

A.W. Lymn The Funeral Service response to papers released on 20 February to be commented on by email to funerals@cma.gov.uk by 27 February 2020

Funerals Market Investigation

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

Invitation to comment on this proposed remedy

101. 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 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?

We disagree. Price control remedies could have the opposite effect by driving some providers out of the market which will reduce the amount of competition in the market. If all providers have clear and transparent pricing and offer customers a range of options then this will enable consumers to make informed decisions. We make our lowest price funeral options very clear to all clients in our brochure which all clients receive a copy of and despite this very few choose the lower cost service options. The biggest problem that our clients face with excessive cost and lack of price clarity is with regards to disbursement costs from cemeteries and crematoria. In our trading area families have a choice of several funeral directors within 5 miles of each of our offices but will often only have a single choice of crematoria or cemetery which creates a monopolistic situation where clients have no choice other than to accept the high prices charged.

- (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?

A price control remedy is not necessary. This is supported by the following evidence:

- With all the price options clearly presented, clients with a lower income often do not choose lower cost options.
- In our trading area there are a number of providers and although your evidence suggest people have not shopped around in the true sense of going and getting three quotes from different providers and comparing them down to the fine detail, customers make a comparison and an informed decision in different ways:
 - o They live in the areas and walk or drive past the different providers.
 - o They attend different funerals from different providers.
 - o They see the cortège passing them in the street
 - o They look through funeral home windows and see the standard of the upkeep of premises that they pass.

- They have an awareness from family and friends. This awareness may simply be a case that uncle X says “we looked at the different providers when we organised a funeral last month and these offer the best service for the money”

In terms of proportionality we have considered each of the points in para 19:

- Effective in achieving its legitimate aim

It depends on what form of price control is considered and at what level. There is a risk that price control will drive smaller providers out of the market which will reduce the level of competition in certain trading areas and therefore reduce the competition in the market and enable those remaining to increase the price of products and services not covered by any price control.

We believe that compulsory display of price information in defined areas (e.g. brochure at first point of contact, website, reception) and regulation to ensure minimum quality standards are required and enforced is much more appropriate and would be much more effective in ensuring consumers are both informed and protected.

- No more onerous than needed to achieve its aim.

Price control definitely appears to be more onerous than necessary and has the potential to be hugely detrimental to clients. Consumers need to be informed so that they know the providers available in the area, know the detail of the service offering and know the costs. This does not require price control.

- Is the least onerous if there is a choice between several effective measures.

If the investigation concludes that there is a need for price regulation, which we do not see that there is, then the least onerous form of price regulation is to require simple, clear pricing for consumers both from funeral directors and from crematoria and cemeteries.

- Does not produce disadvantages which are disproportionate to the aim

We believe there is a huge risk that price control could have adverse consequence in the market such as driving Funeral Directors out of the market and therefore reducing the competition in the market.

Price control design considerations

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

If such a remedy is to be introduced we believe it should apply to providers consistently without exception. If there is price control to provide certainty and protection to the consumer then this will only be effective if it includes crematoria and even more importantly cemeteries.

- (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)?

This is another reason why price control would be so difficult to achieve without unintended consequences. Providers have different cost bases depending on their trading area, distances to travel, cost of property, local income trends etc. etc. so we don't see a way of implementing a price control remedy that is fair to all providers.

- (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)?

Applying this in practise is impossible. If you came up with a list of items such as professional fee, hearse, limousine, chapel visit, coffin then every provider has different options and different standards in each category.

- Professional fee – some providers include a lot more in their professional fee than others. Is the coffin taken into church on a wheeled bier or shoulder carried by 4 or 6 bearers. Does the funeral director has a recognised qualification, training and experience or just been given a hat and a stick?
- Vehicles – How do you compare a £1,000 hearse with a £500,000 hearse
- Chapel visits – How do you compare a tatty, dilapidated back room with a state of the art funeral home
- Coffin – Some providers entry level might be cardboard and others might be a chipboard wood veneer.

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

- The list appears to be a comprehensive list of services but for the reasons above it simply cannot work.

(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?

- For funeral directors who have invested heavily in providing the best removals vehicles, the highest training for their staff, proper back of house facilities for storage at every location, state of the art funeral home, bespoke high end hearse and limousines and on site embalming with qualified staff they aren't offering specialised or unique services necessarily but the best possible service in each category. The charges for these services may be the best value in the area and be exactly what the consumer wants and is willing to pay for and so the services within the benchmark funeral package are very different to other providers. You may get providers fighting to the bottom and offering a really poor standard of services below what it currently offers in order to offer the lowest price for the benchmark funeral package.
- Some funeral directors specialise in serving particular socio-economic communities or specific religious communities and these communities do not necessarily require some of the services on offer but would require services not listed. It is very hard or perhaps impossible to put together a one size fits all list.

(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)?

- Embalming and viewing of the deceased – There are fewer families viewing than there were in the past. However in some cases the need for embalming and presentation is increasing due to the length of time between death and funeral increasing.
- Limousines – There is a reduction in the number of following cars. This is perhaps linked to the standard of people's own vehicles relative to the funeral director compared to what it was previously.

(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))?

- I believe if there is to be such a remedy, then in order to provide a costing, funeral directors would need to know what they are providing.
 - o Chapel visits can be anything from an appointment system so the coffin is taken into chapel for an hour to exclusive use of a Chapel for X number of days and visiting to suit.
 - o Collection – Could be round the corner or the death could have happened whilst the person was on holiday at the other end of the country. Our approach has always been to provide transportation services 24 hours a day.
 - o Care – depending on coroner or requirements of the family the time between death and funeral can vary immensely.
 - o Route of funeral. We have had funerals where the distance can be covered on foot and funerals where the journey involves hundreds of miles and ferries. There can be no one size fits all.

(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 couldn't include all disbursement costs as how far do you go? Flowers, dove release, music at the grave side etc. The funeral director is not currently able to provide a range of prices for certain cemeteries which is meaningful to the consumer as the costs are not transparent. We believe that any regulation should extend to the required elements of a funeral such as the crematoria or the cemetery and the Doctors fees, and the onus should be on those providers to give clarity, understandability and easy access to the average consumer of their prices

(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))?

Average revenue per funeral is not an appropriate price control measure. Some providers who specialise in certain religious groups will have a different average to those who specialise in direct cremation or have large numbers of contract funeral arrangements. Again, one size does not fit all. There is also a risk that funeral directors decide not to have their own fleet and always hire in and therefore include vehicles as a disbursement to avoid it being included in average revenue. The Afro-Caribbean community and traveller communities for example have larger funerals traditionally so companies specialising in these types of funerals will have a larger average than other providers. Their average revenue isn't higher because they charge more for the same service but because generally their average funeral is more complex and larger. Some individuals request specialist Hearse such as a motorbike side car hearse or a lorry hearse which firms generally are unable to offer at the same price as their standard hearse so that will increase average revenue per funeral.

(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))?

Same approach across the UK would be the only fair way but it will make life a lot more difficult for some providers than others.

(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))?

No, we don't believe there is a requirement for any price intervention in the industry but a need for transparency of pricing from all providers and regulation of quality so that consumers receive an acceptable minimum level of care.

(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)?

We have no comments with regards to this.

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?

Not capable of effective implementation. It is very difficult to ensure that the package being offered is consistent across all providers. Put simply, it won't be consistent across all providers. There may be some elements of the service that some providers aren't able to provide.

(ii) monitoring?

It would be difficult for an organisation who was trying to undertake compliance monitoring to ensure that every provider is making the benchmark funeral available in every funeral home that they operate from.

(iii) enforcement?

It is the monitoring that is difficult to identify none compliance. Once the monitoring had taken place we believe enforcement would be straight forward if a provider was hit with a financial penalty for none compliance and a warning of more serious action to prevent trading if it recurred.

(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))?

Absolutely. Compliance requirements should always be applied consistently for all providers.

(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))?

For consumers, there could be a requirement for all funeral directors to present consumers with their rights and have them signed off at the point of arrangement. In our view this would be additional distress at an already difficult time and it would need to be very concise and simple and not like a large page of terms and conditions in small print.

For funeral directors, any regulation would be best carried out through the national association.

Regulations could be served on all providers such as Funeral Directors, Crematoria and Cemeteries with a list of matters to comply with and a requirement to annually certify that the requirements are met.

Visibility to consumers could be ensured by requiring a certain format, layout, size and location of the package adverts.

(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?

This is an impossible question to answer as different funeral directors will be closer and further away from the requirements. That is like asking how long will it take to get somewhere but we aren't going to tell you where you have to get to!

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

As above.

(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)?

As above. Depending how extreme the regulations are, our view is that if regulations are deemed to be required, why wait so long?

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

There is a risk that any regulation that is introduced overlooks the largest problem associated with at-need funerals which is the lack of clarity on pricing and the disparity of pricing between providers when it comes to crematoria and cemeteries which are in a monopolistic position and have driven up the cost of funerals at a faster rate than the increase in the funeral director's professional fees.

Please provide any other comments or questions.

Do the CMA understand that the services of a funeral director are not mandatory? There is the option for families to deal with everything themselves without involving a funeral director at all.

There is a risk that any remedy is unfair by not applying consistently to all providers.

There is a risk that any remedy forces a number of providers out of the market which reduces competition and consumer choice.

There is a risk that the cost of compliance needs to be recovered by funeral directors leading to price increases rather than the intended reductions.

WE WOULD BE WILING TO BE INVOLVED IN ANY ROAD TESTING UNDERTAKEN.

Remedy options for regulating the price of crematoria services

Invitation to comment on this proposed remedy

As an overall comment, we are surprised that cemeteries / burial grounds have not been included at the same time as this in our experience equally important, if not more important than crematoria. The reason for this view is that our staff and clients have a far greater number of issues relating to pricing at cemeteries / burial grounds than they do at crematoria. Crematoria pricing is in general far simpler to understand, has a smaller spread between maximum and minimum cost and there are far fewer different price points.

For example the City of Nottingham pricing for a new grave for a coffin burial is so complicated that our well trained staff are unable to understand the published price list and when they contact the local authority to verify the cost the local authority are often unable to provide a quote leading us unable to provide the consumer with an accurate quotation.

We have examined the price list a listed out the options for burial of a coffin at the City of Nottingham sites. There are 336 different prices with a huge range from £2,114 to £5,659 so when families want to know the price of their funeral, this is a huge variable which very hard to pin down. This needs to be given serious consideration when looking at the remedy options as giving clarity to a family when there is such a range and so many options is impossible. The 336 different prices is just prices for a new grave for an adult coffin at a City of Nottingham location. There are more prices for children's funerals, for caskets rather than coffins, for ash caskets burials, re-opening of existing graves, for the right to erect memorials, for the memorial itself and of course alternative locations. We have included as appendix 1 to this document our summary of the different options and pricing and also included as a separate attachment to the email a copy of the price list provided to us

109. We would welcome views on the proposals outlined in this working paper and any other comments on the proposed price control remedy.

Price control at crematoria is much more relevant than price control for funeral directors. We believe this is the case because consumers generally have little or no choice to use an alternative provider. A consumer can look at a range of service options, qualities and prices and make a choice about their chosen funeral director but for a crematorium there is often only one option within a reasonable distance.

110. 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.

All price regulation should apply to all operators in the same way.

111. We would also welcome responses 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?

Have things such as a minimum temperature requirements or provision of toilet facilities including those for wheelchair users in the crematorium chapel been considered?

Have minimum staffing levels at crematoria been considered?

We believe that simple dispersal of ashes at the crematoria in their memorial gardens with no family present and no memorialisation should be included in the benchmark package.

Environmental surcharges normally relates to mercury abatement which, when introduced, was added as a surcharge by most crematoria. Given that some crematoria do not provide this then there is an argument that it should not be included in the 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?

We are not aware that any of these are inappropriate.

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

We believe that consumers expect to pay extra for an unusually long service so a time restriction is not unreasonable.

112. We welcome views on how the price cap measures could be determined and reviewed, in particular:

d) 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?

Pricing information from the sector will give a sensible guide as to what is the right price for a cremation and which providers are over or under charging. Whilst there is some variety in the standard of premises between providers, we believe that the price cap method is more appropriate than a rate of return.

e) Do you have any views on the design variants we have outlined (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 done on a crematoria by crematoria basis or otherwise)?

We don't believe a funeral director should mark up the cremation charges. We have heard of a situation where a 10% levy is charged on disbursements but it is refunded if the account is settled within a reasonable time frame. Whilst we don't do this, there is a certain logic to saying we are happy to organise everything so there is just one bill and providing consumers don't then use the funeral director as their bank it is at £Nil cost. There are areas of the country which are more expensive for land and property as well as staff so similar to the funeral industry there are factors which make it very difficult to establish a one size fits all approach.

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

Review of all providers charges for a standard cremation and setting the price at a rate which enables providers to have sufficient funds to run their business and invest back in to the facility without unduly profiteering from a monopoly situation.

g) 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?

We have no views on this matter.

113. 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?

There are fewer variables and choices from a crematoria than from a funeral director so setting a benchmark package is more realistic to implement. However there is not the competition in the crematoria market so having a well advertised benchmark package without any form of limit or cap may still only give consumers one realistic choice. There are relatively few crematoria compared to funeral directors so implementation should be more straight forward.

monitoring?

This would be straight forward as funeral directors have the interests of the family at heart and would ensure any regulation is being adhered to.

enforcement?

This is more difficult as the ultimate sanction is to close down a provider which has a significant detriment to the consumer. Inspection and financial penalties for none compliance is probably the best approach

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)?

As above funeral directors would naturally assume this role to protect their clients.

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?

Impossible question to answer without knowing what the price control regulation is.

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

Impossible question to answer without knowing what the price control regulation is.

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)?

Impossible question to answer without knowing what the price control regulation is.

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

The major mitigation to consider is that the remedy does not achieve its objective. The objective is create transparency in the market and consumer understanding. It is unequitable if those requiring a cremation have transparent pricing but those requiring a burial do not.

There is a concern that the cost of compliance will need to be borne somewhere in the market and this cost will ultimately end up being passed on to the consumer so any potential savings made as a result of the remedy are negated by compliance cost.

Please provide any other comments or questions.

Appendix 1 – Price for Coffin in New Grave in City of Nottingham

Page 1

City of Nottingham

Cemetery Fees 1 Jan 2020 to 31 Dec 2020

New Graves:

Cemetery	Grave Type	No of Earth Years	Vault	Masonry	Denomination		Mushim	Shape	Accommodate To	Purchaser lives Deceased lived	NCC		Not NCC	
					R/C	M/C					NCC	Not NCC	NCC	Not NCC
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	No	No	Coffin	3	Using Chapel	£ 2,464.00	£ 3,171.00	£ 3,614.00	£ 4,321.00
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	No	No	Coffin	3	West Chapel	£ 2,713.00	£ 3,420.00	£ 3,863.00	£ 4,570.00
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	No	No	Coffin	3	Main Chapel	£ 2,762.00	£ 3,469.00	£ 3,912.00	£ 4,619.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	No	No	Coffin	3	No	£ 2,764.00	£ 3,471.00	£ 3,814.00	£ 4,521.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	No	No	Coffin	3	West Chapel	£ 3,013.00	£ 3,720.00	£ 4,063.00	£ 4,770.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	No	No	Coffin	3	Main Chapel	£ 3,062.00	£ 3,769.00	£ 4,112.00	£ 4,819.00
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	No	No	Coffin	2	No	£ 2,684.00	£ 3,391.00	£ 3,834.00	£ 4,541.00
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	No	No	Coffin	2	West Chapel	£ 2,933.00	£ 3,640.00	£ 4,083.00	£ 4,790.00
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	No	No	Coffin	2	Main Chapel	£ 2,982.00	£ 3,689.00	£ 4,132.00	£ 4,839.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	No	No	Coffin	2	No	£ 2,984.00	£ 3,691.00	£ 4,034.00	£ 4,741.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	No	No	Coffin	2	West Chapel	£ 3,233.00	£ 3,940.00	£ 4,283.00	£ 4,990.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	No	No	Coffin	2	Main Chapel	£ 3,282.00	£ 3,989.00	£ 4,332.00	£ 5,039.00
W Hill - Southern Cem	Lawn	50	Yes	No	No	Yes	No	Coffin	2	No	£ 2,464.00	£ 3,171.00	£ 3,614.00	£ 4,321.00
W Hill - Southern Cem	Lawn	50	Yes	No	No	Yes	No	Coffin	2	West Chapel	£ 2,713.00	£ 3,420.00	£ 3,863.00	£ 4,570.00
W Hill - Southern Cem	Lawn	50	Yes	No	No	Yes	No	Coffin	2	Main Chapel	£ 2,762.00	£ 3,469.00	£ 3,912.00	£ 4,619.00
W Hill - Southern Cem	Lawn	99	Yes	No	No	Yes	No	Coffin	2	No	£ 2,764.00	£ 3,471.00	£ 3,814.00	£ 4,521.00
W Hill - Southern Cem	Lawn	99	Yes	No	No	Yes	No	Coffin	2	West Chapel	£ 3,013.00	£ 3,720.00	£ 4,063.00	£ 4,770.00
W Hill - Southern Cem	Lawn	99	Yes	No	No	Yes	No	Coffin	2	Main Chapel	£ 3,062.00	£ 3,769.00	£ 4,112.00	£ 4,819.00
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,684.00	£ 3,391.00	£ 3,077.00	£ 4,541.00
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	Yes	No	Coffin	1	West Chapel	£ 2,933.00	£ 3,640.00	£ 3,326.00	£ 4,790.00
W Hill - Southern Cem	Lawn	50	Yes	No	Yes	Yes	No	Coffin	1	Main Chapel	£ 2,982.00	£ 3,689.00	£ 3,375.00	£ 4,839.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,984.00	£ 3,691.00	£ 3,277.00	£ 4,741.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	Yes	No	Coffin	1	West Chapel	£ 3,233.00	£ 3,940.00	£ 3,526.00	£ 4,990.00
W Hill - Southern Cem	Lawn	99	Yes	No	Yes	Yes	No	Coffin	1	Main Chapel	£ 3,282.00	£ 3,989.00	£ 3,575.00	£ 5,039.00
W Hill - Southern Cem	Traditional	50	Yes	No	Yes	No	No	Coffin	3	No	£ 2,764.00	£ 3,471.00	£ 3,914.00	£ 4,621.00
W Hill - Southern Cem	Traditional	50	Yes	No	Yes	No	No	Coffin	3	West Chapel	£ 3,013.00	£ 3,720.00	£ 4,163.00	£ 4,870.00
W Hill - Southern Cem	Traditional	50	Yes	No	Yes	No	No	Coffin	3	Main Chapel	£ 3,062.00	£ 3,769.00	£ 4,212.00	£ 4,919.00
W Hill - Southern Cem	Traditional	99	Yes	No	Yes	No	No	Coffin	3	No	£ 3,064.00	£ 3,771.00	£ 4,214.00	£ 4,921.00
W Hill - Southern Cem	Traditional	99	Yes	No	Yes	No	No	Coffin	3	West Chapel	£ 3,313.00	£ 4,020.00	£ 4,463.00	£ 5,170.00
W Hill - Southern Cem	Traditional	99	Yes	No	Yes	No	No	Coffin	3	Main Chapel	£ 3,362.00	£ 4,069.00	£ 4,512.00	£ 5,219.00
W Hill - Southern Cem	Traditional	50	Yes	No	Yes	No	No	Coffin	2	No	£ 2,984.00	£ 3,911.00	£ 4,134.00	£ 5,061.00
W Hill - Southern Cem	Traditional	50	Yes	No	Yes	No	No	Coffin	2	West Chapel	£ 3,233.00	£ 4,160.00	£ 4,383.00	£ 5,310.00
W Hill - Southern Cem	Traditional	50	Yes	No	Yes	No	No	Coffin	2	Main Chapel	£ 3,282.00	£ 4,209.00	£ 4,432.00	£ 5,359.00
W Hill - Southern Cem	Traditional	99	Yes	No	Yes	No	No	Coffin	2	No	£ 3,284.00	£ 4,211.00	£ 4,434.00	£ 5,361.00
W Hill - Southern Cem	Traditional	99	Yes	No	Yes	No	No	Coffin	2	West Chapel	£ 3,533.00	£ 4,460.00	£ 4,683.00	£ 5,610.00
W Hill - Southern Cem	Traditional	99	Yes	No	Yes	No	No	Coffin	2	Main Chapel	£ 3,582.00	£ 4,509.00	£ 4,732.00	£ 5,659.00
Bulwell - Northern Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	3	No	£ 2,464.00	£ 3,171.00	£ 3,614.00	£ 4,321.00
Bulwell - Northern Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	3	Northern Chapel	£ 2,589.00	£ 3,296.00	£ 3,739.00	£ 4,446.00

Appendix 1 – Price for Coffin in New Grave in City of Nottingham

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Bulwell - Northern Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	3	No	£ 2,764.00	£ 3,471.00	£ 3,814.00	£ 4,521.00
Bulwell - Northern Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	3	Northern Chapel	£ 2,889.00	£ 3,596.00	£ 3,939.00	£ 4,646.00
Bulwell - Northern Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	2	No	£ 2,684.00	£ 3,391.00	£ 3,834.00	£ 4,541.00
Bulwell - Northern Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	2	Northern Chapel	£ 2,809.00	£ 3,516.00	£ 3,959.00	£ 4,666.00
Bulwell - Northern Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	2	No	£ 2,984.00	£ 3,691.00	£ 4,034.00	£ 4,741.00
Bulwell - Northern Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	2	Northern Chapel	£ 3,109.00	£ 3,816.00	£ 4,159.00	£ 4,866.00
Bulwell - Northern Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,684.00	£ 3,391.00	£ 3,834.00	£ 4,541.00
Bulwell - Northern Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	1	Northern Chapel	£ 2,809.00	£ 3,516.00	£ 3,959.00	£ 4,666.00
Bulwell - Northern Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,984.00	£ 3,691.00	£ 4,034.00	£ 4,741.00
Bulwell - Northern Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	1	Northern Chapel	£ 3,109.00	£ 3,816.00	£ 4,159.00	£ 4,866.00
Bulwell - Northern Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	2	No	£ 2,764.00	£ 3,521.00	£ 3,734.00	£ 4,421.00
Bulwell - Northern Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	2	Northern Chapel	£ 2,889.00	£ 3,646.00	£ 3,859.00	£ 4,546.00
Bulwell - Northern Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	2	No	£ 3,064.00	£ 3,821.00	£ 4,034.00	£ 4,721.00
Bulwell - Northern Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	2	Northern Chapel	£ 3,189.00	£ 3,946.00	£ 4,159.00	£ 4,846.00
Bulwell - Northern Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,984.00	£ 3,741.00	£ 3,954.00	£ 4,641.00
Bulwell - Northern Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	1	Northern Chapel	£ 3,109.00	£ 3,866.00	£ 4,079.00	£ 4,766.00
Bulwell - Northern Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	1	No	£ 3,284.00	£ 4,041.00	£ 4,254.00	£ 4,941.00
Bulwell - Northern Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	1	Northern Chapel	£ 3,409.00	£ 4,166.00	£ 4,379.00	£ 5,066.00
Highwood Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	3	No	£ 2,114.00	£ 2,821.00	£ 3,214.00	£ 3,921.00
Highwood Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	3	Highwood Cemetery	£ 2,169.00	£ 2,876.00	£ 3,269.00	£ 3,976.00
Highwood Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	3	No	£ 2,414.00	£ 3,121.00	£ 3,414.00	£ 4,121.00
Highwood Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	3	Highwood Cemetery	£ 2,469.00	£ 3,176.00	£ 3,469.00	£ 4,176.00
Highwood Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	2	No	£ 2,334.00	£ 3,041.00	£ 3,434.00	£ 4,141.00
Highwood Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	2	Highwood Cemetery	£ 2,389.00	£ 3,096.00	£ 3,489.00	£ 4,196.00
Highwood Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	2	No	£ 2,634.00	£ 3,341.00	£ 3,634.00	£ 4,341.00
Highwood Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	2	Highwood Cemetery	£ 2,689.00	£ 3,396.00	£ 3,689.00	£ 4,396.00
Highwood Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,334.00	£ 3,041.00	£ 3,434.00	£ 4,141.00
Highwood Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	1	Highwood Cemetery	£ 2,389.00	£ 3,096.00	£ 3,489.00	£ 4,196.00
Highwood Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,634.00	£ 3,341.00	£ 3,634.00	£ 4,341.00
Highwood Cemetery	Lawn	99	Yes	No	Yes	Yes	No	Coffin	1	Highwood Cemetery	£ 2,689.00	£ 3,396.00	£ 3,689.00	£ 4,396.00
Highwood Cemetery	Lawn	50	Yes	No	Yes	Yes	No	Coffin	3	No	£ 2,414.00	£ 3,121.00	£ 3,514.00	£ 4,221.00
Highwood Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	3	Highwood Cemetery	£ 2,469.00	£ 3,176.00	£ 3,569.00	£ 4,276.00
Highwood Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	3	No	£ 2,714.00	£ 3,421.00	£ 3,814.00	£ 4,521.00
Highwood Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	3	Highwood Cemetery	£ 2,769.00	£ 3,476.00	£ 3,869.00	£ 4,576.00
Highwood Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	2	No	£ 2,634.00	£ 3,341.00	£ 3,734.00	£ 4,441.00
Highwood Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	2	Highwood Cemetery	£ 2,689.00	£ 3,396.00	£ 3,789.00	£ 4,496.00
Highwood Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	2	No	£ 2,934.00	£ 3,641.00	£ 4,034.00	£ 4,741.00
Highwood Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	2	Highwood Cemetery	£ 2,989.00	£ 3,696.00	£ 4,089.00	£ 4,796.00
Highwood Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,634.00	£ 3,341.00	£ 3,734.00	£ 4,441.00
Highwood Cemetery	Traditional	50	Yes	No	Yes	Yes	No	Coffin	1	Highwood Cemetery	£ 2,689.00	£ 3,396.00	£ 3,789.00	£ 4,496.00
Highwood Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	1	No	£ 2,934.00	£ 3,641.00	£ 4,034.00	£ 4,741.00
Highwood Cemetery	Traditional	99	Yes	No	Yes	Yes	No	Coffin	1	Highwood Cemetery	£ 2,989.00	£ 3,696.00	£ 4,089.00	£ 4,796.00
Highwood Cemetery	Lawn	50	No	Yes	No	No	Yes	Casket	1	No	£ 3,014.00	£ 3,721.00	£ 4,114.00	£ 4,821.00
Highwood Cemetery	Lawn	99	No	Yes	No	No	Yes	Casket	1	No	£ 4,114.00	£ 4,821.00	£ 4,314.00	£ 5,021.00
Highwood Cemetery	Traditional	50	No	Yes	No	No	Yes	Casket	1	No	£ 3,314.00	£ 4,021.00	£ 4,414.00	£ 5,121.00
Highwood Cemetery	Traditional	99	No	Yes	No	No	Yes	Casket	1	No	£ 3,614.00	£ 4,321.00	£ 4,714.00	£ 5,421.00

Local Authority tendering remedy proposal

Invitation to comment on this proposed remedy

49. We would welcome views on the proposals outlined in this working paper and any other comments on a proposed LA tendering remedy. In particular, we would welcome comments on the following questions.

LA tendering as a remedy option

(a) To what extent do respondents think that wider introduction of tendered LA low-cost funeral schemes, intended as a response to problems identified on the demand side of the market would be:

- (a) effective;
- (b) proportionate.

Please answer with respect to each of the implementation options available, that is:

- (i) a CMA Order applicable to all LAs;

Local authority tendering required by all local authorities would in our view be fairer on consumers than having the current system which is available to a small few. The current situation in Nottingham City results in discrimination on the grounds of address as those living in a Nottingham City Postcode are entitled to something that their neighbours in a different local authority are not.

The local authority scheme in Nottingham is so far below the normal costs that the provider usually charges their customers that although it provides low cost funerals to those who choose the Nottingham Funeral it does not encourage competition in the market place as other funeral directors in the area are aware that the provider is subsidising the cost of these funerals to such an extent that competing on price is simply not worthwhile. The objectives of the CMA are to work to promote competition for the benefit of consumers. This scheme does not promote competition which leads us to conclude that the scheme does not encourage competitive behaviour and is therefore not effective.

We do not consider it to be a remedy which is proportionate in the context of addressing funeral poverty discussed in the paper. In order for it to be proportionate in this regard there would need to be some affordability assessment to be eligible for the package. An approach of funding funerals under such a contract through the profits made from other families also does not seem proportionate.

- (ii) a CMA recommendation to LAs;

We believe that a LA scheme is not appropriate. However if we are in the minority and the market welcomes a LA scheme then it should not discriminate based on address and therefore should be available to all consumers regardless of address so an order would be more effective and proportionate than a recommendation.

- (iii) a CMA recommendation to central government(s) that it/they should create a statutory responsibility on LAs.

As above.

(b) How should the specification of the funeral product to be provided under a LA scheme be determined?

(i) Should the focus be on delivering a competitive negotiated price for a 'standard' funeral package, or addressing funeral poverty through ensuring availability of a low-cost respectful funeral option.

The issue with having a competitively negotiated price for a standard funeral package is that if it is done properly and effectively along-side other regulation it could result in elimination of competition. Imagine this scenario:

- All providers are properly quality regulated so consumers know that all providers are going to give the right standard of care
- The LA properly markets the funeral package under the tendered contract such that every consumer in the LA is aware of it.
- The funeral provider properly honours the contract such that every consumer who walks through the door is offered the tendered package.
- The provider doesn't charge excessively but uses its standard prices for services required by the consumer in addition to the package purchased.

This scenario would in theory attract the majority of customers in the LA to the provider of this service. This would then become a very very important contract to have which would result in every local provider fighting for the contract and a race to the bottom. A race to the bottom will either force people out of business or result in reductions in quality.

Ensuring availability of a low cost respectful funeral option from a number of providers within a LA is a better suggestion than a negotiated price from one provider.

LA's could provide marketing material showing families that they could get a standard funeral package of X at this price from X, Y and Z providers.

LA's could also assess income and point consumers to funding available to support their needs.

It is very difficult to set a fixed price in a tender situation for the full package inclusive of disbursements. If the tendered price including disbursements is £2,000 and the allowance for burial or cremation is £750 and doctors fees are £250 then on a cremation the funeral director is getting £1,000 and for a burial where no doctors fees are required the funeral director is getting £1,250. The objective of the tendering to get a fixed price for the service doesn't work because the funeral director could end up with extra income for not providing a service.

(ii) How much scope, if any, should there be for variations between LAs?

This is difficult. Variations between LA's results in a lack of fairness between consumers.

(c) What might be potential unintended consequences of wider LA tendering for low cost residents' funerals?

A situation of tendering for an approved list (multiple providers) would in our view have fewer unintended consequences.

We have highlighted a number of unintended consequences both above and below.

(d) What are the current barriers to LAs establishing tendered low cost funeral schemes (eg available resources, other priorities, not regarded as a LA responsibility, etc)? How might they be overcome?

The existence of a LA owned crematorium might be a barrier to entry. A cynic may say that the LA's that have these arrangements are those who own their own crematoria and these arrangements are advertised as assisting local residents but in fact are set up to secure business for the LA crematorium. Perhaps therefore in LA's where a LA doesn't own a crematorium there will be no interest?

LA's may also believe, as indeed we do, that there is sufficient help and support available to help with funeral poverty through the DWP and this approach gives families more flexibility and better choices.

(e) What are the barriers to funeral director participation in LA tenders for resident schemes? How might they be overcome?

Barriers to entry might be the price point. If the price is so low that it undercuts other providers then only large national providers who can stomach a large number of subsidised funerals would participate in order to gain market share and give them opportunity to sell other services at an inflated price. This is perhaps a risk other smaller providers cannot or are not prepared to take.

This could be overcome by putting together a basic funeral package which includes limited services and the LA consulting with local providers on what is an appropriate entry level cost for those services. The price could then be fixed by the LA and any provider wishing to provide the services at the agreed price could be on the LA approved suppliers list.

(f) What are the barriers to take-up of LA resident schemes by bereaved families? How might they be overcome? What types of bereaved people/families would be most likely to use such schemes?

Lack of flexibility in the package. E.g only able to go to the LA crematorium when mum and dad were both cremated at the local one.

Religious beliefs and traditions – E.g. when the norm is for burial so a cremation package isn't an option.

Package doesn't allow two limousines without the extra being added at a cost above the normal price list. Insist on either no extras being available or the extras being available at the providers standard published price

Lack of publicity and knowledge of the schemes. Overcome by better advertising.

The family has always used a particular funeral provider and they aren't available on the LA scheme.

Multiple providers or LA pricing available to all providers if they wish.

It seems to us that a LA arranged scheme which is geared towards combatting funeral poverty should be means assessed in which case it would be low income families which it appeals to the most.

(g) What impact have existing LA schemes had on wider pricing for funerals in their respective local areas?

None. We don't believe that anyone has tried to compete with the Nottingham Funeral. We certainly have not.

(h) What should be the CMA's priorities for further analysis or evidence gathering on existing schemes?

The CMA should consider the following questions:

Do the providers offer this service to all customers walking through the door of all branches?

Are the providers using income from other families to subsidise these schemes?

Should a local authority be allowed to set up a scheme which encourages anti-competitive behaviour by restricting consumers to LA owned facilities?

LA tendering as basis for price benchmarks

(i) Do respondents think that the outcomes of current and future LA tendering exercises for provision of resident funeral schemes could provide useful data points for benchmarks to feed into price controls?

We only have experience of the Nottingham Funeral. We do not believe that the package offered provides appropriate data to feed into price controls. The provider could not offer the price it is charging for these funerals to all customers without making a loss. Not all local authorities will have their own crematorium and therefore not all local authorities will be able to negotiate a price with a local supplier based on guaranteeing themselves business.

Other comments

(j) Please provide any other relevant comments or observations on these proposals.

We believe that the focus should be on better publicity and awareness of the Funeral Expenses Payment available from the government and the Childrens Funeral Fund and efforts should be focused on ensuring that all funeral directors are properly trained and set up to advise and help direct those who are affected by funeral poverty to these schemes.

One of the problems with the service in Nottingham is that the local authority area covers postcodes where the family is likely to choose to have a service at Gedling Crematorium which is a privately owned crematorium. However because it is a LA arrangement and the local authority own a crematorium on the other side of town, the arrangement requires all cremations to take place at the LA crematorium. This is anti-competitive behaviour in terms of the crematoria market and the CMA need to be extremely careful to ensure that in trying to introduce competition in one market then don't introduce disproportionate side effects in another market.

We are surprised that cemeteries have not been included in the scope of the investigation. Currently cemetery pricing structure is very complicated and in some cases the cost for residents who live out of area is multiple times the cost of someone who lives in the local authority area. This indicates that council tax is subsidising burials which in itself raises a question about how the same support is given to those who have a cremation.