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Funerals Market Study
Competition and Markets Authority

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I am writing to you following the announcement of 1 June 2018, that the Competition and Markets Authority (CMA) had launched a market study of funerals. I welcome the CMA's decision to conduct this market study and the opportunity to outline the Scottish Government's views on this matter.

I note that the aim of the CMA market study is to assess how competition between funeral directors works and to consider transparency issues in the provision of funerals. I understand the study will also look at how competition works in the crematoria segment of the industry. The statement of scope indicates that burial fees and cemeteries are not included in the market study as there has been a shortage of burial plots in the UK for a number of years due to land / planning issues and constraints on the re-use of burial plots, and this has been one of the drivers behind the growth of crematoria services. While I understand that there are constraints in terms of provision of cemeteries in certain areas, burial authorities may have market power, particularly in areas where there are no crematoria. The Scottish Government would, therefore, ask the CMA to reconsider this matter and include how competition operates in relation to burial authorities in its market study.

The CMA market study is set in the context of significant rises in funeral charges over the last 10 years, which have meant that more people are likely to struggle to pay for a funeral. The Scottish Government is committed to taking action to tackle funeral poverty and has set out ten actions that we will take in this area in our Funeral Costs Plan¹. Our plan builds on significant engagement in this area, including the National Conference on Funeral Poverty which took place in Autumn 2016, and which I understand a CMA official attended.

Action 2 of our Funeral Costs Plan is to publish guidance on funeral costs, as provided for by the Burial and Cremation (Scotland) Act 2016. Development of this guidance is one of the Scottish Government's key pieces of work in relation to funeral poverty in 2018.

¹ <http://www.gov.scot/Publications/2017/08/6243>



As highlighted in the CMA's statement of scope, people arranging a funeral are often distressed and need to make a purchase quickly, so they may be less likely to compare prices or ask questions about the costs and the services being provided when making funeral arrangements. That means that it is particularly important that information about their options is easily accessible and clearly set out. I want the Scottish Government's funeral costs guidance to help with this so that individuals are able to understand, compare and choose the services that are right for them. Our work in this area complements other Scottish Government activity to encourage people to talk about their funeral wishes with friends and family and to plan for their funeral.

In developing the funeral costs guidance, the Scottish Government has also been clear that appropriate standards of care are an integral part of the work carried out by the funeral industry. In my former role as Minister for Public Health and Sport, I appointed an Inspector of Funeral Directors in April 2017. A key part of the Inspector's work is to look at standards of care provided by funeral directors. We have involved the Inspector during development of our draft guidance to ensure that it is clear that provision of lower cost funeral options should not result in poorer standards of care for the deceased. In relation to cremation authorities, an Inspector of Crematoria was appointed in 2015 to ensure that cremation authorities in Scotland adhere to legislation and best practice, and to investigate and respond to complaints. The Inspector of Crematoria also provides direction to crematoria managers and staff to make sure they are operating in line with the recommendations of the Infant Cremation Commission.

To develop the draft funeral costs guidance, the Scottish Government has worked with COSLA, local authorities and the funeral industry to try to identify areas of consensus; but also to explore areas where transparency and consumer choice might be improved through guidance.

The Scottish Government has been pleased by the level of commitment shown by burial and cremation authorities and funeral directors in working with us to develop the draft guidance. This process has resulted in four short sections of draft guidance: for burial authorities, for cremation authorities, for funeral directors, and a section for local authorities in relation to charge setting and funeral poverty. We want to produce guidance that people will be able to implement effectively, shaped around best practice and available information and evidence. To help ensure that, we will be launching a consultation on this draft guidance shortly.

Key themes covered by the consultation paper are:

1. Use of language and terminology
2. Display of pricing
3. Transparency of cremation charges
4. Definition of a simple funeral
5. Transparency of pricing at point of sale
6. Burial or cremation without using the services of a funeral director
7. Understanding local authority charges

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8. Local authority measures to reduce funeral poverty

The CMA study covers many of the same issues that the Scottish Government has been considering as we have been developing guidance on funeral costs. My officials would be happy to engage further with the CMA on any matters relevant to its market study, and would be happy to share the funeral costs guidance consultation paper and analysis report once these are available in case they provide any insights or evidence that the CMA might find helpful. I would also like to extend an invitation to the CMA to attend any funeral poverty stakeholder meetings that the Scottish Government holds in coming months if these would be of interest.

I look forward to learning of the outcome of the CMA's market study in due course.

AILEEN CAMPBELL

