

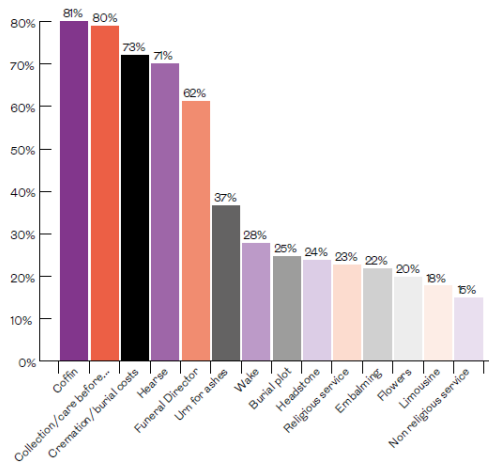
## ROYAL LONDON RESPONSE TO FUNERAL DIRECTORS AND CREMATORIUM SERVICES MARKET INVESTIGATION STATEMENT OF ISSUES

Having reviewed the Funeral Directors and Crematorium Services Market Investigation Statement of Issues, we have identified a number of areas where we are able to provide evidence or comment on the issues set out in the document.

### **1. What customers consider to be essential components of a funeral**

In response to our 2018 Royal London National Funeral Cost Index research (<https://www.royallondon.com/siteassets/site-docs/media-centre/national-funeral-costs-index-2018.pdf>) we asked c3,000 funeral arrangers in a YouGov survey what they consider to be essential components of a funeral. The chart below sets out the responses, which were prompted based on elements typically considered when arranging a funeral.

Chart 9: Essential elements of a funeral



### **2. Proportion of customers shopping around**

In line with the CMA's own research, our Royal London National Funeral Cost Index research has identified low levels of shopping around. In both 2017 and 2018 research, we asked c3,000 funeral arrangers in a YouGov survey whether they had obtained quotes from more than one funeral director. In both years the results consistently showed that only 6% of people did so.

Based on this insight, we strongly support the CMA's intention to explore ways in which to educate, inform and support informed decision making on the type and provider of their funerals in advance. However, due to the nature of the purchase and vulnerable state of consumers arranging a funeral when grieving, there is a greater need to provide access to the same support and information at the time of need; potentially 'intermediary' organisations involved in caring for those at the end of their lives.

### 3. The role of cost as a factor for choosing a funeral director

Our analysis of funeral costs in 2018 found the largest variance between funeral director costs in the same post code area to be over £2,000. As stated above, we also know that shopping around is at a low level. This would suggest a lack of awareness of the price variations in the market for the same set of services and resultant absence of competition.

**Table 3: 10 locations with the biggest difference in Funeral Director costs**

location	lowest	highest	Difference
Croydon	£880	£3,195	£2,315
Tooting	£880	£3,195	£2,315
Morden	£880	£3,195	£2,315
Wandsworth	£880	£3,195	£2,315
Streatham	£880	£3,195	£2,315
West Norwood	£880	£3,195	£2,315
Huddersfield	£725	£2,760	£2,035
Dewsbury	£725	£2,760	£2,035
Southwark	£1,295	£3,195	£1,900
Shepton Mallet	£700	£2,595	£1,895

In order to truly test the role of price in as an influencer, it would be necessary to ensure that the price differential is known to respondents. This is not one dimensional as quality factors are likely to also play a role. Ultimately it will be a trade-off between importance of services and standards and cost.

### 4. Omission from the review

As part of the work to make the process and experience more transparent and supportive, we would like to see a clear framework of support and guidance for those unable to meet the cost of a funeral. The 2018 National Funeral Cost Index found that 12% of funeral arrangers were left with a shortfall of, on average, £1,744. High funeral costs together with the lack of a single source of advice and a bureaucratic and inadequate benefits system creates significant distress and uncertainty for people already at the height of their grief. This story from the Guardian brings these issues harshly into focus:

<https://www.theguardian.com/commentisfree/2019/apr/10/son-dead-grieve-cant-afford-funeral-low-income-families>

The Government, industry and local authorities need to come together to find a solution to provide better outcomes for those who are currently falling through the cracks.