase in the average time per service. This has resulted in an increase in the numbers of people opting for cremation, which is a significantly cheaper option than burial.

As well as developing new crematoria, Westerleigh is continually investing in its sites, maintaining and improving the quality of the facilities, setting and service and expanding existing sites to meet increasing demand. This investment means that Westerleigh is contributing to increasing crematorium capacity in the UK to address the growing demand from families for a quality service

that can be tailored to suit their individual needs. This will help meet the need that will arise from the expected increase in the number of deaths in future years.

The development of new, purpose-built facilities provides consumers with an alternative choice against the vast majority of crematoria in the UK which are older, lack capacity and can offer a poor quality service to the bereaved. Westerleigh's sites offer high quality care and service in attractive and peaceful settings, which ensure that the needs of the bereaved are met. Westerleigh provides comprehensive information on its facilities, service and prices on its crematoria websites. Westerleigh would welcome the CMA considering whether this is the case across the sector, to ensure that consumers are provided with full information on crematoria, to assist choice.

Finally, we note that funeral plans are an important part of the provision of funeral services and we understand that a HMRC review is being undertaken in parallel with the CMA Funerals market study. It is well known that there is significant variability in what funeral plans offer and the extent to which consumers are being informed about what the entitlements when they sign up for a funeral plan. In relation to crematoria, some funeral plans restrict choice of crematoria, which may result in the consumer not being able to select their preferred venue. We would encourage the CMA to consider how funeral plans can effect consumer choice in relation to crematoria and whether consumers receive sufficient and relevant information.