

FUNERALS MARKET INVESTIGATION

Summary of roundtable discussion held in Cardiff on 27 June 2019

Introduction

1. The following is a summary of points raised in discussion with organisations whose role is to support the bereaved and/or provide advice to people in Wales. The discussion was held at the CMA's Cardiff office on 27 June 2019.
2. Prior to the roundtable discussion, the CMA provided a short presentation on the stages and timetable of the market investigation and the key areas of focus. The issues which the CMA explained it was looking at are outlined below under 'Scope of the market investigation', along with relevant comments from participating organisations.
3. The CMA stressed that no decisions would be made until it properly understands the problem. However, if an adverse effect on competition (AEC) is ultimately found to exist in the relevant markets, then it may, for example, think about ways to help people make better decisions. If it considers that these would still not be enough to address the problem and that the problem is price, then it may think about price regulation.
4. The roundtable discussion focussed on the following issues:
 - Scope of the market investigation;
 - Poverty and costs of funeral and crematoria services;
 - Quality issues;
 - Complaints (quality and price);
 - Choice of crematoria;
 - Other areas of possible change.

Scope of the market investigation

5. The CMA explained that the scope of its investigation extended over a range of issues. These included regional and demographic differences, whether different types of customers buy different things, and the extent of changes in consumer desires. The CMA noted that there appears to have been a decrease in any religious component, but more personalisation and the emergence of a market for direct cremations without a funeral director (FD). Also mentioned was the psychology of consumers and whether this creates biases. It was noted that people are often in a vulnerable position, and that it was being considered how choice is affected by this.
6. Prices and the more challenging issue about what people mean by 'quality' were also considerations, along with how customers think about quality, and observe it, and how it correlates to price. Issues about debt were also within the investigation's scope.
7. In terms of crematoria, issues included whether consumers have already chosen a crematorium before they speak to a funeral director, whether and when they visit the crematorium, and the significance of quality in terms of the environment, length of service or other factors. How consumers choose between crematoria was also pertinent, and the CMA noted that a prior connection seems significant. Further considerations were how crematoria attract people to use a specific crematorium especially when it has just opened, and whether there is an opportunity for more crematoria and competition. It was noted that there are often very few choices, particularly in local areas.
8. The CMA commented that its impression was that many FDs were embedded in the local community and were serving specific needs, and that people often choose between local FDs because of experience and recommendations. The CMA said it needs to understand the sales process and the possibility of 'upselling'.
9. An attendee asked why the CMA was not investigating burials, including natural burials, and other parts of the budget such as flowers and catering. The CMA responded that burials fees, catering and flowers were not within scope as these did not appear to raise competition issues. It will be looking at FDs' disbursements generally. It had not heard that there was a problem regarding natural burials.
10. Another attendee said that consumers want to be able to access the payment scheme of the Department for Work and Pensions. The number of public health funerals is increasing and more people realise that if they refuse to

pay, then the local authority will have to pick up the costs. The CMA said it was looking to understand how the process works, the consequences for FDs and local authorities, and whether it was causing cross subsidies.

Poverty and costs of funeral and crematoria services

11. An attendee stressed that poverty was causing an increase in the number of public health funerals. It flagged the increasing level of income poverty amongst pensioners which is currently the highest outside London at 20%. It said that direct cremations only occur at the request of the deceased and not because of cost. Nobody asks, 'If we don't come does it make it any cheaper?'
12. [X]. Lots of families are spread out so may not be able to hold a service on the same day as the cremation. It said that it did not offer earlier slots at a cheaper rate than those at peak periods, because the service is the same. It sets the same price for all the crematoria in its jurisdiction.
13. [X].
14. An attendee said that many older people say they cannot afford a funeral and there is a lack of awareness of the options. People generally want to have a FD with whom they have a personal relationship.
15. An attendee said that all FDs in Cardiff request a deposit.
16. An attendee pointed out that there was no requirement for an FD to check the financial viability of its customer [X]. They never ask, 'Do you have a budget?' as this would be inappropriate. Traditionally, they deal with money at the end of the meeting with the customer. However, it has a sense that people's reaction is changing. People increasingly ask whether they should pay upfront. The attendee queried why it should give two weeks' credit to someone purchasing a funeral, and pointed out that a customer does not walk out of a shop with a TV which they pay for two weeks later.

Quality issues

17. [X] said that it currently sets 45 mins for a service [X]. Between 8 and 9 am it has four quarter of an hour segments. [X]. Funerals do run over and people seem to want longer. It currently allows people an extra 45 mins.
18. It said that it does not have a range of slots because of the risk of families for different funerals/services arriving at the same time or being rushed. It considers that if it increases service lengths, this will not necessarily increase fees. It offers music and visual tributes.

19. [X]. It was suggested that people do not look at the cremation fee, but people should plan in advance.
20. [X]. Participants generally agreed on the need for respect and kindness on the part of the FD. What grates is when the clergy make no effort to know the person.
21. An attendee stressed the need for proper accredited training of staff. It spends a lot of money making sure people are trained. It said that the NAFD have excellent training of staff.

Complaints (quality and price)

22. [X] said that between January 2018 and April 2019 it had received only 36 complaints about funerals services, and these mainly concerned the quality, length of time for production and cost of headstone. The other complaints were no different than those in any other sector and generally concerned the cost of the service, but do not seem to raise concerns about fraudulent or criminal activities.
23. [X] said that the complaints it received were generally about people not being able to pay or getting enough welfare. It said that it often received complaints about an FD not making clear that if customers cannot pay, there may be other options elsewhere.
24. [X] noted that it was not aware of complaints made about crematoria.

Choice of crematoria

25. An attendee said that location is the key issue for the family as regards a crematorium; two other attendees agreed with this statement and said that this explains why people are opting for the [X] crematorium [X]. They said that timing and availability are less relevant than location.
26. An attendee said that people do not have loyalty to a specific crematorium.

Other areas of possible change

27. The CMA said that it was trying to find out how quickly the market was changing because of, for example, the internet. An attendee said its staff home visit 90% of their clients and have 30 members of staff in 4 branches; it is difficult to convey what they provide over the internet.
28. An attendee said people have no idea what they will need, and it is difficult to get this information across to people before they need it.

29. An attendee gave the example of environmental coffins which appeal to people in their 40s and younger but not generally to people in their 80s.
30. An attendee said that the situation is changing as people now sometimes come with a list of requirements.
31. Participants pointed that some form of direct cremation has already been happening. The example of Cornwall was given, where the nearest crematorium may be 2.5 hours away and the family do not wish to attend.
32. An attendee pointed out that there was a lack of conversations in nursing homes with people about what they would want for their funeral.

Appendix: List of organisations represented at the discussion

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