

# Appendix N - Funeral directors' pricing levels and trends

## Introduction

1. This appendix examines the evidence available on pricing trends and levels in the supply of funeral director services. This draws on information from: the Largest funeral directors; some of the Other Large funeral directors; databases of pricing data compiled by insurers SunLife and Royal London; price comparison websites Beyond and Your Funeral Choice; and the National Society of Allied and Independent Funeral Directors (SAIF).
2. The tables in this appendix present prices in nominal terms, but also include figures in real terms using 2018 as the base year and adjusted for the Retail Price Index (RPI).<sup>1</sup> The use of RPI is consistent with the price-setting behaviour of some smaller funeral directors,<sup>2</sup> but we note that it is not the only (or necessarily the most appropriate) measure of inflation for funeral director services.
3. The appendix is set out as follows:
  - (a) We first examine data on stated standard funeral prices compiled by the insurer SunLife based on a sample of 100 funeral director branches. We analyse sector-wide price trends between 2006 and 2019 after applying some adjustments to this data, and price differences between different funeral directors (specifically differences between Dignity, Co-op and 'independent/other' funeral directors);
  - (b) we analyse data on stated prices compiled by the price comparison website Beyond, and calculate an estimated standard funeral price. We use this data to analyse price trends between 2016 and 2019 based on samples of varying size;
  - (c) we analyse data on prices of simple funerals compiled by price comparison website Your Funeral Choice. We analyse price trends between 2013 and 2019 across the industry and across different categories of funeral directors (specifically Co-op, Dignity, Funeral Partners, 'small chains' and 'independent' funeral directors);

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<sup>1</sup> The exception to this is the analysis of snapshot of prices within the SAIF data.

<sup>2</sup> RPI Index sourced from [ONS](#). We do not have a measure of inflation specifically of funeral director costs, or those inputs which form the majority of funeral director costs (eg labour costs). Some funeral directors have indicated they consider inflation to be relevant when setting their prices or reflects their cost increases ([X]) considers that RPI is a fair reflection of its own cost inflation; [X] said that in the last five to ten years, its costs had generally risen in line with inflation; [X] believes its costs have increased in line with inflation). RPI in general overestimates inflation as measured by the Consumer Price Index.

- (d) we analyse data on the average revenue per funeral (ARF) (which is the revenue received by funeral directors for their services, ie excluding disbursements) of a sample of smaller funeral directors submitted by SAIF. It was collated by SAIF by polling its members in 2020, and includes data for 110 funeral directors;
  - (e) we analyse differences in the ARF, average disbursement per funeral ('ADF') and average total revenue per funeral ('ATR') (which includes both the revenue received by funeral directors and the disbursements) for different packages (ie standard/simple/pre-paid) across a sample of funeral directors. This includes the Largest funeral directors and regional Co-ops;<sup>3</sup> and
  - (f) finally, we examine research from internal documents of the Largest funeral directors relating to both changes in prices over time, and differences in prices between different funeral directors.
4. This appendix only considers levels and changes in prices, and not what may be driving these outcomes. This may include changing customer preferences (which would be reflected in the packages and optional elements that customers choose to add), cost differences due to differences in geographies and other local conditions (eg the impact of funerals for ethnic and religious minority customers; time in care can vary by region and over time due to a lack of crematoria slots),<sup>4</sup> and differences in quality due to differences in business model, brand and market position.
  5. In this appendix, we have partially accounted for changing customer preferences by analysing the prices for standard and simple packages separately when we have available data, and account for differences in business model and industry position by comparing the average price paid within groups of funeral directors which are similar in size.
  6. As detailed in Section 2, approximately 60% of the funeral director sector consists of smaller funeral directors. We have sought data from a sample of funeral directors, but in many cases they could not provide the data requested

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<sup>3</sup> The ATR reflects prices actually paid by customers on average, comprising of the listed price, any optional extras added or taken away by customers or discounts given by funeral directors and third-party costs (eg cremation fee), which is used as an imperfect substitute for evidence on pricing. However, evidence on revenues is more readily available and as such allows us to bolster our evidence base in the absence of comparable evidence on listed prices. The NAFD have noted that the ATR includes disbursements (which are often substantial) and does not take into account funeral prices driven by consumer preferences, which it considers to be poor evidence ([Europe Economics, Analysis of aspects of the CMA's provisional decision September 2020](#), page 4). We have taken these factors into account in determining the weight which can be attached to this evidence, but continue to believe that for the reasons given here, evidence on revenues allows us to bolster our evidence base in the absence of comparable evidence on listed prices.

<sup>4</sup> For example, Co-op submitted that it is not informative to compare growth rates between the three largest providers and the regional Co-ops as the latter operate in defined geographies.

and therefore we cannot be sure that it is representative of all smaller funeral directors. To complement the direct evidence we received from smaller funeral directors, we have also obtained evidence from SunLife, Beyond, Royal London, Your Funeral Choice, SAIF and from internal documents from larger funeral directors.

7. This analysis focuses on pricing levels and trends from across the industry to understand industry-wide customer outcomes, rather than capturing local level competitive dynamics.<sup>5</sup> There are other pieces of evidence which consider local-level conditions.

*CMA consideration of parties' general comments on pricing levels and trends analysis*

8. As described in paragraph 3, this appendix makes use of a number of datasets which cover different periods of time. The SunLife dataset covers the period 2006 to 2019, whereas others relate to more recent periods only (Beyond covers the period 2016 to 2019 and Your Funeral Choice the period 2013 to 2019). Co-op has submitted that 'the CMA continues to pursue a purely backward looking analysis, relying on data series dating back to 2006 to draw its conclusions', and arguing that, 'it is hard to see what relevance such data has in a market that has changed significantly over the last five years'.<sup>6</sup>
9. We consider it appropriate and informative to make use of the data that exists to examine both past trends in prices and more recent changes. We have not put undue weight on data from earlier years, and have disaggregated and highlighted throughout our analysis more recent changes (for example, the rate of price inflation since 2016), drawing on a range of quantitative and qualitative evidence to understand the dynamics of the funeral market over time and as it stands now.
10. Co-op submitted that the 'granularity of the data that the CMA has collected from funeral providers differs significantly across different types of funeral directors. This feature is likely to cause a variety of issues regarding data interpretation and the comparison between groups of funeral providers (making it impossible to compare price and quality differentials).'<sup>7</sup>
11. We recognise that different datasets are not always directly comparable, and this is due to the inherent constraints in the data available. Throughout this

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<sup>5</sup> Further, gathering data to do a local-level analysis of pricing levels and trends was not possible.

<sup>6</sup> Co-op: Response to PDR, paragraph 6.5.

<sup>7</sup> Co-op: Response to PDR, paragraph 6.11.

appendix we have explained the nature of each data source and the extent to which they can or cannot be compared. In addition, the question of whether specific high prices are justified by (costly) high quality, as would be the case in a well-functioning market, cannot be answered by considering quality in isolation. It can potentially be answered through the wider assessment of relevant prices, costs and profitability measures, since in a well-functioning market competition would restrict profits to reasonable levels.<sup>8</sup>

## **SunLife data (Standard Funeral Prices)**

12. SunLife is an insurance company which has used external research firms to track standard funeral prices via a survey of 100 branches since 2004. We received detailed data from its database for the period 2006 to 2019. Co-op and Dignity branches are sampled every year, alongside branches from a varying sample of other funeral directors. SunLife collects information on each funeral director's professional services fees<sup>9</sup> and the cost of their disbursements.<sup>10</sup>
13. We have examined this data in various ways.<sup>11</sup>
  - (a) We re-weighted the data in a number of ways and tested the effect of SunLife's approach to sampling/reporting on industry-wide price trend estimates. The data adjustments we have made are as follows:
    - (i) share of supply weighting;
    - (ii) regional weighting; and
    - (iii) cremation/burial weighting.
  - (b) We examined the differences in both professional fees and disbursement costs (as defined by SunLife) between funeral directors.

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<sup>8</sup> See Section 7 and Appendix S for more detail.

<sup>9</sup> The Professional fees include collection and care of the deceased, hearse and attendants and director, one limo, use of chapel of rest, attending to all essential documentation, oak veneer coffin.

<sup>10</sup> The disbursements include doctor's fees, clergy/officiate fee, cremation/burial fee, and service in church or cemetery chapel including an organist.

<sup>11</sup> Note that the figures presented in this analysis have been updated since the publication of the PDR: (i) we have updated the 2006 to 2013 estimate funeral sales for Co-op and therefore the estimated share of supply of all firms has changed in this period and the corresponding weighted analysis has changed; (ii) as a result of submissions by Co-op and Dignity, we have re-classified some branches to be 'independent' in the years before they were acquired; and (iii) we have used more recent estimates of the proportion of deaths which were cremations.

## **Data**

14. SunLife's data categorises branches under four groups; Dignity, Co-op, 'other chains' and 'independents'. As the number of 'other chains' was very small and the definition of 'independents' and 'other chains' is unclear, we have grouped them under 'independent and others' for the purposes of our analysis. These categorisations are therefore different from the ones we make elsewhere in this report.
15. We note that funeral directors decide whether to participate in the survey and that high-cost funeral directors may decide not to. Therefore, the results from this analysis should be considered a lower bound estimate of the price of a standard funeral. Throughout this analysis of SunLife's data we focus primarily on the level and changes in averages across a number of different funeral directors. As analysed in the rest of the appendix, there is a wide amount of dispersion in the prices charged by funeral directors, which limits how much can be drawn from averages alone.

### *CMA consideration of parties' comments on SunLife data*

16. In response to this analysis, SAIF submitted that insurance companies such as SunLife and Royal London have a vested interest in creating concern about funeral prices, so that customers purchase insurance plans or pre-paid funeral products with them.<sup>12</sup> We are aware of Royal London and SunLife's incentives. To verify the results of their funeral pricing reports, we have obtained detailed information about their data and methodology and have interrogated these closely. As described below, where we have found biases in the data or methodology, we have either made adjustments in order to draw more robust conclusions or have acknowledged them and focused on the results that we consider to be robust.
17. Co-op submitted that the SunLife dataset has a number of issues which have the potential to distort the price indices and complicate the interpretation of the trends. In particular:
  - (a) it is a sample of only 100 branches;

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<sup>12</sup> SAIF argued that it was relevant that the Advertising Standards Authority (the 'ASA'), following a complaint by SAIF lodged against SunLife, had required SunLife to be more transparent in its calculation methods of funeral costs. Our understanding, based on documents provided by SAIF, is that this relates to SunLife's calculation of average funeral costs including disbursements for cremation or burial fees. Given that most of our analysis focuses on funeral director professional fees excluding these disbursements, and that we have made further adjustments to the data compared to SunLife's presentation of the data, we do not consider this to be relevant to our analysis. [National Society of Allied and Independent Funeral Directors: Response to PDR](#), page 7.

- (b) different funeral directors are sampled in different years;
  - (c) due to the small sample size we have not been able to apply multiple adjustments simultaneously;
  - (d) if the original sample does not capture the full range of regional prices by Co-op and Dignity, or if it misrepresents the actual population of 'independent and others', the CMA's re-weighting adjustments will not be sufficient to correct any biases; and
  - (e) the few Co-op branches in the SunLife dataset are likely to belong to various price bands and to be spread across different geographies. As a consequence, assigning significantly different weights to different regions indirectly assigns different weights to different price bands.<sup>13</sup>
18. Dignity submitted its concerns that because the annual samples are small and there are high levels of churn, the SunLife data is at risk of 'huge measurement error' and analytical results are sensitive to small changes in methodology. It submitted:
- (a) that it still believes that the adjusted figures do not sufficiently control for variation in funeral directors (ie quality and cost), customer needs, and regional differences; and
  - (b) that SunLife's definition of professional fees risks confusion, and that SunLife excludes other additional services such as personalised funeral procession or embalming, which are commonly chosen by customers and included in fee estimates.<sup>14</sup>
19. We have made adjustments to the SunLife dataset, such that even if the sample size is small it has been weighted to be more representative of the funeral director industry. The SunLife sample of 100 funeral directors is the largest dataset available over this period.
20. A feature of the SunLife dataset is that different branches are sampled in each year, as some funeral directors drop out and are replaced. When a funeral director needs to be replaced within the sample, Critical Research<sup>15</sup> told us that they are selected such that they must be located in the same region and, if possible, within the same postcode area or district. Where possible, Critical Research would also aim to replace the funeral director with a firm of a similar type (eg national funeral director firm, or 'independent'). As we show in Annex

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<sup>13</sup> Co-op: [Response to provisional findings](#), Appendix 1 paragraph 2.4.

<sup>14</sup> Dignity Plc: [Response to provisional findings](#), Annex 1 paragraph 4.3.

<sup>15</sup> The role of Critical Research is described below.

1, even when accounting for funeral director ‘churn’ we still observe increasing prices.

21. We have examined regional variations in price changes to check whether overall price growth was being skewed by particular regions. Given the very small sample sizes at regional level we do not put any weight on the specific figures, but instead focus on the degree of difference between regions over time. The data indicates that from 2006 to 2016, price growth in professional fees was broadly even across regions.<sup>16</sup> However, from 2016 to 2019, regional growth trends became considerably more volatile (year-on-year) and varied across regions. Nevertheless, the effect of this latter variance on the period as a whole (2006–2019) would appear to be relatively muted.<sup>17</sup>
22. We compared the average professional fees for Co-op and Dignity branches in the SunLife sample to the closest equivalent figure within the data provided to us by Co-op and Dignity, respectively, for every year in which it was possible to make a direct comparison.<sup>18</sup> This showed that the differences between each set of figures over time is relatively small and that the SunLife data shows slightly lower estimates for both price levels and price inflation for both firms.<sup>19,20</sup>
23. It is not possible to test the representativeness of the ‘independent and other’ funeral directors in the SunLife sample, as there is no definitive dataset of

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<sup>16</sup> Over this period, every regional average Compound Annual Growth Rate (CAGR) was within one percentage point either side of the (unweighted) national average (5.6%).

<sup>17</sup> With one exception (Yorkshire and the Humber), all regional average CAGRs fall within one percentage point on either side of the (unweighted) national average (5.2%) from 2006 to 2019. Further details can be found in Annex 1.

<sup>18</sup> Co-op provided us with data on its price bands in each year and the number of funeral homes at each price band. We calculated a single weighted average for each year (2012–2019), for a standard-style funeral package comprising professional services, supplementary services, embalming, limousine and coffin (these are what Co-op define to be additional components that make up a traditional funeral (‘The Traditional Funeral constitutes relevant Band from Professional & Supplementary + Coffin + Embalming + Limousine (eg for Band [X] = £[X])’), with weights based on the number of funeral homes at each price band. Checks of the Sunlife data against our data on Co-op branch prices indicate that the sampled Co-op branches provided their Traditional price to SunLife. Dignity provided us with data on average revenue per standard funeral on a monthly basis between January 2010 and October 2019. We calculated a simple average for each calendar year (2010–2019). We note that these two measures are not exactly the same; however, the average revenue per funeral is the closest proxy for Dignity’s standard prices across its business which is available in this case, and we consider this is still a useful comparison to make despite the differences.

<sup>19</sup> For Co-op, over the period from 2012 to 2019, SunLife’s averages are higher than Co-op’s in three years and lower in five years; in all but three years, the difference is less than 5%. On average across this period, SunLife’s figures were 0.8% (£33) lower than Co-op’s. For Dignity, over the period from 2010 to 2019, the SunLife data appears mostly (in seven of the 10 years) to under-estimate Dignity’s average revenue per standard funeral. On average across this period, SunLife’s figures were [X]% (£[X]) lower than Dignity’s. Further details can be found in Annex 1.

<sup>20</sup> We compared the price distributions for Co-op branches in the SunLife sample to Co-op’s own pricing data for selected years for which there was sufficient data available to do so: 2012, 2013, 2016, 2017, and 2018. This showed that the Co-op branches included in the SunLife sample cover a relevant range of price bands, at frequencies that are fairly similar to the national Co-op data. We could not undertake a similar analysis for Dignity due to lack of comparable data.

‘independent’ funeral directors and their prices. We have compared it against the funeral directors in the Beyond dataset (which are mostly smaller funeral directors) to test whether they show similar trends. The average price in the SunLife data appears generally slightly higher than the average price in the Beyond data, but by a relatively small margin.<sup>21</sup> The increase in price in the SunLife dataset appears broadly similar to that in the Beyond dataset overall.<sup>22</sup> As noted in paragraph 65 and 67, there was significant variation in the growth of prices between branches in the Beyond dataset.

24. The re-weighting based on regional death rates will put more weight on the prices of funeral directors that are present in regions with higher death rates. The main result of this re-weighting is that the difference between the re-weighted prices and the average price published by SunLife is not significant across most of the period (2006–2014), with divergences identifiable in 2015, 2017 and 2019.<sup>23</sup> The analysis of standard funeral price trends presented in Section 7 is based on the SunLife data where it is re-weighted to reflect the share of at-need funerals undertaken by Dignity and Co-op each year. The discussion of the price trends of Co-op, Dignity and others in Section 7 (and paragraphs 50 to 57) is not re-weighted.<sup>24</sup> Therefore any biases which are introduced as a result of indirectly assigning different weights to different price bands as a result of the re-weighting by regional death rates will not have a significant impact on our findings.
25. In our view, the results of these checks confirm that, as far as it is possible to assess, and whilst noting its limitations, the SunLife dataset seems sufficiently reliable for our purposes.

### ***Re-weighting data***

26. The gathering of data for SunLife’s Cost of Dying Report is currently undertaken by Critical Research. We asked Critical Research about its approach to gathering responses to its funeral prices survey. It told us that it attempts to re-interview the same funeral directors each year. When a funeral director is unwilling or unable to take part, the main priority is finding a replacement funeral director from the same region and, if possible, from a similar postcode and firm type (eg ‘independent’). This means that from year to year there will be differences in the types of funeral directors included in the final sample. It also told us that it has seen a decline in response rates over

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<sup>21</sup> With the average SunLife price between 10 - 14% higher than the average Beyond price.

<sup>22</sup> Average CAGR of 1.4%, compared to 1.6% in the Beyond data, from 2016 to 2019.

<sup>23</sup> Shown in paragraphs 35–39.

<sup>24</sup> Additionally, as described in paragraph 22 we have found that the difference in average price for Co-op and Dignity within the SunLife dataset and within the data provided directly by the companies is relatively small.



the past two to three years, resulting in a higher level of churn. It noted that the trend of declining response rates had also been seen in other areas of its work, outside of funeral directors.

27. Considering the challenges faced in conducting and producing the survey results, we make some adjustments to SunLife's data to use it to infer trends in funeral prices in the UK.
- (a) Re-weighting by the type of funeral director to account for shares of supply (based on volume of at-need funerals) in the UK.
  - (b) Re-weighting by regional death rate to reflect the actual distribution of funerals across the country, rather than giving each region equal weighting.
  - (c) Re-weighting by the ratio of cremations to burials to reflect the greater proportion of cremations in the UK, rather than using a simple average of cremation and burial prices.
28. We look at each of these adjustments in more detail below, to understand the extent to which they affect the level and rate of change in average prices.

### *Share of Supply*

29. SunLife's survey over-samples Dignity branches and under-samples Co-op<sup>25</sup> ones, compared with our share of supply estimates based on at-need funeral volumes.<sup>26</sup> In 2018, the size of the Dignity over-sampling was [X] percentage points, with 26 Dignity branches included in the sample (26% of the sample) compared with an expected [X] branches based on our share of supply estimates ([X] of the sample).<sup>27</sup> Under-sampling of Co-op's branches has persisted throughout the relevant period, but the over-sampling of Dignity has only occurred from 2015 onwards.

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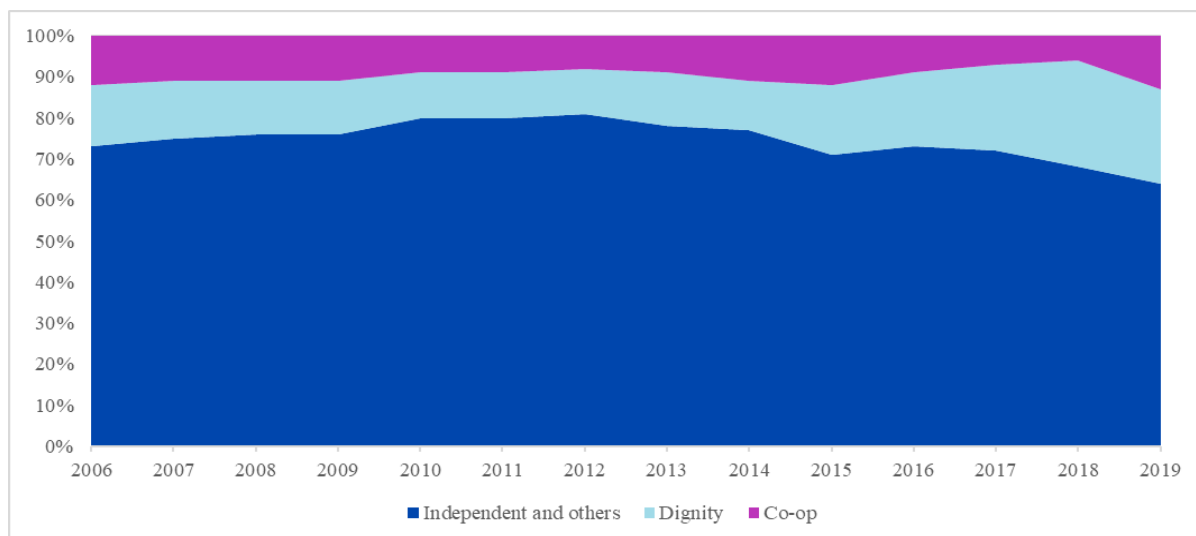
<sup>25</sup> Except in 2019 [X].

<sup>26</sup> To estimate the extent to which SunLife's survey over-samples and under-samples these funeral directors, we have compared the proportion of branches in the sample with the share of supply of at-need funeral volumes in the United Kingdom for each year. We use this approach as we do not currently have a robust estimate for the number of branches of each funeral director over time. This is calculated by dividing the annual number of at-need funerals sold by Co-op and Dignity by the estimated number of at-need funerals. The estimated number of at-need funerals is calculated by summing the total number of deaths in the UK, and deducting the number of pre-paid funeral plans drawn down (Source: [Funeral Planning Authority Statistics](#).) As we only have access to data from 2013–2018, the share of supply for 2019 is assumed to be the same as for 2018. The share of supply for 2006–2012 for Dignity is calculated using its approximate funeral volumes in its annual reports divided by total deaths in the UK for the respective years. The share of supply for 2006–2012 for Co-op, was calculated using the volume data in its annual reports in 2010 and 2011 to establish a trend in volumes which we extrapolated back to 2006 divided by the total deaths in the UK for the respective years.

<sup>27</sup> In 2019, the size of the over sampling was similar, with 23 Dignity branches included in the sample.

30. Figure 1 shows how SunLife's sample make-up has changed over the period 2006 to 2019.

**Figure 1: SunLife sample make-up, 2006–2019 (%)**

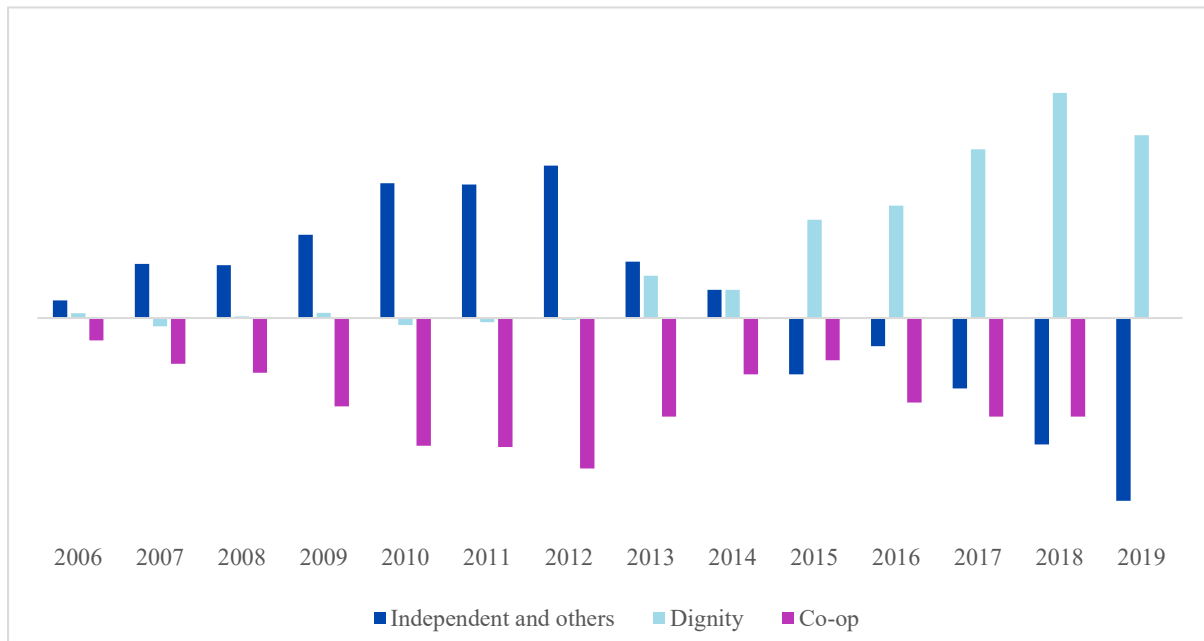


Source: CMA analysis of SunLife's sample.

Figure 1: A chart showing that independents and others make up the majority of the sample at around 65% to 80% throughout the time period.

31. Figure 2 shows the difference between SunLife's sample and the estimated share of supply. The vertical axis shows, in terms of the number of branches, how many more or fewer branches of each funeral director category the SunLife dataset includes compared to our share of supply of funeral volume estimates. This shows that between 2015 and 2019, SunLife over-sampled Dignity and the over-sampling increased each year between 2015 and 2018, and slightly reduced in 2019.

**Figure 2: Difference between SunLife's sample and estimated share of supply**



Source: CMA analysis of SunLife's sample.

32. To address this, we have used our estimated at-need share of supply to re-weight the average funeral prices for all funeral directors in the sample. To demonstrate the effect of re-weighting by shares of supply we focus on professional fees, as this is the component of total price which the funeral directors directly control.
33. Table 1 and Figure 3 show the re-weighted and original average professional fee across all funeral directors when re-weighted by share of supply. It also shows the compound annual growth rate (CAGR) across the period 2006 – 2019.

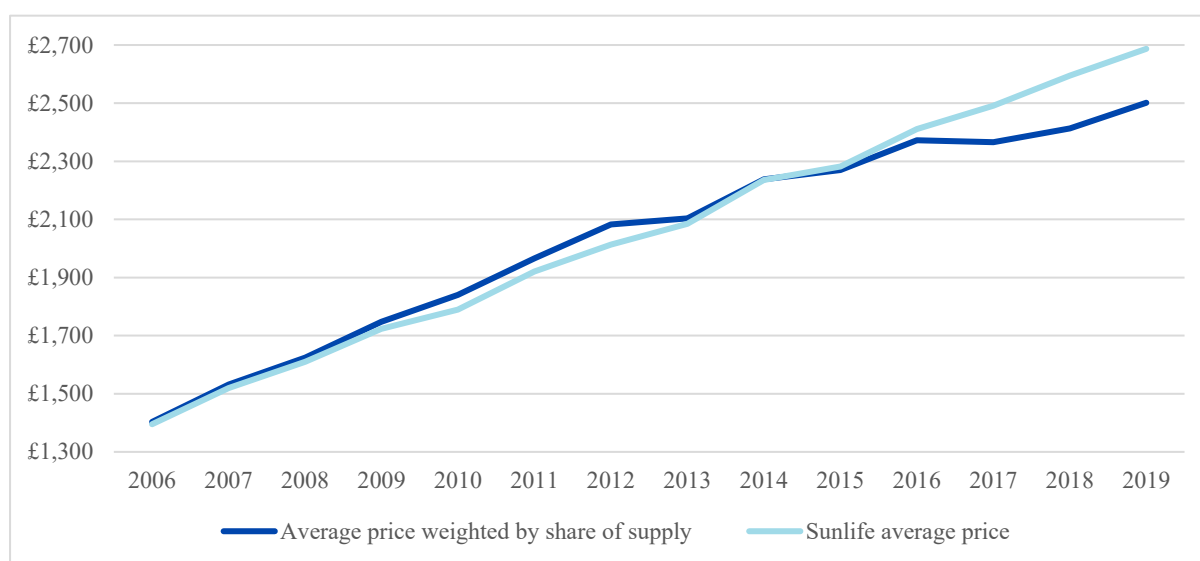
**Table 1: Average professional fee from SunLife data and re-weighted by share of supply**

Year	Average professional fee (weighted by share of supply) (£)	Average professional fee (SunLife) (£)
2006	1,403 (1,995)	1,395 (1,983)
2007	1,532 (2,089)	1,520 (2,072)
2008	1,624 (2,129)	1,610 (2,111)
2009	1,748 (2,304)	1,723 (2,270)
2010	1,840 (2,318)	1,790 (2,254)
2011	1,966 (2,354)	1,921 (2,300)
2012	2,082 (2,416)	2,014 (2,337)
2013	2,104 (2,369)	2,084 (2,346)
2014	2,238 (2,462)	2,236 (2,460)
2015	2,269 (2,472)	2,282 (2,486)
2016	2,372 (2,539)	2,411 (2,581)
2017	2,365 (2,444)	2,491 (2,574)
2018	2,413 (2,413)	2,595 (2,595)
2019	2,501 (2,439)	2,687 (2,620)
<b>CAGR</b>		
2006–19	4.5% (1.6%)	5.2% (2.2%)
2006–16	5.4% (2.4%)	5.6% (2.7%)
2016–19	1.8% (-1.3%)	3.7% (0.5%)

Source: CMA Analysis of SunLife data.

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

**Figure 3: Average professional fee from SunLife data and re-weighted by share of supply**



Source: CMA analysis of SunLife data.

34. Figure 3 shows that re-weighting the data by share of supply does not have a large impact on the overall average price inflation trend of professional fees between 2006 and 2016, but that there is a more significant impact between 2017 and 2019. The divergence from the SunLife trend stems primarily from the fact that in the period 2017 to 2019, there was a more significant re-weighting away from Dignity's price to the price of the 'independent and other' funeral directors due to the oversampling of Dignity's branches being more significant after 2016. Throughout the period Dignity's average professional fee is higher than that of the 'independent and other' funeral directors.

Because of this, as the oversampling of the more expensive Dignity branches increases significantly in the years after 2016, the re-weighted average price diverges from the SunLife average price in this later period to a greater extent. The diversion effect of the oversampling on the SunLife price is increased even further as in 2017 the difference between Dignity's and 'independent and other' funeral directors' professional fees increased materially relative to the earlier period. The combination of both of these effects is why the CAGR of 1.8% (-1.3% in real terms) seen in the re-weighted price between 2016 and 2019 is lower than the SunLife CAGR of 3.7% (0.5% in real terms) over the same period, despite having similar CAGRs between 2006 and 2016.<sup>28</sup>

### *Region*

35. SunLife sampled ten branches from each region, giving equal weighting to them. This means regions such as Northern Ireland, which accounts for approximately 3% of registered deaths per year, is weighted equally to South East and East England, which account for approximately 23% of deaths per year combined.
36. We tested if re-weighting the data by regional death rate<sup>29</sup> would affect the average professional fee. Table 2 and Figure 4 show the average professional fee re-weighted by region, and the average professional fee calculated by SunLife.

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<sup>28</sup> Although independent and other funeral directors were increasing their prices at a higher rate than Dignity after 2016, this is outweighed by the oversampling effect and hence the SunLife results exhibit a higher CAGR in this period.

<sup>29</sup> Sourced from ONS; [Deaths registered by area of usual residence, UK released 25 November 2019](#).

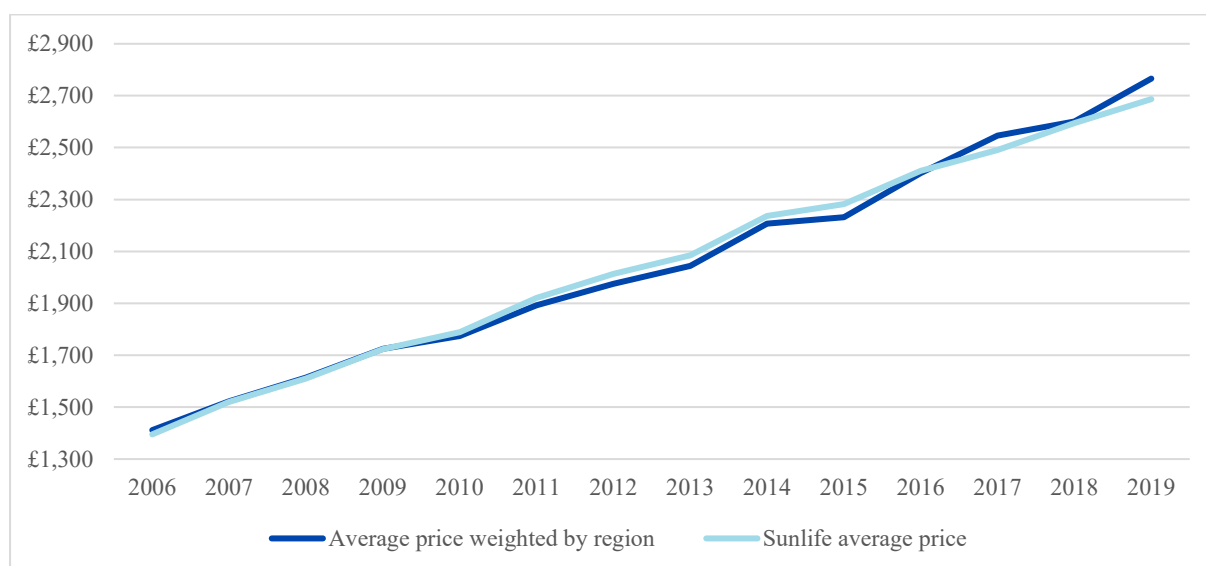
**Table 2: Average professional fee from SunLife data and re-weighted by region**

Year	Average professional fee (weighted by region) (£)	Average professional fee (SunLife) (£)
2006	1,412 (2,007)	1,395 (1,983)
2007	1,523 (2,075)	1,520 (2,072)
2008	1,613 (2,115)	1,610 (2,111)
2009	1,724 (2,272)	1,723 (2,270)
2010	1,774 (2,234)	1,790 (2,254)
2011	1,892 (2,266)	1,921 (2,300)
2012	1,976 (2,292)	2,014 (2,337)
2013	2,044 (2,301)	2,084 (2,346)
2014	2,207 (2,428)	2,236 (2,460)
2015	2,231 (2,431)	2,282 (2,486)
2016	2,402 (2,571)	2,411 (2,581)
2017	2,547 (2,632)	2,491 (2,574)
2018	2,600 (2,600)	2,595 (2,595)
2019	2,766 (2,697)	2,687 (2,620)
CAGR		
2006–19	5.3% (2.3%)	5.2% (2.2%)
2016–19	4.8% (1.6%)	3.7% (0.5%)

Source: CMA analysis of SunLife data.

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

**Figure 4: Average professional fee from SunLife data and re-weighted by region**



Source: CMA analysis of SunLife data.

37. As shown in Table 2 and Figure 4, there was not a significant difference from SunLife's figures in the period 2006 to 2014, but the period 2015 to 2019 is affected by the re-weighting by region, with divergences identifiable in 2015, 2017 and 2019. The 2017 divergence is largely due to a spike in East and South East average prices in 2017, which are weighted more heavily when taking into account death data by region, and a reduction in the weighting of regions such as Wales and Northern Ireland which had a price decrease.<sup>30</sup>

<sup>30</sup> The spike in East and South East England's professional fees in 2017 was partially due to churn in the sample, where 3 branches were replaced with branches with higher fees. Due to the small sample per region a change in a few branches can dramatically affect the region's average.

The 2019 divergence was due to an increase in average prices in the Midlands and East and South East England, which are weighted more heavily when taking into account death data by region.

38. We re-weighted the data for both share of supply and region in only a few cases,<sup>31</sup> because the sample of ten branches in each region did not always include all three funeral director categories. For the cases where re-weighting was possible, the re-weighted values did not consistently show a bias either way.<sup>32</sup>
39. Comparing Figure 3 with Figure 4 shows that the share of supply and regional biases highlighted above work in opposite directions and to some extent offset each other over the period 2016 to 2019.

### ***Cremation/Burial***

40. SunLife's headline figure of average funeral price (which includes disbursements) is an average of cremation and burial prices, but this is not weighted by the percentage of cremations and burials in the UK. Given that burials tend to be more expensive but comprise a lower proportion of funerals than cremations, this has the potential to inflate the estimated average price. To address this (and the share of supply bias set out in paragraph 29), we have weighted SunLife's data by burial/cremation ratio and share of supply.
41. Table 3 shows the proportion of funerals which are cremations, the average total funeral price weighted for burial/cremation ratio, the average total funeral price weighted for both burial/cremation ratio and share of supply, SunLife's calculated average and corresponding CAGRs for the period 2006 to 2019. Because the sample of 10 branches in each region did not always include all three funeral director categories, we have not been able to also re-weight the sample by region.

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<sup>31</sup> We only have sufficient data to make this adjustment for two regions across the entire period.

<sup>32</sup> In the majority of cases the re-weighted value only differed by £40 from SunLife's original regional averages, with some outliers around a £200 to £400 difference from SunLife's original regional averages.

**Table 3: Average funeral price from SunLife data and re-weighted by cremation/burial proportions and share of supply**

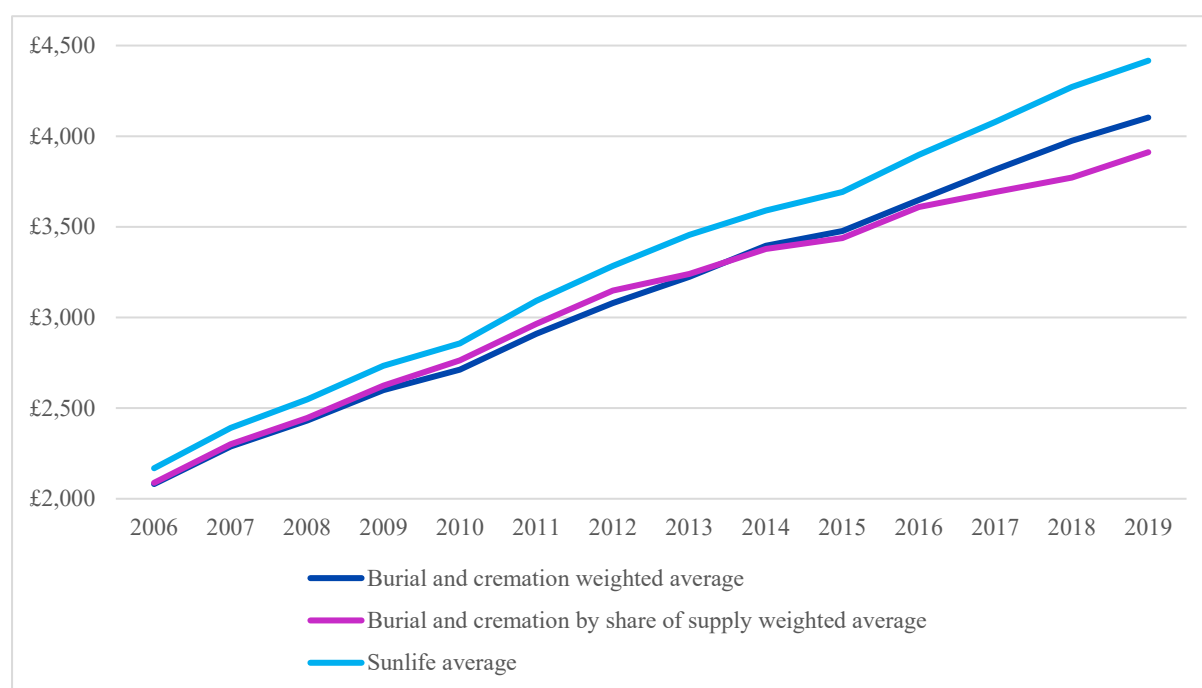
Year	Percentage of deaths which are cremations (%)	Burial/cremation weighted average (£)	Burial/cremation and share of supply weighted average (£)	SunLife average (£)
2006	72.4%	2,081 (2,959)	2,088 (2,968)	2,168 (3,082)
2007	72.2%	2,288 (3,118)	2,301 (3,136)	2,390 (3,258)
2008	72.4%	2,431 (3,187)	2,446 (3,207)	2,549 (3,342)
2009	73.4%	2,600 (3,426)	2,624 (3,458)	2,733 (3,601)
2010	73.2%	2,713 (3,417)	2,764 (3,481)	2,857 (3,598)
2011	74.4%	2,910 (3,484)	2,965 (3,550)	3,091 (3,701)
2012	74.3%	3,079 (3,573)	3,149 (3,654)	3,284 (3,810)
2013	75.2%	3,225 (3,631)	3,241 (3,649)	3,456 (3,891)
2014	74.8%	3,396 (3,736)	3,378 (3,716)	3,590 (3,949)
2015	76.3%	3,476 (3,787)	3,437 (3,744)	3,693 (4,023)
2016	76.5%	3,649 (3,905)	3,609 (3,863)	3,897 (4,171)
2017	77.1%	3,816 (3,944)	3,692 (3,815)	4,078 (4,215)
2018	78.2%	3,975 (3,975)	3,772 (3,772)	4,271 (4,271)
2019*	78.2%	4,103 (4,000)	3,912 (3,814)	4,417 (4,306)
<b>CAGR</b>				
2006–19		5.4% (2.3%)	4.9% (1.9%)	5.6% (2.6%)
2016–19		4.0% (0.8%)	2.7% (-0.4%)	4.3% (1.1%)

Source: CMA analysis of SunLife data.

\* 2019 data on share of supply is not yet available, so the percentage for 2018 has also been used for 2019.

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

**Figure 5: Average prices from SunLife data and re-weighted by cremation/burial proportions**



Source: CMA analysis of SunLife data.



42. As shown in Table 3 and Figure 5, re-weighting by cremation/burial ratio results in lower price levels (between £87 and £314 lower), but a similar real CAGR over the period; 5.4% (2.3% in real terms) for the re-weighted price versus 5.6% (2.6% in real terms) for SunLife's price. Compared with re-weighting by burial/cremation ratio alone, re-weighting by share of supply and burial/cremation ratio together results in very similar prices over the period 2006 to 2016 (with differences of up to around £70) and larger price differences over the period 2017 to 2019 (with differences of up to around £200). Over the period 2017 to 2019, weighting by both share of supply and burial/cremation ratio the growth of prices is lower than only weighting by burial/cremation ratio resulting in a lower overall level of inflation (by around 0.4 percentage points).

## **Summary**

43. When comparing SunLife's average prices with that of the re-weighted figures, the trends and price levels of the original and re-weighted data are largely similar between 2006 and 2016, and it therefore represents an insightful benchmark for funeral prices and the rate of growth.
44. However, especially in recent years, there are cases which show how SunLife's methodology and sample selection can lead to diverging results in terms of price level and trends:
- (a) Re-weighting the average professional fee to take into account the share of supply of Co-op and Dignity indicates that the real price level is lower than the SunLife estimate (by £186 in 2019) and the rate of price increases since 2016 is also lower than SunLife's estimate (CAGR of 1.8% compared with SunLife's 3.7% between 2016 and 2019).<sup>33</sup> In terms of any single adjustment, re-weighting for share of supply has the largest effect on the price levels and trend in recent years.
  - (b) Re-weighting the average professional fee for regional death rate has an effect in specific years where some regions with high death rates behaved differently from the rest; in those years, the re-weighted real average price was higher than SunLife's estimate (by approximately £80) but overall this did not have a large impact on the estimated rate of price increase (CAGR of 5.3% compared with SunLife's 5.2% between 2006 and 2019).
  - (c) Re-weighting the average funeral price to adjust for burial/cremation split did not have a significant effect on the rate of change in prices relative to

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<sup>33</sup> As described in paragraph 34, the increasing level of Dignity oversampling year-on-year particularly influences SunLife's estimated CAGR after 2016.

SunLife's estimate (5.4% compared with SunLife's 5.6%) but did result in a downward shift on the average price. However, re-weighting by both the burial/cremation split and the share of supply decreases the rate of change in prices (4.9% compared with SunLife's 5.6%) and the price level (£505 lower in 2019).

### ***Price comparisons between funeral directors***

45. By taking averages of the sampled branches for each of Dignity, Co-op and 'independents and other' funeral directors, we can examine:<sup>34</sup>

- (a) How prices varied between funeral directors over the period; and,
- (b) Whether professional fees or disbursement costs (as defined by SunLife) had the most inflationary pressure upon funeral directors' prices.

46. Table 4 shows the SunLife sample make-up from 2006 to 2019.

**Table 4: Sample make-up of funeral directors**

<i>Year</i>	<i>Independent and others</i>	<i>Dignity</i>	<i>Co-op</i>
2006	75	12	13
2007	77	11	12
2008	76	12	12
2009	77	12	11
2010	80	11	9
2011	80	11	9
2012	81	11	8
2013	78	13	9
2014	77	12	11
2015	71	17	12
2016	73	18	9
2017	72	21	7
2018	68	26	6
2019	64	23	13

Source: CMA analysis of SunLife data.

47. To provide context for the discussion of prices split by different funeral directors, Table 5 shows the professional fees and disbursements (as defined by SunLife) re-weighted by share of supply.

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<sup>34</sup> We note that the sample size is small for all funeral directors (including independents and other FDs, but especially for Dignity and Co-op).

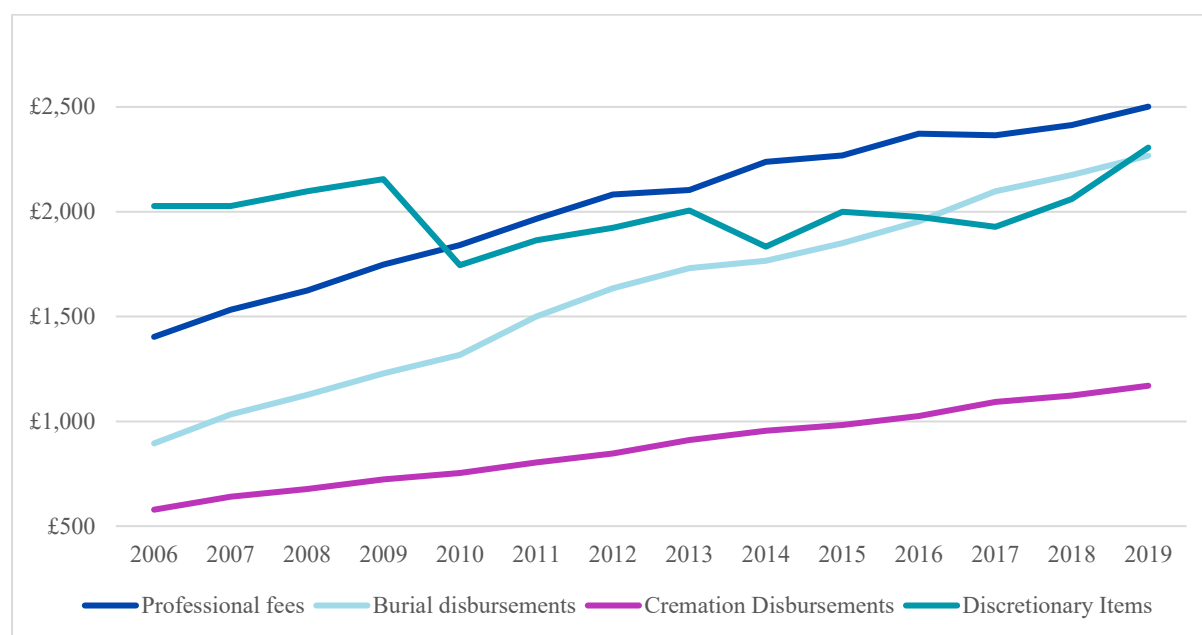
**Table 5: Professional fees and burial/cremation disbursements weighted by share of supply, 2006–2019 and CAGR**

Year	Professional fees (£)	Burial disbursements (£)	Cremation disbursements (£)
2006	1,403 (1,995)	895 (1,272)	579 (822)
2007	1,532 (2,089)	1,033 (1,409)	640 (872)
2008	1,624 (2,129)	1,127 (1,477)	677 (887)
2009	1,748 (2,304)	1,228 (1,618)	723 (953)
2010	1,840 (2,318)	1,317 (1,659)	754 (949)
2011	1,966 (2,354)	1,500 (1,796)	803 (962)
2012	2,082 (2,416)	1,633 (1,896)	847 (982)
2013	2,104 (2,369)	1,731 (1,949)	910 (1,025)
2014	2,238 (2,462)	1,766 (1,942)	955 (1,050)
2015	2,269 (2,472)	1,850 (2,015)	982 (1,070)
2016	2,372 (2,539)	1,955 (2,092)	1,025 (1,097)
2017	2,365 (2,444)	2,097 (2,167)	1,092 (1,129)
2018	2,413 (2,413)	2,175 (2,175)	1,123 (1,123)
2019	2,501 (2,439)	2,268 (2,211)	1,170 (1,141)
CAGR 2006–19	4.5% (1.6%)	7.4% (4.3%)	5.6% (2.5%)

Source: CMA analysis of SunLife data.

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

**Figure 6: Professional fee and disbursements growth weighted by share of supply**



Source: CMA analysis of SunLife data.

48. Figure 6 shows that professional fees are the largest part of the overall cost to customers, especially for cremations where professional fees account for more than double the cost of cremation disbursements in 2019.
49. Table 5 shows that over the period, professional fees had a smaller growth rate (4.5%) compared with burial disbursements (7.4%) and cremation disbursements (5.6%). Figure 6 shows that cremation disbursements were significantly cheaper than burial disbursements over the whole period.

## Professional fees

50. Table 6 and Figure 7 show how professional fees for Dignity, Co-op and 'independents and other' funeral directors have varied over the period on average.<sup>35,36</sup>

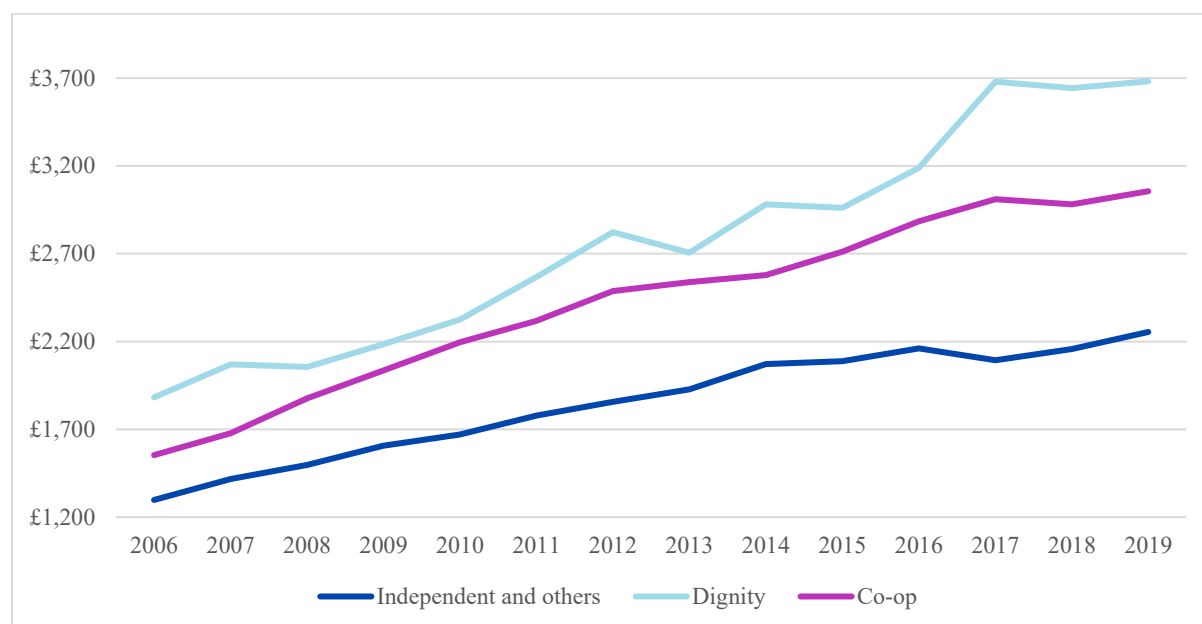
**Table 6: Average professional fees for Dignity, Co-op and other funeral directors, 2006–2019**

Year	Independent and others (£)	Dignity (£)	Co-op (£)
2006	1,298 (1,845)	1,882 (2,675)	1,553 (2,208)
2007	1,417 (1,931)	2,070 (2,821)	1,678 (2,288)
2008	1,497 (1,963)	2,056 (2,695)	1,877 (2,460)
2009	1,607 (2,117)	2,185 (2,879)	2,035 (2,682)
2010	1,670 (2,103)	2,326 (2,929)	2,196 (2,765)
2011	1,779 (2,129)	2,568 (3,075)	2,317 (2,774)
2012	1,857 (2,154)	2,823 (3,276)	2,488 (2,886)
2013	1,928 (2,171)	2,707 (3,048)	2,539 (2,859)
2014	2,071 (2,278)	2,981 (3,279)	2,578 (2,836)
2015	2,088 (2,275)	2,961 (3,225)	2,712 (2,954)
2016	2,161 (2,313)	3,190 (3,414)	2,884 (3,087)
2017	2,094 (2,164)	3,679 (3,802)	3,011 (3,111)
2018	2,158 (2,158)	3,644 (3,644)	2,982 (2,982)
2019	2,254 (2,198)	3,682 (3,590)	3,056 (2,980)
Percentage increase 2010–19	74% (19%)	96% (34%)	97% (35%)

Source: CMA analysis of SunLife data

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

**Figure 7: Professional fees growth for Dignity, Co-op and other funeral directors**



Source: CMA analysis of SunLife data.

<sup>35</sup> For 2010 to 2013, and 2016 to 2019, this was calculated using an unweighted average of the branches of each funeral director category for each year. In 2014 and 2015 we did not have branch level data and therefore we used the averages calculated by SunLife.

<sup>36</sup> We note that these averages are based on a small proportion of Co-op and Dignity's total number of branches.

51. Table 6 shows that across the period 2006 to 2019, Dignity, Co-op and the 'independent and other' funeral directors all increased their average professional fee at a rate faster than inflation. It shows that both Co-op and Dignity almost doubled their fees (in nominal terms) and raised them by just over a third (in real terms); 'independent and other' funeral directors increased their fees by an average of 74% (19% in real terms).
52. It shows that the average professional fee charged by 'independent and other' funeral directors increased by £956 (£353 in real terms) across the period, compared to Co-op with an increase of £1,503 (£772 in real terms), and Dignity with an increase of £1,800 (£915 in real terms). It shows that their average prices increased most significantly between 2006 to 2017. Dignity and Co-op's prices were stable over the period 2017 to 2019.
53. Table 6 shows that the disparity in average professional fees between 'independents and other' funeral directors and Co-op and Dignity has increased over the period. 'Independents and other' funeral directors in the sample were on average £255 and £584 cheaper than Co-op and Dignity respectively in 2006, but this disparity has increased to £801 and £1,428 in 2019. Comparing Dignity and Co-op, in the period 2006 to 2016 Co-op was cheaper than Dignity by around £100 to £400. However, in 2017 Dignity had a much larger professional fee increase than Co-op and since then Co-op has been around £650 cheaper than Dignity.
54. Between 2016 and 2017, the average professional fee for 'independent and other' funeral directors declined by £67 (3%), and for Dignity and Co-op it continued increasing.<sup>37</sup> From 2017 to 2019 there is a stagnation in professional fees for Dignity and Co-op, but the average fee for 'independents and other' funeral directors reverted to increasing. This is shown in Figure 7 and by the percentage increases shown in Table 7.
55. Table 7 shows the CAGR of the professional fees for the three funeral director categories.

**Table 7: Professional fee growth rate for Dignity, Co-op and independents and other funeral directors**

Company	CAGR		
	2006–2017	2017–2019	2006–2019
Independents and others	4.4 (1.5)	3.8 (0.8)	4.3 (1.4)
Dignity	6.3 (3.2)	0.03 (-2.8)	5.3 (2.3)
Co-op	6.2 (3.2)	0.7 (-2.1)	5.3 (2.3)

Source: CMA analysis of SunLife data.

<sup>37</sup> The increase in average professional fee is £178 (5.6%) when considering just the funeral directors that were in both the 2016 and 2017 samples.

\* Dignity did not have many sampled branches during the earlier years which meant the data is particularly volatile in those years. For example, in 2013 it acquired one of the independents who were in the sample which, as a low-cost branch, brought the average price of Dignity in the sample below 2012's average.

Note: The CAGRs in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

56. The 'independents and other' funeral directors' average professional fee annual growth rate was 4.3% (1.4% in real terms) over the entire period 2006 to 2019. Co-op and Dignity professional fee CAGRs were 6.2% and 6.3% respectively for 2006 to 2017, which were both above the inflation rate by 3.2 percentage points. In 2017 to 2019 both companies had low professional fee growth between 0.03% and 0.7% (2.8 to 2.1 percentage points below inflation) for Dignity and Co-op respectively. 'Independents and other' funeral directors continued to increase professional fees in 2017 to 2019, unlike Co-op or Dignity.
57. When analysing the interquartile range of the real professional fee between branches of Dignity, Co-op and 'independents and other' funeral directors, we found that the independents and other funeral directors had an interquartile range of around £400 to £750 over the period. The Co-op had a tighter interquartile range of £75 to £300 over the period, while Dignity's interquartile range was significantly variable over time.

### *Analysis*

58. The analysis of SunLife data set out above shows that in the period 2006 to 2019, Dignity was the highest priced funeral director in terms of both average professional fees and disbursements. In terms of average professional fees, the price premium of Co-op and Dignity over 'independents and other' funeral directors increased over the period 2006 to 2019, with Dignity increasing its price premium over Co-op as well.<sup>38</sup> In 2019, Co-op and Dignity's prices were higher than those of the 'independents and other' funeral directors by £801 and £1,428 respectively. The gap grew over the entire period, and significantly from 2016 to 2019. However, in relation to 'independent and other' funeral directors, this analysis has focused primarily on the real average prices across a number of different funeral directors. As analysed in the rest of the appendix, there is a wide amount of dispersion in the prices charged by funeral directors, and so average prices should not be read in isolation.
59. The growth in the average professional fee charged by 'independents and other' funeral directors in the sample was 4.3% and a £956 increase over the period 2006 to 2019, which is approximately 1.4 percentage points higher than the average inflation rate over the period. The average professional fee

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<sup>38</sup> With both Dignity and Co-op having a CAGR of 5.3% across the period.

charged by 'independent and other' funeral directors fell slightly between 2016 and 2017, and this decrease is larger when considering the effect of inflation. Co-op and Dignity had CAGRs of 6.2% and 6.3%, respectively, for 2006 to 2017, which are above the inflation rate by 3.2% and 3.2%, respectively. However, from 2017 to 2019 their prices stagnated, and price growth was around 2–3% below inflation. The average prices charged increased by £1,503 (£772 in real-terms) and £1,800 (£915 in real-terms) for Co-op and Dignity respectively over the entire period.

## **Beyond Data (Standard Funeral Prices)**

60. Beyond is a price comparison website to which funeral directors submit pricing information on their professional fees and various optional services. Beyond provided the CMA with the pricing data it received for 1,302 funeral director branches.<sup>39, 40</sup> Of these branches, 115 were included in every year from 2016 to 2019, and 412 were included in every year from 2017 to 2019. This dataset consists mostly of smaller funeral directors.
61. The dataset includes, for each branch, the price of its professional fees and optional extras including coffins or hearses. To estimate the price of a standard funeral, we have added together each funeral director's professional fee, the cost of a traditional wooden coffin, a classic hearse, and one limo. This reflects the definition of professional services fee used by SunLife.
62. We note the following.
  - (a) Lower-priced funeral directors have a greater incentive to list themselves on a price comparison website, which would give rise to self-selection bias.
  - (b) Embalming may not be included in professional fees.
  - (c) The changes in price from year to year for some branches were very large.<sup>41</sup> Some of this can be attributed to potential reporting errors with respect to what costs are included in the professional fees; however, others were large price changes across the package components. For

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<sup>39</sup> Dignity's branch prices in the Beyond dataset may be out of date as their prices were gathered through a mystery shopping exercise. In the analysis of price dispersion this has been mitigated by applying Dignity's price cap to its branches. Because we do not have data on Dignity's price cap across time, we have been unable to make this adjustment within this analysis and have therefore not included Dignity's branches.

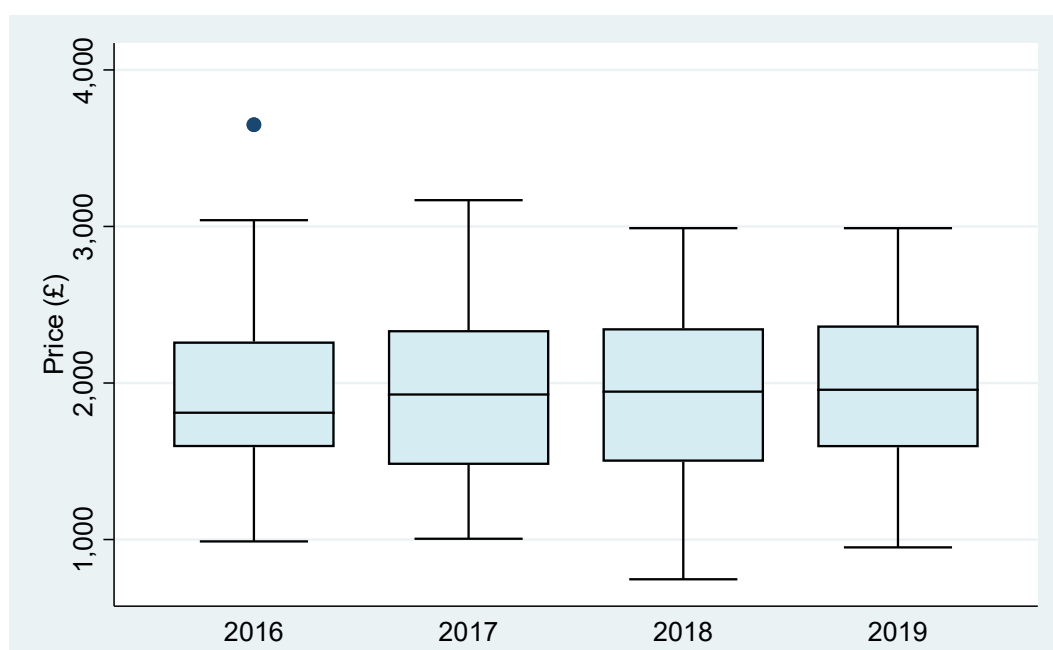
<sup>40</sup> Dignity complained to the Advertising Standards Authority (ASA) about Beyond's use of its prices on its website, stating the prices on Beyond's website were misleading. Beyond removed all prices for Dignity's branches and the ASA upheld the complaint in January 2020. [ASA, Ruling on Funeralbooker Ltd t/a Beyond, January 2020](#).

<sup>41</sup> There were 27 branches that were present from 2016 to 2019 that had at least one year where the year on year price change was greater than 30%.

some of these branches, we have verified their prices against the funeral director's own websites to confirm that the current listed prices are accurate. However, this is not always possible as pricing information is not always available on their websites and this does not allow us to check the accuracy of prices in earlier years.

63. We note that due to these data characteristics, the price level should be considered a lower bound estimate of the average standard price. To account for branches with significant changes in their prices, we have excluded branches with price changes greater than 30% from one year to the next from our analysis.<sup>42</sup>
64. We have used this branch level data to measure the change in professional fees over time. Figure 8 shows the overall and interquartile ranges of prices for the 88 branches present throughout 2016 to 2019 with less than 30% year-on-year price changes.

**Figure 8: Beyond funeral director professional fees, 2016–2019**



Source: CMA Analysis of Beyond data.

65. Figure 8 shows that the range of prices in the sample vary widely, however the 25<sup>th</sup> and 75<sup>th</sup> percentiles remain more stable (from £1,477 to £1,590 and £2,265 to £2,368 respectively). The mean professional fee in 2019 was

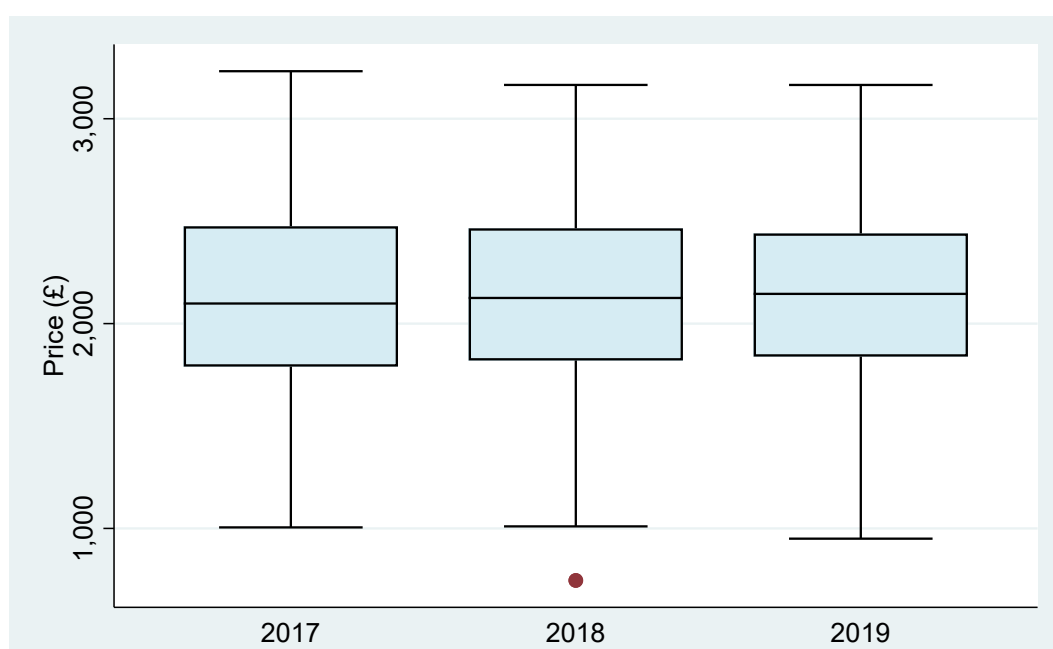
<sup>42</sup> We have also done a sensitivity check where we exclude funeral homes where prices haven't changed since 2018 or before, in case they reflect a lack of updating to Beyond's website, and this did not cause any large changes in the findings.



£1,987.<sup>43</sup> The average CAGR between 2016 and 2019 was 1.6% which in real terms is -1.5%, showing the average prices within this dataset grew by less than inflation. There was significant variation in the growth of prices between branches, and half increased their prices more than inflation while half did not.<sup>44</sup>

66. Figure 9 below shows the overall and interquartile ranges of prices for the 381 branches present throughout 2017 to 2019 with less than 30% year-on-year price changes. This period is analysed separately because a significantly larger number of branches were present in the dataset throughout this sample.

**Figure 9: Beyond funeral director professional fees, 2017–2019**



Source: CMA Analysis of Beyond data.

67. Figure 9 shows that the range of prices in the sample vary quite widely, however the 25<sup>th</sup> and 75<sup>th</sup> percentiles remain more stable (from £1,790 to £1,839 and from £2,440 to £2,475 respectively). The average professional fee in 2019 was £2,120. The average CAGR between 2017 and 2019 was -0.2% showing that average prices remained at a similar level over the period. However, in real terms average prices fell with a real CAGR of -3.1%, showing the average prices within this dataset grew by less than inflation. There was significant variation in the growth of prices between branches, and

<sup>43</sup> When including all 1,133 branches (excluding Dignity) in 2019, the mean professional fee in 2019 was £2,049.

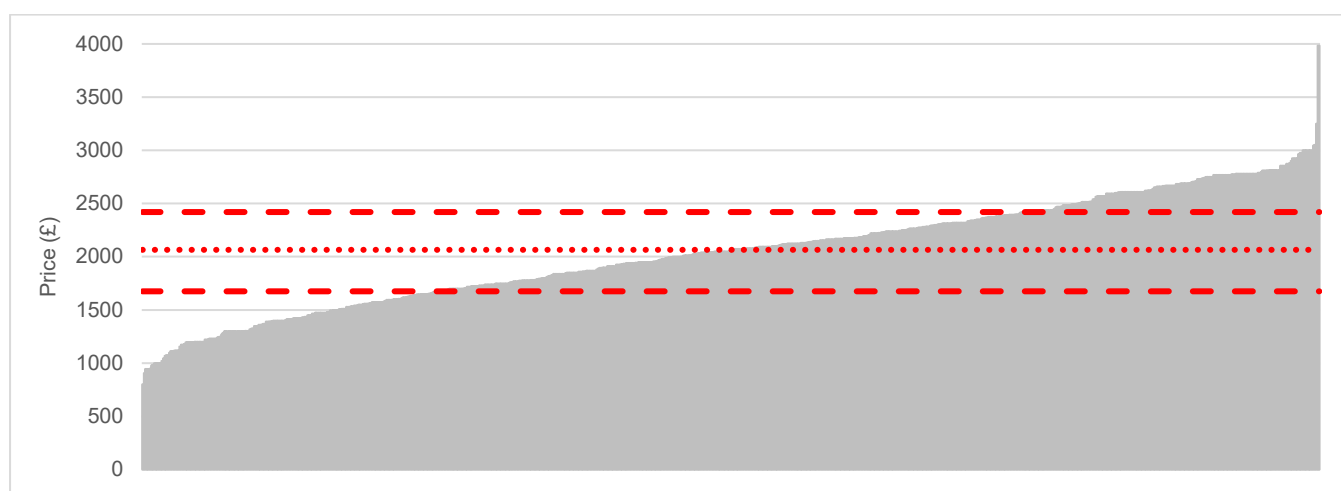
<sup>44</sup> Out of 88 branches, there were 35 branches where prices grew by 0.5 percentage points ('pp') or more than inflation, 44 branches where prices grew at a rate 0.5 pp below inflation, and nine where prices grew approximately in line with inflation. (In nominal terms, 58 increased their prices, 26 branches lowered their prices, and four did not change their prices.)

approximately one-third increased their prices more than inflation while two-thirds did not.<sup>45</sup>

### ***Beyond standard price level data (2019)***

68. We have used the Beyond dataset to analyse the distribution of prices for 791 branches in 2019, shown in Figure 10. This shows the estimated standard price for each funeral director.<sup>46</sup> A distinct feature of this dataset is that it only includes one Large funeral director, William Purves.<sup>47</sup> The chart therefore mainly reflects the distribution of prices for smaller funeral directors. Further, for reasons described in paragraph 62 and 63, we believe that this dataset underestimates the prices in the industry.

**Figure 10: Beyond price level data 2019**



Source: CMA Analysis of Beyond data.

Notes:

(1) This excludes branches which they did not change prices between 2018 and 2019, to ensure that only the most up to date data was used. When branches with constant prices are included there are 1,109 branches in total.

(2) The 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentiles are shown using dotted and dashed red lines.

69. This chart shows that in Beyond's dataset, the median standard price was £2,065. However, there was significant dispersion among all the funeral directors, with professional fees ranging from £800 to £3,985.

<sup>45</sup> Out of the 381 branches, 110 branches increased their prices by 0.5 pp more than more than inflation, 224 where prices grew at a rate 0.5 pp below inflation, and 47 where prices grew approximately in line with inflation (in nominal terms, 212 increased their prices, 166 branches lowered their prices, and three did not change their prices).

<sup>46</sup> As above, this is estimated by adding each funeral director's professional fee, the cost of a traditional wooden coffin, a classic hearse, and one limo. This reflects the estimate of a standard funeral in the SunLife dataset.

<sup>47</sup> We have not included Dignity within this analysis, due to Dignity's concerns on the accuracy of the information on its branches.

## Data from Your Funeral Choice (Simple Funeral Prices)

70. We have collected data from the price comparison website Your Funeral Choice (YFC). This data includes the price of a specified simple funeral,<sup>48</sup> collected from funeral directors through a mixture of mystery shopping and by directly requesting prices.
71. In total, this dataset includes pricing data for [3,000-3,500] [X] branches and [X]<sup>49</sup> companies which were present between 2013 and 2019. Of these branches, [1,500-2,000] were present in every year from 2014 to 2018 representing [X] companies,<sup>50</sup> and these branches are therefore the focus of this analysis.<sup>51</sup>
72. The YFC dataset categorises funeral directors into ownership types. Of the branches sampled in every year between 2014 and 2018 excluding the more volatile data,<sup>52</sup> [X]% were Co-op, [X]% were Dignity, [X]% Funeral Partners, [X]% small chains (defined as having 5+ branches) and [X]% 'independent' funeral directors. This oversamples Co-op and Dignity branches compared to the estimated at-need volumes market share of Co-op ([X]% in 2018) and Dignity ([X]%), but market share for these companies maybe higher for simple funerals than their overall at-need market shares.<sup>53</sup>
73. We note that this dataset captures the price of a specific type of simple funeral and that there may be discrepancies in the simple price the funeral directors report. Similarly to other datasets used in this analysis, funeral directors decide whether to participate in the price comparison website and therefore high-cost funeral directors may decide not to participate.<sup>54</sup>
74. We have used this dataset to analyse the changes in simple funeral prices between 2014 and 2018, shown in the tables below.

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<sup>48</sup> It specifies that a simple funeral includes the funeral director fees for meetings, paperwork and running the funeral; the collection of deceased and care prior to funeral; a hearse or appropriate vehicle for transport to the funeral and a basic coffin.

<sup>49</sup> This is an upper bound due to the way independent funeral directors reported ownership.

<sup>50</sup> [X] were sampled in every year from 2014 to 2019 and only [X] in every year from 2013 to 2019.

<sup>51</sup> There were [X] branches which were removed from the analysis due to being duplicate data. In the analysis below in Tables 8 and 9 values with year on year price changes of greater than 30% were removed from the analysis due to the likelihood of misreporting prices, this affected only a small number of branches ([X] out of [1,500-2,000]).

<sup>52</sup> Volatile data here is defined by a year-on-year price change of greater than 30%.

<sup>53</sup> Approximately [20-30%] of at-need volumes were simple funerals for Co-op, Dignity and Funeral Partners, compared to 5–7% for smaller funeral directors.

<sup>54</sup> Co-op stated 'With regard instead to the incentive to participate in the price comparison website, we consider that, when looking at trends, this might actually cause an underestimation of the price reductions. Indeed, among each category of funeral directors it is reasonable to expect increasing trends in prices from those firms starting at lower levels.' (Co-op: Response to PDR, Appendix 1 paragraph 4.3) It did not explain why lower priced funeral directors may be expected to increase prices faster.

## Pricing data combined

75. Table 8 shows the average prices for branches present in every year for the period 2014 to 2018, with less than 30% year-on-year price changes.

**Table 8: Pricing data when accounting for churn and volatile data**

Year	Average fees	25th	75th	Min	Max
2014	£2,008 (£2,209)	£1,694 (£1,863)	£2,248 (£2,473)	£799 (£879)	£2,916 (£3,208)
2015	£2,021 (£2,202)	£1,725 (£1,880)	£2,266 (£2,469)	£697 (£759)	£2,933 (£3,195)
2016	£2,026 (£2,168)	£1,760 (£1,884)	£2,309 (£2,471)	£500 (£535)	£2,987 (£3,197)
2017	£1,991 (£2,057)	£1,800 (£1,860)	£2,165 (£2,237)	£500 (£517)	£3,120 (£3,224)
2018	£1,942 (£1,942)	£1,800 (£1,800)	£1,995 (£1,995)	£500 (£500)	£3,195 (£3,195)
Sample size	1800				
CAGR	-0.8%				
2014–18	(-3.2%)				

Source: CMA analysis of Your Funeral Choice data

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

76. Table 8 shows that the average price of simple funerals in this sample decreased over the period, with the price decreases taking place between 2016 and 2018. The maximum price of the simple funeral increased over the period, but remained at a similar real price level. Whereas, the minimum price decreased over the period. Over the period, the interquartile range reduced from over £500 to less than £200, indicating there is less variation in the majority of prices than at the start of the period (although there remain significant differences in the maximum and minimum prices).
77. In Annex 2 we present the average price when not accounting for churn and volatility, which allows us to extend the data to 2013 and 2019. The average price trend is a constant gradual reduction over the period, with the CAGR for 2013 to 2019 being smaller than the CAGR for 2014 to 2018. However, due to the lower sample size in 2013 and 2019 and fluctuating sample size each year, these extended trends are less robust than the findings in Table 8.
78. In its 2020 National Funeral Cost Index Report, Royal London reported ‘that directors’ fees had plateaued following a significant reduction between 2017 and 2018. This year has seen a below inflation increase of 1% (£20). This has been driven by a 2% increase in average independent funeral director fees between 2019 and 2020.’<sup>55</sup> This figure is the average funeral directors’ costs, sourced from [yourfuneralchoice.com](#). We have not reviewed the methodology or data used to calculate this cost.

<sup>55</sup> [Royal London National Funeral Cost Index Report, 2020](#), page 14.

## Pricing data by company type

79. In this section we analyse the data by looking at prices by company type. Table 9 shows the average prices by company type for branches present in every year for the period 2014 to 2018, with less than 30% year-on-year price changes.

**Table 9: Mean price by company type accounting for churn and volatile data**

Year	Company (£)					
	Co-op	Dignity	Funeral Partners	Small chain	Independent	Comb.
2014	2,068 (2,275)	2,561 (2,817)	1,560 (1,716)	1,857 (2,043)	1,719 (1,891)	2,008 (2,209)
2015	2,055 (2,239)	2,562 (2,791)	1,590 (1,732)	1,888 (2,057)	1,745 (1,901)	2,021 (2,202)
2016	1,997 (2,137)	2,552 (2,731)	1,639 (1,754)	1,932 (2,068)	1,772 (1,897)	2,026 (2,168)
2017	1,995 (2,062)	2,266 (2,342)	1,755 (1,814)	2,018 (2,085)	1,801 (1,861)	1,991 (2,057)
2018	1,995 (1,995)	2,001* (2,001)	1,815 (1,815)	2,051 (2,051)	1,809 (1,809)	1,942 (1,942)
Sample size	376	400	6	383	635	1,800
CAGR	-0.9%	-6.0%	3.9%	2.5%	1.3%	-0.8%
2014–18	(-3.2%)	(-8.2%)	(1.4%)	(0.1%)	(-1.1%)	(-3.2%)

Source: CMA analysis of Your Funeral Choice data

\* In 2018 Dignity changed all of its simple funerals to a national price of £1,995, the slightly higher average shown in the YFC data is likely due to some data for 2018 being collected before the national price change. Average price in 2019 was £1,995 which is consistent with other information gathered on Dignity's simple funeral prices.

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

80. This shows Co-op and Dignity reduced their average prices over the period. Dignity heavily skews the combined average price growth negatively. 'Independents', 'small chains' and Funeral Partners increased their average prices over the period, but only 'small chains' and Funeral Partners had real price growth over the period with 0.1% and 1.4% real price growth rates respectively. Based on a small number of its branches, Funeral Partners had the biggest price increases but had the lowest initial price, such that by 2018 it was in line with the pricing of 'independent' funeral directors. The sample size for Funeral Partners is small, with only six branches sampled across the period, so the results are less robust than the other company categories.
81. Table 9 shows that the average simple price level within company types converged over the period, largely due to the average price reductions of Co-op and Dignity, but still showed substantial variation. In 2014 the difference between the highest and lowest company type average price was approximately £1,000, which fell to approximately £250 in 2018. Dignity had the highest average price in 2014, but also the biggest yearly reductions in price, until in 2018 it was in line with the Co-op and small chain average price.
82. Within these company types there is significant variation between funeral director branches. In 2018 the interquartile range was £508 for independent

funeral directors, £599 for small chains, £0 for Dignity and Co-op. There was also significant variation in the growth rate for independent funeral directors, with the CAGRs ranging between -14.6% and 13.5% between 2014 and 2018, while there was little variation in the growth rate for Co-op and Dignity due to their national pricing strategies.

## **National Society of Allied and Independent Funeral Directors Data (Simple Funeral Prices)**

83. SAIF submitted evidence from a poll of 110 of its members, asking about the average cost of a 'basic' funeral. It submitted the results of this poll in response to the CMA's analysis of SunLife data, which it believed was seriously flawed and has potentially overstated the typical cost of a basic send-off.
84. The poll aims to capture the average revenue per funeral and average total revenue (including professional fees and disbursements) for a basic funeral. When calculating the average total revenue of a basic funeral, SAIF included a low-cost coffin, a hearse, collection and care of the deceased plus professional guidance along with doctor's fees, clergy or celebrant's fees and cremation or burial fees. It is therefore closest to the definition of a simple funeral, and this is how we treat it. However, SunLife also includes one limo and the chapel of rest within the price of its funeral, and SunLife specified the coffin should be an oak veneer coffin, whereas this poll more broadly requested a low-cost coffin.
85. SAIF data does not include any description of the funeral directors sampled. The sample may therefore suffer from self-selection bias, as less expensive funeral directors would have a greater incentive to respond. As evidence of this, 11 funeral directors reported professional fees of under £1,000, with two funeral directors with professional fees equal to £500. This indicates that the results of this survey should be considered a lower-bound for the price of simple funerals.
86. The price submitted within the poll is an average total revenue figure, as it is calculated by summing the total revenue for basic funerals and dividing by the total number of funerals. Therefore, it is not directly comparable to the listed price data that is captured within the SunLife dataset, as it may include discounts. We would not expect a large difference on this basis, however.
87. SAIF submitted that this poll found that the average total revenue (including disbursements) across these 110 members for a basic funeral was £2,952 (median of £2,970) rather than an average of £4,417 as suggested by SunLife. It found that independent funeral directors' professional fees

(excluding disbursements) for a basic funeral were on average £1,676, lower than the SunLife estimate of £2,254. The poll includes 11 examples of funeral directors whose average professional fee is between £500 and £1,000, and five between £2,500 and £2,600. The difference in pricing may be driven by the fact that the SAIF poll figure is the average price of a basic funeral without a limo or chapel of rest within the price of its simple funeral, and without specifying the type of coffin.

## **Royal London Customer Survey Data (All Funeral Prices)**

88. The Royal London Mutual Insurance Society Limited (Royal London) publishes an annual funeral cost index, which is based partially on a customer survey commissioned from YouGov.<sup>56, 57</sup>
89. We note the following characteristics of the Royal London's customer survey dataset.
  - (a) The achieved sample comprises customers who were involved in arranging a funeral up to five years before the survey was run. Accuracy of recall is likely to be a significant issue, particularly for those who arranged a funeral between three and five years ago.
  - (b) Respondents include individuals who have organised a funeral within the past five years, who used the services of a professional funeral director. Because respondent eligibility appears to be self-defined, as is the case for most online surveys, it is possible that a marked proportion of respondents were not sufficiently involved in making decisions, or close to the decisions about the funeral arrangements, to meaningfully answer questions about the total amount spend for the funeral.
90. SAIF submitted that because Royal London sells its own pre-paid funeral plans, it may have an incentive to create concern about funeral prices, so that customers purchase insurance plans or pre-paid funeral products with them. However, we have interrogated the survey results and have not found evidence of biases in the results.
91. The report published in 2019 found that the average amount spent by customers on a funeral is £3,989, which is an increase of 3% from the previous year and up 12% from 2014.<sup>58</sup> However, this figure is derived by

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<sup>56</sup> The other sources of data are cremation and burial fees from Institute of Cemetery and Crematorium Management (ICCM), and funeral director fees from yourfuneralchoice.com which is analysed separately.

<sup>57</sup> In the [Royal London National Funeral Cost Index Report \(2020\)](#), Royal London did not provide an estimate of average consumer spend.

<sup>58</sup> Source: [Royal London National Funeral Cost Index Report 2019](#).

averaging the amount spent by all survey respondents, including customers who purchased their funeral up to five years before the survey. The results may therefore not reflect the amount spent in the last year, and therefore do not match the results found in Table 10.

92. To better understand the growth in the average amount spent on a funeral across time, we have used the results of the customer survey to analyse the amount spent in each year. Due to the characteristics of the dataset, the analysis presented below includes all funeral types, including those which have a lower price compared to standard funerals (such as simple funerals, direct cremations, and pre-paid).<sup>59</sup> In the survey results, the proportion which took prepaid seem to be in line with other sources of data, but the proportion which purchased direct cremations may be somewhat over-reported (there are some inconsistencies with regard to the proportion which took up direct cremation).<sup>60,61</sup>

93. The results of this analysis are contained in Table 10.

**Table 10: Royal London Customer Survey Analysis**

	<i>July 2014- June 2015</i>	<i>July 2015- June 2016</i>	<i>July 2016- June 2017</i>	<i>July 2017- June 2018</i>	<i>July 2018- June 2019</i>
Number of respondents	501	470	569	710	884
Average funeral spend (£)	3,788 (4,167)	3,803 (4,143)	3,840 (4,110)	3,883 (4,013)	4,031 (4,031)

Source: CMA analysis of Royal London customer survey data

Notes:

1. Respondents are asked two questions regarding their funeral spend. One question asks the individual how much they spent, with the answers within given ranges (eg <£500, £501–£750, £751–£1,000, etc). The second question asks for the individual to report the amount spent to the nearest whole Pound. Because the first question received more responses as compared to the second (between 44% and 112% for different years), the answers to the first question are used as the primary measure of average funeral spend. The weighted average is estimated by multiplying the mid-point for each price bracket in the survey by the number of respondents who chose that price bracket, divided by the total number of respondents.
2. The price in real terms are in brackets, using July 2018 to June 2019 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).
3. The Retail Price Index used to calculate the real prices are calculated by the ONS for calendar years, and therefore cover different periods compared to the survey price data which covers July to June within each year.

<sup>59</sup> In its response to the [Funeral directors pricing levels and trends](#) working paper, Co-op referenced the results of the Royal London survey as one of the few authoritative public sources of funeral director pricing research and pointed out that it has a larger sample than Sunlife.

<sup>60</sup> Across the period, the proportion of funerals which are funded by a pre-paid funeral plan is between 16% and 20%, which is similar to the proportion of funerals which are pre-paid across the entire market which was approximately 16%. Source: Funeral Planning Authority.

<sup>61</sup> Across the period, between 16% and 20% of customers within the survey purchased a direct cremation. This is significantly above the proportion of customers who purchased a direct cremation from the three largest funeral directors (between 2% and 5%), however there are a number of inconsistencies within the Royal London data which indicates that in reality a much smaller proportion purchased a direct cremation, and therefore we do not attach significant weight to these results. A small proportion of the break-down of customers who had a direct cremation (column EN) responded that they did not actually have a direct cremation (cell EN4040). Further, there are two times the interviewee is asked whether they had a direct cremation; once as part of a question where they are asked “Did you do any of the following to (try to) reduce the costs of the funeral?” and one of the options is “Chose a direct cremation”, and only approximately 18% of respondents chose that option (EN3794).



94. Table 10 shows that there is an increase in the average funeral spend between 2014 to 2018 of between £15 and £148 per year, however in real terms, only the price change between the mid-2017 and mid-2018 spend and the mid-2018 and mid-2019 spend resulted in an increase in real average spend. The CAGR for the average funeral spend between mid-2014 and mid-2019 is 1.6% in nominal terms, and -0.8% in real terms (adjusting for RPI).

## **Data from larger funeral directors (All Funeral Prices)**

95. In this section, we detail the ARFs,<sup>62</sup> ADFs and ATRs of the larger funeral directors.
- (a) First, we analyse the data provided by the Largest funeral directors: Co-op, Dignity and Funeral Partners. These are grouped separately as we received data of sufficient detail which allows us to analyse both the ARF and ATR for different funeral packages.
- (b) Second, we analyse the data provided by the regional co-ops. These are grouped separately as the regional co-ops did not have a consistent definition of disbursements and therefore our analysis focuses on the level and trend of the ATR for different funeral packages.

### ***Largest funeral directors***

96. Co-op, Dignity and Funeral Partners have submitted information about their monthly revenues and volumes, split by funeral package (ie standard, simple, prepaid, etc).<sup>63,64</sup> We focus primarily on the data spanning 2013 to 2018, as this is available for all three funeral directors, and 2019 for Co-op and Dignity (for the latter, ARF only).
97. To analyse how their revenues have changed over time, Table 11 to Table 15 show the ARF, ADF and ATR split by standard and simple funeral packages, and at-need and pre-paid funerals. They show the figures for Co-op, Dignity and Funeral Partners, and a weighted average of all three firms called the

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<sup>62</sup> For the purpose of analysis of large and small funeral directors, we have calculated average revenue per funeral either by summing the total revenue for all funeral types, or by summing the total revenue for standard funerals, and divided this by the number of funerals performed in the corresponding period.

<sup>63</sup> We do not analyse the revenues and volumes of child, contract or repatriation funerals offered by Dignity, or the repatriation or contract/environmental funerals offered by Funeral Partners. These funerals account for a small proportion of total volumes and revenues, and they are not included as they are not a typical funeral that a customer would choose to purchase at the point of need. The results do not change materially when all of the funeral types are included.

<sup>64</sup> We note that there are some inconsistencies in the reported ARFs/ATRs in this section and that of the "Funeral Directors: Profitability Analysis" working paper. Across the three largest funeral directors, this is due to differences in the reporting of total revenue.

‘combined’ average.<sup>65</sup> They also show the CAGRs for the period 2013 to 2018, 2013 to 2016 and 2016 to 2018.

98. Table 11 shows the ARF, ADF, ATR and CAGRs for standard funerals adjusted for RPI (using 2018 as the base year).

**Table 11: Average revenue, disbursement, and total revenue per standard funeral**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.
2013	[<] [<]	[<] [<]	[<] [<]	[2.5-3.0k] (3.0-3.5k)	[<] [<]	[<] [<]	[<] [<]	[1.0-1.5k] (1.0-1.5k)	[<] [<]	[<] [<]	[<] [<]	[3.5-4.0k] (4.0-4.5k)
2014	[<] [<]	[<] [<]	[<] [<]	[3.0-3.5k] (3.0-3.5k)	[<] [<]	[<] [<]	[<] [<]	[1.0-1.5k] (1.0-1.5k)	[<] [<]	[<] [<]	[<] [<]	[4.0-4.5k] (4.5-5.0k)
2015	[<] [<]	[<] [<]	[<] [<]	[3.0-3.5k] (3.0-3.5k)	[<] [<]	[<] [<]	[<] [<]	[1.0-1.5k] (1.0-1.5k)	[<] [<]	[<] [<]	[<] [<]	[4.0-4.5k] (4.5-5.0k)
2016	[<] [<]	[<] [<]	[<] [<]	[3.0-3.5k] (3.5-4.0k)	[<] [<]	[<] [<]	[<] [<]	[1.0-1.5k] (1.0-1.5k)	[<] [<]	[<] [<]	[<] [<]	[4.0-4.5k] (4.5-5.0k)
2017	[<] [<]	[<] [<]	[<] [<]	[3.0-3.5k] (3.5-4.0k)	[<] [<]	[<] [<]	[<] [<]	[1.0-1.5k] (1.0-1.5k)	[<] [<]	[<] [<]	[<] [<]	[4.5-5.0k] (4.5-5.0k)
2018	[<] [<]	[<] [<]	[<] [<]	[3.0-3.5k] (3.0-3.5k)	[<] [<]	[<] [<]	[<] [<]	[1.0-1.5k] (1.0-1.5k)	[<] [<]	[<] [<]	[<] [<]	[4.5-5.0k] (4.5-5.0k)
CAGR:												
2013-18	[<] [<]	[<] [<]	[<] [<]	4.4% (2.0%)	[<] [<]	[<] [<]	[<] [<]	4.5% (2.1%)	[<] [<]	[<] [<]	[<] [<]	4.5% (2.0%)
2013-16	[<] [<]	[<] [<]	[<] [<]	5.8% (4.0%)	[<] [<]	[<] [<]	[<] [<]	4.7% (2.9%)	[<] [<]	[<] [<]	[<] [<]	5.5% (3.7%)
2016-18	[<] [<]	[<] [<]	[<] [<]	2.4% (-1.0%)	[<] [<]	[<] [<]	[<] [<]	4.3% (0.8%)	[<] [<]	[<] [<]	[<] [<]	2.9% (-0.5%)

Source: CMA analysis of data from Co-op, Dignity and Funeral Partners.

Note:

- (1) This includes Adult, Traditional and Classic funerals for Co-op; Standard and Bespoke funerals for Dignity; and Standard, Discretionary Discount, and Options/Pre-set Packages/bundle funerals for Funeral Partners. Note that this takes into account Dignity’s miscellaneous invoices.
- (2) The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

99. Table 11 shows that when considering the period 2013 to 2018, the CAGR of the standard ARF is higher than the CAGR of the ATR for Dignity and Funeral Partners, and slightly lower for Co-op. For Dignity and Funeral Partners, the CAGR of the ARF was higher than the ADF, indicating that the funeral director’s fees were the main driver of the increase in ATR.

100. Table 11 also shows that the CAGR of the standard ARF and ATR grew faster between 2013 to 2016 as compared with 2016 to 2018 for all three funeral directors. It shows that Dignity’s standard ARF and ATR grew at a faster rate compared with Co-op and Funeral Partners in the period 2013 to 2016. In

<sup>65</sup> The weighted average is calculated by weighting the ARF and ADF of Co-op, Dignity, and Funeral Partners by the number of funerals conducted in 2018.

2018 the standard ARF fell for both Dignity and Funeral Partners, and continued to grow for Co-op.

101. Between 2018 and 2019, Co-op's standard ARF fell from [£] to [£] ([%], or [%] in real terms) and standard ATR increased from [£] to [£] ([%], or [%] in real terms). This reflects the pattern of slowing growth in its standard ARF and ATR between 2016 and 2018, and is consistent with the fact that the Co-op has not increased its prices since 2017.
102. Between 2018 and 2019, Dignity's standard ARF fell from £[£] to £[£] ([%], or [%] in real terms).<sup>66</sup>
103. Table 12 shows the ARF, ADF, and ATR and CAGRs for simple funerals.

**Table 12: Average revenue, disbursement, and total revenue per simple funeral**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.
2013	[£]	[£]	[£]	[2.0-2.5k]	[£]	[£]	[£]	[0.5-1.0k]	[£]	[£]	[£]	[2.5-3.0k]
	[£]	[£]	[£]	(2.0-2.5k)	[£]	[£]	[£]	(0.5-1.0k)	[£]	[£]	[£]	(3.0-3.5k)
2014	[£]	[£]	[£]	[2.0-2.5k]	[£]	[£]	[£]	[0.5-1.0k]	[£]	[£]	[£]	[3.0-3.5k]
	[£]	[£]	[£]	(2.5-3.0k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(3.5-4.0k)
2015	[£]	[£]	[£]	[2.0-2.5k]	[£]	[£]	[£]	[0.5-1.0k]	[£]	[£]	[£]	[3.0-3.5k]
	[£]	[£]	[£]	(2.5-3.0k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(3.5-4.0k)
2016	[£]	[£]	[£]	[2.0-2.5k]	[£]	[£]	[£]	[0.5-1.0k]	[£]	[£]	[£]	[3.0-3.5k]
	[£]	[£]	[£]	(2.0-2.5k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(3.5-4.0k)
2017	[£]	[£]	[£]	[2.0-2.5k]	[£]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[£]	[3.0-3.5k]
	[£]	[£]	[£]	(2.0-2.5k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(3.0-3.5k)
2018	[£]	[£]	[£]	[2.0-2.5k]	[£]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[£]	[3.0-3.5k]
	[£]	[£]	[£]	(2.0-2.5k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(3.0-3.5k)
CAGR:												
2013-18	[£]	[£]	[£]	0.5%	[£]	[£]	[£]	3.8%	[£]	[£]	[£]	1.5%
	[£]	[£]	[£]	(-1.9%)	[£]	[£]	[£]	(1.4%)	[£]	[£]	[£]	(-0.9%)
2013-16	[£]	[£]	[£]	3.5%	[£]	[£]	[£]	3.9%	[£]	[£]	[£]	3.6%
	[£]	[£]	[£]	(1.7%)	[£]	[£]	[£]	(2.2%)	[£]	[£]	[£]	(1.9%)
2016-18	[£]	[£]	[£]	-3.9%	[£]	[£]	[£]	3.7%	[£]	[£]	[£]	-1.5%
	[£]	[£]	[£]	(-7.1%)	[£]	[£]	[£]	(0.2%)	[£]	[£]	[£]	(-4.8%)

Source: CMA analysis of data from Co-op, Dignity and Funeral Partners.

Note:

- (1) Includes Funeral Partners' basic and essential funeral packages. Does not include Dignity's Limited funeral. Note that this takes into account Dignity's miscellaneous invoices.
- (2) The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

104. Table 12 shows that when considering the period 2013 to 2018, the CAGR of the simple ARF is 1–2 percentage points lower than the ATR. The ADF grew at a faster rate than the ARF for Co-op and Dignity but at a lower rate for Funeral Partners. The ADF for simple funerals grew at approximately the same rate throughout the entire period (with less than 1% difference) for all

<sup>66</sup> Dignity's ARF for 2018 is calculated using data submitted by Dignity. Dignity's ARF for 2019 is calculated as a weighted average (weighted by the number of funerals in each month) using monthly revenue data for January to October 2019. Dignity was not asked for disbursements and total revenue per funeral for 2019.

funeral directors. It shows that ARF grew considerably faster in the period 2013 to 2016 as compared with 2016 to 2018.

105. Table 12 shows that the Largest funeral directors have pursued different pricing strategies. Between 2013 and 2016, Co-op's simple ARF grew, before being reduced in 2016, and levelled out in 2017 to 2018. Dignity's simple ARF grew between 2013 and 2017 at a faster rate than either Co-op or Funeral Partners, before a significant decrease in 2018 ([REDACTED]%). Funeral Partners had the lowest simple ARF in 2013 compared with Co-op or Dignity, before it grew considerably between 2013 and 2016, decreased between 2016 and 2017, and grew to a lesser extent in 2017 to 2018.
106. Comparing the combined CAGR in Table 11 and Table 12 shows that the ARF for standard funerals has grown faster compared with that for simple funerals. These tables show that Co-op and Dignity's standard and simple ARFs grew between 2013 and 2016, and that between 2016 and 2018 the ARFs for simple funerals declined while their ARF for standard funerals grew at a slower rate. Across 2013 to 2018, Funeral Partners' standard and simple ARFs have risen such that although it has the [REDACTED].
107. Co-op's simple ARF fell from [REDACTED] in 2018 to [REDACTED] in 2019 ([REDACTED]%, or [REDACTED]% in real terms), and simple ATR fell from [REDACTED] to [REDACTED] ([REDACTED]%, or [REDACTED]% in real terms). This represents a larger fall as compared to the pattern of decreasing ARF and slow growth in the ATR in the period 2016 to 2018. As the prices for Co-op's simple funerals has not changed across this period, this reflects changing consumer preferences.
108. Dignity's simple ARF fell from £[REDACTED] in 2018 to £[REDACTED] in 2019 ([REDACTED]%, or [REDACTED]% in real terms).<sup>67</sup> This represents a levelling-out of Dignity's simple ARF relative to the larger average decrease between 2016 and 2018.
109. Table 13 shows the ARF, ADF, and ATR and CAGRs for at-need funerals, and Table 14 shows the ARF, ADF, and ATR and CAGRs for pre-paid funerals.

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<sup>67</sup> Dignity's ARF for 2018 is calculated using data submitted by Dignity. Dignity's ARF for 2019 is calculated as a weighted average (weighted by the number of funerals in each month) using monthly revenue data for January to October 2019. Dignity was not asked for disbursements and total revenue per funeral for 2019.

**Table 13: Average revenue, disbursement, and total revenue per at-need funeral**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.
2013	[£]	[£]	[£]	[2.5-3.0k] (3.0-3.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[3.5-4.0k] (4.0-4.5k)
2014	[£]	[£]	[£]	[2.5-3.0k] (3.0-3.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[4.0-4.5k] (4.0-4.5k)
2015	[£]	[£]	[£]	[3.0-3.5k] (3.0-3.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[4.0-4.5k] (4.5-5.0k)
2016	[£]	[£]	[£]	[3.0-3.5k] (3.0-3.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[4.0-4.5k] (4.5-5.0k)
2017	[£]	[£]	[£]	[3.0-3.5k] (3.0-3.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[4.5-5.0k] (4.5-5.0k)
2018	[£]	[£]	[£]	[3.0-3.5k] (3.0-3.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[4.0-4.5k] (4.0-4.5k)
CAGR:												
2013-18	[£]	[£]	[£]	2.6% (0.2%)	[£]	[£]	[£]	4.1% (1.6%)	[£]	[£]	[£]	3.0% (0.6%)
2013-16	[£]	[£]	[£]	5.0% (3.2%)	[£]	[£]	[£]	4.8% (3.0%)	[£]	[£]	[£]	4.9% (3.2%)
2016-18	[£]	[£]	[£]	-0.9% (-4.2%)	[£]	[£]	[£]	3.0% (-0.5%)	[£]	[£]	[£]	0.2% (-3.2%)

Source: CMA analysis of data from Co-op, Dignity and Funeral Partners.

Note:

- (1) This includes standard, simple and direct cremation for Co-op; standard, simple, limited and direct cremation for Dignity; and standard and simple for Funeral Partners. Includes both burials and cremations. Note that this takes into account Dignity's miscellaneous invoices.
- (2) The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

**Table 14: Average revenue, disbursement, and total revenue per pre-paid funeral**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.
2013	[£]	[£]	[£]	[1.5-2.0k] (1.5-2.0k)	[£]	[£]	[£]	[0.5-1.0k] (1.0-1.5k)	[£]	[£]	[£]	[2.5-3.0k] (2.5-3.0k)
2014	[£]	[£]	[£]	[1.5-2.0k] (1.5-2.0k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[2.5-3.0k] (2.5-3.0k)
2015	[£]	[£]	[£]	[1.5-2.0k] (1.5-2.0k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[2.5-3.0k] (3.0-3.5k)
2016	[£]	[£]	[£]	[1.5-2.0k] (2.0-2.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[3.0-3.5k] (3.0-3.5k)
2017	[£]	[£]	[£]	[2.0-2.5k] (2.0-2.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[3.0-3.5k] (3.0-3.5k)
2018	[£]	[£]	[£]	[2.0-2.5k] (2.0-2.5k)	[£]	[£]	[£]	[1.0-1.5k] (1.0-1.5k)	[£]	[£]	[£]	[3.0-3.5k] (3.0-3.5k)
CAGR:												
2013-18	[£]	[£]	[£]	6.5% (4.0%)	[£]	[£]	[£]	4.1% (1.7%)	[£]	[£]	[£]	5.6% (3.2%)
2013-16	[£]	[£]	[£]	7.5% (5.7%)	[£]	[£]	[£]	4.4% (2.7%)	[£]	[£]	[£]	6.4% (4.6%)
2016-18	[£]	[£]	[£]	5.0% (1.5%)	[£]	[£]	[£]	3.7% (0.3%)	[£]	[£]	[£]	4.5% (1.0%)

Source: CMA analysis of data from Co-op, Dignity and Funeral Partners.

Note:

- (1) Includes both pre-paid burials and cremations. Note that this takes into account Dignity's miscellaneous invoices.
- (2) The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

110. Table 13 and Table 14 show that over 2013 to 2018, the CAGR of at-need ARF and ATR for both Co-op and Dignity was lower than that of pre-paid funerals, whereas for Funeral Partners the at-need figures were higher. However, the pre-paid ARFs for all three firms were lower than that of at-need funerals across the entire period.
111. These tables show that the real CAGR of the at-need ARF for the Largest funeral directors combined was lower between 2016 and 2018 as compared with 2013 to 2016, and that the CAGR of the pre-paid funeral ARF also declined but not to the same extent. They show that at-need ADFs have been higher over the period compared with pre-paid funerals, and that the CAGR has been similar.
112. Dignity's at-need ARF decreased from £[X] to £[X] between 2018 and 2019 ([X]% nominally, and [X]% in real terms).<sup>68</sup> This decline is similar to the average decline in at-need ARF between 2016 and 2018. In the first half of 2020, Dignity's at-need ARF continued to decline, driven by an increased take-up of Simple and Direct Cremation funerals.
113. Table 15 shows the ARF, ADF, and ATR and CAGRs for all funerals.

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<sup>68</sup> Dignity's ARF for 2018 is calculated using data submitted by Dignity. Dignity's ARF for 2019 is calculated as a weighted average (weighted by the number of funerals in each month) using monthly revenue data for January to October 2019. Dignity was not asked for disbursements and total revenue per funeral for 2019.

**Table 15: Average revenue, disbursement, and total revenue per funeral (including all funerals)**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.
2013	[<]	[<]	[<]	[2.5-3.0k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.5-4.0k]
	[<]	[<]	[<]	(2.5-3.0k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2014	[<]	[<]	[<]	[2.5-3.0k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.5-4.0k]
	[<]	[<]	[<]	(2.5-3.0k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(4.0-4.5k)
2015	[<]	[<]	[<]	[2.5-3.0k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.5-4.0k]
	[<]	[<]	[<]	(3.0-3.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(4.0-4.5k)
2016	[<]	[<]	[<]	[2.5-3.0k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[4.0-4.5k]
	[<]	[<]	[<]	(3.0-3.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(4.0-4.5k)
2017	[<]	[<]	[<]	[2.5-3.0k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[4.0-4.5k]
	[<]	[<]	[<]	(3.0-3.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(4.0-4.5k)
2018	[<]	[<]	[<]	[2.5-3.0k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[4.0-4.5k]
	[<]	[<]	[<]	(2.5-3.0k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(4.0-4.5k)
CAGR:												
2013-18	[<]	[<]	[<]	2.6%	[<]	[<]	[<]	4.0%	[<]	[<]	[<]	3.0%
	[<]	[<]	[<]	(0.2%)	[<]	[<]	[<]	(1.5%)	[<]	[<]	[<]	(0.6%)
2013-16	[<]	[<]	[<]	4.7%	[<]	[<]	[<]	4.6%	[<]	[<]	[<]	4.7%
	[<]	[<]	[<]	(2.9%)	[<]	[<]	[<]	(2.8%)	[<]	[<]	[<]	(2.9%)
2016-18	[<]	[<]	[<]	-0.6%	[<]	[<]	[<]	3.1%	[<]	[<]	[<]	0.5%
	[<]	[<]	[<]	(-3.9%)	[<]	[<]	[<]	(-0.4%)	[<]	[<]	[<]	(-2.9%)

Source: CMA analysis of data from Co-op, Dignity and Funeral Partners.

Note:

- (1) This does not include the revenues and volumes of child, contract or repatriation funerals offered by Dignity, or the repatriation or contract/environmental funerals offered by Funeral Partners. Note that this takes into account Dignity's miscellaneous invoices.
- (2) The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

114. Table 15 shows that the ARFs, ADFs, ATR, and CAGRs for all funerals show similar patterns to the results for at-need funerals. This reflects the fact that at-need funerals make up a high proportion of all funerals.<sup>69</sup>
115. Table 16 shows the average revenue per funeral for Co-op, Dignity and Funeral Partners when all funeral types are included. No Co-op funeral types were excluded from their analysis, and therefore their average revenue per funeral figures are the same as in Table 15. Dignity's and Funeral Partners' ARFs are lower compared with those in Table 15, due to the inclusion of child, repatriation and contract/environmental funerals. The CAGRs are the same as Table 15.

<sup>69</sup> Approximately 85% of funerals are at-need, while 15% are pre-paid funeral plans. This is detailed in the [Funerals market study Final report and decision on a market investigation reference](#).

**Table 16: Average revenue, disbursement, and total revenue per funeral (including child, repatriations, and contract/environmental funerals)**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.	Co-op	Dig.	F.P.	Comb.
2013	[£]	[£]	[£]	[2.0-2.5k]	[£]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[£]	[3.0-3.5k]
	[£]	[£]	[£]	(2.5-3.0k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(3.5-4.0k)
2014	[£]	[£]	[£]	[2.5-3.0k]	[£]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[£]	[3.5-4.0k]
	[£]	[£]	[£]	(3.0-3.5k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(4.0-4.5k)
2015	[£]	[£]	[£]	[2.5-3.0k]	[£]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[£]	[3.5-4.0k]
	[£]	[£]	[£]	(3.0-3.5k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(4.0-4.5k)
2016	[£]	[£]	[£]	[2.5-3.0k]	[£]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[£]	[4.0-4.5k]
	[£]	[£]	[£]	(3.0-3.5k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(4.0-4.5k)
2017	[£]	[£]	[£]	[2.5-3.0k]	[£]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[£]	[4.0-4.5k]
	[£]	[£]	[£]	(3.0-3.5k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(4.0-4.5k)
2018	[£]	[£]	[£]	[2.5-3.0k]	[£]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[£]	[4.0-4.5k]
	[£]	[£]	[£]	(2.5-3.0k)	[£]	[£]	[£]	(1.0-1.5k)	[£]	[£]	[£]	(4.0-4.5k)
CAGR:												
2013-18	[£]	[£]	[£]	3.3%	[£]	[£]	[£]	3.9%	[£]	[£]	[£]	3.5%
	[£]	[£]	[£]	(0.9%)	[£]	[£]	[£]	(1.4%)	[£]	[£]	[£]	(1.1%)
2013-16	[£]	[£]	[£]	5.7%	[£]	[£]	[£]	4.1%	[£]	[£]	[£]	5.2%
	[£]	[£]	[£]	(3.9%)	[£]	[£]	[£]	(2.3%)	[£]	[£]	[£]	(3.4%)
2016-18	[£]	[£]	[£]	-0.1%	[£]	[£]	[£]	3.6%	[£]	[£]	[£]	1.0%
	[£]	[£]	[£]	(-3.4%)	[£]	[£]	[£]	(0.1%)	[£]	[£]	[£]	(-2.4%)

Source: CMA analysis of data from Co-op, Dignity and Funeral Partners.

Note: The price in real terms are in () brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

## Data from regional co-ops

116. Central England, East of England and Southern Co-ops submitted information about their annual revenues and volumes, split by funeral package, for the period 2013 to 2018.<sup>70,71</sup> This section presents the level and growth rate of the ARF, ADF and ATR per funeral for these three regional co-ops.<sup>72</sup>

However, as respondents did not have a consistent definition of disbursements<sup>73</sup>, our analysis focuses on the level and trend of the ATR.

117. Table 17 to Table 20 below show the ARF, ADF and ATR for standard, simple, at-need and pre-paid funerals respectively. These tables show figures for the regional co-ops, and a weighted average of all co-ops for each table ('combined').<sup>74</sup>

<sup>70</sup> Companies identified funeral packages by adhering to the five types of funeral specified in our information request; direct cremation, simple, standard, other and pre-paid. There may be variation between co-ops in the types of niche funeral packages included in 'other'.

<sup>71</sup> Midcounties Co-op provided revenue and volume figures, however due to our concerns over how it reported disbursements between funeral types, it has been excluded from this analysis.

<sup>72</sup> The data provided in the regional co-op's responses has been adjusted to reflect calendar years.

<sup>73</sup> For example, Central England Co-op recorded crematorium fees from its own crematorium as disbursements, whereas Southern Co-op did not.

<sup>74</sup> This is calculated by dividing the sum of the revenues/disbursements/total revenue by the sum of the number of funerals across the co-ops.



118. Table 17 shows the ARF, ADF and ATR per standard funeral for Central England, East of England and Southern co-ops both individually and combined.

**Table 17: Regional co-ops average revenue, disbursement and total revenue per standard funeral, 2013–2018**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Cent	East	South	Comb	Cent	East	South	Comb	Cent	East	South	Comb
2013	[£<]	[£<]	[£<]	[2.0-2.5k]	[£<]	[£<]	[£<]	[1.0-1.5k]	[£<]	[£<]	[£<]	[3.0-3.5k]
	[£<]	[£<]	[£<]	(2.5-3.0k)	[£<]	[£<]	[£<]	(1.0-1.5k)	[£<]	[£<]	[£<]	(3.5-4.0k)
2014	[£<]	[£<]	[£<]	[2.0-2.5k]	[£<]	[£<]	[£<]	[1.0-1.5k]	[£<]	[£<]	[£<]	[3.0-3.5k]
	[£<]	[£<]	[£<]	(2.5-3.0k)	[£<]	[£<]	[£<]	(1.0-1.5k)	[£<]	[£<]	[£<]	(3.5-4.0k)
2015	[£<]	[£<]	[£<]	[2.0-2.5k]	[£<]	[£<]	[£<]	[1.0-1.5k]	[£<]	[£<]	[£<]	[3.0-3.5k]
	[£<]	[£<]	[£<]	(2.5-3.0k)	[£<]	[£<]	[£<]	(1.0-1.5k)	[£<]	[£<]	[£<]	(3.5-4.0k)
2016	[£<]	[£<]	[£<]	[2.0-2.5k]	[£<]	[£<]	[£<]	[1.0-1.5k]	[£<]	[£<]	[£<]	[3.5-4.0k]
	[£<]	[£<]	[£<]	(2.5-3.0k)	[£<]	[£<]	[£<]	(1.0-1.5k)	[£<]	[£<]	[£<]	(3.5-4.0k)
2017	[£<]	[£<]	[£<]	[2.5-3.0k]	[£<]	[£<]	[£<]	[1.0-1.5k]	[£<]	[£<]	[£<]	[3.5-4.0k]
	[£<]	[£<]	[£<]	(2.5-3.0k)	[£<]	[£<]	[£<]	(1.0-1.5k)	[£<]	[£<]	[£<]	(3.5-4.0k)
2018	[£<]	[£<]	[£<]	[2.5-3.0k]	[£<]	[£<]	[£<]	[1.0-1.5k]	[£<]	[£<]	[£<]	[3.5-4.0k]
	[£<]	[£<]	[£<]	(2.5-3.0k)	[£<]	[£<]	[£<]	(1.0-1.5k)	[£<]	[£<]	[£<]	(3.5-4.0k)
CAGR:												
2013-18	[£<]	[£<]	[£<]	3.0%	[£<]	[£<]	[£<]	2.3%	[£<]	[£<]	[£<]	2.8%
	[£<]	[£<]	[£<]	(0.6%)	[£<]	[£<]	[£<]	(-0.1%)	[£<]	[£<]	[£<]	(0.4%)
2013-16	[£<]	[£<]	[£<]	2.6%	[£<]	[£<]	[£<]	3.6%	[£<]	[£<]	[£<]	2.9%
	[£<]	[£<]	[£<]	(0.9%)	[£<]	[£<]	[£<]	(1.9%)	[£<]	[£<]	[£<]	(1.2%)
2016-18	[£<]	[£<]	[£<]	3.6%	[£<]	[£<]	[£<]	0.3%	[£<]	[£<]	[£<]	2.6%
	[£<]	[£<]	[£<]	(0.2%)	[£<]	[£<]	[£<]	(-3.0%)	[£<]	[£<]	[£<]	(-0.9%)

Source: CMA analysis of data from regional co-ops.

Notes:

- (1) Southern co-op records all at-need funerals as standard, although some of its funerals may be more similar to simple funerals.<sup>75</sup> As a result, its standard funeral ATR may be understated here.
- (2) East of England co-op's standard funeral ATR may be understated here as it reports niche funeral types, which are generally cheaper, as standard funerals.
- (3) The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

119. The rate of growth in the combined standard ATR was consistent throughout the period, with growth in 2013 to 2016 similar to growth in 2016 to 2018. The combined growth rates do however mask varying trends between co-ops, as some had different levels of total growth as well as different patterns of growth within the period. Compared with the Largest funeral directors, the regional co-ops experienced a slower combined growth in standard ATR across the period. In 2018, the combined standard ATR for the regional co-ops was around [£<]% lower than the Largest funeral directors combined.

120. Table 18 shows the ARF, ADF and ATR per simple funeral for Central England and East of England co-ops, both individually and combined.

<sup>75</sup> Southern co-op told us that it introduced a simple funeral package in some targeted areas [£<].

**Table 18: Regional co-ops average revenue, disbursement and total revenue per simple funeral, 2013–2018\***

	ARF (without Disbursements) (£)			Average Disbursements (£)			Average Total Revenue (£)		
	Cent	East	Comb	Cent	East	Comb	Cent	East	Comb
2013	[£]	[£]	[1.5-2.0k]	[£]	[£]	[0.5-1.0k]	[£]	[£]	[2.5-3.0k]
	[£]	[£]	(1.5-2.0k)	[£]	[£]	(1.0-1.5k)	[£]	[£]	(3.0-3.5k)
2014	[£]	[£]	[1.5-2.0k]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[2.5-3.0k]
	[£]	[£]	(1.5-2.0k)	[£]	[£]	(1.0-1.5k)	[£]	[£]	(3.0-3.5k)
2015	[£]	[£]	[1.5-2.0k]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[2.5-3.0k]
	[£]	[£]	(1.5-2.0k)	[£]	[£]	(1.0-1.5k)	[£]	[£]	(3.0-3.5k)
2016	[£]	[£]	[1.5-2.0k]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[2.5-3.0k]
	[£]	[£]	(1.5-2.0k)	[£]	[£]	(1.0-1.5k)	[£]	[£]	(2.5-3.0k)
2017	[£]	[£]	[1.5-2.0k]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[2.5-3.0k]
	[£]	[£]	(1.5-2.0k)	[£]	[£]	(1.0-1.5k)	[£]	[£]	(2.5-3.0k)
2018	[£]	[£]	[1.5-2.0k]	[£]	[£]	[1.0-1.5k]	[£]	[£]	[3.0-3.5k]
	[£]	[£]	(1.5-2.0k)	[£]	[£]	(1.0-1.5k)	[£]	[£]	(3.0-3.5k)
CAGR:									
2013-18	[£]	[£]	1.8%	[£]	[£]	2.5%	[£]	[£]	2.1%
	[£]	[£]	(-0.6%)	[£]	[£]	(0.1%)	[£]	[£]	(-0.3%)
2013-16	[£]	[£]	-0.7%	[£]	[£]	1.5%	[£]	[£]	0.1%
	[£]	[£]	(-2.4%)	[£]	[£]	(-0.2%)	[£]	[£]	(-1.6%)
2016-18	[£]	[£]	5.8%	[£]	[£]	4.0%	[£]	[£]	5.1%
	[£]	[£]	(2.3%)	[£]	[£]	(0.5%)	[£]	[£]	(1.6%)

Source: CMA analysis of data from regional co-ops.

\* [£]

Notes:

- (1) Southern co-op is excluded from this table as it records all at-need funerals as standard funerals.
- (2) The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

121. Table 18 shows that East of England Co-op has [£]. The growth of Central England Co-op's simple ATR is characterised by [£].<sup>76</sup>
122. Comparing Table 17 with Table 18 indicates that Central England Co-op's ATR for simple funerals grew at approximately<sup>77</sup> the same rate overall as its standard funerals over the period 2013 to 2018. The difference in trends between simple and standard is larger for East of England Co-op, [£].
123. Table 19 and Table 20 show the ARF, ADF and ATR per at-need and pre-paid funeral for Central England, East of England and Southern co-ops both individually and combined.

<sup>76</sup> We note Central England Co-op's simple funeral volumes [£].

<sup>77</sup> Real average total revenue for standard funerals grew by [£]% over the period versus [£]% for simple funerals.

**Table 19: Regional co-ops average revenue, disbursement and total revenue per at-need funeral, 2013–2018**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Cent	East	South	Comb	Cent	East	South	Comb	Cent	East	South	Comb
2013	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.0-3.5k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2014	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.0-3.5k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2015	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.0-3.5k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2016	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.0-3.5k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2017	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.5-4.0k]
	[<]	[<]	[<]	(2.5-3.0k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2018	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.5-4.0k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
CAGR:												
2013-18	[<]	[<]	[<]	2.9%	[<]	[<]	[<]	2.3%	[<]	[<]	[<]	2.7%
	[<]	[<]	[<]	(0.5%)	[<]	[<]	[<]	(-0.1%)	[<]	[<]	[<]	(0.3%)
2013-16	[<]	[<]	[<]	2.4%	[<]	[<]	[<]	3.5%	[<]	[<]	[<]	2.8%
	[<]	[<]	[<]	(0.7%)	[<]	[<]	[<]	(1.8%)	[<]	[<]	[<]	(1.1%)
2016-18	[<]	[<]	[<]	3.6%	[<]	[<]	[<]	0.5%	[<]	[<]	[<]	2.6%
	[<]	[<]	[<]	(0.2%)	[<]	[<]	[<]	(-2.8%)	[<]	[<]	[<]	(-0.8%)

Source: CMA analysis of data from regional co-ops.

Note: The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

**Table 20: Regional co-ops average revenue, disbursement and total revenue per pre-paid funeral, 2013–2018**

	ARF (without Disbursements) (£)				Average Disbursements (£)				Average Total Revenue (£)			
	Cent	East	South	Comb	Cent	East	South	Comb	Cent	East	South	Comb
2013	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.0-3.5k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2014	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.0-3.5k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2015	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.0-3.5k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2016	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.5-4.0k]
	[<]	[<]	[<]	(2.5-3.0k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2017	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.5-4.0k]
	[<]	[<]	[<]	(2.5-3.0k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
2018	[<]	[<]	[<]	[2.0-2.5k]	[<]	[<]	[<]	[1.0-1.5k]	[<]	[<]	[<]	[3.5-4.0k]
	[<]	[<]	[<]	(2.0-2.5k)	[<]	[<]	[<]	(1.0-1.5k)	[<]	[<]	[<]	(3.5-4.0k)
CAGR:												
2013-18	[<]	[<]	[<]	3.4%	[<]	[<]	[<]	2.5%	[<]	[<]	[<]	3.1%
	[<]	[<]	[<]	(1.0%)	[<]	[<]	[<]	(0.1%)	[<]	[<]	[<]	(0.7%)
2013-16	[<]	[<]	[<]	4.2%	[<]	[<]	[<]	3.7%	[<]	[<]	[<]	4.1%
	[<]	[<]	[<]	(2.5%)	[<]	[<]	[<]	(2.0%)	[<]	[<]	[<]	(2.3%)
2016-18	[<]	[<]	[<]	2.2%	[<]	[<]	[<]	0.8%	[<]	[<]	[<]	1.7%
	[<]	[<]	[<]	(-1.2%)	[<]	[<]	[<]	(-2.6%)	[<]	[<]	[<]	(-1.7%)

Source: CMA analysis of data from regional co-ops.

Note: The price in real terms are in ( ) brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

124. Comparing Table 19 with Table 20 shows that over the period 2013 to 2018 both the levels and the rates of growth of the combined ATR for at-need and pre-paid funerals were similar, although pre-paid grew faster between 2013 and 2016 whereas at-need grew faster between 2016 and 2018.

125. Comparing Table 19 with Table 13 indicates that the regional co-ops' combined ATR for at-need funerals is around [REDACTED]% lower than that of the Largest funeral directors in 2018. Comparing Table 20 to Table 14 shows the regional co-ops had a combined pre-paid ATR which was around [REDACTED]% higher than that of the Largest funeral directors in 2018.

## **Evidence from internal documents**

126. We set out below some observations from internal documents from the Largest funeral directors we have reviewed so far which analyse and/or comment on changes in prices and price levels by them and other funeral directors.

### ***Dignity***

127. Dignity has, for a number of years, undertaken mystery shopping of its own stores and those of Co-op and 'independent' (smaller) funeral directors. It has stated this research has two purposes: to understand how funeral costs across the funeral industry were moving; and [REDACTED].
128. The research in 2016, 2017 and 2018 focused on what would be described as a standard funeral (cremation at a time to suit the family, transportation by hearse and limousine, a non-basic coffin, and embalming) but not flowers or newspaper announcements.
129. The calculation [REDACTED] showed average weighted cost (weighted by proportion of cremations) had increased from £2,971 in 2011 to £3,937 in 2016. Similar research in 2017 found the cost had increased by 4% to £4,086. Research in 2018 found the cost had decreased by 1% to around £4,050. The appendix to one version of the 2018 research also calculates the average compound growth rate of average funeral costs between 2011 and 2018 to be 4.5%, and uses this to project forward costs to 2026 on the basis of the same historical compound growth rate. [REDACTED].<sup>78</sup>
130. This mystery shopping research also allows a distinction between charges from 'independent' funeral directors, Dignity and Co-op. The 2018 research found that between 2013 and 2018:
- (a) Dignity's average funeral director cost had increased from £2,926 to £3,749 (28% increase) – this includes a decrease in 2018 from £4,124.

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<sup>78</sup> [REDACTED].

- (b) Co-op's average funeral director cost had increased from £2,404 to £3,067 (28% increase), with no change between 2017 and 2018.
- (c) 'Independent' funeral directors' average funeral director cost<sup>79</sup> had increased from £1,992 to £2,295 (15% increase) – increasing from £2,287 in 2017.

131. The 2016 research states 'One of the key objectives of the research, is to take into account the influence the presence of either a Dignity or Co-operative branch has on the 'Independents' average price.'<sup>80</sup> It made some attempt to structure the sample to get information on four different sub-samples (areas with only 'independents', areas with Dignity and Independents (D&I areas), areas with Co-op and Independents (C&I areas), and areas with all three (CDI areas)), although with the result that these sub-samples have small numbers of respondents. This approach was also replicated in 2017 and 2018.

- (a) The 2016 research found, among other conclusions, 'As hypothesised, funeral director charges are influenced by the presence and magnitude of the competition, with the highest average funeral director cost found in areas where Dignity Funeral Directors are present – and the lowest in Independent only areas'. It also stated that 'the presence of both Dignity and Co-operative funeral directors in the same town does seem to push [independents'] prices higher, than where there is limited competition. Equally this might simply be reflective of a larger conurbation.' However, the data suggests that the relationship between competition and independent funeral directors' prices is not clear-cut, as the results indicated that independent funeral directors' prices were highest where both Dignity and Co-op were present (£2,364), lower when just independent funeral directors were present (£2,210), lower when just Dignity and independent funeral directors were present (£2,139) and lowest when just Co-op and independent funeral directors were present (£2,019).

- (b) In 2017, the research found, among other conclusions, that 'there is not a huge differential in funeral director cost by provider mix', but that 'Dignity and Co-op were both slightly more expensive in CDI areas, probably a

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<sup>79</sup> This is the description applied by Dignity; it is not clear whether this includes Funeral Partners.

<sup>80</sup> The objectives of the research more broadly were noted as: "To identify the average cost, in the United Kingdom, of cremation and burial funerals, broken down by disbursements and professional fees.

To identify the regional differences in the average cost of both a burial and cremation funeral.

To identify the average cost of a burial and cremation funeral for:

- Dignity Caring Funerals
- Co-operative Funeralcare
- Independent funeral directors

To gauge what impact the presence of a Dignity or Co-operative funeral director has on Independent funeral director pricing".

function of them being in more urban conurbations', and 'the differential is small, but Independents appear to be most expensive in the areas where there is just a Dignity funeral director, and least expensive where there is a Co-op'.

- (c) In 2018, the research found, among other conclusions, that '[c]osts in CDI locations have dropped in the period since 2017, presumably due to the increased competition felt in more urban conurbations, where there are a greater number of funeral directors to choose from (also driven by a fall in Dignity prices). Average funeral director charges had increased slightly across the other provider mix types.
  - (d) In 2019, the research found, among other conclusions, that the Co-op's prices remained 'fairly static', Dignity's prices decreased by 5.4% but remained the highest out of the three groups, independent funeral director's prices had increased by 8.3% but remained the least expensive. The data suggests that the relationship between competition and price changes is not clear-cut. It found that in CDI locations independent funeral director's prices had increased the most and were at the highest level (average price of £2,579 and growth of 11.6%), and that Dignity's prices had decreased by 4.6% (but had decreased more in D&I locations, by -10.8%).<sup>81</sup>
132. In 2018, Dignity also commissioned research [REDACTED] to examine changes in prices for simple funerals from 'independents' and Co-op branches listed on Your Funeral Choice's website between June 2017 and December 2018. Dignity explained the purpose of this research was [REDACTED]. The research found that [REDACTED]. This research found that over the period examined, the average UK Independent Simple Funeral price had increased by 4%, to £1,884; however, this was marked by those at the lower end of the industry typically reducing prices (on average by -10%), whilst the higher end of the industry (by price) increased prices (on average by +20%). [REDACTED].
133. In addition, this research examined the competitiveness of Dignity's simple funeral price against independents and regional co-ops in different areas. This focuses on average simple funeral prices. Figure 11 and Figure 12 show the results of this analysis by region (it also examined its competitiveness on the basis of the different cells used in its price trials).

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<sup>81</sup> [REDACTED].

**Figure 11: Dignity competitiveness vs independents by region, 2017–2018 data analysis prepared by Your Funeral Choice on behalf of Dignity**

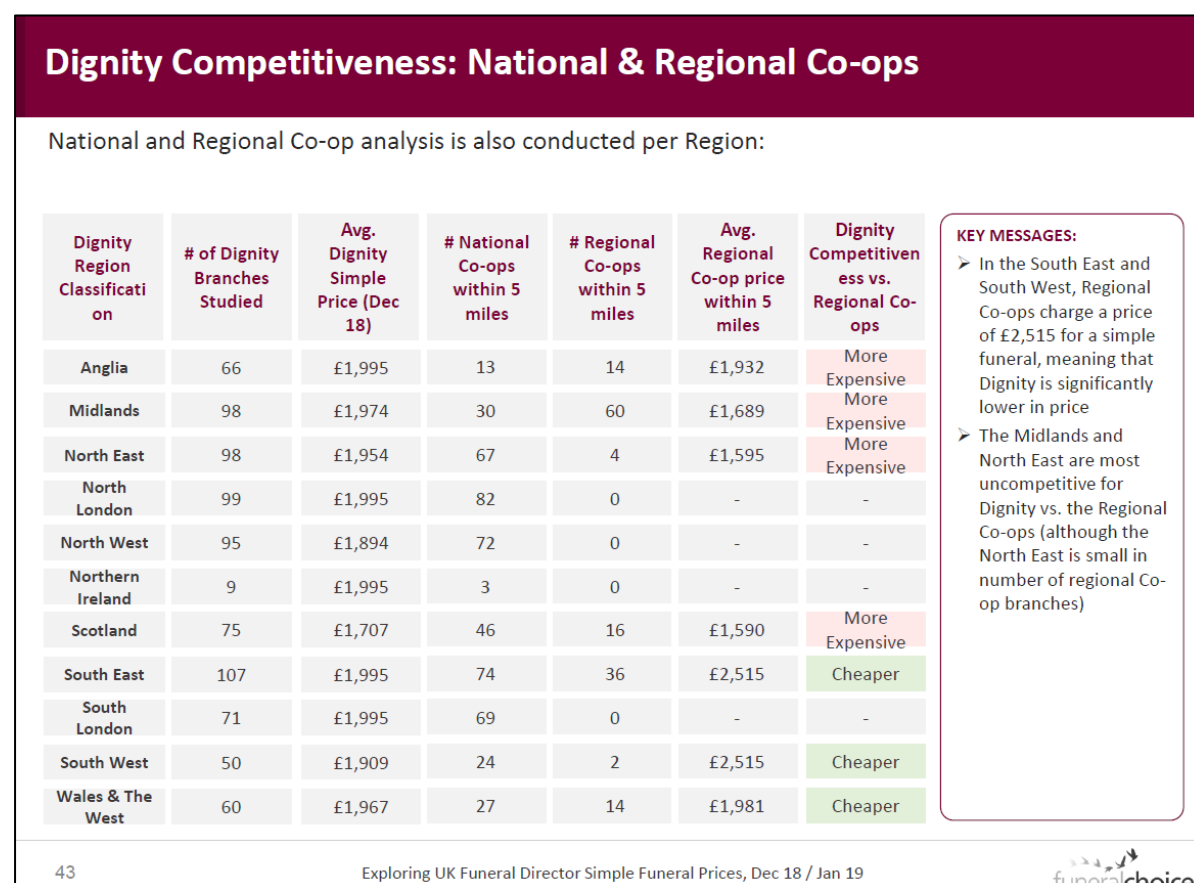
Dignity Competitiveness						
Exploring competitiveness by Region in more detail:						
Dignity Region Classification	Avg. Dignity Simple Price (Dec 18)	Avg. Ind. Simple Price (Dec 18)	Dignity Competitiveness (vs Avg. price)	Avg. Ind. Simple Price Band (Dec 18)	Dignity Competitiveness (vs Avg. band)	# Branches for which Dignity is Cheaper than local Ind. on Avg.
Anglia	£1,995	£1,827	More Expensive	£1,801 – 2,000	Same Band	12 / 66 (18%)
Midlands	£1,974	£1,711	More Expensive	£1,601 – 1,800	More Expensive	11 / 98 (11%)
North East	£1,954	£1,781	More Expensive	£1,801 – 2,000	Same Band	32 / 98 (33%)
North London	£1,995	£1,948	More Expensive	£1,801 – 2,000	Same Band	34 / 95 (33%)
North West	£1,894	£1,691	More Expensive	£1,601 – 1,800	More Expensive	16 / 95 (17%)
Northern Ireland	£1,995	£1,979	Cheaper	£2,001 – 2,200	Cheaper	3 / 9 (33%)
Scotland	£1,707	£1,803	Cheaper	£1,801 – 2,000	Cheaper	49 / 75 (65%)
South East	£1,995	£1,987	More Expensive	£1,801 – 2,000	Same Band	52 / 107 (49%)
South London	£1,995	£2,172	Cheaper	£2,001 – 2,200	Cheaper	54 / 71 (76%)
South West	£1,909	£1,790	More Expensive	£1,801 – 2,000	Same Band	11 / 50 (22%)
Wales & The West	£1,967	£1,767	More Expensive	£1,801 – 2,000	Same Band	13 / 60 (22%)

**KEY MESSAGES:**

- The trends for South London and Scotland are highlighted further here, with 76% and 65% respectively of Dignity branches being below the average price for the area
- In NI, when outliers are dampened using band analysis, Dignity marginally creeps into the band below average and thus appears competitive (although dataset small as few branches)
- The Midlands and The North West still show Dignity as uncompetitive using band analysis

Source: Dignity

**Figure 12: Dignity price competitiveness vs co-ops, 2017–2018 data analysis of Your Funeral Choice pricing data**



Source: Dignity

134. Figure 11 shows that in Northern Ireland Dignity has approximately the same price as ‘independent’ funeral directors; in two regions it has a lower average simple price compared with ‘independent’ funeral directors (calculated by the CMA to be £96 and £177 respectively); and in eight regions, Dignity has a higher average simple price compared with ‘independent’ funeral directors (calculated by the CMA to be between £8 and £263).
135. Figure 12 shows that in four of the eleven regions considered, Dignity has a higher average simple price compared with regional co-ops located within five miles of their branches (by between £63 and £359) and in three Dignity has a lower average simple price (by between £14 and £606). In the remaining four regions, there are no regional co-op branches within five miles of the Dignity branches.

## Co-op

136. As part of its most recent strategy review (in early 2019), Co-op commissioned various work from [X]. A presentation [X] included information on price benchmarking that [X] had undertaken, through mystery



shopping and web-scraping. This focused on the question of whether price needed to be flexed regionally or locally. This found that Co-op was generally at a price premium to 'independents' but cheaper than Dignity (when comparing like-for-like).

137. Figure 13 shows how the number of funerals Co-op sold [X] has changed between 2015 and 2019. This shows that, while the proportion of Co-op customers paying less than £2,000 has increased from [X]% in 2015 to [X]% in YTD 2019, the proportion paying more than £3,000 has increased from [X]% to [X]%.

**Figure 13: Co-op funeral volumes [X] over time, [X]**

[X]

Source: Co-op

138. Figure 14 shows results of a mystery shopping exercise for traditional funerals in eight Co-op branches and the equivalent funeral for 19 Dignity and 'independent' funeral directors. This is split into six geographic areas with a different group of Co-op price bands in each.

**Figure 14: Price variation for traditional funeral in different Co-op price bands, [X]**

[X]

Source: Co-op.

139. Figure 14 shows that there was significant variation in standard funeral prices between funeral directors within each of these areas. This also shows that across Co-op's price bands there was not a significant amount of variation in Co-op's average prices. In all of the areas considered, the least expensive funeral director was an 'independent' funeral director and the most expensive was a Dignity branch. However, this is based on a small number of mystery shops (27 branches) and therefore a significant amount of weight cannot be placed on these results.
140. Figure 15 shows the results of another piece of [X] analysis presented in May 2019.

**Figure 15: Pricing of traditional funerals [X] by different providers, [X]**

[X]

Source: Co-op

141. Figure 15 shows that Co-op and Dignity's local pricing for traditional funerals (and their equivalents for other funeral directors) tends to be above the upper quartile in all regions ([X]) and that Dignity tends to be slightly more expensive than Co-op. [X]. This also shows that, particularly in higher priced

bands, there is a lot of variation between the maximum and minimum prices. However, we note that the analysis in Figure 15 is marked as being in draft.

142. Figure 16 show an extract of the results from an online survey of customers.

**Figure 16: Price distribution by provider (all at-need funeral types) (March and April 2019)**

[X]

Source: Co-op

143. Figure 16 shows that, of those customers surveyed who had purchased a funeral in the last three years and remembered what they had spent, [X]% had spent £2,000 or less, and [X]% had spent £4,000 or more. Those purchasing from Dignity were significantly more likely than customers of most other funeral directors to be in the £4,000+ spending band, while Co-op customers were more likely than customers of 'Other Independent' funeral directors (as identified in the research) to have spent this amount.

144. However, we note the results in Figure 16 are based on an online survey, the methodology of which we have not reviewed in detail.<sup>82</sup>

### ***Funeral Partners***

145. Funeral Partners undertook a mystery shopping exercise in September 2018 of funeral homes within approximately four miles (or approximately two miles in London) of its branches, primarily to monitor the prices of two funeral types: a simple funeral (incorporating a hearse only direct to a crematorium) and a standard funeral (comprising following limousine(s) and a church service). It stated that the results 'provided context to [its] price review for prices changes for FY18/19. The results from this are shown in Figure 17 and Figure 18.

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<sup>82</sup> Typically, we consider that research conducted using an online panel, where sample recruitment does not rely on randomisation, may be subject to sample bias and may not be sufficiently robust (see: [Good practice in the design and presentation of customer survey evidence in merger cases \(CMA78 revised\)](#)).

**Figure 17: Funeral Partners 2018 mystery shopping results for standard funerals**

Total Businesses compared	292
# of FP branches	40
# independent	70
# dignity	72
# co op	110
average price £	£2,833
Lowest £	£1,119
Our Basic Price	£2,975
highest competitor £	£3,797
% below FP	45%
FP	
% higher than FP	55%

Source: Funeral Partners

**Figure 18: Funeral Partners 2018 mystery shopping results for simple funerals**

Total Businesses compared	29
# of FP branches	4
# independent	9
# dignity	4
# co op	12
average price £	£1,945
Lowest £	£1,185
Our Basic Price	£1,394
highest competitor £	£2,475
% below FP	12%
FP	
% higher than FP	88%

Source: Funeral Partners

146. Figure 17 shows that with respect to standard funerals, the mystery shopping exercise compared 292 businesses. It shows that Funeral Partners' basic

price was £2,975, which is above the average price (£2,833); and that 45% of businesses had a lower price compared to Funeral Partners' and 55% had a higher price. Figure 18 shows that with respect to simple funerals, the mystery shopping exercise compared 29 businesses. It shows that Funeral Partners' basic price for simple funerals was £1,394, which is below the average price (£1,945); and that 12% of businesses had a lower price compared to Funeral Partners while 88% had a higher price.

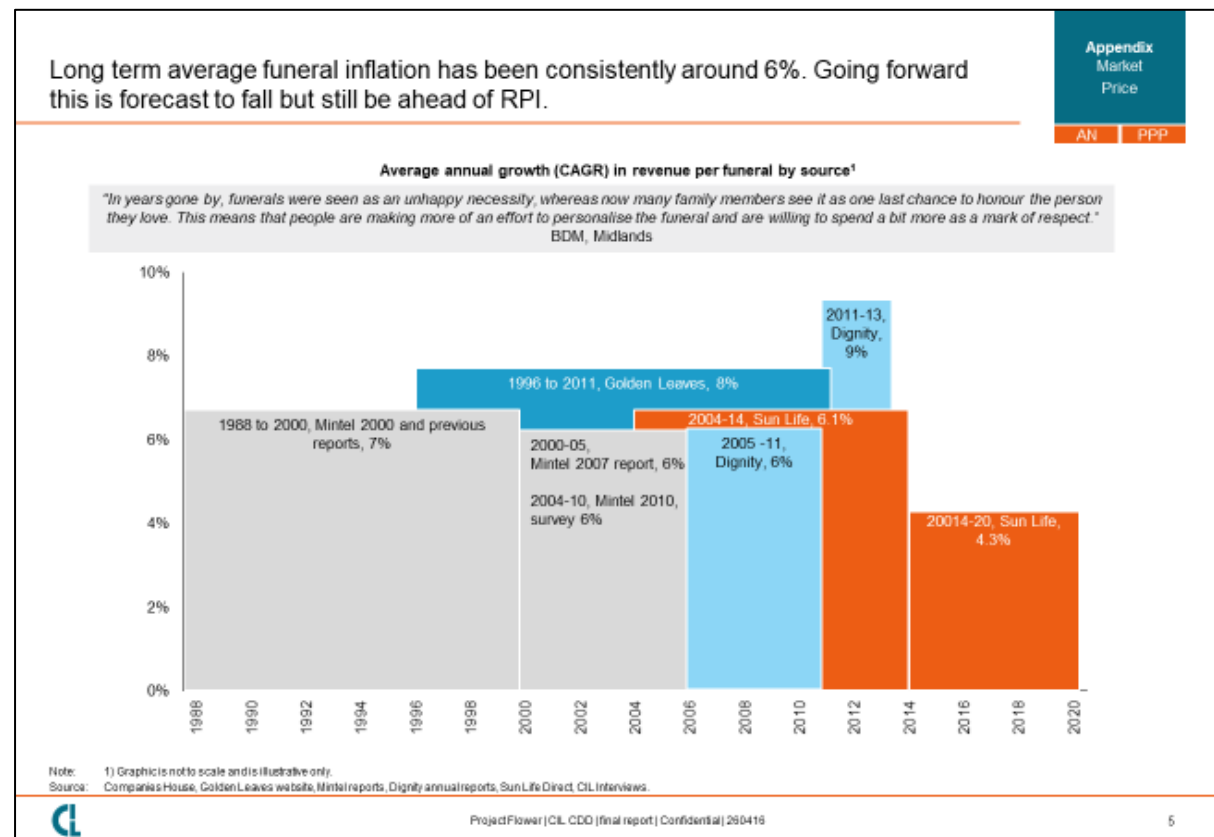
147. This indicates Funeral Partners found a wide range of prices from highest to lowest for both standard and simple funerals, with standard prices ranging from £1,119 to £3,797. It also found its own prices were roughly midway between those of others for standard funerals, with 55% of branches mystery shopped pricing above Funeral Partners, and its own average standard price relatively close to the average overall (£2,975 vs £2,833). For simple funerals, Funeral Partners' average price appears lower than the average overall, but with a much smaller sample size.
148. Funeral Partners also provided research completed in April 2016 which commented on general pricing trends in the market overall. Funeral Partners emphasised that the views contained in this document are not those of the management team, and no particular actions were taken as a result of the production of this document. Figure 19, Figure 20 and Figure 21 are from this research.
  - (a) Figure 19 illustrates that its analysis found wide differences within areas (covering areas five miles around Funeral Partners branches), although with some consistency between areas as to the upper and lower bounds.
  - (b) Figure 20 shows the range of estimates of long-term average funeral price inflation, which it reports as being around 6%. It notes this is expected to fall but to remain above RPI inflation. The research also notes this has been supported by above inflation house price increases, which are forecast to continue into the future.
  - (c) Figure 21 shows its analysis that Dignity and Funeral Partners had traditionally increased average revenue per funeral ahead of the market average (as represented by SunLife). It also notes that Funeral Partners had increased average revenue faster than others, but was still below Dignity's average revenue.

**Figure 19: Funeral Partners research 2016, relative price position**



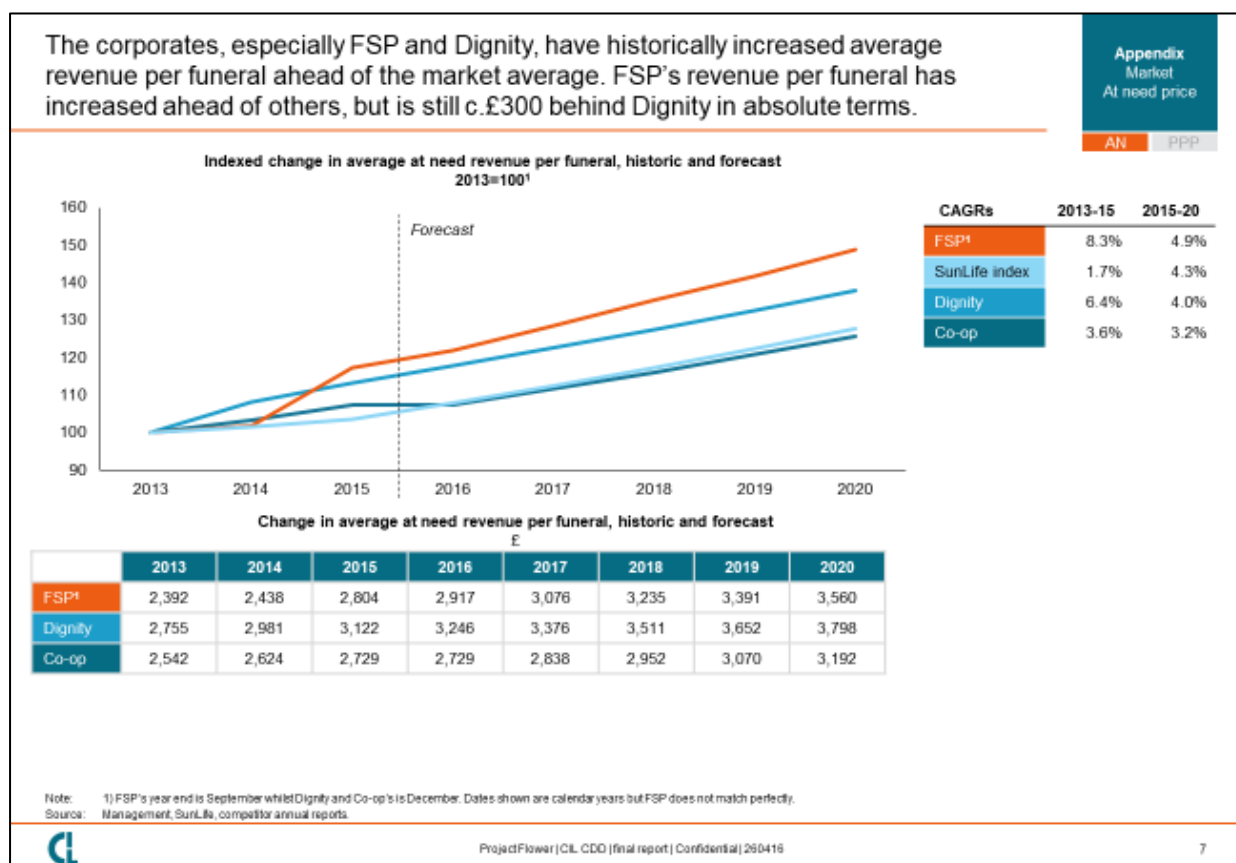
Source: Funeral Partners

**Figure 20: Funeral Partners research 2016, long-term inflation estimates**



Source: Funeral Partners

**Figure 21: Funeral Partners research 2016, trends in average revenue from corporates vs market**

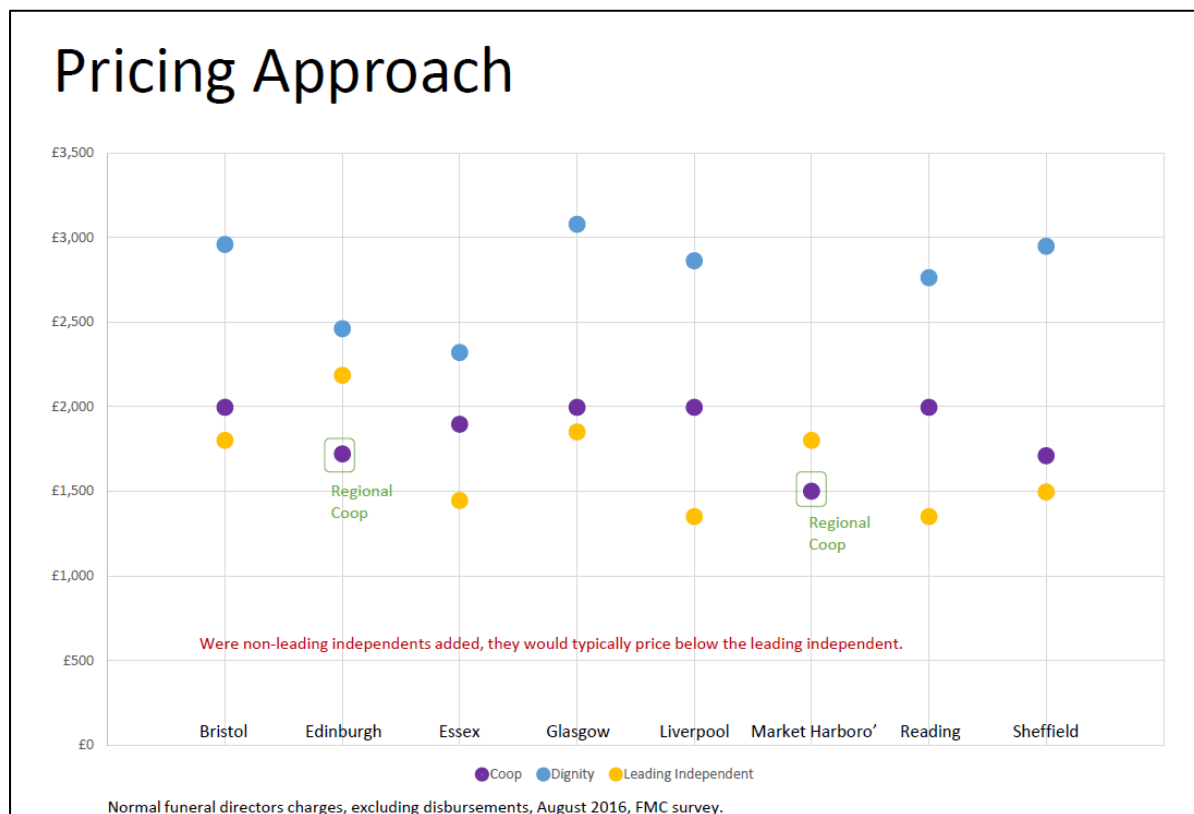


Source: Funeral Partners

149. Funeral Partners also provided some research it described as ‘a market overview of the independent sector and was completed in the summer of 2016.’ This noted that ‘[i]n the ‘independent’ segment of the UK funeral sector, pricing was for a long time considered a little of a “dark art” and that ‘[m]uch secrecy had been sought in protecting information of one’s charges from external viewing driven by a range of factors including: flexibility to offer an affordable price to the “family in front of me”; fear of driving prices down through price based competition; confidence, or lack thereof, in being able to differentiate on propositional factors rather than price.’ It also states that ‘a general order has emerged which would see Dignity charging the highest, Cooperative Group being next highest in price with then leading independents actively seeking to charge ‘just behind’ Coop Group.’ The research agency preparing the slides surveyed a small number of funeral directors (one from each of these three groups in eight areas) to validate this pricing position. It found that ‘[i]n 75% of locations, the leading independent sits ‘just behind’ Coop. In the 25% of locations where the leading independent is more expensive than the Coop branch surveyed, the local Coop funeral home is one of the regional cooperative societies and not Coop Group – regional cooperative societies typically behaving outside of the rule of thumb for ‘group’ and being cheaper in price.’ The results of this analysis are shown in

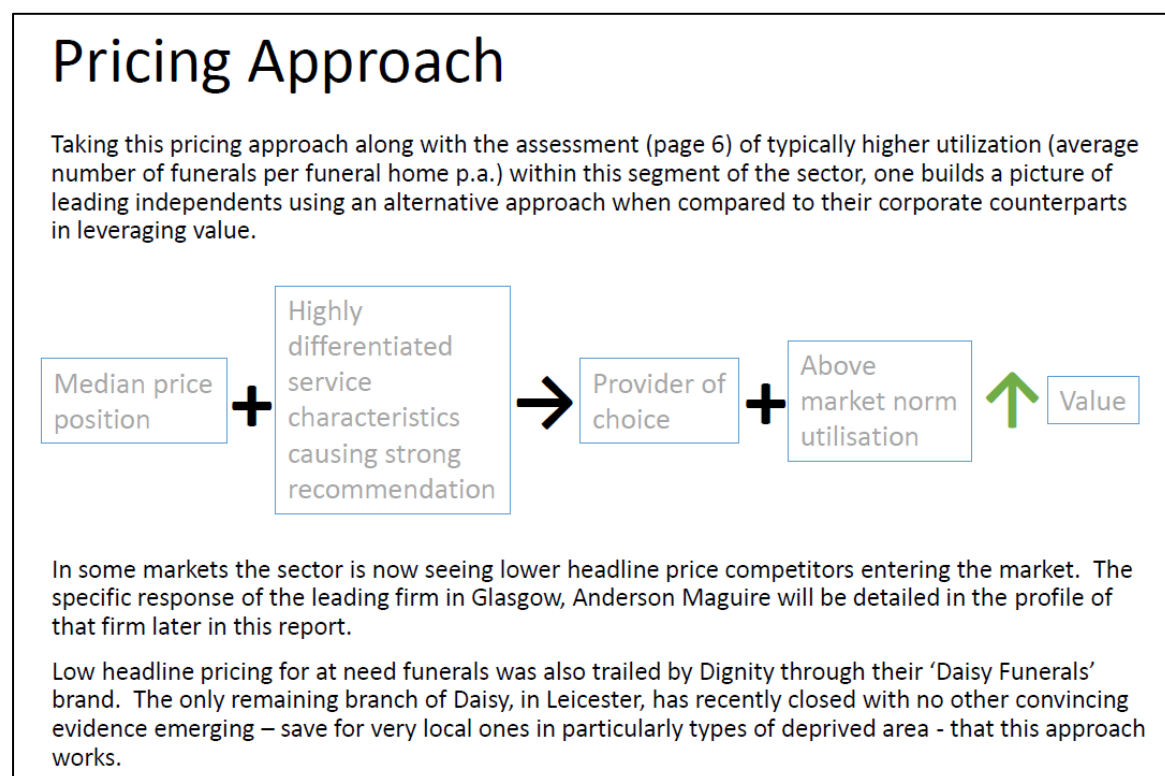
Figure 22. It also provided some observations as to the approach by independents to building/providing value compared with corporates, as set out in Figure 23.

**Figure 22: Funeral Partners research 2016, pricing by Dignity, Co-op and an independent in certain areas**



Source: Funeral Partners

**Figure 23: Funeral Partners research on independents' pricing approach (2016)**



Source: Funeral Partners

## Summary

150. Dignity, Co-op and Funeral Partners have undertaken pricing research, including mystery shopping and analysis of price comparison websites, which includes analysis of their own branches and those of other funeral directors (both large funeral directors and 'independent' funeral directors). These generally indicate prices rising over time.
151. Overall, the documents of the Largest funeral directors reflect a hierarchy of pricing, with Dignity at the higher end of prices, independents generally (but not always) cheaper and Co-op and Funeral Partners somewhere between the two (although exactly where their prices sit between the two extremes has changed over time/between different pieces of research). Some research has shown that some independent funeral directors charge more than the Largest funeral directors.
152. With regard to simple funerals, research commissioned by Dignity found that its Simple Funeral prices were [£]. It found that compared with smaller funeral directors they had a lower average simple price in South London and Scotland, but similar or higher prices in other regions. Funeral Partners found that its average simple prices were below those of most of its competitors, but that this was based on a low sample size.



153. Both Co-op and Funeral Partners found that within smaller geographic areas considered, there is a significant amount of price dispersion. This indicated that smaller funeral directors are generally, but not always, less expensive than the Largest funeral directors. Research by Dignity found that smaller funeral directors price higher in areas where both Dignity and Co-op are present, although these differences are not always large, and the effect of having one of Co-op or Dignity present in an area has been less consistent over time.
154. We note that some of this research predates the launch of the market investigation, and may therefore reflect historic pricing patterns. However, as most of the research has been conducted relatively recently, we consider that it generally reflects current pricing patterns. Also, we note that some of the research was conducted on small sample sizes, and therefore may not hold for the entirety of the UK.

## Annex 1: Additional SunLife Analysis

155. This annex details the data checks conducted on the SunLife dataset.

### Accounting for churn

156. The tables below show the comparison between controlling<sup>83</sup> for branches that were sampled every year for two separate periods (2010 to 2013 and 2016 to 2018) and the outcomes when not controlling for churn in branches over the period. This was to check if churn had an impact on the price level or inflation trend over the two periods, especially in 2016 to 2018 when there was particularly high churn.

**Table 21: Professional fee churn check for 2006–2013**

		2006	2007	2008	2009	2010	2011	2012	2013
Controlled for churn	Independents and others	£1,299	£1,394	£1,482	£1,574	£1,662	£1,775	£1,852	£1,912
	Dignity	£1,915	£2,002	£2,085	£2,215	£2,322	£2,567	£2,854	£2,781
	Co-op	£1,564	£1,739	£1,882	£2,001	£2,152	£2,268	£2,453	£2,509
	Average price weighted by share of supply	£1,405	£1,512	£1,612	£1,717	£1,821	£1,954	£2,076	£2,095
Uncontrolled numbers	Independents and others	£1,286	£1,405	£1,493	£1,604	£1,670	£1,779	£1,857	£1,928
	Dignity	£1,824	£1,990	£2,035	£2,159	£2,326	£2,568	£2,823	£2,707
	Co-op	£1,572	£1,702	£1,915	£2,035	£2,196	£2,317	£2,488	£2,539
	Average price weighted by share of supply	£1,386	£1,514	£1,619	£1,737	£1,834	£1,966	£2,082	£2,104
Difference between controlled and uncontrolled numbers	Independents and others	£13	£11	£10	£30	£8	£4	£5	£16
	Dignity	£92	£11	£50	£56	£3	£1	£31	£74
	Co-op	£9	£36	£32	£34	£43	£49	£35	£30
	Average price weighted by share of supply	£19	£2	£6	£21	£13	£12	£7	£9
Difference in percentage growth between controlled and uncontrolled numbers	Independents and others	n/a	2%	0%	1%	-1%	0%	0%	1%
	Dignity	n/a	5%	-2%	0%	3%	0%	-1%	-2%
	Co-op	n/a	-3%	4%	0%	0%	0%	-1%	0%
	Average price weighted by share of supply	n/a	2%	0%	1%	0%	0%	0%	0%
Number of branches that were present in controlled numbers <sup>84</sup>	Independents and others	51	51	51	51	51	51	51	49
	Dignity	9	9	9	9	9	9	9	10
	Co-op	7	7	7	7	7	7	7	8
Overall churn numbers		n/a	10	7	6	13	6	3	1

Source: CMA analysis of SunLife data

<sup>83</sup> This is done by excluding all branches that were not present in each year of the relevant periods.

<sup>84</sup> The years where the quantity decreased for independents is due to an acquisition of that branch by either Co-op or Dignity, as such there is a corresponding increase in their quantities in those years.

**Table 22: Professional fee churn check 2016–2018**

		2014 and 2015 <sup>85</sup>	2016	2017	2018	2019 <sup>86</sup>
Controlled for churn	Independents and others	n/a	£2,099	£2,021	£2,144	n/a
	Dignity	n/a	£3,187	£3,755	£3,804	n/a
	Co-op	n/a	£2,800	£2,925	£3,130	n/a
	Average price weighted by share of supply	n/a	£2,334	£2,304	£2,438	n/a
Uncontrolled numbers	Independents and others	n/a	£2,161	£2,094	£2,158	n/a
	Dignity	n/a	£3,190	£3,679	£3,644	n/a
	Co-op	n/a	£2,884	£3,011	£2,982	n/a
	Average price weighted by share of supply	n/a	£2,394	£2,365	£2,413	n/a
Difference between controlled and uncontrolled numbers	Independents and others	n/a	£62	£73	£13	n/a
	Dignity	n/a	£3	£76	£160	n/a
	Co-op	n/a	£84	£86	£148	n/a
	Average price weighted by share of supply	n/a	£60	£61	£25	n/a
Difference in percentage growth between controlled and uncontrolled numbers	Independents and others	n/a	n/a	1%	-3%	n/a
	Dignity	n/a	n/a	-2%	-2%	n/a
	Co-op	n/a	n/a	0%	-8%	n/a
	Average price weighted by share of supply	n/a	n/a	0%	-4%	n/a
Number of branches that were present in controlled numbers <sup>87</sup>	Independents and others	n/a	22	21	21	n/a
	Dignity	n/a	10	11	11	n/a
	Co-op	n/a	1	1	1	n/a
Overall churn numbers		n/a	15	30	49	32

Source: CMA analysis of SunLife data

157. For the period 2006 to 2013, the churn level was low and both the nominal and growth difference between the controlled and uncontrolled numbers are low.
158. For the period 2016 to 2018, there were larger disparities between the controlled and uncontrolled numbers. However, there were two cases where this resulted in an inflation trend change, which were for Co-op and Dignity in 2018 where the controlled numbers reported a price increase from 2017 to 2018 and the uncontrolled reported a price decrease. Therefore, we should not place too much weight on those particular data points. The nominal differences were generally larger across this period but were within around 5% of the controlled prices. The same can be said of the growth rate differences except for the previously mentioned Co-op case.

<sup>85</sup> Not possible to check churn in these years as we did not receive branch level data.

<sup>86</sup> Not possible to check churn for this year as we did not receive branch level data.

<sup>87</sup> The years where the quantity decreased for independents is due to an acquisition of that branch by either Co-op or Dignity, as such there is a corresponding increase in their quantities in those years.

159. Table 21 and Table 22 control for churn separately within each period, such that between 2013 to 2016 a number of branches change. There are 18 branches in total that are present in every year from 2006 to 2013 and from 2016 to 2019. The average prices for these branches are shown in Table 23. Given the very small sample size we do not put any weight on the specific figures, but instead focus on the degree of difference present.

**Table 23: Further SunLife churn check**

	2006	2018	CAGR (2006–2018) (Controlling for churn)	CAGR (2006–2018) (Not controlling for churn)
Independents and others	£1,366	£2,129	3.8%	4.3%
Dignity	£1,945	£3,989	6.2%	5.7%
Co-op	£1,625	£3,130	5.6%	5.6%

Source: CMA analysis of SunLife data

160. This shows that when controlling for churn across the entire period, the estimated CAGR for ‘independents and others’, Dignity and Co-op remain relatively similar to the CAGR when not controlling for churn.
161. Overall the churn over the periods did not have a large effect on the general conclusions that can be drawn from the uncontrolled data. Given that there was high churn in the 2016 to 2018 period, the effect on the data compared with the control numbers was fairly minimal.

### ***Disbursements***

162. With the data available it was possible to compare disbursement costs for both cremations and burials. Table 24 shows the disbursement for cremations for Dignity, Co-op and ‘independents and other’ funeral directors from 2006 to 2019. The disbursements include doctors’ fees, clergy/celebrant’s fees, cremation, service in church or cemetery chapel including organist.

**Table 24: Cremation disbursement fees for Dignity, Co-op and other funeral directors, 2006–2019 and CAGR**

<i>Year</i>	<i>Independent and others (£)</i>	<i>Dignity (£)</i>	<i>Co-op (£)</i>
2006	581 (825)	561 (797)	586 (833)
2007	644 (878)	619 (843)	638 (870)
2008	682 (894)	669 (876)	656 (859)
2009	730 (962)	724 (954)	694 (915)
2010	760 (957)	753 (949)	728 (917)
2011	806 (965)	835 (1,000)	773 (925)
2012	850 (987)	866 (1,005)	821 (953)
2013	919 (1,035)	917 (1,033)	864 (973)
2014	970 (1,067)	919 (1,011)	904 (995)
2015	1,012 (1,102)	809 (882)	951 (1,035)
2016	1,032 (1,105)	1,018 (1,090)	993 (1,063)
2017	1,106 (1,143)	1,075 (1,111)	1,029 (1,063)
2018	1,144 (1,144)	1,163 (1,163)	974 (974)
2019	1,189 (1,159)	1,200 (1,170)	1,033 (1,007)
<i>Percentage increase 2006–19</i>	105% (40%)	114% (47%)	76% (21%)
<i>CAGR 2006–19</i>	5.7% (2.6%)	6.0% (3.0%)	4.5% (1.5%)

Source: CMA analysis of SunLife data.

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

163. The level of disbursements is fairly uniform for all funeral directors over the period, which should be expected given that third party costs are faced by all companies. However, in 2018 Co-op's disbursement costs decreased before increasing again in 2019.<sup>88</sup> The increase in disbursement costs over the period has been lower than the increase in professional fees for both Co-op and Dignity, while it has been more similar for independents and other funeral directors. This means that, as a percentage of the overall price increase over the period, disbursements were a larger portion of 'independents and other' funeral directors' price increases than in the case for Co-op and Dignity.
164. Table 25 shows the disbursement costs for burials for Dignity, Co-op and 'independents and other' funeral directors from 2006 to 2019, where the disbursements include burial, service in church or cemetery chapel with an organist.

<sup>88</sup> [X].

**Table 25: Burial disbursement fees for Dignity, Co-op and other funeral directors, 2006–2019 and CAGR**

<i>Year</i>	<i>Independent and others (£)</i>	<i>Dignity (£)</i>	<i>Co-op (£)</i>
2006	873 (1,242)	956 (1,359)	941 (1,338)
2007	1,008 (1,375)	1,099 (1,498)	1,085 (1,479)
2008	1,109 (1,454)	1,179 (1,545)	1,160 (1,521)
2009	1,192 (1,571)	1,325 (1,746)	1,305 (1,719)
2010	1,449 (1,824)	1,302 (1,639)	1,138 (1,433)
2011	1,436 (1,719)	1,373 (1,643)	1,511 (1,809)
2012	1,539 (1,785)	1,418 (1,645)	1,592 (1,847)
2013	1,628 (1,833)	1,811 (2,039)	1,769 (1,992)
2014	1,699 (1,869)	1,643 (1,807)	2,180 (2,399)
2015	1,810 (1,972)	1,595 (1,737)	2,216 (2,414)
2016	1,958 (2,096)	1,938 (2,074)	2,003 (2,144)
2017	2,066 (2,135)	1,929 (1,994)	2,375 (2,454)
2018	2,279 (2,279)	2,053 (2,053)	1,475 (1,475)
2019	2,296 (2,239)	2,452	1,959 (1,910)
<i>Percentage increase 2006–19</i>	163% (80%)	156% (76%)	108% (43%)
<i>CAGR 2006–19</i>	7.7% (4.6%)	7.5% (4.4%)	5.8% (2.8%)

Source: CMA analysis of SunLife data.

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

165. Average burial disbursement costs were more variable between the different funeral directors, with ‘independents and other’ funeral directors initially providing the lowest disbursements with Co-op and Dignity at very similar disbursements levels. However, by 2019, Co-op provided the lowest disbursements and Dignity the highest. For ‘independents and other’ funeral directors, the burial disbursement cost increase over the period is around two times their professional fee increase. For Dignity the increase of burial disbursements was slightly lower than their professional fee increase. For Co-op, the increase of burial disbursements was smaller.

### **Regional checks**

166. We have examined regional variation in price changes to check whether overall price growth was being skewed by particular regions. Given the very small sample sizes at regional level we do not put any weight on the specific figures, but instead focus on the degree of difference present between different regions over time. Table 26 shows the CAGR of the ten regions, split across three time periods.

**Table 26: Compound annual growth rate, regional averages, unweighted**

	<i>CAGR 2006–19</i>	<i>CAGR 2006–16</i>	<i>CAGR 2016–19</i>
Wales	4.5% (1.5%)	5.1% (2.2%)	2.4% (-0.7%)
South East & East of England	5.7% (2.7%)	5.4% (2.5%)	6.6% (3.4%)
London	4.5% (1.5%)	6.4% (3.4%)	-1.7% (-4.7%)
East and West Midlands	5.5% (2.5%)	4.6% (1.7%)	8.4% (5.1%)
Yorkshire and the Humber	7.0% (3.9%)	6.4% (3.4%)	9.0% (5.7%)
Scotland	4.4% (1.4%)	4.9% (1.9%)	2.8% (-0.4%)
South West England	5.2% (2.2%)	6.1% (3.1%)	2.3% (-0.8%)
North West England	4.9% (1.9%)	4.9% (2.0%)	5.0% (1.8%)
North East England	5.5% (2.5%)	6.3% (3.3%)	2.9% (-0.3%)
Northern Ireland	4.6% (1.6%)	5.9% (2.9%)	0.3% (-2.7%)
<b>National Average</b>	<b>5.2% (2.2%)</b>	<b>5.6% (2.7%)</b>	<b>3.7% (0.5%)</b>

Source: CMA Analysis of SunLife data.

Notes:

(1) The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).

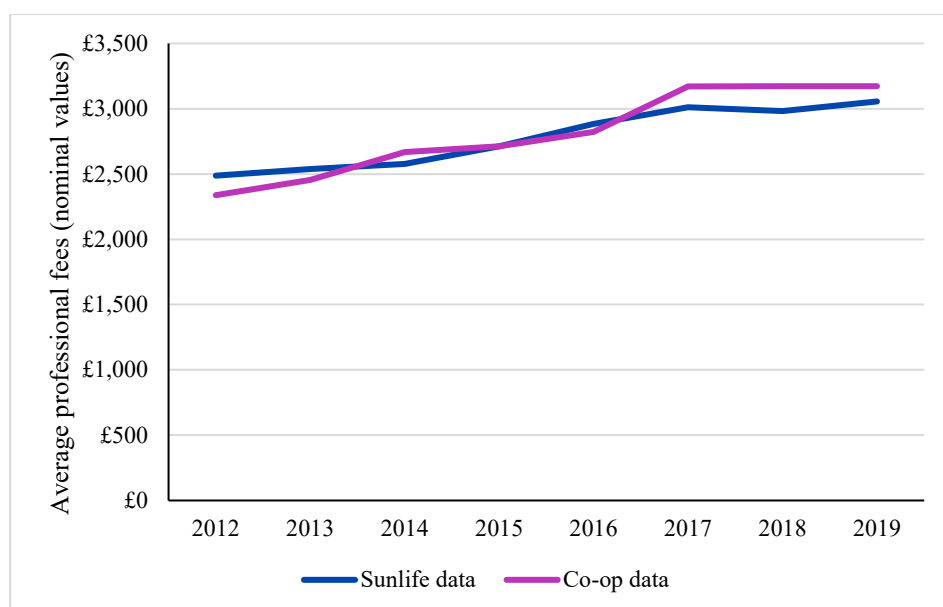
(2) Because regional-level inflation cannot be measured, we compare the nominal changes in prices against the overall level of inflation in the UK, as measured by RPI. However, within individual regions, inflation may be different.

167. In the first part of the period (2006–2016), the data indicates that price growth in professional fees was relatively even across all regions. The CAGRs for all regional averages were within one percentage point either side of the national average (5.6%). CAGRs for regional averages ranged from 4.6% (East and West Midlands) to Yorkshire and the Humber (6.4%). In the second part of the period (2016–2019), there was large regional divergence in price growth, ranging from +9.0% (Yorkshire and the Humber) to –1.7% (London). This coincides with the period in which the CMA’s calculation of weighted price trends has greater divergence from SunLife’s unweighted figures. For the period as a whole (2006–2019), the effect of the latter variance would appear to be relatively muted. With one exception (Yorkshire and the Humber, driven by its rapid price growth in 2016–2019), the CAGR for all regional averages still fall within one percentage point on either side of the national average (5.2%).
168. The data indicates that price growth across the period 2006 to 2016 was relatively even across all regions, indicating that price rises were not driven by re-weighting to particular regions. They also show that in the period 2016 to 2019, there were considerable variations in price growth across different regions. This is in line with our findings that there has not been a consistent change in trend in prices across all funeral directors in recent years.

## Comparison of SunLife prices with data provided by Co-op, Dignity, and Beyond

169. We compared the average professional fees for Co-op and Dignity branches in the SunLife sample to the closest equivalent figure within the data provided to us by Co-op and Dignity, respectively, for every year in which it was possible to make a direct comparison.<sup>89</sup>
170. Co-op provided us with data on its price bands in each year and the number of funeral homes at each price band. We calculated a single weighted average for each year (2012–2019), for a standard-style funeral package comprising professional fees, supplementary fees,<sup>90</sup> embalming, limousine and coffin, with weights based on the number of funeral homes at each price band. The comparison of this weighted average with the average price within the SunLife data is shown in Figure 24.

**Figure 24: Co-op's average prices: comparison of SunLife vs. Co-op data**



Source: CMA Analysis of SunLife data and Co-op data (nominal values).

Notes:

(1) Data from SunLife are simple averages (unweighted mean) for all Co-op branches included in sample for that year. From Co-op's data, the CMA calculated a single weighted average for each year, for a standard-style funeral package comprising professional fees, supplementary fees, embalming, limousine and coffin, with weights based on the number of funeral homes at each price band. Co-op's average price for 2019 is assumed to be the same as in 2018, as Co-op has stated that it has maintained the standard funeral prices since May 2017. This does not account for any movements of branches between price bands. Co-op provided two sets of prices for 2017 (1 January and 25 May). We have used the 25 May price of £3,171 (as it was closer to the midpoint in time between the preceding year, 1 January 2016, and the following year, 1 September 2018); the January price is £2,870.

(2) The price of Co-op's standard funeral includes changes in the price of its Professional & Supplementary Services, its lowest-priced coffin, embalming and one limousine. This is what constitutes a 'Traditional Funeral' according to Co-op.

<sup>89</sup> Dignity provided us with data on average revenue per funeral on a monthly basis between January 2010 and October 2019. We calculated a simple average for each calendar year (2010–2019).

<sup>90</sup> 'Supplementary' fees refer to those pertaining to the following services: Bringing the deceased into our care; Preparation and presentation of the deceased; Provision of a hearse; and Necessary staff to conduct the funeral.



171. Figure 24 shows that over the eight-year period 2012 to 2019, SunLife's (unweighted) averages are higher than Co-op's in three years and lower in five years. In all but three years, the difference is less than 5%. The largest differences are in 2012, for which SunLife's average is 6.4% (£150) higher than Co-op's; in 2017, for which SunLife's average is 5.6% (£160) lower than Co-op's; and in 2018, for which SunLife's average is 6.0% (£191) lower than Co-op's; see Figure 24. On average across this period, SunLife's average annual prices were 0.8% (£33) lower than Co-op's. The CAGR from SunLife's data was 3.0%, compared to 4.5% from Co-op's figures.

172. Table 27 compares the distribution of Co-op branches in the SunLife dataset with the distribution of SunLife branches in each of their price bands.<sup>91</sup>

**Table 27: Proportion of Co-op funeral homes at each £100 price increment, comparison of Co-op vs. Sunlife data, selected years**

Price category	2012		2013		2016		2017		2018	
	Co-op data	Sunlife data	Co-op data	Sunlife data	Co-op data	Sunlife data	Co-op data	Sunlife data	Co-op data	Sunlife data
£2,000-£2,099	2%									
£2,100-£2,199	7%		2%							17%
£2,200-£2,299	29%		1%							
£2,300-£2,399	30%	50%	34%							
£2,400-£2,499	16%		30%	56%						
£2,500-£2,599	13%	25%	17%		3%	11%				
£2,600-£2,699	2%	13%	15%	33%	20%					
£2,700-£2,799		13%	0%	11%	16%					
£2,800-£2,899			2%		48%	44%	2%	29%	2%	
£2,900-£2,999						33%		43%		
£3,000-£3,099					13%		28%		27%	17%
£3,100-£3,199						11%	30%		31%	33%
£3,200-£3,299							28%	29%	27%	33%
£3,300-£3,399										
£3,400-£3,499							12%		13%	

Source: CMA analysis of SunLife data and Co-op data

Note: Price categories with frequencies of less than 1% have been omitted (pertains only to a small number of values in 2012 and 2013). Distributional data for 2014 and 2015 are not available.

173. Table 27 shows that the branches included in the SunLife sample cover a relevant range of price bands, at frequencies that are broadly in line with the national Co-op data. Overall across this period, the price categories into which the largest proportions of funeral homes fall based on the Co-op data are similar to the price categories into which the largest proportions of branches fall based on the SunLife data.

174. Dignity provided the average revenue per standard funeral per month for January 2010 to October 2019. We calculated the average revenue per funeral, which is compared with the SunLife average price in Figure 25. We

<sup>91</sup> We were not able to do the same for Dignity due to lack of data.

note that these two measures are not exactly the same; however, the average revenue per funeral is the closest proxy for Dignity's standard prices across its business which is available in this case, and we consider this is still a useful comparison to make despite the differences.

**Figure 25: Dignity's average revenue per funeral: comparison of SunLife prices vs. Dignity ARF data**

[X]

Source: CMA Analysis of SunLife data and Dignity data (nominal values).

Note: Data from SunLife are simple averages (unweighted mean) for all Dignity branches included in sample for that year. From Dignity's monthly data on Standard funeral prices, the CMA calculated a simple average for each calendar year.

175. The SunLife average price is lower than Dignity's average revenue per funeral in seven of ten years analysed. The largest difference in the positive direction (ie where SunLife's price is larger than Dignity's ARF) is in 2012, for which SunLife's average is [X] (£[X]) higher than Dignity's. In the negative direction, the largest differences are in 2013 ([X]%, £[X]), 2014 ([X]%, £[X]), 2015 ([X]%, £[X]), and 2016 ([X]%, £[X]). On average across this period, SunLife's figures were [X]% (£[X]) lower than Dignity's. The respective CAGRs for this period are not materially different: 5.2% (SunLife) and [X]% (Dignity).
176. We were not able to collect pricing data directly from a large sample of smaller funeral directors but can compare the distribution of prices for 'independent and other' funeral directors (ie all branches not part of Co-op or Dignity) in the SunLife dataset to the distribution of prices from the 'Beyond' price comparison website for the years 2016 to 2019 (earlier data is not available from Beyond), which is the best available proxy.<sup>92</sup>

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<sup>92</sup> The price level for Beyond should be considered a lower bound estimate of the average standard price because lower-priced funeral directors have a greater incentive to list themselves on a price comparison website and embalming may not be included in professional fees.

**Table 28: Price distributions for independent and other funeral directors from SunLife data vs. Beyond website data, 2016–2019**

		2016	2017	2018	2019
<b>Number of observations</b>	<b>SunLife</b>	73	72	67	64
	<b>Beyond</b>	88	88	88	88
<b>Mean</b>	<b>SunLife</b>	£2,161	£2,094	£2,158	£2,254
	<b>Beyond</b>	£1,893	£1,910	£1,954	£1,987
<b>Median</b>	<b>SunLife</b>	£2,100	£2,030	£2,090	£2,243
	<b>Beyond</b>	£1,810	£1,926	£1,945	£1,957
<b>25<sup>th</sup> percentile</b>	<b>SunLife</b>	£1,830	£1,665	£1,705	£1,875
	<b>Beyond</b>	£1,590	£1,477	£1,497	£1,590
<b>75<sup>th</sup> percentile</b>	<b>SunLife</b>	£2,440	£2,460	£2,475	£2,528
	<b>Beyond</b>	£2,265	£2,338	£2,350	£2,368
<b>Min</b>	<b>SunLife</b>	£1,275	£1,000	£1,265	£1,195
	<b>Beyond</b>	£988	£1,005	£746	£950
<b>Max</b>	<b>SunLife</b>	£3,601	£3,285	£3,685	£3,825
	<b>Beyond</b>	£3,650	£3,168	£2,989	£2,989
<b>Standard Deviation</b>	<b>SunLife</b>	£474	£533	£542	£552
	<b>Beyond</b>	£511	£513	£508	£493
<b>IQR</b>	<b>SunLife</b>	£610	£795	£770	£653
	<b>Beyond</b>	£675	£861	£853	£778

Source: CMA Analysis of SunLife data and Beyond data (nominal values, unweighted).

Note: As noted within Appendix N, paragraph 63, the price level for Beyond should be considered a lower bound estimate of the average standard price.

177. Table 28 shows that the average price in the SunLife data is higher than the average in the Beyond dataset, but the two datasets show a broadly consistent level of price. Both the SunLife dataset and the Beyond dataset show that prices have been growing since 2017.
178. In our view, this analysis demonstrates that, whilst the SunLife data has limitations, there are no large or systematic differences between the price distributions for Co-op and ‘independent’ funeral directors from the SunLife data compared to the Co-op and Beyond data, and the SunLife data on Dignity prices is also largely in line with data on Dignity’s average revenue per funeral.

## Annex 2: Your Funeral Choice – Additional Analysis

Table 29: YFC Pricing data when not accounting for churn

Year	Mean Price	Sample size	25 <sup>th</sup> percentile	75 <sup>th</sup> percentile	Min	Max
2013	£2,064 (£2,324)	[ <del>3</del> ]	£1,795 (£2,021)	£2,203 (£2,480)	£850 (£957)	£2,760 (£3,108)
2014	£1,996 (£2,196)	[ <del>3</del> ]	£1,692 (£1,861)	£2,203 (£2,423)	£695 (£765)	£3,010 (£3,311)
2015	£1,969 (£2,145)	[ <del>3</del> ]	£1,673 (£1,823)	£2,179 (£2,374)	£695 (£757)	£3,083 (£3,359)
2016	£1,955 (£2,092)	[ <del>3</del> ]	£1,673 (£1,791)	£2,178 (£2,331)	£500 (£535)	£2,987 (£3,197)
2017	£1,915 (£1,979)	[ <del>3</del> ]	£1,695 (£1,752)	£2,075 (£2,144)	£500 (£517)	£3,120 (£3,224)
2018	£1,897 (£1,897)	[ <del>3</del> ]	£1,718 (£1,718)	£1,995 (£1,995)	£500 (£500)	£3,195 (£3,195)
2019	£1,856 (£1,810)	[ <del>3</del> ]	£1,615 (£1,575)	£1,995 (£1,945)	£620 (£605)	£3,150 (£3,071)
CAGR:						
2013–2019	-1.8% (-4.1%)					
2014–2018	-1.3% (-3.6%)					

Source: CMA analysis of Your Funeral Choice data

Note: The price in real terms are in brackets, using 2018 as the base year and adjusted for the Retail Price Index (RPI) sourced from [ONS](#).