

## **FUNERALS MARKET INVESTIGATION**

### **Summary of roundtable discussion held in Edinburgh on 27 June 2019**

#### **Introduction**

1. The following is a summary of points raised in a discussion with organisations whose role is to support the bereaved and/or provide advice to people in Scotland. The discussion was held at the CMA's Edinburgh office on 27 June 2019.
2. In advance of the roundtable discussion, the Chair of the Inquiry Group gave a presentation on the CMA's market investigation, setting out the key stages in the investigation, the key issues under consideration and the four categories of remedies that might be appropriate, should the Inquiry Group find one or more adverse effects on competition (AEC).
3. The roundtable discussion focussed on the following issues:
  - How consumer expectations and demands are changing in the sector, and how the industry is responding to this.
  - Consumer engagement with the funeral purchase – in particular, to what extent consumers are vulnerable.
  - How to improve the preparedness of customers ahead of the point at which the funeral needs to be organised and how to help people make good choices, should the Group find an AEC.

#### ***Changing consumer expectations and demands and industry response***

4. One attendee suggested that some funeral directors in their locality recognise the market is starting to change, and are adapting their businesses to offer what people are looking for – for example, offering direct cremation options with a celebration, or advising families they can arrange parts of the funeral themselves, such as the celebration/commemoration, thus enabling people to make the arrangements more individualised. However, that was considered

the exception rather than the rule. It was suggested there may be more examples of such innovations in the south of England.

5. The emergence of low-cost funeral options was discussed. Most attendees were of the view that while it is right that people should be made aware of, and given the option of, a low-cost funeral, it is important that the funeral is right for the individual, and people should not end up feeling guilty that they have not given their loved one the funeral they would have wanted. One attendee suggested that many families do not know about direct cremation, and it is not available in every locality. But they also stressed, based on their experience of speaking with families, that direct cremation is not the right choice for everyone – it is about finding the most suitable option that meets people’s emotional needs, rather than finding the cheapest option.
6. It was noted that people accessing lower cost funerals are not necessarily those on lower incomes. One attendee suggested that there is an inverse relationship between people’s income level and demand for low cost funerals, with often people in lower socio-economic groups experiencing societal/neighbourhood pressure to ‘do the right thing’ for their loved one. This may result in people spending more than they can afford, sometimes with long-term financial consequences.
7. One attendee noted that the accessibility of funeral products is a particular issue for some people on low incomes, because of the payment terms. They suggested that it is all very well to have a top-line price; however, if all of the money has to be paid within a very short space of time, this makes the product inaccessible to those on low incomes. Another attendee said that it is a “massive hurdle” for people with financial constraints to access low cost funerals when they are faced with having to pay around £1,000 upfront, or within two days of arrangement. It was suggested that this has the characteristic of a poverty premium. Conversely, for traditional funerals, disbursements will generally be paid upfront, but the rest of the bill is invoiced around a week after the funeral; therefore, people who are more affluent find themselves in a privileged position. People in deprived areas may also be asked to pay more upfront, as they are seen more as a risk. There may also be differences in approach between branches within the same funeral director chain, depending on whether the branch is located within a deprived or more affluent part of the locality.
8. One attendee said that in their experience, funeral debt is not decreasing, and gave examples of people taking out pay day loans, paying for the funeral on credit cards, having to use a food bank and selling family jewellery as a consequence of paying for a funeral. It was suggested that some of the toughest situations they have seen involve people who are not eligible for a

social fund payment – those on low incomes, perhaps on zero-hours contracts with no qualifying benefits. For those who are eligible for a social fund payment, people do not necessarily know what level of payment they will receive. It was suggested that it may be possible for a funeral director to deliver a funeral where the customer is expecting a social fund payment, but this would likely have to be delivered below cost on the funeral director's part. Moreover, it was reiterated that people eligible for a social fund payment may not, in any case, want a low-cost funeral option.

9. The uniqueness of customers was highlighted as a factor making the process of purchasing/arranging a funeral complex. While some people may have very fixed ideas, due to tradition or the legacy of the family having used a funeral director in the past (even if the owner has changed), others may have no idea what their loved one wanted, or may never have arranged a funeral before, with no idea where to start.
10. Some attendees considered that there had been some degree of personalisation of funerals, in particular a shift in the ceremonial aspects. Examples given included people holding the ceremonial part of the funeral in a restaurant rather than a church, using a celebrant rather than a priest and playing pop music instead of hymns. People are becoming more involved through wanting to speak at the service and making the eulogy or readings more personal. It was acknowledged that this could impact on time and costs. It was generally acknowledged that this was a positive development from a consumer choice point of view, as long as this was accompanied by price transparency. In this context, one attendee commented that bundles and the names of coffins are confusing.
11. While it was noted that some funeral directors are moving into providing bereavement support services, the importance of people being able to access independent advice and support was highlighted.

***Customer engagement with the funeral purchase – to what extent are customers vulnerable***

12. One attendee considered that vulnerability in the context of making funeral arrangements depends on people's ability to access information before they go to a funeral director. They were concerned that while it is a lot easier to get information online, a lot of older people do not have access to the internet, which can make them more vulnerable if they do not have time to shop around. It was also suggested that people in rural areas may also have restricted access to the internet.

13. The point was made that being bereaved cuts across socio-economic groups and geographic areas, and while it affects people in different ways, it will affect everyone. One attendee suggested that a default position should be to treat people as if they are vulnerable because others are not in a position to judge.
14. It was acknowledged that not everyone has someone to support them when making funeral arrangements. One attendee suggested that where people do have someone accompanying them, it should not be assumed that the bereaved will be better informed or that their presence will somehow protect the bereaved person making the arrangements from social pressure, and from the taboo of talking about financial difficulties in front of their friend or close family member. It could also be hard for someone to open-up and show that they did not know their loved one's wishes, or to express their genuine concerns, fears or financial difficulties in front of people – especially those close to them. Another attendee reinforced the point, noting that some of their clients come to them for support because it is a safe place away from family or friends, and somewhere they can show their true feelings.

***How to improve the preparedness of customers ahead of the point at which the funeral needs to be organised and how to help people make good choices***

15. Suggestions were made with a view to improving the preparedness of people well ahead of the point at which the funeral needs to be organised. There was a general consensus that this should include: death education in schools and upskilling the young, and more generally encouraging society to open up and speak more about death.
16. Suggestions were also made on how to bring about greater awareness of the alternatives that are available to people, such as the availability of simple funerals. One attendee suggested that discussions should focus on what mattered to the person, drawing a corollary with discussions that take place about organ/tissue donation, when a person who has died has not expressed their wishes on the organ donor register. Another attendee suggested that consistency and clarity of language is important, ensuring people have common terms and simple, very understandable language, as opposed to names of packages such as 'the Poppy Package' or 'the Lilly Package'.
17. It was suggested that to be able to make an informed choice, people need to have access to advice and support, particularly since a funeral is generally an infrequent purchase; they also need openness and transparency from the outset, especially since it was suggested that many people would be unlikely to shop around. One attendee considered that people are very trusting

because they believe there is some kind of regulation in place and that funeral directors are locally owned/family run.

18. The discussion considered whether there is a role for intermediaries in terms of providing support and advice on funeral options. One attendee noted that organisations such as hospitals and hospices and others with health-facing roles do not necessarily have experience of arranging funerals and would not necessarily feel best placed to have discussions with people who need to arrange a funeral. They also noted that such organisations may not have the resources to take on such roles, given the pressures they face. Bereavement offices in hospitals may be more focussed on practicalities or sorting out death certificates, belongings and providing information packs. However, the view was that while there are models that could work in terms of playing an advisory/support role, there is currently no consistency across the UK. [X].
19. [X].
20. One attendee suggested that, with regard to the transfer of the deceased from the place of death, sometimes families are not clear what has happened – particularly with low cost funerals and direct cremations. The family may not know that the deceased has not yet been transferred to their chosen funeral director, or that the deceased was not collected in a hearse, but rather a private ambulance with possibly 3 or 4 other people (where the family may still be charged the same collection fee as if it were an individual collection). [X].
21. In terms of raising awareness of the cost of funerals, one attendee considered that it would be helpful to somehow publicise widely a ballpark figure for the cost of a funeral. On the subject of price transparency, another suggested that there should be a requirement for funeral directors and crematoria not just to publish prices, but to ensure that what is included and excluded is made clear.

## **Appendix: List of organisations represented at the discussion**

[✂].