

# Response to the CMA's Funerals Market Study Interim Report and Consultation

29 November 2018

## Introduction

**About the Funeral (AboutTheFuneral.com) is a funeral director and pre-paid funeral plan price comparison and review website (PCW). The site is free for consumers to use. The site is also free for funeral directors to list their pricing and profile information, neither are they charged (e.g. a commission fee) for any business they receive as a result of being listed on the site.**

Our mission is to bring about price transparency in the funeral marketplace, and an easier way for consumers to make better-informed and affordable buying decisions to avoid going into unnecessary debt.

The unfamiliarity, complexity and opaqueness of funerals is taken care of with a simple platform. The comparison platform is based on a set of bespoke data tables and algorithms, which enables consumers to explore service and product options fully and compare like for like to find the service that meets their needs and budget before they make their choice of funeral director. The additional information - such as company profile, review ratings and accreditations - enable consumers to find a provider that's right for them. About the Funeral provides detailed itemised quotes. The consumer contacts the funeral director when they are emotionally able.

About the Funeral is an impartial resource for at-need funeral consumers, i.e. it does not exclude any funeral director company type (independent, co-operative, corporate), so has the potential to offer consumers the widest possible access to the market to compare and give funeral directors the widest possible access to their audience. About the Funeral will only act as a marketing agent for pre-paid funeral plan providers registered with the Funeral Planning Authority (FPA).

About the Funeral is unbiased. It does not accept sponsored listings, where one funeral provider can pay to appear higher in the comparison search results than another. It allows consumers to specify the order of the results before they are shown according to what's most important to them – price, distance or review rating.

About the Funeral relies on the participation of funeral directors willing to be transparent about their pricing. Pricing data is never mystery shopped. Funeral directors maintain their pricing on the site.

About the Funeral is the only independent funeral price comparison and review site created and supported by people with direct funeral, bereavement support, and comparison industry experience whose inside knowledge puts consumers in control.

About the Funeral strives to improve and extend its services to consumers and funeral providers and welcomes input from all stakeholders.

## **I. Summary**

*This response is based on About the Funeral's experience of operating a price comparison website.*

The CMA's Funeral Market Study Interim Report (November 2018) suggests correctly that the funeral industry is out of control.

The CMA's research is largely aligned with our own. Consequently, we are supportive of the CMA's proposal to make a Market Investigation Reference (MIR) to carry out an in-depth investigation into the funeral industry (as defined in Appendix F), amid concerns that prices had been rising substantially and that funerals had become unaffordable.

We would welcome all initiatives where the outcome

- i. assures funeral consumers they will receive a minimum level of good quality service for themselves and for the care of the deceased;
- ii. makes funerals affordable;
- iii. makes it far easier for consumers to access pricing information so that can make a fully informed choice of which funeral provider and service to choose ahead of the funeral arrangement;
- iv. educates and encourages consumers to shop around to find a good value funeral provider.

We look forward to contributing further.

## **2. Responses to the Consultation**

### **9.5 Draft terms of reference (Appendix F)**

Agree.

### **9.6 The CMA's provisional decision**

Agree. Except your analysis and point of view at:

8.31 (a) "Suspected features of concern/services by funeral directors at the point of need."

4.11 "We saw consumer research indicating that the proportion of consumers who obtain multiple quotes may have decreased in recent years." The CMA's comment does not reflect the results of the two YouGov surveys mentioned in its Interim Report at 4.10, which found a 150% increase in consumers obtaining more than one quote in one year – up from 6% in 2017 (ref 144) to 15% in 2018 (ref 145).

We also disagree with the CMA's view that "in any event, this proportion remains low". In our view, 15% of c. 475,000 arranged funerals (ref 314) is a significant number.

8.31 (b) "Consumers' unresponsiveness to measures of price and quality."

This does not reflect our experience of how people choose to search on AboutTheFuneral.com. The majority [3<] of searches made on the site begin with the request for the results to be shown in 'Price' order, over 'Distance' and 'Rating'.

As for remedies, the MIR could consider:

#### *Ownership*

The CMA could recommend that ownership of a funeral branch is

- i. prominently displayed on signage above the premises or on a plaque of a consistent size prior to entering the premises;
- ii. displayed on the funeral company's website;
- iii. included in a pre-recorded message or salutation when people phone.

#### *Service Quality*

The CMA could consider developing a BSI kitemark or similar for the funeral industry.

## **9.7 Specific evidence in support of the CMA's views**

### ***Inadequate self-regulation***

Standards are not consistently applied. Where funeral directors have been found to be in breach of a trade association's Code of Practice, the trade association has relaxed its rules. Interestingly, a significant proportion of this trade association's total budgeted income is based on subscriptions (75.8% for 2018, 76.4% for 2019)<sup>1</sup>.

It is for this reason that we would fervently support the formation of an independent body to monitor the funeral industry and standards, to avoid the prospect of trade associations 'marking their own homework'.

Whatever part funeral trade associations play in the future in terms of self-regulation, the fact remains there is no requirement for any funeral business to be a member of either. That said, the majority of independents are members of one or both the NAFD and SAIF. Without another body or regulation, who will monitor those businesses that aren't required to follow a Code of Practice?

The CMA wants to encourage competition in the market, but there is a danger in reducing the number of funeral directors who would initially be able to comply with any regulatory requirement. This could have a detrimental effect on the market and be counter-productive as consumer choice would be reduced and serve the interests of the larger funeral companies who have the deepest pockets to set the bar as high as they can. Thought needs to be given to the time allowance for the smaller independent funeral companies to adjust.

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<sup>1</sup> Source: Autumn General Meeting 2018.

### ***Lack of price and ownership transparency***

More needs to be done to ensure consumers have easier access to pricing information in a pressure-free environment – at a place and time of their own choosing with no other party present.

Funeral directors should disclose their full price list online including product options, and not just the ‘simple’ package, or a ‘fair price’/‘fair deal’ endorsement. A funeral is an emotional purchase, not everyone would prefer or want to be confined by the restraints of a ‘non-standard’ type of funeral package (as detailed in the CMA’s Interim Report<sup>2</sup>), the pricing level of which may not be reflected throughout the remainder of the funeral provider’s range of services.

Funeral directors should declare ownership when people visit the premises, call for a quote or to make an appointment, to prevent consumers from calling the same group of companies and getting a distorted picture of pricing in their local market.

### ***Insufficient educational support for consumers***

More needs to be done to support consumer awareness that

- i. where the removal of a deceased is taken care of by a contractor, the family has a choice to bring the deceased into the care of another funeral director and advised of the implication of that transfer (e.g. possible additional cost).
- ii. that funeral comparison sites exist, which makes it easier for consumers to compare funeral providers’ services and costs.

### **Contact Details:**

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I would be happy for the CMA to contact me for further information.

This response can be published in full.

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<sup>2</sup> CMA Interim Report (29 November 2018), 4.4: “A standard funeral is the type of funeral that has been prevalent since the 19th century. There are no industry-wide figures available but evidence we have seen indicates that they accounted for around 80% of funerals supplied by funeral directors in the UK in 2017.”