

1. Introduction

Golden Charter Limited, a leading provider of pre-paid funeral plans in the UK, submits this document as part of the Competition and Markets Authority (CMA) consultation on the research and working papers, published on 30 January 2020, as part of the CMA's Market Investigation into Funeral Director and Cremation Services.

Wholly owned by an association of 785 independent funeral directors, with over 3,000 funeral directors accepting its prepaid plans, Golden Charter's overarching purpose is to help people plan in advance for the funeral of their choice. In pursuit of its purpose, Golden Charter works in partnership with local, often family-owned businesses to protect and enhance the choice and diversity they offer their communities, and the contribution they make to the local economy in villages, towns and cities across the U.K.

While noting that the CMA requests views on all thirteen published research and working papers, Golden Charter's response primarily focuses on the *Remedy options for regulating the price of funeral director services at the point of need*¹ working paper, given that this intersects directly with Golden Charter's sphere of activity and responsibility.

2. Golden Charter's comments on the working papers.

Price controls are not in the interest of consumers

While the CMA has identified consumer's reluctance to compare at-need funeral prices as having an Adverse Effect on Competition (AEC), Golden Charter notes the CMA's own research indicates a significant level of consumer choice, with the cheapest simple funeral at least 30 per cent cheaper than the most expensive simple funeral, in a majority of local areas¹.

While the consumer survey indicated that only 17 per cent of customers compared the services of two or more funeral directors², Golden Charter notes that the large majority of customers felt that they had received the right amount of information at the right time³ and that nine in ten consider that their funeral director either met or exceeded their expectations⁴. This apparent contradiction – between low levels of 'shopping around', yet high levels of consumer satisfaction - has led the CMA to hypothesise that 'sales practices that result in a lack of transparency may, therefore, be driven by customer preferences'⁵.

Given that the CMA has identified consumer behaviour as a significant factor, Golden Charter believes that the chosen remedies must target the cause (the reluctance to compare prices), not merely the symptom. Golden Charter notes that either price or revenue cap remedies target the symptoms of consumer reluctance to compare prices, not the reluctance itself.

With at least a quarter (27%) of families who purchased a Golden Charter plan in 2019⁶ making an active comparison with another provider, Golden Charter believes that having earlier conversations on death and dying and planning funerals before the point of need, allows customers the time and emotional space required to better engage with and consider their funeral market options. Considering this, Golden Charter believes that a concentrated, coordinated effort to change the societal culture around death and dying, to one of open conversations and early engagement, would be, long-term, a more effective remedy than price controls.

¹ CMA. February 2020. 'Funeral Market Investigation: Funeral Directors – price dispersion analysis'. Page-3. HM Government.

² CMA. (30 January 2020). 'Funeral Market Investigation: Consumer survey results'. Page 11. HM Government.

³ CMA. (30 January 2020). 'Funeral Market Investigation: Funeral director sales practices and transparency'. Page 2. HM Government.

⁴ CMA. (30 January 2020). 'Funeral Market Investigation: Consumer survey results'. Page 2. HM Government.

⁵ CMA. (30 January 2020). 'Funeral Market Investigation: Funeral director sales practices and transparency'. Page 2. HM Government.

⁶ CMA Research. (2019). 'Consumer Survey'. Golden Charter.

Golden Charter notes that The Funeral Planning Authority (FPA) requires all registered plan providers, accounting for 95 per cent of the prepaid plan market, to *'pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading'*. As a result, the vast majority of plan providers have prices readily available and accessible online. Golden Charter asks the CMA to consider introducing similar requirements in the at-need market, as alternatives to price control remedies.

To submit questions or for further information please contact:

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