

Funerals market investigation

Information and transparency remedies

Submission by About the Funeral

About the Funeral is an independent, impartial funeral price comparison site. Consumers can access instant like-for-like funeral quotes online, which they can tailor to their exact needs. The full range of goods and services compared are from participating funeral directors, nationwide. It's a free service for consumers and funeral directors.

This response focuses on the **Information and transparency remedies** paper.

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

Summary

About the Funeral strongly supports the CMA's thinking that information and transparency remedies may be necessary to protect vulnerable consumers and provide better outcomes for consumers. However, rather than 'think' remedies may be necessary, we would strongly urge the CMA to 'insist' they are made.

Historical evidence and our own experience¹ as a funeral price comparison platform have taught us that the necessary improvements in price and information transparency for consumers' benefit will not happen without enforced action.

Other intermediaries have tried to improve the price transparency issue for consumers, but with limited success. These include other funeral price comparison websites², who have had to resort to scraping pricing data, and a charity campaigner³. With the threat of a CMA investigation on the horizon, even the two funeral trade associations - with a combined membership of 80% of all funeral directors - tried encouraging their members to voluntarily upload pricing on to their biased directories. The trade associations have arguably had the least amount of success⁴.

Funeral pricing has continued to escalate disproportionately over the past 15 years to other goods and services. Funeral directors' service fee has only recently slowed down, perhaps due to the CMA spotlight on the sector? Too many bereaved consumers have been adversely affected financially and mentally. They have been unable to make the best choices for their circumstances, because of funeral providers' unwillingness or apathy towards full-price and information transparency. It is clear that some funeral providers have failed in their duty of care to act responsibly and treat customers fairly.

¹ See Appendix 1

² See Appendix 2

³ beyond.com, yourfuneralchoice.com, bit.ly/fairfuneralscampaign

⁴ National Association of Funeral Directors – bit.ly/funeral-directory; Society of Allied & Independent Funeral Directors – bit.ly/localfuneral-co-uk

None of this is news. The OFT criticised the industry in its 2001 report. Legislative reform is long overdue.

Response summary

About the Funeral agrees with the CMA's proposals at 6 (a) to (d).

Key elements of proposed information and transparency remedies

23 (a) Price transparency

Pricing information should be available in whatever format and wherever the consumer wants to search for it.

The best solution to online transparency would have no connection to any funeral body or company. It would also consist of a central platform. One of the platform's functions would enable consumers to compare and tailor pricing. A simple directory listing site with ballpark figures would not suffice. Funeral providers and crematoria would be held responsible for uploading and maintaining their full pricing and product information, with penalties for not doing so. This wouldn't be an onerous task – may be an hour or two of a funeral provider's time to set up, and minutes to make amendments as often as they change their pricing and products in a year. This is the quickest way to help bereaved consumers avoid wasting precious time searching individual websites, and the easiest way to give them access to instant and accurate quotes before the funeral arrangement meeting.

Overseen by the CMA, the platform would be supervised and operated by an independent group – similar to the Funeral Planning Authority (FPA). The FPA launched as a predominantly industry-led board and committee and eventually moving to an independent status, as this was the best way to provide the greatest possible protection for consumers - guaranteed impartiality and increased scrutiny around provider behaviour to raise standards. By becoming independent of the funeral plan sector, the FPA has gone some way to restoring public confidence in that market.

23 (b) Signposting and early conversations

Promotion is key to encourage preparedness and help consumers navigate the process of arranging a funeral. See 57 (c).

23 (c) Time to make decisions

Agree. There should be a reflection period after signing the funeral director's arrangement form.

Agree. Consumers should be made aware that switching is available, the cost of doing so and the terms.

23 (d) Information transparency

Agree. Funeral directors' commercial relationships and conflicts of interest should be made visible in the interests of transparency and restoring public confidence.

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(a) [✂]

(b) The best solution would be to have one central, independent 'platform', holding a database of all licenced funeral businesses, have funeral price comparison capability, pull in independent reviews (e.g. Google, Trustpilot, Feefo) and provide consumers with a knowledge centre. It would be operated and supervised by a wholly independent group, overseen by the CMA.

Warnings, fines and strike-off would be issued to funeral providers for non-compliance or failing to update their pricing. The platform could also be used for monitoring funeral provider adverse behaviour, e.g. above-inflation price hikes for goods and services.

(c) 12 months.

For those funeral directors unwilling to adapt to change, this time-limited period would give them the opportunity to evidence they are selling on or they move out.

(d) No.

Remedies should be applicable to all sized firms. Consumers have a challenging time as it is. They don't need the added distress of inadvertently choosing a firm that isn't treating customers fairly (not disclosing their prices) and not providing a minimum standard of service quality.

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(a) Facilitate shopping around: One platform, with a mandatory requirement for funeral directors and crematoria to add all their service and product pricing. Not just 'Simple' or a 'Direct' services. It doesn't necessarily follow that a provider's 'low' Direct or Simple package price is reflected in its other service options. Restricting the transparency of pricing to the Direct or Simple level is open to exploitation. People should also be encouraged to shop around further afield, as they may be able to find a better service and deal. Consumers should be able to make up their own mind whether the extra distance, mileage and possible service time costs are an issue.

Increase awareness of costs and local differentials: This platform could easily generate a real-time average national and regional pricing of a packaged service (, e.g. Scotland's Simple), elements of a service (e.g. bringing the body into the care of the funeral director) or particular products (e.g. wood effect coffin, or funeral directors' lowest priced coffin plus type). These figures could be used in national and regional advertising. Generating pricing data this way would out-perform insurance companies' current method of mystery shopped 'annual cost of dying' data, in terms of information granularity and real-time reporting.

(b) Better enable: One platform, with a mandatory requirement for funeral directors and crematoria to add all their service and product pricing, and upload their back-of-house service quality rating issued by a trade association.

(c) Promotion of the comparison platform and knowledge centre through stakeholders (e.g. hospital bereavement offices, hospices, registrar, local authority, coroner/procurator-fiscal, the police, funeral director removal team, Gov.uk, doctors surgeries, libraries, Jobcentre Plus, faith organisations, debt and bereavement charities, education system/curriculum etc).

Online advertising, i.e. PPC, SEO, social media directing them to the comparison platform and knowledge centre.

Advertising in public places, e.g. bus shelters, train stations.

Media advertising: Newspapers, TV and radio in line with peak mortality rate.

Funeral director and crematoria websites.

Advertising in different languages.

- (d) One independent comparison platform, that has the ability to generate real-time and tailored funeral director and third-party fee information.

Visit to premises: Provide a hard-copy price list and product brochure(s).

Phone: Follow up a price enquiry with a copy of the provider's price list and product brochures - if the products are not included on the price list. Issued via post, email, text, delivered by hand. Under no circumstances should ballpark figures be given over the phone without sending a price list.

- (e) The platform needs to be responsive (i.e. mobile and tablet as well as desktop). DDA compliant. Potentially available in different languages.
- (f) Yes
- (g) Not practical for a consumer planning to engage the services of a funeral director, unless the consumer was planning to take charge of the funeral arrangements themselves. The availability of slots at crematoria is constantly changing, and this needs to link up with funeral director's availability and officiant (if using).

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- (b) When consumers visit the funeral director's premises or calls.

- (c) See 57(c)

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- (a) Life event: marriage, divorce, death, serious illness, terminally ill. Change in financial circumstance. Life planning (legal services). Age.
- (c) Educate and encourage death and pre-planning dialogue at every age to break the taboo.

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- (a) Yes
- (d) Potential unintended consequences:
 - 'Before' - Cultural and religious conflict for those who want the funeral held as soon as possible.
 - 'Before' – Someone may want to get the arrangement 'over and done with'. Any delay could be detrimental to a person's mental health.
 - 'After' - People may be less likely to want to shop around and go through the whole process again, so could miss out on the benefit that a 'reflection period' affords.
 - 'After' – Optional hygienic treatment might be delayed until the arrangement has been agreed, which could have an impact at the viewing.

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- (a) Collecting an average cost for bringing the deceased into care would not be an issue if it was mandatory for all funeral directors to add their pricing to a central platform. A real-time report could be run on the average national or regional cost for during office hours and out of office hours. This average should take into account that the largest funeral providers have 5 or 6 price bands. The instant data collection could also be restricted to known 'relatively efficient' operators if required.

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- (a) Unlikely. See 90 (b).

(b)

- (i) Distance covered.

Depending on the service/package type, funeral directors include a radius mileage of typically 15 – 25 miles, plus a cost per additional mile.

- (j) Charge for average length of time for ease of comparison.

Up to 14 days, with a daily charge thereafter.

- (a) The standard of funeral directors' private vehicles differs enormously*. Any imposed cap on pricing should not prevent funeral directors investing regularly in their private vehicles, to avoid adding to a family's distress when a below-standard vehicle is deployed on a home removal.

*Private vehicles should be inspected and included in back-of house quality checks.

99 – 103. Agree.

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- (a) Wasted time shopping around, when distressed consumers are already time-pressured.

(b) Third-party investment

- i. So that the consumer can make up their own mind as to whether the information provided by the funeral business is biased or not.
- ii. So that the funeral director can make up their own mind as to whether their information is being used for another party's commercial advantage or not.

(c) Premises – before entering, in reception and in the arrangement room

Website - homepage and in the footer.

Physical marketing materials (e.g. brochure) – in the introduction, in the response form, on the final page.

Online advertisement

FUNERAL INDUSTRY:

Timeline for Change

July 2001



Office of Fair Trading

“This report presents the results of our comprehensive investigation of consumer issues in the funerals industry. Initial indications were that **the funerals market might not be functioning well for the bereaved. A particular concern was that, as well as the obvious distress, the bereaved might not have the right information to enable them to make good purchasing decisions.**”

https://webarchive.nationalarchives.gov.uk/20110704140609/http://oft.gov.uk/shared_oft/reports/consumer_protection/oft346.pdf

April 2013

About the Funeral

12 years later and still the consumer issues remain. Company formed in 2012 to solve the problem through a price transparency platform. Research and development begin for aboutthefuneral.com

March 2016



Rt Hon Frank Field MP, Chair of The Work and Pensions Committee

“The interaction between an **opaque and outdated** public system of bereavement support and **a market in funeral services which simply does not operate ‘normally’, is causing problems.**”

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news-parliament-2015/bereavement-benefits-report-published-15-16/>

March 2017

About the Funeral

Launch of phase 1 of aboutthefuneral.com: At-need comparison and reviews platform. Ability to tailor funeral needs to the minutiae and compare. Independent. Impartial.

March 2018

About the Funeral

Founder of About the Funeral, appeals to the funeral industry: “As Darwin is believed to have said, “It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change.”

Source: *Comparison Websites - FDM magazine*

March 2019



Gov.uk

The CMA remains concerned about the effectiveness of competition in the funerals sector and will therefore carry out an in-depth market investigation.

<https://www.gov.uk/government/news/cma-launches-funerals-market-investigation>

April 2019



Jon Levett – CEO, NAFD

“Shift is happening. In my view, NAFD has a key role in supporting its members through these changing times, because never has the phrase ‘adapt or die’ been so relevant”.

Source: *FDM magazine*

Appendix 2

Compare the funeral comparison sites - As at 21 February 2020

	Independently owned comparison platform	Funeral director pricing database	Actual and real-time pricing	Funeral quote tailoring functionality	Includes 3 rd party pricing
beyond.com	✓	Largest	Some scraped from non-participating funeral directors	Medium	✓
funeralguide.com	X <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> 2nd largest UK funeral director (Dignity plc) = 2nd largest UK funeral shareholder, plus other funeral and related businesses. (Total - 31 shareholders) http://bit.ly/FuneralGuideShareholding </div>	?	'Estimate' pricing	X	✓
yourfuneralchoice.com	✓	Small Only compares 'Simple' and Direct Cremation services	'Estimate' pricing	X	X Only included in Direct Cremation service
aboutthefuneral.com	✓	Smallest	Actual	Maximum	X