



FUNERALS MARKET INVESTIGATION

The Consumer Council is the statutory consumer advisory body in Northern Ireland. Our principle statutory duty is to “promote and safeguard the interests of consumers in Northern Ireland”. The Consumer Council is a designated super-complaints body under the Enterprise Act 2002 and the Financial Services and Markets Act Order 2013.

The Consumer Council has three main statutory duties to undertake:

1. Research and advocacy on consumer issues in Northern Ireland;
2. Consumer education and advice services; and
3. Any complaint relating to consumer affairs in Northern Ireland.

The work of The Consumer Council has recently been recognised by the UK’s Department for Culture, Media, and Sport as we are their preferred body to undertake consumer complaints, education and advocacy for the reserved issues of Telecoms, Broadband, and Pay-per-View TV.

We are concerned that the current proposals for potential remedies may, in some cases, not be suitable for the funeral practices, and culture, in Northern Ireland. This is ultimately due to the fact that social convention in Northern Ireland means that funerals here traditionally take place very quickly (when compared to Great Britain), often less than 3 days after death has occurred¹.

The CMA’s Belfast Roundtable, on the 5 September 2019², also highlighted the significant differences between funerals in Northern Ireland in regards to religious background (Catholic/Protestant), rural vs. urban funerals, and that currently there is only one crematorium facility in Northern Ireland.

In addition, in Northern Ireland there is still a very highly held moral, ethical and social feeling, or code, within society to ensure that funeral costs are paid for as soon as possible by the family³.

Research by Marie Curie⁴ indicated that despite being the cheapest place in the United Kingdom for a funeral, the cost in Northern Ireland is still incredibly high, and has grown significantly in the last ten years. In 2004, the average cost of a funeral in Northern Ireland was £1,589. In 2017, the cost of even a basic funeral was nearly £3,000. In addition, there is also a post code lottery around burial costs, as these vary widely across different council areas in Northern Ireland – costing several times more in places like Belfast than they do in Fermanagh or Mid Ulster.

Taking each of the CMA’s proposed remedies in turn, we would like to make the following observations:

¹ <https://www.belfasttelegraph.co.uk/news/everything-you-wanted-to-know-about-death-but-were-afraid-to-ask-36275646.html>

² https://assets.publishing.service.gov.uk/media/5ddfe66540f0b65149fd524f/Belfast_roundtable_summary.pdf

³ <https://www.thedetail.tv/articles/death-and-dying-the-funeral-industry>

⁴ <https://www.mariecurie.org.uk/blog/why-is-funeral-poverty-on-the-rise-in-northern-ireland/193242>

1. The introduction of a quality regulation regime

The Consumer Council welcomes the CMA's proposals⁵ in regards to the introduction of a quality regulation regime. It is important for consumer protection that there are clear and upfront requirements for funeral directors in Northern Ireland, especially due to swift nature of funerals here.

Effective monitoring and enforcement of standards are an essential consumer protection measure. There will need to be appropriate body to monitor and enforce standards. The Consumer Council would ask that the CMA ensures within in any proposal, that this body has a physical presence in Northern Ireland as it needs to be sensitive to local customs and consumer concerns. The Consumer Council has an ombudsman role in regards to coal and a complaints role in regards to Energy, Financial Services, Postal Service, Private Car Parking, Transport, and Water and would be keen to extend these services to encompass funeral services in Northern Ireland if that would be helpful.

The Consumer Council would actively support the proposal in regards to the collection and dissemination of information to customers on the quality of services provided by funeral directors. The Consumer Council has a statutory duty to undertake consumer research, advocacy and education services in Northern Ireland, and would be eager to also support consumers in relation to funeral service. As part of this, The Consumer Council would be keen to ensure that a consumer centric Code of Practice is developed around Funeral Services in Northern Ireland.

2. Measures to promote greater information transparency

The Consumer Council agrees that information and transparency remedies can help consumers make an informed decision with regards to their choice of funeral director and funeral services. However, there are some real practical barriers in Northern Ireland to the CMA's proposed remedies⁶, due to the fact that the majority of funerals in Northern Ireland take place less than 3 days after death has occurred. For these practical reasons, the "reflection period" within the CMA's proposed remedies will unfortunately be meaningless in Northern Ireland, which will mean that consumers in Northern Ireland will ultimately receive a lower level of protection than other regions of the United Kingdom.

Additionally, as we have seen in the energy, finance and insurance markets many price comparison tools do not cover Northern Ireland. As overall Northern Ireland accounts for around 3% of the UK population (Population 1.8 million⁷); it is often not cost effective for providers to build a comparison tool to take account of different market conditions.

The Consumer Council would therefore suggest that a different approach is needed in Northern Ireland, whereby the focus is existing local consumer support mechanisms (such as ourselves), to provide:

- on-going consumer education prior to death;
- Consumer complaints service; and
- Northern Ireland specific comparison data.

5 https://assets.publishing.service.gov.uk/media/5e32d33640f0b6090c63ab1c/Quality_regulation_remedies_FINAL.pdf

6 https://assets.publishing.service.gov.uk/media/5e32d359ed915d091c7ca79c/Information_and_transparency_remedies_FINAL.pdf

7 <https://www.ukpopulation.org/northern-ireland-population/>

Currently, The Consumer Council undertakes over 150 outreach events per year, with over 12,000 consumers attending. In addition, we already undertake consumer complaints regarding Energy, Financial Services, Postal Service, Private Car Parking, Transport, and Water and over the last 5 years we have dealt with over 16,500 consumer enquires/complaints which has returned £1.8m to consumers in Northern Ireland.

In addition, due to the lack of coverage from price comparison tools in Northern Ireland, The Consumer Council has developed its own tools in regards to:

- Domestic Electricity and Gas⁸
- Business Electricity and Gas⁹
- Heating Oil¹⁰
- Parcels¹¹
- Current Accounts¹²
- Budgeting¹³
- Petrol and Diesel (in development)

Therefore, we believe if this remedy is to be successful and help all consumers in the UK, it needs to be mindful of local practices, customs, and existing local processes and remedies.

3. Regulating the price of funerals

Whilst funeral costs are generally lower in Northern Ireland than other regions over the United Kingdom, income levels in Northern Ireland are lower and there are higher levels of debt. Research by ASDA¹⁴ shows (Graph 2) shows that average Discretionary income in Northern Ireland is the lowest of any UK region (£119 vs. GB Average of £218).

8 https://www.consumerCouncil.org.uk/comparison_tool/begin

9 https://www.consumerCouncil.org.uk/business_energy/begin

10 <https://www.consumerCouncil.org.uk/consumers/save-money/energy/home-heating-oil>

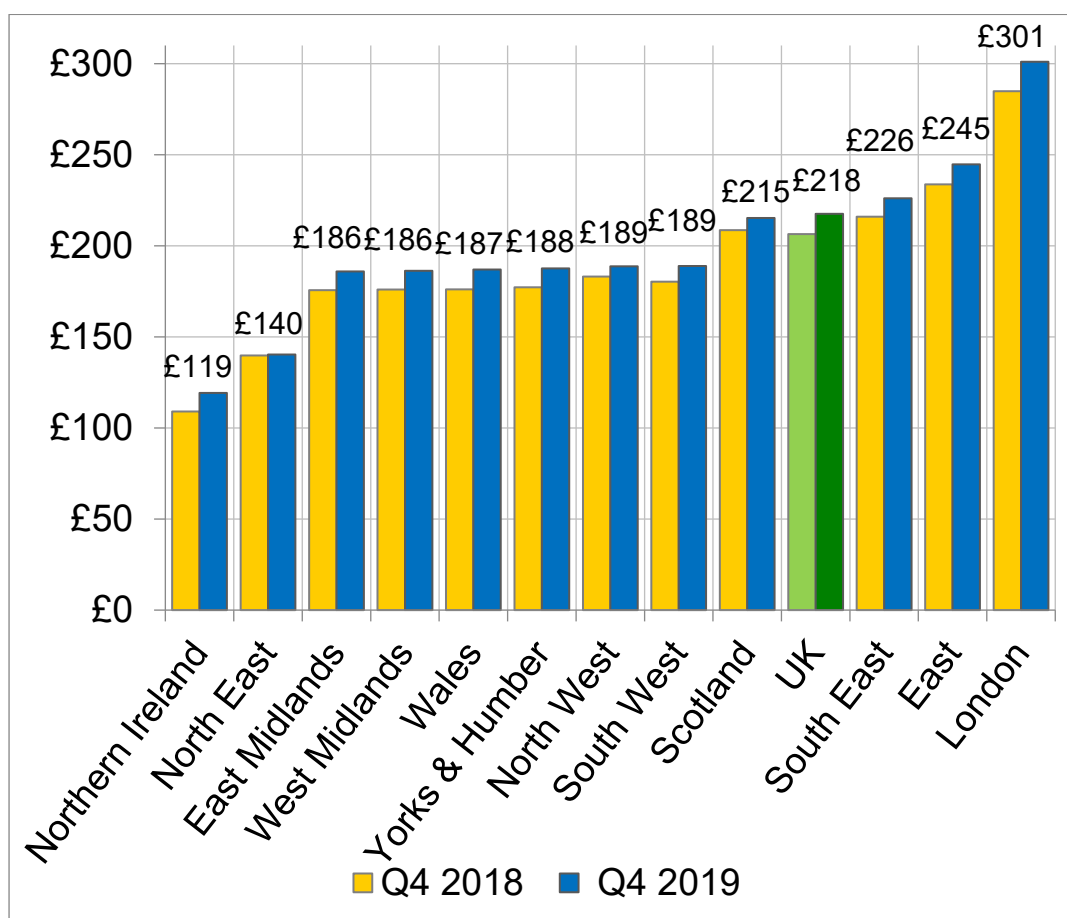
11 <https://www.consumerCouncil.org.uk/parcelpal-ni>

12 <https://www.consumerCouncil.org.uk/consumers/save-money/personal-finances-and-budgeting/comparing-and-switching-bank-accounts>

13 <https://budgettool.consumerCouncil.org.uk/>

14 <https://corporate.asda.com/newsroom/2020/02/21/asda-income-tracker-january-2020>

Average Household Discretionary Income (£ per week) – Source: ASDA (January 2020)



In addition, research from the Financial Conduct Authority’s Financial Lives Survey 2018¹⁵, shows that Northern Ireland households are the least resilient of any UK region. The research also shows that the average levels of debt that households in Northern Ireland have are significantly higher than other areas of the UK.

Table 4: Financial Vulnerability of UK Regions. (Source: Financial Conduct Authority, Financial Lives 2018)

Issue	Northern Ireland	England	Wales	Scotland
Characteristics of Potential Vulnerability	56%	49%	55%	54%
In Financial Difficulty	10%	8%	10%	8%
Over-Indebted	20%	14%	17%	13%
No Savings	12%	12%	13%	11%
Savings less than £10,000	60%	49%	50%	47%
Average Mortgage Debt	£117k	£130k	£104k	£100k
Unsecured Debt (Average Adult)	£3,990	£3,280	£3,500	£3,400
Unsecured Debt (Average adults with Debts)	£10,730	£9,640	£9,740	£8,530

The Consumer Council believes there needs to be a regional approach to proposals¹⁶ in regards to regulating the price of funerals, as cost structures between regions differ, and if a national regulated price was to be set, consumers in Northern Ireland could see an increase in prices as

¹⁵ <https://www.fca.org.uk/publications/research/understanding-financial-lives-uk-adults>

¹⁶ https://assets.publishing.service.gov.uk/media/5e4d4c54d3bf7f39392d6b13/FD_Price_control_remedies_web_---.pdf

they are raised to that level. As Paragraph 71 of the remedies document¹⁷ sets out there is a real risk in Northern Ireland that unintended market distortions may arise due to variation in the level of a price control across the UK, particularly at the border of geographic areas or regions if different maximum prices have been set.

The Consumer Council believes its statutory role in Northern Ireland could be used to help ensure compliance, monitoring, complaints and enforcement within a regional approach.

4. Local Authority procurement of funeral director services.

The remedy paper¹⁸ describes examples of schemes that exist in England and Wales. The Consumer Council believes further work is needed by the CMA to see if these proposals could practically work at a devolved level in Northern Ireland.

5. Regulating the price of cremation

As the CMA's proposed remedies paper¹⁹ sets out legally there is no significant difference between England and Wales's legislation on crematoriums, as compared to legislation in Northern Ireland (The Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1985). However, as previously set out currently there is a practical difference as currently there is only one crematorium facility in Northern Ireland.

In regards to regulating the price of cremation, The Consumer Council would suggest that the CMA needs to ensure there needs to be a regional approach to price regulation. As Paragraph 66 of the Remedy Paper sets out cost structures between regions differ, and if a national price cap was to be set, consumers in Northern Ireland could see an increase in prices as they are raised to the level of the cap.

The Consumer Council believes its statutory role in Northern Ireland could be used to help ensure compliance, monitoring, complaints and enforcement within a regional approach.

Conclusion

1. The Consumer Council is keen to support the CMA in relation to its Funeral Markets Investigation and the implementation of any remedies within Northern Ireland. The Consumer Council can support by:

- Providing a complaints service for consumers in the funerals market in Northern Ireland – further details can be found within our annual complaints report²⁰;
- Providing consumer education around funeral services;
- Undertaking consumer research around consumers experience in the funeral market by providing comparable data/best practice experience from other regions in the UK; and
- Working with the industry and a funeral's regulator to develop a consumer centric Code of Practice around funerals within Northern Ireland.

2. The Consumer Council would welcome the opportunity to discuss this in greater detail. [✂]

¹⁷ https://assets.publishing.service.gov.uk/media/5e4d4c54d3bf7f39392d6b13/FD_Price_control_remedies_web_---.pdf

¹⁸ https://assets.publishing.service.gov.uk/media/5e4d4ca986650c10e7d8e130/LATenderRemedy_web_---.pdf

¹⁹ https://assets.publishing.service.gov.uk/media/5e4d4c8686650c10e4580ebe/CrematoriaPC_remedy_web_---.pdf

²⁰ www.consumerCouncil.org.uk/sites/default/files/2019-10/Annual%20Enquiries%20%26%20Complaints%20Report%202018-19%20-%202018%2019%20-%20Word.pdf