

CMA FUNERAL MARKET INVESTIGATION

RESPONSE FROM SILVER VOICES TO ISSUES STATEMENT

1 Introduction

Silver Voices is a UK-wide membership organisation for the over 60s, growing fast and currently with over 1250 members. We are a web-based campaign organisation, providing regular email briefings to our membership and to around 250 MPs (cross-party). Further information about Silver Voices is available on our website www.silvervoices.co.uk.

By the very nature of the age profile of our membership, we are likely to have had recent experience of bereavement and the funeral market, particularly in respect of our parents. And we are conscious of planning for own passing and that of our loved ones. We have informed our members of the CMA investigation and this response is based partly on comments received.

2 General Comments on the Funeral Market Investigation

Silver Voices receives regular complaints, through social media and email correspondence, of the ever-rising funeral costs. We believe that excessive profiteering is taking place, driven by the big funeral operators but willingly latched on to by small family firms. Trust and vulnerability are being cruelly exploited.

Those who have been recently bereaved are in a vulnerable emotional position, with a wide variety of official and family issues to sort out all at once. They will have been in very recent contact with health and death registration services, where they will no doubt have received a compassionate response. They may hardly discern the difference between their interactions with the public services and their initial discussions with the Funeral Director and this continuum of approach is encouraged by the funerals' market. The recently bereaved are in no fit state to argue over costs and detailed arrangements and in the large majority of cases the Funeral Director who has taken care of the body of the loved one initially, can dictate his or her own terms.

The rising costs of funerals are forcing families to take desperate measures to make sure their loved one is buried or cremated with dignity. There has been a 300% rise in funerals financed by crowd-funding and the website JustGiving reported that over 2000 funerals had been funded by donations through their site in just nine months. Even worse, there has been a big rise in no frills public health funerals carried out by local authorities when no-one can be found who is willing or able to fund the funeral. A Freedom of Information request recently found that £5.4 million had been spent on public health funerals by 275 local authorities in the 12 months up to April 2018, involving 3800 funerals.

As well as these extreme cases, however, there are tens of thousands of senior citizens who struggle to fund a funeral for a parent or partner and go into debt in order to do so. The University of Bath estimated that there were 100,000 people last year who had difficulty in meeting funeral costs.

3 Issues for the CMA Investigation

Silver Voices would ask for the following issues to be investigated by the CMA and remedies recommended where appropriate:

3.1 Profiteering

There would appear to be no justification for the 6% average increase in funeral costs per year over the last decade. The annual Sun Life 'Cost of Dying' survey found that the cost of a basic funeral is now £4271 (having risen by 122% since 2004). The CMA will no doubt investigate the actual rise in costs of the component parts of a typical funeral and judge whether blatant profiteering has occurred.

A future cap on the profit margins of funeral operators would be welcome, until they can prove that the market is meeting the needs of the bereaved without exploitation.

3.2 Regional Variations

The Sun Life survey reveals huge regional variations in the average costs of basic funerals, in 2018 from £5880 in London to £3231 in Northern Ireland. The CMA will no doubt wish to examine why these regional disparities are occurring; is the funerals market simply raising prices to match the relative wealth of the region? And why did the average cost of a funeral in Scotland go up by 13.4% last year?

3.3 Customer Information

We believe that the recently bereaved should be entitled to the following information (confirmed in writing) at their first meeting with the Funeral Director and should be given time to consider the options:

- A breakdown in costs of all components of a funeral, including the Funeral Director's fees
- The costs of a no-frills direct cremation or burial
- Information on environmentally friendly options (see below)
- Contact information on other local funeral operators so that other quotes can be obtained if required

3.4 Environmentally Friendly Burials/Cremations

Funeral Directors should be required to provide information on local environmentally friendly options such as woodland burials. They should be prevented from maximising profits when such requests are made. One of our members requested a cardboard coffin for his mother, instead of the normal wooden one, from a long-established local firm and was told (the cardboard

coffin) “would be an extra £175 and the crematorium will have to use a lot more gas to complete the cremation process as the cardboard coffin will not assist the cremation as the wood finished coffin would”!

3.5 Crematoria/ Burial Fees

The CMA will no doubt be investigating recent rises in cremation and burial fees and comparing local authority charges to those of private cemeteries and crematoria. There is some anecdotal evidence that local authorities have been using above-inflation increases in such charges to help compensate for large cuts in general grants from Government. Such practices should cease.

Some of our members have also commented that, in some parts of the country, crematoria are not practically accessible as they are many miles away from where they live, and so families are forced down the burial route even though it is not their first preference. The availability of crematoria should be investigated by the CMA.

3.6 Market Opening

The private sector has been able to dominate the funerals market and the big operators have ensured that, in practice, price competition is limited. The CMA should encourage the establishment of public and voluntary alternatives as a means of forcing prices down.

3.7 Advance Payment Schemes

The CMA is urged to take a close look at advance payment schemes. In the past these were considered as good investments, but it may now be the case that excessive profits are being extracted from those of us that pre-plan too. One Silver Voices member was quoted a price £1000 above that of the current cost of a basic funeral. Many operators are now unwilling to guarantee that prices will not go up when the time comes, thereby negating the purpose of an advance payment scheme!

4 Conclusion

We trust that the CMA will take on board the serious issues raised above by Silver Voices, as this important investigation is progressed. We are ready to comment further at any stage of the investigation and to take part in any consultation events arranged.

Dennis Reed

Director, Silver Voices

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