



## Remedy options for regulating the price of funeral director services at the point of need

Table 1

### Suggested benchmark funeral package for consultation

- Collection and transportation of the deceased (no time restrictions)
- Storage of the deceased
- Care of the deceased
- Customer advice and support (may also be referred to as funeral director contact)
- Legal and administrative services (including completing required documentation, liaison with third parties such as coroner)
- Managing arrangements relating to burial, cremation, cemetery, church, ceremony officiant
- Date and time flexibility for funeral service
- Arranging payment of third-party disbursements
- Viewing of the deceased (suggested during the hours 8am-6pm)
- Dressing the deceased in their own clothes or gown
- Provision of a 'standard' coffin
- Provision of hearse and personnel
- Choice of route for funeral procession (within defined radius)
- One limousine
- Embalming

(a) Are there any products or services which are not currently included in the suggested benchmark package (Table 1) which should be included? What is the evidence to support this view?

None that I can think of

(b) Are there any products or services which have been included in the suggested benchmark package (Table 1) which should not be included? What is the evidence to support this view?

'One Limousine' – particularly since the start of the Covid-19 pandemic, limousines are not a requirement as part of a funeral for many families. Including one in the

suggested benchmark package would simply be reinforcing the idea that having a limousine is something that bereaved people 'ought' to have.

'Embalming' – this is an invasive process which should not be included as standard practice. It is rarely necessary, refrigeration and attention to the care of the person who has died means that embalming should only be necessary in very few cases.

Also suggest 'Provision of a hearse' should be changed to 'Provision of a hearse or other suitably appropriate vehicle'.

(c) Do you consider that there is evidence to suggest a lower or declining demand for any products or services in the suggested benchmark package, in particular we seek views on the use of limousine/s and embalming?

Yes, see above.

d) What is your view on including or excluding time-based restrictions on certain services, for example should collection, transportation of the deceased be available 24 hours a day, seven days a week or should viewing of the deceased at the place of storage/funeral director's premises be limited to "office hours" such as 8am to 6pm. Also, should there be any restrictions on the route for the funeral procession?

Collection and transportation of people who have died will incur greater costs for companies when this is required outside of normal working hours, as will visits when these are required outside normal working time.

In my view, it would seem reasonable to include a time-based restriction to office hours when considering the benchmark funeral package costs.

A defined radius for both collections and funeral procession routes would be helpful and allow bereaved people to make informed choices.

(e) Are there any funeral director providers for whom the suggested "standard" benchmark funeral package (Table 1) would not be a suitable product/service to offer, for example a funeral director offering highly specialised or unique services?

Possibly.

(f) We are also considering whether an alternative approach, in particular a cap on average revenue per funeral, could be effective in addressing any AECs and customer detriment, whilst also addressing unintended market distortions such as the risk of a focal point for prices. Do you think this could be a better approach for price regulation?

No. It would be far more difficult for bereaved people to easily compare different funeral directors if this approach were chosen.

We would welcome views regarding how might the Burial and Cremation (Scotland) Act 2016 interact with any price control regulation implemented by the CMA, or a new regulator and whether the price level of any price- controlled package should be set as one price across the UK.

It makes sense to enable any price control regulation introduced as a consequence of the Market Investigation to interact seamlessly with the Burial & Cremation (Scotland) Act 2016.

It would seem logical to set prices at regional levels, however this approach would cause issues in the areas where regions adjoin if pricing levels differed. I think a national price level would be the simplest option from the perspective of bereaved people.

We would welcome views on the proposals outlined in this working paper and any other comments on the proposed price control remedy. In particular we would welcome comments on the following questions:

### **Aims and approach of a price control remedy**

(a) Do you agree that the introduction of a price control is likely to be an effective solution to remedy any AECs and any resultant, or expected, detrimental effects on customers should they be found in this market investigation?

Yes – alongside transparency and quality requirements

(b) Do you agree that the introduction of a price control remedy to be a necessary and proportionate solution (paragraph 19) to remedy any AECs and any resultant, or expected, detrimental effects on customers should they be found in this market investigation?

Yes – alongside transparency and quality requirements

Price control design considerations

(c) Do you agree that all funeral directors should be subject to a price control remedy (paragraph 38)?

Yes

(d) Do you think there is a requirement to limit the application of any price control regulation to exempt certain providers and if so, what should the criteria for exemption be (paragraph 39)?

No

(e) Do you agree or disagree with the suggestion that a maximum price could be applied to a benchmark package of products and services (paragraph 59)?

Agree

(f) Do you agree with the suggested products and services within the proposed “standard” benchmark funeral package (paragraph 60)?

Agree with most of them, disagree with the inclusion of ‘One Limousine’ and ‘Embalming’ as part of the standard benchmark funeral package, and think that ‘Provision of a hearse’ should be changed to ‘Provision of a hearse or other suitably appropriate vehicle’.

(g) Are there any funeral director providers for whom the suggested “standard” benchmark funeral package (paragraph 60(e)) would not be a suitable product/service to offer, for example a funeral director offering highly specialised or unique services?

Possibly. In particular those individuals and companies specialising in offering advice, guidance and assistance for people who wish to care for their dead themselves but who need some additional support.

(h) Do you consider that there is evidence to suggest a lower or declining demand for any products/services in the suggested benchmark package, in particular we seek views on the use of limousine/s and embalming (paragraph 47)?

While many funeral directors set great store by the fleet that they run, almost all bereaved people have access to a car themselves or can hire a taxi for around 10% of the cost of using a funeral director’s limousine.

Anecdotally I have heard that fewer and fewer clients are actively asking for limousines nowadays. Where bereaved people do use limousines, some people may be accepting them if they are offered as part of a package, while others may feel that having a following car or cars is the norm, particularly if the funeral arranger gives this impression either unconsciously or deliberately.

The CMA has an opportunity to address the issues in the funeral sector with the findings of the Market Investigation, and I would urge that the inclusion of ‘One Limousine’ in the benchmark package is reconsidered. Omitting this product / service

would give a clear message to the public that a limousine is an optional extra, not an element of a 'normal' funeral.

Embalming should not be included in any benchmark package. Embalming is an invasive process that, if explained to bereaved people, would rarely if ever be chosen. Using descriptions such as 'hygienic treatment' or temporary preservation' masks the reality of what is done to people when they are embalmed.

In my opinion, embalming is overwhelmingly a technique used by large companies for operational reasons, allowing people who have died to be stored at room temperature rather than requiring refrigeration, and for their own benefit rather than for the benefit of the bereaved people (who are paying for it).

Again, the CMA has an opportunity to re-shape what people consider to be normal when it comes to funerals, and by excluding embalming from the list of services in a benchmark package a clear message will be sent that embalming is neither necessary nor desirable.

(i) What is your view on including or excluding time-based restrictions on certain services, for example should collection, transportation of the deceased be available 24 hours a day, seven days a week or should viewing of the deceased at the place of storage/funeral director's premises be limited to "office hours" such as 8am to 6pm. Also, should there be any restrictions on the route for the funeral procession (paragraph 60(d))?

Collection and transportation of people who have died will incur greater costs for companies when this is required outside of normal working hours, as will visits when these are required outside normal working time. In my view, it would seem reasonable to include a time-based restriction to office hours when considering the benchmark funeral package costs.

A defined radius for both collections and funeral procession routes would be helpful and allow bereaved people to make informed choices.

(j) Do you consider that we should include a requirement for cost reflectivity for all disbursement costs within any price control regulation? If not, are there particular disbursement costs, for example cremation costs, which should be included (paragraph 57)?

No.

It should however be a specific requirement that all funeral directors clearly display the disbursement costs and pass these on without adding any mark up.

(k) Alternatively, do you think that price control cap on average revenue per funeral, would be as effective in addressing any AECs and customer detriment, whilst also addressing unintended market distortions such as the risk of a focal point for prices (paragraph 60(f))?

No. It would be far more difficult for bereaved people to easily compare different funeral directors if this approach were chosen.

(l) Do you think the same approach to the design of a price control is required across the UK, or whether there should be any variation at a regional or devolved nation level (paragraph 69(a))?

I feel that as the issues that have led to a Market Investigation appear to exist throughout the country, a single approach to the design of a price control that would apply throughout the UK would be the most sensible solution.

(m) Do you think that one maximum price should be set for a benchmark package across the whole of the UK? Alternatively, what are your views on setting different regional or devolved nation prices (paragraph 69(b))?

While it would seem logical to set prices at regional levels due to regional variations in average prices of funerals, this approach would cause issues in the areas where regions adjoin. Because of the complications and additional difficulties regional pricing could cause for bereaved people, I think it would be preferable to set price control levels at a national level.

(n) What are your views on the interaction of the Burial and Cremation (Scotland) Act 2016 with the proposal of price regulation in the UK (paragraph 74)?

It makes sense to enable any price control regulation introduced as a consequence of the Market Investigation to interact seamlessly with the Burial & Cremation (Scotland) Act 2016.

### **Implementation, monitoring and enforcement**

(o) What is your assessment of whether the option of setting a maximum price for a benchmark package of products/services (paragraph 60) is capable of effective;

(i) implementation?

Yes – mandatory compliance with significant penalties for non-compliance

(ii) monitoring?

Yes if a new regulator were established

(iii) enforcement?

Yes if a new regulator were established

(p) Do you think that compliance reporting requirements to the CMA or a regulator, should be the same for all funeral directors (paragraph 94(b))?

No, I think that small companies should have fewer and simpler reporting requirements than large companies.

(q) Do you have any views or suggestions on designing and implementing an effective communication strategy to ensure that consumers, funeral directors and relevant third parties understand their rights and responsibilities if price regulation is introduced in the funeral industry? In addition, how could we ensure that a benchmark package is sufficiently promoted and visible to consumers (paragraph 94(c))?

A national publicity campaign by the government would reach the majority of consumers, funeral directors and relevant third parties. Information leaflets could be distributed in hard copy by register offices and be made downloadable from government information websites. Hospitals, hospices, GPs and end of life support services could all also be provided with the official advice and information to provide to clients either in hard copy or as downloads.

Details of any benchmark package could also be made available in the same ways.

(r) What preparation would be required and how long do you think funeral directors might require in order to prepare for the implementation of any price control regulation?

Amending prices as required by any price control regulation could be carried out in a matter of days. Printing and distributing new price lists to branches and updating websites might take longer for larger companies.

I would anticipate that it would be reasonable to allow a period of no more than a month for compliance once new price controls were agreed upon and announced.

Allowing longer for companies to implement new pricing would potentially disadvantage clients who needed to organise a funeral in the interim period between price controls being decided upon and them being implemented.

(s) What would be the likely costs of implementation, monitoring and enforcement for funeral directors?

I don't have sufficient inside information to be able to answer this question. It would depend very much on the costs of establishing and maintaining a regulatory body, and the costs of the operation of any inspection or enforcement activity. I would anticipate however that requiring all funeral directors to pay a reasonable annual fee via either a levy or a licence fee would enable costs to be covered.

(t) Do you consider an initial duration of five to seven years is an appropriate period for the implementation of a price control remedy and achievement of its aims (paragraph 24)?

Yes

(u) Do you consider there to be other risks or options for mitigation which we have not considered (paragraphs 75-77)?

Not that I can think of.

Please provide any other comments or questions.

## **Remedy options for regulating the price of crematoria services**

We would welcome views on our current thinking that any price regulation in the form of a maximum price would apply to all crematoria operators in the same way.

We welcome views on the approach to defining the scope of products and services included in the benchmark package, in particular:

a) Are there any products or services which are not currently included in the suggested benchmark package which should be included? What is the evidence to support this view?

### **Webcasting of services**

At the time of writing, restrictions are in place throughout the UK on the number of people attending services at crematoria. As a consequence, almost all services are being livestreamed by webcasting. Given that there is no certainty of large numbers of attendees being able to attend funerals again at any time soon, it would seem sensible to include webcasting of services in a benchmark package.



b) Are there any products or services which have been included in the suggested benchmark package which should not be included? What is the evidence to support this view?

None that I can think of

c) What is your view on time-based restrictions relating to the benchmark package, for example the length of the chapel slot?

I agree that a defined length of the chapel slot should be included in the benchmark package.

We welcome views on how the maximum price could be determined and reviewed, in particular:

a) Do you consider that using pricing information from the sector is a sensible approach for designing a price cap for crematoria? Do you think a rate of return approach would be more appropriate in this sector?

Yes, pricing information from the sector is a sensible approach.

I do not think a rate of return approach would be as beneficial to bereaved people.

b) Do you have any views on the design variants we have outlined above (for example, whether the price level of any price regulated package should be set as one price across the UK, whether we should make allowances for certain higher cost areas such as London or whether any cost base should be assessed on a crematoria by crematoria basis or otherwise)?

If analysis of the data supplied to the CMA indicates that costs vary significantly due to geographic location then allowances could be made, however a single national maximum price would be preferable for ease of communication to the general public.

c) Do you have any suggestions as to the criteria we should use to set the benchmark for the initial level of the price cap?

A pricing ceiling arrived at by establishing the median price currently charged would be a reasonable approach.

d) Do you have any views on how the Burial and Cremation (Scotland) Act 2016 should interact with any price regulation implemented by the CMA, or a new regulator?

It makes sense to enable any price control regulation introduced as a consequence of the Market Investigation to interact seamlessly with the Burial & Cremation (Scotland) Act 2016.

We are also interested in responses to the following questions relating to implementation, monitoring and enforcement of the price control:

h) What is your assessment of whether the option of setting a maximum price for a benchmark package of products/services (paragraph 49) is capable of effective;

- implementation?

Yes – mandatory compliance with significant penalties for non-compliance

- monitoring?

Yes if a new regulator were established

- enforcement?

Yes if a new regulator were established

i) Do you think that compliance reporting requirements to the CMA or a regulator, should be the same for all crematoria?

Yes

j) Do you have any views or suggestions on designing and implementing an effective communication strategy to ensure that consumers, crematoria and relevant third parties understand their rights and responsibilities if price regulation is introduced? In addition, how could we ensure that a benchmark package is sufficiently promoted and visible to consumers (paragraph 105.b)?

A national publicity campaign by the government would reach the majority of consumers, funeral directors and relevant third parties. Information leaflets could be distributed in hard copy by register offices and be made downloadable from government information websites. Hospitals, hospices, GPs and end of life support services could all also be provided with the official advice and information to provide to clients either in hard copy or as downloads.

Details of any benchmark package could also be made available in the same ways.

k) What preparation would be required and how long do you think crematoria might require to prepare for the implementation of any price control regulation?

Amending prices as required by any price control regulation could be carried out in a matter of days. Printing and distributing new price lists could take somewhat longer.

I would anticipate that it would be reasonable to allow a period of no more than a month for compliance once new price controls were agreed upon and announced.

Allowing longer for companies to implement new pricing would potentially disadvantage clients who needed to organise a cremation in the interim period between price controls being decided upon and them being implemented.

l) What would be the likely costs of implementation, monitoring and enforcement for crematoria?

I don't have sufficient inside information to be able to answer this question. It would depend very much on the costs of establishing and maintaining a regulatory body, and the costs of the operation of any inspection or enforcement activity. I would anticipate however that requiring all crematoria to pay a reasonable annual fee via either a levy or a licence fee would enable costs to be covered.

m) Do you consider an initial duration of 5 to 7 years is an appropriate period for the implementation of a price control remedy and achievement of its aims (paragraph 108)?

Yes

n) Do you consider there to be other risks or options for mitigation which we have not considered (paragraphs 83-86)?

None that I can think of.

Please provide any other comments or questions.