

FUNERAL DIRECTORS AND CREMETORIA SERVICES MARKET INVESTIGATION

Summary of hearing with C.P.J. Field & Co Limited held on 10 December 2019

1. C.P.J. Field & Co Limited (CPJ Field) said that it operated 40 funeral homes across the South East of England. CPJ Field said that it operated under a 12 different brand names, all under the main brand 'CPJ Field', and marketed itself as a family owned business. CPJ Field said that it was an established company with over 300 years of experience. CPJ Field explained that it was established in 1690 and had been in the same family for ten generations, though the business had undergone many changes over that time both in terms of its legal structure and the services it offered. CPJ Field said that currently, it was a limited company providing funeral services from its funeral homes.
2. CPJ Field stated that it employed 136 full time equivalent staff with many staff on a job share contract. CPJ Field provided a breakdown of its current staffing position: 29 funeral directors, 43 funeral arrangers, 39 funeral service team members and approximately 20 to 25 staff in its head office. CPJ Field said that it conducted between 2,500 and 3,000 funerals per year.
3. CPJ Field said that its strategic goal was to be trusted to care for the living and the dead.
4. CPJ Field said that it aimed to become a fully accredited member of the European Family Business Network (B Corps) within the next five to ten years.

Change in the industry over time

5. CPJ Field said that it had seen a huge change in societies' approach to funerals over the last 12 years. CPJ Field said that it considered that these changes were driven by societal changes in the declining part that religion now played across the community and in people's lives. CPJ Field said that it thought that when people considered how to remember someone, the part that was played by the church, and in particular by a minister of religion, was

'no longer the pinnacle'. CPJ Field said that the implications of this change for the funeral industry was considerable because, first, there was no longer a set format to hang a ceremony around, and second, there were also implications for the ongoing pastoral care of those who survived the deceased. CPJ Field said that people were increasingly turning to funeral directors for pastoral care, having built a trusting and caring relationship with staff through the period of acute loss and the arrangement process.

6. CPJ Field said that there had also been significant changes in consumer demands and perspective, mostly post-2008. CPJ Field explained that consumers had a higher expectation of the consumer experience. CPJ Field said that it believed that this change in expectation had been exacerbated by the changing requirements that the digital age had brought as well as how people consumed information, how people wanted to engage with information and how people, ultimately, made decisions.
7. CPJ Field said that it had adopted to this change in the funeral market by emphasising that its way of providing funeral services and providing care was based around understanding what was important to the customer and what the customers' priorities were rather than what CPJ Field's priorities were. CPJ Field said that in order to fully understand the customer's needs, it now made the arrangements for a funeral over two arrangement meetings. CPJ Field said that its goal was to build a relationship with a customer that developed over a number of generations, rather than concentrating on a short-term transaction.
8. CPJ Field said that another change in the funeral market over the last ten years was that those working in the funeral market no longer focused on the funeral ceremony, but on helping people to transition to a life without someone they loved in it.
9. CPJ Field explained that one of the main drivers for it developing its approach had been its inability to differentiate itself from what its other competitors on the high street were doing. CPJ Field said that its approach was now to recognise that it was dealing with something utterly unique for the customer. It was providing customers with two principal services: first, the way in which they will retain the last memory of their loved one; second, it was setting up the manner in which customers started their life without that person in it.
10. CPJ Field said that, broadly, what it would have viewed as a funeral 10 to 15 years ago was not necessarily what a funeral was currently. CPJ Field explained that historically, a funeral was perceived to be a ceremony in church followed by a committal either in a cemetery or a crematorium. Today, a funeral could easily be a direct, unwitnessed cremation followed by a

gathering where the ashes were present, or even just a more conventional memorial gathering. CPJ Field said that the clear definition of a funeral that most people had in their minds was increasingly becoming less relevant.

Vulnerability of customers at the point of need

11. CPJ Field said that customers trusted and knew the funeral director they engaged with, noting that many consumers did not appear to carry out any due diligence on their purchase.
12. CPJ Field said that it had worked hard to try to address the issue of dealing with vulnerable consumers. It had run a number of campaigns, such as '*Tackle the Taboo*' and the current '*Start the Conversation*' campaigns but had received a mixed response as it had found that people did not have an appetite for engaging in discussions about people's own mortality. However, CPJ Field explained that it believed that it was important that potential customers talked through these issues with it so that it was aware of the deceased's wishes.

Competition between funeral directors

13. CPJ Field said that it considered that competition in the funeral market occurred at the local level. CPJ Field said that it believed its principal competitor in one area could have been a long, or a newly, established funeral director operated by an owner manager out of a single funeral home; and, in another location, it could be one of Dignity's branches. CPJ Field said that although it competed against companies who had different operating models to it, it was often difficult to compete effectively as many customers did not consider their choice much more than going to their local funeral director that the family had always used.
14. CPJ Field said that price was always a factor in consumer choice, but it did not think that it was the principal factor. CPJ Field explained that customers did raise price as an issue. However, it pointed to NAFD research where price was ranked about seventh in terms of the things that were important to bereaved families at the time that they arranged a funeral. CPJ Field said that this was in line with its experience. CPJ Field said that it prioritised ensuring that its customer made the choice to spend their budget on what was really important to them. CPJ Field explained that this could, for example, mean that the customer ensured that the party they organised in a pub went well - over and above the other funeral arrangements - if that was what was important to the customer.

Switching between funeral directors

15. In its earlier submission to the investigation, CPJ Field had said that it had experience of customers switching funeral directors and that switching happened mostly at the point at which the deceased was collected from the mortuary, or the hospital. CPJ Field expanded further, saying that switching did happen later in the process, although this did not often happen. CPJ Field said that when it occurred later in the process, this was usually due to customer dissatisfaction with their current funeral director. For example, a customer may switch provider if they discovered that the funeral director they had instructed was not using what they thought were appropriate mortuary facilities and had left the deceased person in the hospital until they were to be collected just before the funeral.
16. CPJ Field went on to explain that the main point at which switching occurred was when arrangements were made by hospitals or care homes with third-parties to care for the deceased. For example, CPJ Field said that it provided some care facilities for some community hospitals that did not have mortuary facilities in its area. The family could then instruct a funeral director near to where they lived, and that funeral director would come and collect the deceased person. CPJ Field said that there was then a debate amongst the funeral directors as to where the cost of the collection of the deceased should fall. CPJ Field explained that it had a trade price, particularly for out-of-hours work. CPJ Field also said that it had a good working relationship with the majority of its competitors. However, there were some funeral directors who would contest the charge.
17. Notwithstanding the above, CPJ Field said that there were good relationships between most funeral directors, as those in the industry were driven by the desire to ensure that the family was looked after properly. CPJ Field gave the example that if there was an accident on the way to a funeral or a vehicle broke down, then usually another funeral director would come and help.

The funeral sales process

Price and information transparency

18. CPJ Field said that it did get asked to quote the price for a funeral over the phone. However, it believed that, typically, consumers were asking for the price as they believed that this was one of the questions that they should be asking of funeral directors. CPJ Field said that it is also asked other questions by consumers which gave a better insight into what the customer considered to be more important than the price.

19. CPJ Field said that price was regularly raised by customers in relation to direct cremation. In particular, customers would mention if they had seen another company offering a direct cremation for a lower price than it. CPJ Field said that if this situation arose, it would then explain to the customer how CPJ Field differentiated its service by way of its mortuary care and the way that it looked after deceased. CPJ Field said that some customers then made a price-based decision and went elsewhere, but others thought that it was more important to stay locally.
20. CPJ Field said that 'transparency' should be considered to be wider than just considering price transparency. CPJ Field said that some of its competitors outsourced much more than hiring in vehicles, some competitors also outsourced the care of the body. CPJ Field said that it believed that its customers trusted it to look after the deceased person. However, CPJ Field said that customers could not be guaranteed an appropriate quality of care of the deceased from other companies. CPJ Field said that transparency should include the terms of business, the price and the standards of the businesses.
21. CPJ Field said that it has been publishing its prices on its website since 2013.

Price comparison websites

22. CPJ Field said that it was on price comparison websites. The operators of the price comparison websites promoted the sites to CPJ Field as a marketing opportunity providing CPJ Field with a greater opportunity to reach more people. However, CPJ Field said that it believed that its brand sold its services and that other people did not. CPJ Field said that it was not aware of any business it had received from price comparison websites in the last six months.
23. CPJ Field said that it believed that the online market would have an increasing influence on the market in the years ahead. CPJ Field said that it saw consumers doing more research and considering testimonials and online reviews through the internet.

Arrangement meetings

24. CPJ Field said that in order to fully understand the needs of customer's, it made the arrangements for a funeral over two arrangement meetings. CPJ Field said that in the first meeting, it would introduce the customer to its concepts and ideas. The second meeting was to finalise the details, having given the family the opportunity to go away think about what it was that they really wanted.

25. CPJ Field said that in practice, when a family first walk into a funeral home they had limited understanding of what should happen next. CPJ Field said that its approach was to ask the family to make an appointment to return a day or two later. CPJ Field explained that it was not uncommon for the customer to say that they wanted to make the arrangements now as, for example, the customer had taken time off work to come in to see the company, or the customer said that it was 'really important to Mum to know when Dad's funeral [was] going to be'. CPJ Field said that whilst it advised people that it was good for them to take the time to go away and think about issues, it understood that some customers just wanted to get the arrangements made there and then.
26. CPJ Field explained that the reality, even for funeral directors that were not employing this approach, was that a lot of decision-making developed during the course of preparing for the funeral as, for example, it established the availability of: venues; people to lead services and other ancillary services.
27. CPJ Field said that it encouraged families to consult with each other at the earliest opportunity. CPJ Field said that, if it can, it would gather the family unit and to go through that act of coming together. CPJ Field explained that often the initial meeting was reflective of one individual's approach, this would then be tweaked later on to be more reflective of the broader views of the family.

Funeral Director's services

28. CPJ Field said that it maintained its own mortuary facilities. CPJ Field explained that although it had a number of funeral homes that did not have mortuaries on site it was always very clear that it used one of its own mortuaries at a funeral home nearby. CPJ Field emphasised that it did not have a unit that was solely for mortuary services.
29. CPJ Field said that it centralised its vehicle garaging and arranged its fleet of vehicles on a regional basis.
30. Following the funeral CPJ Field said that it kept in touch with the customer and their family for at least a year. CPJ Field said that it arranged services of remembrance throughout the year and carol services in December for relatives.

Standard funeral

31. CPJ Field explained that it did not sell funeral packages. CPJ Field said that it had five standing charges which were the basis of each of its funerals. These fees were:
- Professional fee: the charge for administrative services;
 - Care of the deceased: the charge for the care, preparation and presentation of the person that has died;
 - Collection: the charge for the collection of the person who has died and the conveyance into our mortuary;
 - Funeral: the charge for provision of a hearse and funeral staff on the day of the funeral; and
 - Coffin: the charge for the provision of a coffin.
32. CPJ Field emphasised that it would provide a coffin on every funeral for free if that was what the customer wanted. This would be a cardboard coffin or a wooden foil coffin where cremation was asked for in a crematorium that did not accept cardboard coffins. CPJ Field said that this basic level of services formed its standard funeral, this was the baseline from which all other funerals were built up from. This would include visiting and embalming.

Non-ceremonial funeral

33. CPJ Field said that it offered, in addition, a non-ceremonial funeral, this was an unwitnessed cremation. This was a cheaper option than the simple funeral.

Quality of services

34. CPJ Field said that for the most part, quality was about the ceremony on the day in most customers' perception. However, CPJ Field emphasised that it believed that customers would judge it on the quality of what it provided through the strength of the relationship that customers formed with CPJ Field through the period of the funeral arrangement process and afterwards.
35. CPJ Field said that, as funeral professionals, quality ran through every aspect of what it did: from the quality and the standard of its funeral homes (both its front of house and back of house); the quality and standard of the education and training of its staff; the professional presentation of deceased people and the care that the body received throughout; the manner of the delivery of the funeral ceremony on the day; the strength and quality of relationship that the

customer had with its staff and the care that the staff provided; the quality of the communication throughout, both written and verbal, and the feedback afterwards. CPJ Field said that it believed that the relationship its staff built up with customers underpinned all the other factors.

36. CPJ Field further explained that some of what it did as a funeral director could involve some unpalatable things. CPJ Field explained that preparation of a body for a last visit from a family member often involved embalming the body. CPJ Field said that its staff were reluctant to compound someone's grief by being too graphic in explaining the embalming process in detail. CPJ Field said that there was a balance to be met between transparency and protecting the family's sensibilities.
37. CPJ Field recognised that there was a link between the provision of a quality service and the price that was paid. However, CPJ Field argued that it: employed what it deemed to be the right number of staff; invested in staff training to ensure that staff were properly trained; invested in its facilities to make sure that the facilities were appropriate - that all came at a cost. CPJ Field recognised that it could reduce costs by outsourcing elements of its service but its ability to control quality would be reduced in line with the reduction in price.
38. CPJ Field said that it asked its customers for feedback on whether they thought that they had received value for money. CPJ Field said that over 80 per cent of customers gave feedback that the cost of the funeral was in line with what they were expecting to pay.
39. CPJ Field said that it had some experience of poor-quality services in some of the businesses it had acquired. For example, in one case, CPJ Field said that a business it bought had a 'mortuary', which was just a body refrigerator in the corner of a storeroom. This business also had issues with a lack of policies covering the identification of the bodies.

Coroner's contracts

40. CPJ Field said that it operated the East Sussex Coroner's contract, which was for the provision of Coroner's removals across the county of East Sussex, and also the provision of funerals for the East Sussex NHS Trust, which was based predominantly around Hastings and Eastbourne. CPJ Field explained that providing this service was not a commercially driven decision and that it would be significantly easier for it if it did not have this contract. However, CPJ Field said that it believed that it should be supporting its community by providing those services and that this contract was one of the active ways it

supported its local community - CPJ Field said that it was the largest funeral director in East Sussex.

41. CPJ Field said that when the contract started it recorded that it had already been involved in the dealing with the deceased body in around four or five per cent of case before being first approached by the customer, this figure had now increased to about 10 or 11 per cent of its customers. CPJ Field said that research it had carried out indicated that about 1.5 per cent of its customers choose it because of the Coroner's contract.

Potential Remedies

Price transparency/charging remedies

Standards for the industry

42. CPJ Field said that there were some aspects of its operations that it competed on and there were other aspects that it viewed as being required by all businesses in the industry. CPJ Field explained that back office services formed the main area where customers expected a certain standard of service, and it would be difficult to compete on these services as they were not visible to the customer. CPJ Field said that it believed that there was a potential to apply standards for these services that could enable consumers to have a quick reference comparator – something like the food hygiene standards rating for restaurants – this could be displayed in a funeral director's window. CPJ Field said that this would enable a funeral director to demonstrate that it was professionally competent and qualified and would empower consumers to make an assessment. CPJ Field said that this would still leave funeral directors a choice as to whether they operated at the minimum standard or above.
43. CPJ Field explained that the critical part of any standards system was policing. CPJ Field said that it was currently concerned that whilst it was regulated in its mortuary operations in regard to environmental health regulations, it had not been inspected by environmental health officers.
44. CPJ Field said that it could be more difficult to establish standards covering consumer expectations than to set acceptable standards for mortuary care. CPJ Field explained that this was because there were different standards in different parts of the country as to what was the accepted convention for a funeral.

Standard Pricing:

45. CPJ Field said that they had two issues with setting a price for a 'standard' funeral. Firstly, consumers could easily be confused by what was being offered under the label of a 'standard' funeral. Secondly, if firms were required to provide a set funeral for a set price, should a customer want a marginal change to the set funeral, firms could charge quite a large price differential for, essentially, a relatively small difference. This was a flaw with the set-up of the 'Simple funeral' and should be avoided.
46. CPJ Field said that the biggest challenge for setting a price cap for a 'standard' funeral was how the package with a capped price could be made suitable for all circumstances, such as a rural Christian family in Sussex, a Seventh Day Adventist family in Brixton, or, a Hindu family living in Bromley. CPJ Field explained that the funeral practices would be different for each of these customers, involve different times and different funeral practices. CPJ Field said that it would be very difficult to create a single package that was suitable for a wide range of people. CPJ Field emphasised that all customers, no matter what their faith, or background, should have access to the same capped service that firms were providing, otherwise the industry could be guilty of differentiating between customers on the basis of protected characteristics.
47. CPJ Field said that 15 to 20 years ago NAFD, in consultation with the Office of Fair Trading, introduced the simple funeral. CPJ Field said that whilst NAFD had abolished the simple funeral, the vast majority of funeral directors still continued to use it. CPJ Field observed that if introducing a simple funeral was a remedy to the problems in the industry, then the approach taken by the NAFD would have had a successful impact on the funeral market.
48. CPJ Field recognised that the previous price had not included a price cap on the simple funeral, nevertheless, CPJ Field said that the simple funeral had been used as a price hook by many funeral directors. CPJ Field said that many funeral directors would tell customers that they could have a limited service for a set price, but any deviation from the service would result in a £1,000 or more, uplift in the cost of the funeral, even if the change was minor.

Online Customer Reviews

49. CPJ Field suggested that one way of addressing customer concerns could be to mandate that firms must survey all their customers and publish the results of those surveys.

Other Issues

Timing

50. CPJ Field said that it was concerned about the potential timing of implementation of any CMA recommendations relative to the potential timing of the FCA regulation of funeral plans. CPJ Field said that the funeral market could be on a path to a considerable amount of change in a sector where some parts of its operation had not been heavily regulated and other parts operated in a regulated environment. CPJ Field said that it was concerned that its' management capacity to deal with the introduction of wide-ranging changes was limited. CPJ Field said that there were many funeral directors who similarly had limited management capacity and were concerned that the introduction of remedies could place a heavy burden on the funeral industry.

Pre-paid funeral plans

51. CPJ Field felt that there was a potential that the application of FCA regulations to funeral plan providers could have a disproportionate effect and reduce potential competition in funeral plans. CPJ Field explained that it believed that it was likely that the impetus would be placed on funeral directors to comply with the regulatory regime, which would be likely to reduce the appetite amongst small funeral directors to change funeral plan providers. CPJ Field said that this could have a distorting effect on consumers, ultimately, because someone looking at purchasing a funeral plan through a funeral director would not necessarily know that the funeral director, because of the scale of compliance issues they have to deal with, may have been reticent to move to another plan provider.