

## **Funerals Market Study – summary of responses from individuals to the Interim Report**

This document provides a summary of individual responses to the funerals market study [Interim Report](#).

### **Background**

On 29<sup>th</sup> November 2018 we published our Interim Report and Notice of proposal to make a market investigation reference (MIR). We invited submissions from interested parties on our proposal to make a MIR.

This is an aggregated and anonymised summary of the views provided by 25 individuals in response to our Interim Report.

In addition to these 25 responses, we also received 17 submissions from individuals making general observations on the funerals industry. Of these, 15 were either complaints about funeral directors, specific funeral arrangements, funeral costs or pre-paid funeral plans. The remaining 2 responses were commending the services provided by individual funeral directors.

The views of these individual respondents, where relevant to the proposal to carry out a MIR, the scope of the proposed MIR and the consultation questions about the features of the market, are set out below.

They reflect the individual views of respondents and should not be taken as representative or generalised more broadly.

We would like to thank everyone that responded to our Interim Report.

### **Suspected features of concern**

Where respondents commented on the suspected features of concern, they agreed that the CMA's analysis was correct with respect to the suspected features of concern in the supply of services by funeral directors at the point of need.

### **The reference test and proposal to make a MIR**

Where individual respondents commented on the CMA's view that the reference test had been met, they agreed that the reference test had been met and

supported the CMA's proposal to exercise its discretion to make a MIR in relation to both the supply of services by funeral directors at the point of need and the supply of crematoria services.

One respondent said that the CMA should not make a MIR in relation to the supply of services by funeral directors but should refer the supply of crematoria services.

### **Scope of the market investigation reference**

Where individual respondents commented on the scope of the proposed MIR, the following issues were suggested for inclusion within scope:

- (a) Pre-paid funeral plans.
- (b) Discriminatory pricing practices of local authorities (some local authorities charge a more favourable price for burial space and cremations to their residents than they do to people living outside of the local authority area).
- (c) Repatriation costs.
- (d) The cost of coffins.
- (e) GP charges for medical certificates.

### *Funeral director services*

### **Customers vulnerability and difficulty engaging at the point of need**

Points raised included the following issues:

- (a) Most people refused to talk about, or even think about death until circumstances forced them to do so. This contributed to customer vulnerability.
- (b) The 'most fundamental mechanism of a functional market, (that consumers can choose a supplier of a product/service based on cost, quality or availability), was the last thing on the minds of the bereaved arranging a funeral.

- (c) Funeral directors knew that if a grieving client entered their premises to discuss arrangements, they would be unlikely to visit another funeral director to compare prices.
- (d) Families were ‘targeted’ when at their most vulnerable and almost ‘cajoled’ into spending excess money on things’ they did not need.
- (e) The practice of requiring the payment or part-payment of funeral care costs days before a scheduled funeral, with the implied threat that this was essential for the funeral to proceed was, while customers were at their most vulnerable, unacceptable.
- (f) Customers unhappy with the final invoice for a funeral service were not in a fit emotional position to be able to challenge the bill.
- (g) Church Ministers and Citizens Advice Bureaus not being allowed to recommend funeral directors made it more difficult for people to make informed choices.

### **Customers unresponsiveness to measures of price and quality**

Points raised included the following issues:

- (a) It was ‘churlish and ‘distasteful’ to argue over the costs of a loved one’s funeral.
- (b) The prices of Dignity and the Co-op were perceived to be similar and competition on price limited.
- (c) Customers believed they could not switch to another funeral director if they were unhappy with the service being provided.
- (d) The cost of arranging a funeral was a secondary consideration for many because people wanted the funeral arrangements to be the same as for previous family funerals, including using the same funeral director.
- (e) Not everyone wanted a budget service. People were happy to pay for a quality service (and this showed respect for their loved one).

## **Customers' inability to assess certain aspects of quality and value for money**

Points raised included the following issues:

- (a) People often did not get exactly what they paid for. For example, they would pay for a fully fitted coffin, but this wouldn't be lined and finished because it was known that the deceased would not be viewed by the family.
- (b) It was not uncommon for funeral directors to claim that they had cared for and dressed the deceased, but they had just thrown the bag of clothes in the coffin.
- (c) Damaged or second-hand coffins were used for direct, unattended cremations.
- (d) Relatives were told that attendance was not possible at direct cremations. This was done to cover up the substandard service given for these cheaper funerals.

## **Lack of transparency**

Points raised included the following issues:

- (a) There was '...no transparency of pricing' in the funeral industry. Price lists were kept out of view of the public and there was a general unwillingness among funeral directors to publish price lists online.
- (b) By refusing to put their prices online funeral directors could arbitrarily raise prices for wealthier clients (and to families who were perceived as being difficult to deal with).
- (c) Information regarding the various service options and their associated prices should be transparently displayed on funeral directors' websites.
- (d) There was little flexibility to remove extras from funeral packages which customers might not want. In addition to this, several added extras such as high-costs for removing the deceased from home, or, unreasonable charges for preparing the deceased for viewings were added.

- (e) Funeral directors should clearly display the ownership of their firm on the signage on their premises and should not mislead clients about the ownership of other local firms (i.e. implying that they are in competition when they are in fact part of the same corporate entity).
- (f) It was difficult to shop around because the ownership of different companies was often unclear.
- (g) Customers were not aware that they were entitled to book a double slot at a crematorium because neither funeral directors nor crematoria advertised that these were available.
- (h) Funeral costs not being mentioned during the initial discussion with the funeral director.
- (i) Customers did not know that they could arrange some third-party services themselves. For example, flowers or additional vehicles, and at a significantly lower cost.

### **Point of sale advantage**

Points raised included the following issues:

- (a) Funeral directors had made them feel the need to spend as much money as possible, or, said 'didn't they think the person was worth it?' And spending more money was 'more respectful'.
- (b) By describing the lowest cost options as 'basic' rather than 'simple' funeral directors made customers feel guilty which was a way to upsell more products and services and/or take advantage of grieving customers.
- (c) The language used by the large corporates and some of the large independents could be misleading. For example, claims that embalming was a legal requirement.
- (d) One funeral director used the fact that much of its trade was conducted behind closed doors to 'outwit and short change clients'. For example, it was apparent that embalming did not take place despite being paid for, and, more expensive coffins were substituted for cheaper ones. This funeral director also double charged where possible and did not reimburse overpayments.

- (e) A funeral director had charged a bereaved family for services that they had advised were unnecessary and which the family did not want.
- (f) Three respondents believed that funeral directors added significant mark-ups (between 100 and 400 per cent) on coffins. One of the respondents said the CMA should look at the wholesale cost and retail price of all coffins.
- (g) One respondent said that 'Upselling is actively encouraged'.
- (h) Inferior quality coffins were sometimes used by funeral directors when more expensive products had been requested and paid for.

### **Ineffective self-regulation in respect of information transparency**

Points raised included the following issues:

- (a) Inspections by trade bodies were cursory and to the absolute lowest standard. The inspector did not check the premises thoroughly. Membership of a trade association did not ensure a better quality of service because they had significant financial incentives to retain members.
- (b) Customer service was poor, with complainants often labelled as 'troublemakers'. An individual told us that complaints were not fully and transparently investigated (and mistakes were covered up). In addition, funeral directors did not make it clear enough to customers that they could refer complaints to a relevant trade association body.

### *Crematoria services*

### **High barriers to entry arising from the planning regime and high fixed costs, which limit the number of crematoria in each local area**

Points raised included the following issues:

- (a) Existing crematoria were not being used to their full capacity. Planning permission should, therefore, only be given for new crematoria where there was a real need.

## **Other points raised**

Points raised included the following issues:

- (a) A family living outside the area in which the deceased had spent their entire life were required to pay double the figure charged to local residents to install a memorial by the local authority.
- (b) The exclusivity agreement a cemetery had entered into with a supplier of headstones restricted consumer choice by not allowing relatives to shop around for a better deal.
- (c) GPs should not charge for the provision of a medical certificate for a cremation.
- (d) The sale of cemeteries by local authorities to large funeral directors enabled the latter to charge what they liked in relation to the cost of burial plots, interment and memorial provider.
- (e) A respondent said that 'charges by local authorities make it impossible for people to even have a 'paupers funeral' never mind a memorial', 'yet the millions of pounds made from crematoria did not go towards bereavement services or help with burials'.
- (f) Nursing Homes offer to direct families towards specific funeral directors in return for financial incentives. These charges are then reflected in higher prices charged by the funeral director to the family. This is widespread and contrary to regulations laid down by trade bodies, such as the NAFD.
- (g) The current information on Gov.uk and local authority websites regarding what to do from the moment of death could be improved.
- (h) Prices charged by crematoria could vary significantly for no apparent reason.
- (i) One respondent thought that there should be a basic, state funded funeral service. If a family wanted a more elaborate service, they could go private.