



***Response from the Good Funeral Guide CIC to the CMA Information and Transparency Remedies Working Paper***

***27<sup>th</sup> February 2020***

***Possible information and transparency remedies***

***Invitation to comment***

27. We welcome views from parties on the remedies described below, and the relative attractiveness of the different approaches to achieving their aims. We invite parties' views on the following:

(a) What are the expected costs to funeral directors and/or crematoria of implementing the remedy and reporting compliance?

Generally not known. We have commented where we have some suggestion as to the scale of costs that we would anticipate, but we are unable to be specific.

(b) How should compliance with the remedy be demonstrated and how should this be supervised by the relevant bodies?

Generally, inspections, self-declaration submissions.

(c) Should any remedies be time-limited? If so, why?

Given that any information and transparency remedies will be well publicised in advance of implementation, we see no reason for any time limits to apply.

We can see no reason for either delaying in compliance with the potential remedies or, once in place, why there would not be a need for an ongoing requirement for firms to demonstrate compliance.

(d) Should we consider a firm size threshold for any of the remedies discussed here? And if so, what should that threshold be, and why?

No.

All firms offering funeral services should be required to comply with the remedies imposed. There is no reason for there to be a firm size threshold.

(e) Are there any relevant customer benefits in either market that may be lost or reduced by the implementation of these measures and that we should consider as part of our assessment of any remedy package?

None that we can see.

(f) Are there any other remedies that may equally or more effectively improve the availability and transparency of information to consumers?

None that we can suggest.

### ***Remedy 1 – Price transparency and comparability***

There are several options (or combinations of options) that could achieve the objectives listed above that we think are worth exploring in more detail. We could, for example, require funeral directors and crematoria operators to:

(a) make their prices available online, over the telephone, or in branch (ie before the arrangement meeting with a potential customer).

(b) provide prices to potential customers at their first point of contact (whether in branch, over the telephone or online) rather than upon request by the customer.

(c) adopt the same price reporting template whether they sell directly to customers (whether in branch, over the telephone or online) or through a third-party platform.

(d) provide disaggregated pricing and service information, such as:

(i) specific component prices (eg car, collection, transport and storage of the deceased, coffin, embalming, etc) or a package of specific components (eg those components that could be mandatory); and

(ii) disbursement costs (eg celebrant, flowers, etc), in order to convey typical total costs (even when these disbursements are nil, such as for ministers belonging to the Church of Scotland), including information and general advice on a typical range of disbursements.

(e) offer the same price across all of their sales channels; and

(f) facilitating all of the above by, for instance, establishing an independent platform that could allow customers to compare providers and build their own funeral package by selecting individual elements. We discuss this part of the remedy in more detail below.

## *Invitation to comment on Remedy 1*

We invite views on the following questions:

(a) How can we best facilitate shopping around and increase customer awareness of total funeral costs and local price differentials?

The suggested independent platform would work and increase customer awareness as described but it would need to be operated entirely independently of any existing price comparison or trade association platforms and overseen by the appointed regulatory body.

Listing funeral directors by distance from the postcode entered would be a fair way of displaying companies and accommodate the need for bereaved people to find their nearest companies and compare them.

A public information about the importance of comparing funeral directors could be undertaken as part of the awareness raising of the new platform and the price reporting template.

(b) How can we enable better comparison of funeral directors' prices and quality of services?

Combining the information on pricing of the elements of a typical funeral (NOT including embalming) with information on the compliance with minimum standards and a rating system such as the CQC ratings of outstanding, good, requires improvement or inadequate as a description of the quality of the funeral director would give the public a clear indication of the overall value for money of each funeral director.

(c) How can we better prepare the customer for the arrangement meeting and make them aware of all the options offered by the funeral director, including low-cost options?

Enforce mandatory publication of broken-down prices on the company's website, over the telephone, displayed prominently in their branches and in their literature.

A public information campaign to raise awareness of the existence of the new independent platform.

Promote the independent platform suggested widely through all Register Offices, hospital bereavement offices, GP surgeries and other places where bereaved people are likely to attend, with a printed 'guide to selecting a funeral director' to be given to each person registering a death.

This guide should outline the various services that can be obtained from a funeral director and provide independent advice on how to assess prices and standards ratings.

(d) How can we give customers a clearer idea of the final cost (early on in the process of choosing a funeral director and before the arrangement meeting)?

A nationwide promotion of the requirement for prices to be 'publicised online, offered by telephone and in branch' in a new price reporting template - and an encouragement for the public to ensure they are given that information before selecting a funeral director.

Awareness raising of the elements of a funeral being two-fold, the funeral director's costs and the third-party payments.

A campaign to encourage people to compare funeral directors.

Publicising the fact that comparing prices and quality of funeral directors could improve the experience of bereaved people.

(e) How can we make the platform most useful for customers how can we ensure that it is used by as many customers as possible?

Ensure the design of the site is simple and easy to navigate. Provide instructions on the home page along with practical information.

(f) Should funeral directors and crematoria operators be required to adopt a standardised methodology for presenting pricing and service data as an alternative to the platform?

Yes, although we think the suggestion of a platform is preferable. Standardised methodology should be an adjunct to the platform.

Without a platform, the monitoring of compliance with standardised methodology for presenting pricing and service data would likely be onerous and time consuming.

If funeral businesses were required to provide up to date information to the platform as a mandatory condition of being permitted to operate, it would be fairly straightforward to police. Failure to comply could result in the withdrawal of the funeral director's license (were this remedy to be introduced in conjunction with the platform remedy).

(g) Should crematoria availability be incorporated into the platform?

In an ideal world yes, although it may prove too challenging to incorporate live updates of availability as bookings are taken throughout the day at each crematorium. Provisional bookings are also often made and then changed, effectively then releasing the original time slot for booking by another family.

It is not clear whether software is available that would enable automatic updating of the platform whenever a booking is made or cancelled without imposing significant and unreasonable additional workload on crematorium administrative staff.

(h) What will be the likely costs of this remedy?

We do not have the technical expertise to be able to comment on the likely costs.

(i) Will this remedy give rise to any potential unintended consequences?

Not known but unlikely.

***Remedy 2 – Intermediaries to (more effectively) inform customers of their options and encourage shopping around***

The CMA could develop guidance or ask a third party, such as the Care Quality Commission (CQC), to develop guidance to support intermediaries in their discussions with the bereaved about funeral planning. These discussions could take place when an individual enters a care home or hospice, or when death is anticipated or has just occurred. The guidance could include the following information:

(a) Explaining to the bereaved that they can change funeral director after the deceased has been collected from the place of death and that they are not obliged to remain with the funeral director that collected the deceased.

(b) A checklist of questions that customers may wish to ask the funeral director.

(c) Funeral directors and crematoria in the local area (and possibly their prices).

(d) Information on the platform.

*Invitation to comment on this remedy*

66. We invite views on the following questions:

(a) Are there intermediaries other than the CQC who provide, or are well placed to provide, information on funeral planning to those close to death or to the bereaved?

Not that we are aware of, certainly not independent bodies.

The funeral trade associations may well put themselves forward to provide information on funeral planning to those close to death or to the bereaved, however we feel strongly that this task should be carried out by an independent body and not by trade organisations representing funeral directors

Neither do we consider that the Funeral Service Consumer Standards Review should be considered as suitable to provide information on funeral planning to those close to death or to the bereaved – as previously outlined, we believe that the FSCSR operates in the interests of the funeral industry.

(b) Are other ways in which funeral directors and crematoria operators can raise awareness of the platform other than providing information on their websites and promotional material and discussing the platform at the arrangement meeting?

Social media, press releases

(c) Are there alternatives to raising awareness of the platform to general advertising and the use of intermediaries?

Requiring the trade associations to promote the platform on their websites and social media.

Providing leaflets and the link to the platform website and information about it to:

- All NHS Trusts for distribution to GPs and bereavement offices
- HM Coroners
- Hospices
- Charities associated with end of life care, older people and people with life limiting conditions
- Faith organisations
- Local authorities

(d) What are the likely costs of this remedy?

Potentially significant due to print costs, however by providing leaflets signposting people to the platform it will be possible to reach a large cohort of the public and provide them with the means to compare funeral directors that they may not have otherwise been aware of.

(e) Will this remedy give rise to any potential unintended consequences?

Not known but unlikely.

### ***Remedy 3 – Funeral planning awareness before the point of need***

The CMA could recommend to Government to invest in and run media campaigns and produce literature about funeral planning, as well as raising awareness of the platform described under Remedy 1.

The CMA could also recommend that local authorities, specifically those individuals or teams responsible for bereavement services, raise awareness about funeral planning on their website and through wider outreach work in their local areas.

The CMA could also work with the Citizens' Advice Bureau and other similar organisations to develop information and guidance on funeral planning.

*Invitation to comment on this remedy*

77. We invite views on the following questions:

(a) Are there particular circumstances prior to the point of need at which consumers are likely to be receptive to the idea of preparing for their funeral or that of a loved one?

An obvious point would seem to be when a diagnosis of a terminal or incurable illness is made, however from experience we feel that this is not the right time to encourage people to think about funeral options, as people naturally wish to focus on the time remaining and not think about the death.

Typically, people are prompted into considering their own future funeral when a death occurs in a family, although funeral planning companies' advertisements on daytime television appear to focus on people over the age of 50, encouraging them to 'get their affairs in order so their families aren't left with this burden'.

We feel that there needs to be a shift in societal norms before discussion of funeral plans becomes the norm for all adults, so at the moment we can't identify specific points in life prior to the point of need as described above.

(b) What interventions (if any) are likely to encourage funeral planning and how might they be delivered?

Significant promotion of the proposed platform and the proposed standards monitoring could be accompanied by general encouragement for members of the public to consider exploring options for their own future funeral.

(c) Should this remedy target particular types of consumers?

No, everyone is going to die.

(d) What are the likely costs of the remedy?

Potentially significant due to media campaigns and print costs and distribution, although online promotion will be less costly.

(e) Will this remedy give rise to any potential unintended consequences?

Misunderstanding by the public might give rise to an increase in the numbers of people feeling obliged to take out a pre-paid funeral plan.

This could have the detrimental effect of locking families into a funeral plan which may be unsuitable and limits their choice and ability to create a funeral appropriate for their needs.

Any campaign should therefore emphasise that the move to raise awareness about the importance of considering one's own future funeral is not intended to promote pre-paid funeral plans.

#### ***Remedy 4 – Mandatory ‘reflection period’***

We could require funeral directors to allow customers a ‘reflection period’, which could take place either before or after the customer signs the contract with their chosen funeral director. We could also require funeral directors to allow customers to choose a different provider or different services from the same provider at minimal or no additional cost.

Customers do not currently have the same statutory cancellation rights for an ‘on-premises contract’, such as when a contract is concluded in the funeral directors’ office.

The potential ‘reflection’ period remedy could take one of the following forms:

- (a) impose a mandatory pause or ‘reflection’ period between an arrangement meeting on-premises and before signing any contract; or
- (b) have cancellation rights for on-premise contracts in line with the cancellation rights for off-premise and distance contracts described above.

#### *Invitation to comment on this remedy*

We invite views on the following questions:

- (a) Is a ‘reflection period’ an effective mechanism for encouraging customers to ensure that they choose a funeral director that best meets their needs?

We do not consider that requiring funeral directors to allow customers a ‘reflection period’ would significantly benefit bereaved people.

It would impose an additional delay between the time of death and the final committal of the body, to little or no effect. As noted elsewhere in the CMA publications, it is very unusual for people to change funeral directors once a company has been chosen, and we believe a mandatory reflection period would simply frustrate bereaved people by prolonging a period of limbo and preventing final confirmation of the date and time to family and friends.

A mandatory reflection period prior to commitment to a funeral director would create problems with the collection and storage of people who have died, either incurring costs to funeral directors (which will be passed on to families), for example where initial contact is made and a collection takes place but the bereaved family decide after a period of reflection to go elsewhere, or creating delay in the timely collection of people who have died, causing problems for hospitals, coroners mortuaries and other facilities.

The additional layer of complexity and likelihood of introducing delays to the organising of funerals makes this suggested remedy unsuitable in our opinion.

It would be preferable instead to encourage the public to think about the need for a funeral director in advance of the time of need, perhaps to interview a number of



funeral directors and use a checklist of suggested questions to ensure that they are engaging a suitable company and to encourage people to take their time to make their choice.

(b) If so, when should this “reflection period take place?

(i) After getting information on funeral options from a funeral director on its premises and before signing the contract?

(ii) after signing the contract in an arrangement meeting but having cancellation rights for a certain period of time afterwards? or

(iii) another suitable time?

(c) What are the likely costs of this remedy?

(d) Will this remedy give rise to any potential unintended consequences?

[See above](#)

***Remedy 5 – Potential cap on the level of charges incurred for the collection, transportation and storage of the deceased***

*Invitation to comment on this remedy*

To reduce this potential barrier to switching, we could set a cap on the level of charges that a funeral director can levy for the collection, transportation and storage of the deceased to recover the costs that the funeral director has incurred prior to the customer switching to an alternative funeral director (or the costs incurred if the customer chooses not to switch). We envisage that such a cap could apply to all funeral directors (and not a subset of funeral directors) to ensure that this possible barrier to switching is addressed across the whole sector.

We invite views on the following questions:

(a) Will the imposition of a cap on the collection, transportation and storage of the deceased encourage more customers to switch funeral directors after having reflected on their original choice of funeral director?

[Very possibly.](#)

(b) How should the cap be calculated?

(i) Should the charge for collection and transport reflect the distance covered by the funeral director or represent an average cost?

[Currently funeral directors charge a flat fee for collecting people \(with a separate fee for collections out of usual working hours\). An additional mileage charge is usually applied if travel over a certain distance is required. This is](#)

generally accepted as reasonable, and it would seem appropriate to continue with this approach when considering a cap.

It would seem sensible to set a maximum charge for collection and transport during working hours and another cap that applies to collections carried out at weekends or otherwise out of normal working hours, with a cap on the cost per mile involved in collections that require travel further than a specific distance (say 20 miles from the funeral director premises)

(ii) Should there be a daily charge for the storage of the deceased or an average charge for storage, which reflects the average length of time that the deceased is typically stored?

A daily charge for storage.

Applying an average charge for storage would unfairly penalise families who require a funeral within a shorter period of time while families who require longer periods of time than average would effectively be paying a lower amount per day.

(c) Are there other approaches to setting a potential cap on charges levied by funeral directors for the collection, transportation and storage of the deceased (other than cost-based approaches) that the CMA should consider?

No, we think this would be a reasonable approach and cannot think of alternatives.

(d) What are the likely costs of this remedy?

Minimal.

(e) Could this remedy give rise to any unintended consequences?

It is possible that those funeral directors currently charging a low fee for the collection and care of people who have died might consider lifting their charges to reach the cap, however if the cap is set at a reasonable level reflective of the costs involved in the service and not at a level that has a significant margin profit over and above the costs involved, then there shouldn't be significant disadvantage to any bereaved families.

We do not foresee any other unintended consequences.

## ***Remedy 6 – Managing conflicts of interest***

We could impose prohibition of certain forms of payment, such as:

(a) partnership agreements with hospices or care homes which involve direct referral payments when the hospice or care home facilitates an introduction to a funeral director business; and

(b) commissions to employees for upselling funeral packages

*Invitation to comment on this remedy*

We invite views on the following questions:

(a) Are there any other ways to eliminate conflicts of interest that may adversely impact the quality of service provided by funeral director to customers?

Not that we can think of.

(b) Are there any other types of inducements or payments that should be captured by this remedy?

Sponsorships, donations or other gifts to organisations where the funeral director company could stand to benefit from being looked on favourably by management or staff.

(c) What are the likely costs of this remedy?

None that we can think of.

If donations to local care homes, hospices or nursing homes were purely altruistic, then funeral directors would be free to donate anonymously to causes close to their hearts.

(d) Will this remedy give rise to any potential unintended consequences?

Fewer donations to sources of potential business by funeral directors.

### ***Remedy 7 – Disclosure of business ownership and other commercial relationships***

The CMA could require funeral directors and crematoria operators to disclose their business ownership structure. This remedy could apply to branches that form part of a larger funeral director business, so that customers are aware of whether the funeral director is part of a larger business or is, instead, an independent business. This information could be disclosed on premises and websites and any other promotional material.

The CMA could also require funeral directors and crematoria to inform customers of any changes in ownership, such as when an independent funeral director is acquired by a larger multi-site operator, so that customers are aware of the current ownership structure.

The CMA could also require funeral directors to disclose when they recommend a crematorium that is owned by the same company as the funeral director business, in order to address the presence of vertical integration in the funerals sector.

*Invitation to comment on this remedy*

We invite views on the following questions:

(a) What potential harm could the non-disclosure of business interests and other commercial relationships cause customers?

Significant harm in our opinion.

The absence of transparency of ownership has been an issue for many years, with many members of the public unaware of the existence of large chains assuming that the local branch carrying the historic name is still owned and operated by the same family who were undertakers for their forebears.

The current lack of transparency of ownership is potentially misleading, and with large chains generally among the highest priced funeral companies, failing to require the display of the ownership structure could lead to bereaved people inadvertently engaging a funeral company that will charge more for similar services than a local independent, erroneously believing the company to still be a small local business.

A funeral arranger failing to disclose that a crematorium is owned by the same parent company as the funeral director business could similarly disadvantage bereaved people if the crematorium fee is higher than other alternative crematoria.

Another issue is that of online price comparison websites where these are invested in by funeral companies. While public assurances are made of editorial independence, we are sure that most of the public are unaware that the largest investor in Funeral Guide (formerly Funeralzone) is Dignity, with many other shareholders being funeral directing companies or other businesses connected to the industry. This non-disclosure – or at least, not making this information clear to anyone using the site - is disadvantageous in our opinion.

(b) What business relationships and other commercial relationships should be disclosed to customers?

All such relationships that might be of relevance to customers. There should be no exceptions.

(c) How should such interests and relationship be disclosed to customers?

The name and logo of the parent company owning the business should be prominently displayed as the main name of the branch on the outside signage of

the premises, as well as on all literature and on the website. The former trading name should be minimised if displayed at all and referenced as 'Formerly XXX'.

Telephone enquiries should be responded to by identifying the parent company's name, and the name badges, business cards and all other company branded items should carry the parent company name not the name of the historical owners.

These measures would ensure that all clients or potential clients are clearly informed of the ownership of the company they are engaging.

Other business or commercial relationships should be treated in a similar way - disclosure of shared ownership of a crematorium, natural burial ground or other business associated with the funeral industry should be made mandatory when a funeral arranger is discussing clients' options.

Ownership of stonemasons, coffin manufacturers, carriage masters, florists, printing companies and so forth should also all be disclosed if the owner is the same parent company as the funeral directing business, or if there is a business interest or a commercial relationship between the funeral directing business and the secondary supplier.

The name and logo of the parent company owning any such associated business should be prominently displayed on the outside signage, internal signage, literature, website and all other company branded items

(d) What are the likely costs of this remedy?

For those companies who currently operate businesses that prominently display former trading names rather than that of the current owner, the cost of re-branding and complying with full transparency of ownership as outlined above is likely to be significant and we would anticipate strong resistance to this proposal from such companies.

However, we would surmise that taking advantage of the former trading name of businesses over the years to attract clients who would otherwise have not chosen to use a business owned by the parent company will have resulted in sufficient levels of income to compensate for any outlay involved in compliance with transparency obligations.

(e) Will this remedy give rise to any potential unintended consequences?

None that we can envisage. Quite the opposite in fact.