

We welcome the CMA's investigation into the funeral sector. Sadly funeral costs have continued to rise above inflation in recent years. We believe a main component of this rise is the increasing cost of cremation fees and would like to see more crematoria operators enter the market to provide robust competition.

Harbour was founded in 2016 to offer a direct cremation service throughout Great Britain for a fixed low price while retaining a high level of service. We have been rapidly growing our business over the last 2 years and our customers have been very positive about their experiences.

Firstly, I'd like to highlight the growing trend towards direct cremation. This is where the deceased is transported directly from the mortuary to the crematorium and cremated with no formal funeral ceremony beforehand or mourners present. Direct cremation now accounts for 10% of all cremations in Britain and a recent market study predicts this will rise to 20% by 2023.¹ The service was pioneered by independent funeral companies such as ourselves and recently the larger incumbent funeral firms have opened their own direct cremation subsidiaries. Direct cremation is able to offer lower prices to consumers by simplifying the service and transporting the deceased to a competitively priced crematorium who are able to utilise their cremator outside of peak hours since an attended chapel service is not required. Typically a direct cremation costs less than half a traditional cremation and represents the market evolving to meet consumer demands on price and service.

One aspect of the market that receives little attention is consumer education. As the recent market study has found, few people research their options at a difficult time and often feel pressured to make a quick decision. The bereaved receive informative booklets from the hospital bereavement office or registrar. These booklets contain information to guide the reader through the bereavement process and also advertisements for local funeral directors. These advertisements are sold by the publisher for upwards of £500 for a limited production run. Funeral directors can choose to spend more for more prominent adverts in this bereavement booklet. But there is little editorial oversight into the content of the advertisements and quoted prices can often mislead the reader as the highlighted price excludes disbursements.

Funeral directors will occasionally list a price excluding disbursement costs. These disbursements commonly include the cremation or burial fee, medical certification fees, and any officiant costs. These disbursement costs can often double the originally quoted price. We consider this an unfair and disreputable practice that erodes consumer trust in the funeral industry.

We note this practice is also creeping into the direct cremation market as larger funeral chains join a competitive marketplace. For example, [] often highlights their price of £[] but doesn't prominently note that this price excludes the return of the ashes which costs an additional £[], and a further £[] for an urn. In our experience, we have yet to have a customer not want the ashes returned. So it seems somewhat misleading to present this price to the general public.

We also note that [] listed price of £[] for a direct cremation [] is less than the typical cremation fee (£[]) [] at [] crematoria.

We feel that if consumers are to be properly advised of their options, there should be a few typical packages and funeral directors must quote for these packages including all disbursements. This format would clarify consumer options and avoid misleading marketing practices by some disreputable funeral firms, particularly in Government provided bereavement materials.

Also it would be helpful if more consumers were aware that they could change funeral directors. Existing arrangements with care homes and hospices can mean that the deceased is taken into the care of a particular funeral director without consultation of the deceased's next of kin. If the next of kin wish to use a different funeral director then they must arrange to transfer the deceased and pay any associated costs from the original funeral director. Currently there is no set fee for this transfer and some funeral directors have been known to charge a punitive charge to discourage consumers switching funeral providers.

Another feature of the market which I'd like to draw your attention to is the hurdles in obtaining planning permission to build a crematorium in England & Wales, which restricts supply of cremations overall and increases the costs to customers for all funeral involving cremations. The 1902 Cremation Act states that "No crematorium shall be constructed nearer to any dwelling-house than two hundred yards, except with the consent, in writing of the owner, lessee and occupier of such house, nor within fifty yards of any public highway, nor in the consecrated part of the burial ground of any burial authority." This means that, in most areas, green belt land is the only feasible option.

¹ See <http://www.mynewsdesk.com/uk/over50choices/pressreleases/direct-cremations-to-double-in-the-next-five-years-2628423>

There is an additional hurdle in that the proposed crematorium must also prove the need for a new crematorium. This is often interpreted as more than 1000 deaths within a 30 minute drive of the proposed development and no current crematoria serving this area.² From our experience, a crematorium could be profitable with around 200 cremations per year if it was efficient and utilised modern equipment with an initial investment recovered after 5 years.

These rules, therefore, stifle competition as it severely restricts the ability of new crematoria to enter both underserved areas and areas with just one crematorium meaning that existing crematoria retain a captive local market. As an example, I'd like to highlight the recent planning application by Welwyn Hatfield Borough Council (Ref:6/2016/2623/MAJ). The local authority submitted a planning application to build a new crematorium within the borough but received objections from an existing crematorium (approximately 10 miles away from the proposed site). The existing crematorium cited the lack of need for an additional crematorium within the area and the application was ultimately rejected on appeal after a long and costly legal battle. We have further examples of the pressure new crematoria face from well financed incumbents looking to restrict supply and are happy to supply these on request.

We offer our full support to your investigation and would be happy to answer any further questions or schedule a meeting if you feel it would be beneficial.

² See page 9, [The Federation of Burial and Cremation Authorities's \(FBCA\) and Institute of Cemetery and Crematorium Management's \(ICCM\) guidance](#), on 'planning.' For an example of how this is used in practice, see paragraphs 6.11-6.15 of the [planning application for a crematorium in Beccles, East Suffolk](#).