

**For and on behalf of
A W Lymn The Family Funeral Service Ltd
Robin Hood House
Robin Hood Street
Nottingham
NG3 1GF**

to

*Funerals market study team
Competition and Markets Authority
Victoria House
37 Southampton Row
London
WC1B 4AD*

Sirs,

Re: Consultation on whether to open a full market investigation into the funeral sector.

I refer to the interim report released on 29th November which having read in detail, in many ways both my family firm and I welcome.

There are however a number of matters and assumptions made, about which I feel I must comment.

1. I was a little disappointed to find that we were only left with in effect three weeks (given that Christmas and New Year fell within the period) to read and digest approaching 200 pages and to structure a response. Given that the CMA had taken approximately six months to respond to the information we provided earlier a more realistic timetable for the response now requested would have been appreciated.
2. In recent years there have been a number of reports showing that the average cost of the funeral directors part of funeral invoices being for the services and products they supply have risen less than the rate of general inflation and indeed in some years have deflated. This appears to have been either missed or completely ignored in the summary of reasons for opening a market investigation.
3. In your report it is suggested that funeral directors are responsible for all factors relating to the overall cost of a funeral. It should be remembered that the costs of the disbursements have risen at a considerably higher percentage than the charges relating directly to the services of the funeral director. This is clearly evidenced by looking at the historic figures on the invoices raised by my family firm. In the mid 1990's the disbursements were on average a 25-30% add on to our funeral directors charges and they are now a 55-60% add on. This can only be explained by the rate of disbursements increasing on average during the last 25 years by double the percentage rate of increase in funeral directors charges.
4. It is stated that most funeral directors prices are not available on the web. In the case of A W Lymn The Family Funeral Service we have published these and printed a full

colour price list since 2007 and prior to that we prided ourselves on the simpler but still fully detailed price list that we had produced and given to every client since the mid 1990's. In the late noughties we even published comparison costs of our competitors on our website and to make it easy for prospective clients to make comparatives we costed typical funeral packages. We were challenged by some of our national competitors about the legality of so doing and eventually decided to withdraw from this.

We acknowledged that some of these comparisons clearly showed that our price for similar but not identical services was not always less than our competitors but we believed, and still believe, that clients made a balanced decision taking into account not only the cost of the service provided but the quality. We had and continue to have a number of USP's that others cannot offer and we continue to believe that clients were well enough and remain well enough informed to take account of these as well as price. It was for this reason that many clients chose to use our services even though we told them that similar, but not identical, packages were available from others at a lesser price. This aspect of consumer behaviour and choice appears to have been completely missed in your interim report.

5. The statement that funeral directors contract with vulnerable clients at an emotional time appears many times in the report. The implication is that simply because these clients are vulnerable, funeral directors take advantage of them by persuading them to have services that they would not select if they were not in an emotional and vulnerable state at the time. I accept that most clients are dealing with us at an emotional time, I do not however accept that my family company takes advantage of the individuals we serve, in fact just the opposite.

The CMA appear to have a lack of understanding that most clients select to use our service on the basis of standard of service and facilities offered, the flexibility and range of these services and the fact that we put clients first, rather than simply making a decision on the basis of cost. It should be remembered that the decisions with regard to the funeral are not always made in a hurry or by people at a time when they are emotional and I would ask that you note the following:

- a. According to the FPA over 200,000 funeral plans were sold in the UK in 2017. There are approximately 550,000 deaths per annum in the UK and therefore by definition we are approaching the stage whereby 36% of funerals will be pre-funded and the decisions appertaining to them made by people whilst still alive and therefore not whilst they are vulnerable. I accept that 36% has not been achieved yet as the sale of pre-paid funeral plans has increased in recent years and it will be some time before the number of deaths of plan holders equated to the number of those buying new plans however in our own family firm for the year ended 5th November 2018 approaching 20% of all funerals were covered by pre-paid funeral plans with pre-determined funeral arrangements.
- b. It is implied in the report that bereaved people are pressurised into making a prompt decision. In my family company this is not what we strive to do and we endeavour to enable potential customers to have access to our prices and literature before they enter into detailed funeral arrangements with us and

indeed before they are committed to using our firm. It is hoped that by having access to this discussions will take place with other members of their family and we find that this is generally what happens. We also suggest to those that have not had sight of our brochure that they take a copy of it with them following the first interview and look at all the options before making their final decisions with regard to the type of service and merchandise required.

To ensure that I was correct in this regard I have carried out an analysis of all the funerals we conducted in October 2018 and find that on average it was a full eight days following the death before clients made their decisions in order for the full estimate to be made and the contract entered into. In fact only 5.62% of clients completed the contract with us in less than two days and many of those that did were signing to simply confirm that the funeral was to take place in line with the details of a pre-paid funeral plan.

It should also be remembered that most funeral directors will visit the clients house to discuss the options and that this visit is without obligation and indeed without charge. Even when a client decides to enter into the contract at the time of the home visit they are not really committed as under **The Consumer Contracts (Information, Cancellation and Additional Charges) Regulation 2013** the client has the right to cancel the contract during the ensuing 14 days and more specifically at our family company we extend this right to all clients irrespective of whether the funeral is arranged in the clients house or in our office. By having a personal interview with the client we can be sure that they are aware of the full costs of everything before they are committed and even after making the initial commitment they have 14 days to change their mind.

I also sought to analyse how often my family firm was dealing with an individual arranging a funeral by themselves. It transpires that only 17% of the funerals we conducted were arranged with just one person present representing the interests of the client. However on closer analysis we found that the majority of these were either professional executors such as solicitors and accountants working on behalf of the bereaved family, or people calling to finalise arrangements of funerals funded and prescribed by a pre-paid funeral plan. When adjustments had been made for these it was clear that in the normal situation of a family arranging a funeral not funded or prescribed by a pre-paid plan and without the benefit of a professional executor in excess of 95% of the families were represented by two or more people.

- c. At various stages the funeral industry has been criticised for failing to point out to every client that cheaper options are available. To make such a criticism shows a lack of understanding by those making the criticism of the process of arranging a funeral. Most clients arrive at our offices with a pre-determined plan of what is required. As such if a family say Mum was a regular attender at the local Catholic Church, she wants to lie in Church overnight, have a Mass on the day of the funeral followed by burial in the grave of her husband at a Cemetery which is out of Area and as such charges quadruple fees, wants a solid oak coffin as this is traditional in her family and would like the funeral to be horse drawn with five limousines, they would be completely offended and perhaps even leave if our funeral director said have

you not considered the cheaper option of signing the papers here and now and letting us take Mum for a cremation with no one in attendance.

We do not approach matters in this way, we look at what clients want, we tell them the cost of the disbursements which as in the example above the client has no choice in as in their eyes Mum must go in the local Church and the burial must be in the grave of her late husband, and therefore there is no way to avoid these costs. We do however ensure that every client leaves our premises with the services brochure and is advised to look through it to see if they want to change any of the options with regards our services and are told that everything is changeable until it has actually happened.

- d. Our funeral pre-payment plan brochures specify four types of plan. All prospective clients have sight of our priced brochure and can purchase by post without the need to visit or meet with a funeral director. The people purchasing the plans are not doing so immediately following a bereavement or at a time when there is the need to buy a funeral. We do not cold call but rely upon people contacting us for information. As such they are not vulnerable purchasers but are simply people making a normal informed purchase decision but yet again they are not driven by price but by the service they require. On an analysis of the last 650 plans purchased from our family business only 18 have been the cheapest plan. Thus in spite of the fact that the cheapest plan includes everything that is necessary for a simple cremation service with a plain coffin with the family attending and that every potential client is offered this still less than 3% select it when choosing the funeral for themselves. Surely this is evidence that people are not driven simply by the price but more by the standard of service and facilities they require.

6. In my earlier submission I made reference to websites that gave clients the opportunity to publish genuine reviews. I declared an interest in FuneralZone but at the same time applauded its client reviews. This is not a price comparison website and any client using it to select a funeral director has access to the reviews written strictly by clients who have experienced the service of the particular funeral director. These reviews are strictly policed, there is only the opportunity to have one review per funeral and this can only be made and placed by the client, not by the funeral company nor by any third party. As such all reviews are genuine and the funeral director and indeed friends of the funeral director cannot influence the number or quality of reviews.

In the interim report there is a suggestion that price comparison sites have not been embraced by many funeral directors. Indeed my own family firm does not subscribe to any of these. There are five reasons for this.

- a. We do not believe that funerals provided by different firms are substantially the same and therefore it is extremely difficult to compare “apples with apples”. Although I could make reference to numerous USP’s that apply to our own family company one simple example of this would be the make and quality of hearses that we use. In our own case we build bespoke Hearses for use specifically in our own business based on the Rolls-Royce Phantom VII. The capital cost of each of these is somewhere in excess of

£300,000.00. Just three weeks ago we disposed of a 25 year old Volvo hearse (that came to us in a business purchase) for £680.00. This hearse is now being used by a local competitor but no reasonable individual would expect to pay the same for the provision of these two hearses on a funeral but on a price comparison site I believe they would both be listed as “the provision of a hearse”

- b. Some price comparison sites are already giving the price for our funerals. They are doing this without our consent and on checking the prices they are nearly always wrong. If they are wrong in relation to us then I would suggest they are wrong in relation to others. What therefore is the use of a price comparison site that is failing to give correct information. I believe the real difficulty with this is that as detailed in a above different firms packages include different services and as detailed below many entry packages do not give the opportunity to upgrade from a simple to a traditional funeral. As such an uninformed and very often incorrect decision is made solely on the basis of price rather than on the basis of what is wanted.
 - c. In the late 1970’s and early 1980’s the then Office of Fair Trading or equivalent worked with the funeral sector to write a Code of Practice that would become the benchmark for funeral standards. During this process there were a number of matters that the department informed the NAFD were non-negotiable. One of these was that commissions or rewards for recommendation must not be paid under any circumstances and this condition had to be written into the code. Given that the OFT had been so forceful in this regard and given no change to the contrary has ever been issued I believe we would be in breach of the Code of Practice and the requirements of your predecessors should we pay a commission to a price comparison site.
 - d. The charges made by a price comparison site, in some cases as much as 20% of the funeral directors fee, would represent an additional cost to our family company were we to subscribe to them. Our belief remains that this is an unnecessary cost which in the long run would need to be passed onto the consumer and would increase the charges we had to make to our client as we could not absorb it.
 - e. Our belief that a qualitative assessment site provides much better information to our prospective clients and allows them to make an informed decision about the funeral director and services available.
7. I had thought that the intention of the CMA was to give a balanced report and as such I expected that encouragement would be given to people to report both the good and bad features of the profession. I was therefore saddened in my capacity as a member of the British Institute of Embalmers (BIE) for the last 46 years to receive the following;

As well as consulting on the proposal to make an MIR, we would also like to hear from people involved in the industry, and others, who may have observed instances of poor quality standards in the back-of-house facilities of funeral directors.

We have received anecdotal evidence that there may be varying standards of care being applied by funeral directors and would like to understand how widespread such issues may be. We would therefore like to hear from people who have witnessed standards of care which they considered to be unacceptably low.

Given your members may have direct experience of this issue, we would like to ask if you are able to cascade this email to your members, as we would be interested to hear of any concerns they are able to share directly with the CMA.

Clearly this was not asking for both the good and the bad, but merely for the bad and must therefore be an attempt to skew the results rather than to give a balanced view. In employment law there is established principle that if you have doubts about any particular member or members of staff you are not allowed to go on a “fishing exercise” and ask leading questions. I had assumed that the same stance would be adopted by all government departments and it would be a do as I do and not a do as I say policy. I therefore find this questioning by the CMA through the BIE to be totally unacceptable and would seek an explanation as to why the request was not balanced.

8. In my earlier correspondence I made reference to the [X] and I thought that I had supplied evidence that at the price this funeral was offered cross-subsidisation must be happening. However I see that the report states:

It was also suggested that some local authorities offer concession arrangements for funerals for local families and the contracting funeral director, in return for endorsement, advertising and recommendation by the local authority, contracts to carry out these funerals at set prices and sometimes these appear to be at less than cost. It was suggested that contracted funeral firms must be cross-subsidising the cost of these funerals.²⁶ First, we have not been provided with any supporting evidence that any particular local authority is benefitting from an unfair advantage, nor that contracted funeral firms are pricing below cost, cross-subsidising the cost of funerals. Second, we are not convinced that a contracted funeral director would have the incentive to pursue a below cost price strategy in the instance reported, nor that such a strategy would have the potential to force competitors out of the market, given the factors driving customers' choices in this market

I would therefore ask you to look at the attachments as follows:

[X]

9. Both Dignity and Co-op Funeralcare now headline the prices for a simple funeral. I am sure that most people seeing these prices believe they can simply add extra services to them for the prices shown for those extra services on the normal published price lists. This is not the case. Please take a look at the third attachment to this submission “Co-operative Funeralcare Price List Jan 2019” and note the following in relation to the simple funeral priced at £1,995.00:
 - a. There is no option to visit outside of normal working hours even at added cost.

- b. There is no option to select an alternative coffin even at added cost.
- c. There is no option to select a day and time even at added cost.
- d. Although the price list shows “Provision of a Limousine - £220.00” this is not available for a first Limousine which is actually £495.00 thus taking the simple funeral with a hearse and one car to a headline price of £2,490.00.

I believe Dignity’s price list works in very much the same way and that similar processes apply to its simple funeral. I am sure that most people would be misled by this type of packaging and pricing.

Having thought about your comments on the ease at which people can compare prices of not just what is thought of as a traditional funeral but also the more simple options available we at A W Lymn have changed our brochure from 1st January 2019 and brought a section to the front of our services brochure 2019, being p12-14 (see final attachment), providing a “ready reckoner” for traditional funerals, reduced service, direct cremation and even on working without a funeral director. A pdf of our services brochure can be access from the homepage of our website www.lymn.co.uk (and a copy of the relevant pages is attached to this email – *Funeral Costs – AAWL TFFS Services Brochure 2019*).

I would reiterate my earlier offer to give any help to the CMA to further its enquiries and to help its representatives understand the way in which clients behave when making funeral arrangements. It is a very complex issue and I am more than happy to give further interviews on the telephone or to attend the CMA’s offices in person. I would also extend an invitation to any representatives of the CMA to visit our family business and to talk through matters in one of our funeral homes where a better understanding of what is available and what families require can be achieved.

Finally if you need any hard documents sending please let me know and I will despatch them by return.

Thank you for the opportunity to comment and please do not hesitate to contact me further should.

Nigel Lymn Rose

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Chief Executive Officer



The Family Funeral Service

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