

Appendix W - Remedies

Introduction

1. This appendix covers the remedies that we have considered in order to address the AECs and resulting detrimental effects that we have provisionally found, but that we have provisionally decided not to pursue. We judge that it is no longer reasonable and practicable to specify and implement these remedies in the short to medium term due to the impact that the Coronavirus (Covid-19) pandemic has had on the ability of the funerals sector to engage with our market investigation.
2. To address our concerns in relation to the high prices of funeral director and crematoria services, we have considered the following remedies:
 - (a) Information and transparency remedies.
 - (b) Local authority procurement of funeral director services.
 - (c) Price control regulation of funeral director services at the point of need.
 - (d) Price control regulation of crematoria service.
3. To address our concerns in relation to the back of house quality of funeral services, we have considered the establishment of a broad quality regulatory regime for funeral director services.

Information and transparency remedies

4. In this section, we set out the remedies we have identified to improve the availability and transparency of information on funeral services. Information transparency will help to improve the preparedness of customers ahead of, and at the point of, need so that they are able to make more informed choices regarding their funeral services purchase.
5. These remedies will be of assistance to some customers but, due to the stress and difficulty caused by a bereavement, many customers will, understandably, be unwilling or unable to engage with the funeral purchase decision and therefore unlikely to respond to any information or transparency interventions.
6. These remedies would involve:

- (a) making it easier for customers to assess and compare the prices and services offered by funeral directors and crematorium operators;
 - (b) improving customer awareness of funeral price and service information and funeral planning prior to the point of need;
 - (c) requiring funeral directors to disclose their relationships with coroners; and
 - (d) supporting customers if they choose to switch funeral director.
7. Some of these remedies are, to some extent, already covered in the existing voluntary standards and initiatives present in the sector, such as the codes of practice of [NAFD](#) and [SAIF](#).¹ However, these standards are voluntary and only apply to the members of the trade associations, whereas any remedies implemented by the CMA could be made mandatory and applicable to all funeral directors and crematorium operators.

Online platform

8. This remedy would require funeral directors and crematorium operators to work with a new or existing body, approved by the CMA, to develop an independent, online platform to support customers in their assessment and comparison of funeral services.

How the measure would address the provisional AEC and resulting customer detriment

9. The establishment of an independent, online platform would make it easier for customers to assess and compare the prices and quality of funeral services, and thus encourage some customers to shop around and procure the funeral services that best meet their needs and budget.

Remedy design issues

10. The key remedy design issues are:
- (a) the purpose of the platform;
 - (b) the type of information that should be displayed on the platform; and

¹ In addition, The FSCSR published [for consultation its draft Code of Practice for Funeral Directors](#) in January 2020.

- (c) how the platform should operate to be effective when assisting customers in the assessment and comparison of funeral services.

Purpose of platform

11. We have received conflicting views on the purpose of the platform. Some parties told us that the platform should be an information tool. Other parties told us that the platform should operate in a similar manner to price comparison websites (PCWs) in another markets, such as energy or insurance.
12. We think that the platform could evolve to eventually operate as a PCW, where customers can compare and assess providers, configure funeral services to meet their needs and budget and purchase those services if they wish to. However, there are a number of operational challenges with establishing this type of platform for the funerals sector.
13. In the short to medium term, the platform could be established to serve as a key information resource for customers prior to or at the point of need. The platform could provide customers with information about funeral services and providers in their local area, and customers could use this information to prepare themselves for the arrangement meeting with their chosen funeral director. The platform could also be used by the funeral director during the course of the arrangement meeting to help customers consider their options and choose the funeral services that best meets their needs and budget. We do not think that the platform, at this stage, would enable customers to purchase funeral services – this could be done via other sales channels offered by their chosen funeral director and/or crematorium operator.
14. To enable the platform to perform this function effectively, we think that it should be independent of funeral directors and crematorium operators; not be run for profit; and be accessible on all devices and operating systems.
15. In the longer term, the platform could be developed into a fully functional PCW, which would enable customers to purchase funeral services.

Information on platform

16. The platform could display price and service quality information to enable customers to make a comprehensive assessment and comparison of funeral services and providers. The platform could also provide general advice on funeral planning.

17. We outline below the type of price and service information that we think would help customers in selecting the provider and funeral services that best meets their needs and budget.

- *Price information*

18. The platform could display the price information that we intend to require funeral directors and crematorium operators to make available to customers at their premises and on their websites (if available) as part of our proposed remedies package.

19. A number of parties raised concerns regarding the inclusion of third-party costs and crematoria availability on the platform.

20. Inclusion of third-party costs in the platform would provide customers with, as much as possible of, the final price that they are likely to pay for their chosen funeral package. As the short to medium term function of the platform is to act as an information resource to customers, an estimate or range for third party price would likely be sufficient. In the longer term, when considering the development of the platform into a PCW, actual, real time prices would likely be necessary to enable customers to complete their purchase on the platform.

21. On crematoria availability, a number of parties raised concerns about the challenges of incorporating crematoria availability into the platform. In the short to medium term, when such a platform would be an information resource primarily to inform customers of prices, crematoria availability would not be necessary. Therefore, an approach such as outlined by Dignity, that the platform should display the different prices for different available crematoria slot options could provide sufficient information. In time, it would be necessary for the platform to evolve to provide for real time crematoria availability to be incorporated into the platform, if it was to operate as a PCW.

- *Service quality information*

22. The service quality information displayed on the platform could cover both the front of house and back of house standards of funeral directors and crematorium operators, in order to enable customers to conduct a holistic assessment and comparison of providers.

23. The information could include:

(a) standard of front of house and back of house premises, facilities and equipment;

(b) professional competence of staff;

- (c) care of the bereaved – this would likely reflect customer reviews or comments; and
 - (d) customer service (eg availability of staff/hours of business, parking facilities, public transport links, accessibility (for customers with disabilities) and website and marketing materials).
24. This information could either be provided to the body responsible for establishing and operating the platform or input directly into the platform by the provider, subject to verification of the accuracy of the information by the body responsible for establishing and operating the platform.
25. We think that service quality could be effectively displayed to customers via a rating or scoring system, which could be combined with the facility to allow customer comments, although any form of comment or review system would require monitoring to ensure that the comments/reviews are genuine.

Operation of platform

26. We explain below how we envisage the platform would work for those customers requiring information on funeral services.
27. For those customers requiring the services of a funeral director or crematorium operator, we envisage that they could enter their postcode (or the postcode of the deceased) to view all funeral directors and/or crematorium operators within a selected radius.
28. The customer could either select a common funeral package or configure their own package by adding or removing components from the available packages. The results could be displayed by a number of variables, such as distance, price or quality rating. The customer could then click on a specific funeral director or crematorium operator for further information, such as payment terms and customer reviews.
29. The platform could then either redirect the customer to the provider's website or provide them with contact details, so that the customer could obtain further information or arrange a meeting with their chosen provider.
30. To encourage customers to use the platform, we think that funeral directors should signpost the platform on their websites (if available) and at their premises.

Remedy implementation issues

31. We could establish a governance structure and standards to support the establishment of the platform or approve a structure and standards proposed by the body tasked with establishing and operating the platform. Although the CMA could retain oversight over the process to create the platform, we could approve a new or existing body to manage the project and supervise the operation of the platform once established. We think that the body should be independent of funeral directors and crematorium operators to ensure that the platform is an independent, impartial tool that is developed in the interests of customers.
32. We consider that the remedy would be most appropriately implemented by an Order. Under the Order, we would require funeral directors and crematorium operators to provide relevant information to a new or existing body, approved by the CMA, and which adheres to the governance structure and standards that we think are necessary to establish the platform. This would include providing all of the pricing and service quality information that is necessary to populate the platform.
33. A number of parties expressed concerns about the likely cost of the platform. We accept that the establishment of a PCW (in the longer term) would likely to be costly. However, we think that the cost of the establishment of the platform as an informational tool would be significantly lower, as much of the information required to populate the platform is already available. Further, any costs related to the governance of the project to create the platform would be limited, provided that funeral directors and crematorium operators adhere to the requirements of the Order and the governance framework established by the body appointed by the CMA to run the project. The cost of establishing the platform could be met by funeral directors and crematorium operators.

Improving customer awareness of funeral price and service information and encouraging funeral planning prior to the point of need

34. This remedy would require a recommendation to government to:
 - (a) develop and disseminate guidance on funeral planning to customers through the use of trusted intermediaries at times when customers are more likely to be receptive to information about funerals; and
 - (b) include death and bereavement on the National Curriculum.

How the measure would address the provisional AEC and resulting customer detriment

35. By improving customer awareness of funeral price and service information and funeral planning, and using the proposed online platform as a trusted source of information, we think that some customers would be more likely to consider funeral planning prior to the point of need and be better prepared to assess and compare the prices and services offered by funeral directors and crematorium operators at the point of need. This would result in some customers being somewhat more likely to choose the provider and services that best meets their needs and budget.
36. The dissemination of guidance to specific groups of customers by trusted intermediaries at specific points in time when they are more likely to be receptive to information about funerals would help increase awareness of funeral planning amongst customers. As well as making it easier for customers to purchase funeral services that better meets their needs and budget, an increase in funeral planning prior to the point of need could reduce stress and anxiety at the point of need, as the bereaved would be better prepared to arrange the funeral for the deceased.
37. In addition, the inclusion of death and bereavement in the National Curriculum would help to encourage more open and earlier conversations about death, bereavement and funerals in society, thus further increasing the likelihood of customers engaging in funeral planning prior to the point of need.
38. Raising awareness of funeral planning and encouraging funeral planning prior to the point of need could result in more customers considering and purchasing pre-paid funeral plans. Although pre-paid plans are outside the scope of our investigation, we think that the guidance on funeral planning could include information on pre-paid funeral plans so that customers have the necessary information prior to considering and purchasing such plans.²

Remedy design issues

39. The key remedy design issues are:

² The government recently investigated the pre-paid funerals plan market and decided to amend the regulatory framework which to bring funeral plan providers within the remit of the FCA. As a result of Coronavirus (Covid-19), the government now intends that the secondary legislation bringing funeral plan firms within the remit of the FCA will be laid before Parliament in the fourth quarter of 2020. The government will keep this under review as the crisis progresses.

- (a) what information should be included in the guidance to be disseminated to customers;
- (b) who is best placed to develop the guidance; and
- (c) how and when should the guidance be disseminated to customers.

What information should be included in the guidance?

40. The guidance on funeral planning could include the following information:
- (a) An overview of the funeral process, from death to final arrangements regarding burial or the scattering of ashes, including:
 - (i) distinguishing between the essential aspects of a funeral and those that can be included at the discretion of the customer; and
 - (ii) an explanation of the circumstances where customers can switch funeral director.
 - (b) An explanation of the different types of funeral and crematoria services. This should include new and emerging services and information on pre-paid funeral plans.
 - (c) A checklist of questions or key requirements that customers may wish to ask/cover during their arrangement meeting with the funeral director.
 - (d) Price and service information on local funeral directors and crematorium operators, including payment terms.
 - (e) Financial and bereavement support available for customers.
 - (f) Information on the proposed online platform.
41. The guidance could be provided to individuals in paper form and also published on the websites of trusted intermediaries, funeral directors, crematorium operators, trade associations and customer groups.

Who is best placed to develop the guidance?

42. A body such as the Care Quality Commission (CQC), working in collaboration with equivalent agencies in Scotland, Wales and Northern Ireland,³ could develop the guidance on funeral planning.
43. The CQC inspects and rates end of life care services in hospitals, community health services and hospices, and assesses quality of end of life care in other settings, including care homes and GP practices. Amongst many other factors, the CQC seeks to address how individuals who may be approaching the end of their life are supported to make informed choices about their care, and the CQC also examines whether those individual's decisions are documented and delivered through personalised advanced care plans.⁴ The CQC does not, however, currently focus specifically on supporting people with funeral planning or making funeral choices.
44. Further, the CQC's [sector specific guidance for hospices for adults](#) assesses whether those close to the patient are offered information on how to access bereavement support; whether staff have an understanding of the practical arrangements needed after the death of a family member; and whether people's spiritual, religious, psychological, emotional and social needs are taken into account. It also assesses whether the service provider ensures that care after death includes preparing the body for transfer to the mortuary or funeral director's premises.

How and when should the guidance should be disseminated to customers?

45. There are key points in time at which customers may be more receptive to receiving guidance on funeral planning and that there are appropriate intermediaries to provide this guidance at those times, including:

³ The CQC is an executive non-departmental public body of the Department of Health and Social Care. It was established in 2009 to regulate and inspect health and social care services in England. The Regulation and Quality Improvement Authority, the Care Inspectorate and the Care Inspectorate Wales perform similar functions in Northern Ireland, Scotland and Wales respectively.

⁴ The CQC's assessment framework: [key lines of enquiry, prompts and ratings characteristics for healthcare care services assesses how acute and community health service patients who may be approaching the end of their life are supported to make informed choices about their care](#). The CQC's [acute core service – end of life care framework](#) assesses what emotional support and information is provided to those close to people who use services and whether people are given the opportunity to create an advance care plan. This is underpinned by the [Bereavement Care Service Standards](#), a professional standard developed by Cruse and the Bereavement Services Association, which provides a practical tool against which to benchmark what services such as hospitals and hospices offer. The standards set the criteria for what clients and carers can expect from bereavement care services.

- (a) when an individual enters a care home or hospice (the intermediary will likely be the care home/hospice manager or another appropriate member of staff);
 - (b) when death is anticipated (GP or other medical professional);
 - (c) when death has just occurred (funeral director, coroner and registrar);
 - (d) when an individual purchases a pre-paid funeral plan (pre-paid funeral plan provider);
 - (e) when an individual writes a will or engages in estate planning (solicitor or other legal services provider);
 - (f) when an individual becomes eligible for a state pension (government);
and
 - (g) opening a bank account or applying for another financial product, such as a loan or mortgage (bank or other financial services provider).
46. The guidance could also be disseminated and publicised by funeral directors, crematorium operators, trade associations, consumer groups (eg Citizens Advice), charities (eg Age UK, Compassion in Dying) and local authorities.

Remedy implementation issues

47. The development of guidance on funeral planning by the CQC (and equivalent bodies in Scotland, Wales and Northern Ireland), the dissemination of this guidance by trusted intermediaries, and the inclusion of death and bereavement on the National Curriculum would require a recommendation to government. This could require separate recommendations to the UK government and the devolved administrations in Northern Ireland, Scotland and Wales, because funeral services, burial and cremation are matters that are devolved to Northern Ireland, Scotland and Wales and within the legislative competence of their respective parliament and assemblies.⁵ The devolution of powers in this area is reflected, in Scotland, by the development of burials and cremations policy by the Scottish government and the enactment of related legislation by the Scottish Parliament. The Welsh government and Northern Ireland Executive have not, to date, taken forward comparable policy and legislative activity, although this remains a possibility in

⁵ Funeral services are not reserved matters pursuant to Schedule 5 to the Scotland Act 1998 or Schedule 7A to the Government of Wales Act 2006 (as amended by the Wales Act 2017) and are not excepted or reserved matters pursuant to Schedules 2 or 3 to the Northern Ireland Act 1998.

the future. The timescale for implementing the remedy would be a matter for the UK government and the relevant devolved administrations.

48. We think that the cost of developing guidance on funeral planning would be low, as much of the information is publicly available. While there may be a greater cost associated with disseminating the guidance, we think this risk could be mitigated by encouraging customers (where possible) to access an online version of the guidance, as this would limit the volume of paper versions that require printing and circulating.

Disclosure of coroner's contracts

49. This remedy would require funeral directors to disclose to customers where they have a contract with a coroner for the collection of the deceased from the place of death and transportation to the mortuary (ie coroner's removal) and/or transfer of the deceased to and from local hospitals or alternative mortuaries for post-mortem examination (ie coroners transfer).

How the measures would address the provisional AEC and resulting customer detriment

50. The disclosure of a funeral director's relationship with a coroner would seek to address key barriers to switching arising from the arrangement between the funeral director and the coroner, whereby the bereaved would have limited incentive to switch funeral director once the contracted funeral director had collected the deceased. By disclosing the relationship to the customer and explain that the customer can switch funeral director, this would encourage switching where the original funeral director does not meet the needs or budget of the customer.

Remedy design issues

51. The key remedy design issue is how the relationship between the funeral director and the coroner should be disclosed to customers.
52. Where a coroner is involved after death, funeral directors should physically hand over to the bereaved a notice setting out, in a prescribed form:
 - (a) The name of the contracting authority;
 - (b) the period over which the contract runs;
 - (c) a clear and prominent statement that individuals have the right to choose another funeral director and should not incur any charge for doing so; and

(d) the funeral business's name and contact details.

53. This information should also be displayed clearly and prominently at the funeral director's premises and on their website (if available).

Remedy implementation issues

54. We consider that an order would be the most appropriate method of implementation.
55. We think that this remedy would impose minimum additional costs on funeral directors and crematorium operators, particularly those providers who already operate on a transparent basis.

Supporting customers who choose to switch funeral directors

56. This remedy would require funeral directors to inform customers of:
- (a) Their right to switch funeral director, specifically that they would not be required to retain the funeral director that collects, transports and stores the deceased at their premises; and
 - (b) the fees that they would be charged if they choose to switch funeral director – these fees should reflect the costs that the original funeral director had incurred prior to the switch, which should primarily be for the collection, transportation and storage of the deceased.
57. This information would be provided to customers before or during the arrangement meeting and before any payment was made by the customer to secure the services of the funeral director.

How the measures would address the provisional AEC and resulting customer detriment

58. The information and transparency remedies described above would be intended to encourage more customers to assess and compare funeral directors. We think this may be particularly relevant where the customer had not chosen the original funeral director. Under these circumstances, there is a risk that the original funeral director could levy a high fee for the services they have provided to the customer prior to the switch (eg the collection, transportation and storage of the deceased) to discourage the customer from switching funeral directors.
59. By requiring funeral directors to inform customers of their right to switch funeral directors and ensuring that any fees charged by the original funeral

director reflect the costs that they have incurred in providing services to the customer prior to the switch, this would support customers in switching funeral director if they find a funeral director that better meets their needs and budget.

Remedy design issues

60. The key remedy design issues are:

- (a) what information to provide to customers; and
- (b) when and how to provide this information to customers.

What information should be provided to customers?

61. We think that funeral directors should inform customers of their right to switch funeral director, specifically that they are not required to retain the funeral director that collects, transports and stores the deceased at their premises.

62. Funeral directors should also inform customers of the fees that they will be charged if they choose to switch funeral director – these fees should reflect the costs that the original funeral director has incurred prior to the switch, which should primarily be for the collection, transportation and storage of the deceased. Where the funeral director is unable to provide a precise fee, as they are unsure of how long they will be required to store the body, they should provide the customer with the actual fees for the collection and transport of the deceased and an average daily fee for the storage of the deceased.

When and how should this information be provided to customers?

63. This information should be provided to customers as early as possible, so that customers have sufficient time to consider their options and switch funeral director if appropriate. We do not think it would be appropriate to require funeral directors to provide this information to customers at the first point of contact (eg when the funeral director collects the deceased or first meets the bereaved). However, it is important that this information is provided before or during the arrangement meeting and certainly before any payment is made by the customer to secure the services of the funeral director.

64. This information could form part of the information that is provided by funeral directors to customers prior to or during the arrangement meeting, and in any event, funeral directors would be required to provide the information is provided to customers before customers engage their services.

Remedy implementation issues

65. We consider that an Order would be the most appropriate method of implementation. We think that the provision of additional information on switching to customers would impose minimum additional costs on funeral directors.

Local authority procurement of funeral director services

66. This remedy would comprise a recommendation to local authorities to tender for funeral director services, in order to provide their residents with access to funeral services at a pre-agreed fixed rate, which is below the typical local price.

How the remedy would address the AEC and resulting customer detriment

67. A number of local authorities across the UK operate arrangements to give local residents access to funeral services at a pre-agreed fixed rate, below the typical local price. Under such schemes, the local authority does not itself provide the funeral services. The funeral services are provided to the bereaved by a funeral director, normally on terms, and at a price, agreed with the local authority through a tendering or appointment process. As a consequence, there is generally a contract for each individual funeral between the bereaved and the funeral director.^{6 7}
68. The recommendation to local authorities to tender for funeral director services would mitigate, to some extent, the adverse effects of weak customer engagement that we have provisionally found due to factors, such as emotional distress, unfamiliarity with the funeral arranging process and time pressure. This remedy would, to some degree, ease these limitations on choice, because local authorities, in their procurement activity, are not subject

⁶ Nottingham and Cardiff have operated resident schemes since the mid-1990s; others are a more recent response to concerns about funeral poverty. The 'Respectful Funeral Service' branding and approach appears to be expanding in availability across a number of Scottish local authorities. We are aware of schemes in East Ayrshire, Dundee, West Lothian and Renfrewshire. East Ayrshire Council has previously publicly commented on the successful introduction of its scheme ([East Ayrshire press release](#)). A number of local authorities told us that they were actively considering whether, and how, to introduce such a scheme in future.

⁷ Existing local authority schemes take differing approaches to product specification and the services which are made available to customers. In some (for example the Nottingham scheme), the product specified is a more comprehensive funeral package than the large funeral directors' 'simple' funerals products, in particular with respect to options for viewing the deceased and the inclusion of a limousine. Some other local authority schemes appear to involve a narrower product specification. Approaches taken by local authorities to appointing providers also vary, between tendering: for (a) the appointment of a single chosen provider; and (b) the appointment to a panel of a number of 'partners' who agree to provide the specified service, at prices which may differ between each partner. In these cases, the customer ultimately chooses which funeral director to use from amongst the 'partners' on the panel.

to the demand-side features which typically limit customer engagement when purchasing an at-need funeral.

69. To the extent that local authorities are effective in generating rivalry for the tenders they offer, this remedy could supplement competition ‘in the market’ with a degree of competition ‘for the market’, reflecting local cost and demand conditions. The remedy might also give funeral directors some added predictability as to the volume of business which they can expect in a particular area. To the extent that, by winning a local authority tender, funeral directors have the prospect of carrying out higher and more predictable volumes of funerals, this may result in lower (average) costs and may help reduce the prices which they agree with the local authorities, and ultimately charge to customers.

Remedy design issues

70. The Coronavirus (COVID-19) pandemic has limited our ability to develop this remedy, as to do so would require extensive engagement with Local Authorities, who currently do not have the capacity to engage with us due to the challenges they face in dealing with the pandemic.
71. The types of remedy design issues that we would need to consider include:
- (a) The detailed tender design and process;
 - (b) the scope of funeral services to be provided under such a scheme, including major disbursements, such as cremation or burial costs;
 - (c) whether to appoint one funeral director for each scheme or a panel of funeral directors;
 - (d) the requirements of the contractor(s) in terms of availability, facilities, processes and experience;
 - (e) the appropriate nature and level of marketing activity, including whether appointed providers should be required to commit to a level of marketing spend or activity, and/or the role of local registrars and local authorities in raising awareness of the schemes;
 - (f) competitive neutrality between local authority and private crematoria;
 - (g) how the administration of such schemes might be funded; and
 - (h) how the availability and nature of local authority schemes would interact with elements of the CMA’s possible transparency and information remedies.

72. Further, in relation to remedy design, parties told us that:
- (a) the remedy may be less effective if smaller funeral directors found it difficult to participate in the tendering process due to any costs or complexity involved;
 - (b) take-up of the scheme by residents could be affected by a perceived stigma attached to 'Council funerals', and that therefore appropriate marketing would be important;
 - (c) if residents' schemes diverted funeral volumes away from non-appointed funeral directors, this could cause exit or cause prices to be increased to counteract lower volumes; and
 - (d) in designing their schemes, local authorities could explicitly favour and promote the use of their own crematoria.

Remedy implementation issues

73. We considered that the remedy could be implemented by:
- (a) a recommendation to local authorities (or to government, who then instructs local authorities to tender for funeral director services); or
 - (b) the CMA requiring, by order, local authorities to tender for funeral director services.
74. We considered that implementation of the remedy through a recommendation to local authorities (or to government) was more appropriate than an Order, as this would enable local authorities to implement the scheme in a manner that takes account of local demand and supply conditions.
75. We recognise that a recommendation to local authorities (or to government) leaves discretion for the recipient in terms of whether and how they may choose to follow it. While this has potential benefits in terms of flexibility and responsiveness to local conditions, it also means that the provision of the services to end customers, and the associated customer benefit, may be limited and/or patchy in coverage.
76. Based on existing schemes, we think that the incremental cost burden on local authorities in implementing tendering for local resident schemes is likely to be low, as it could be developed into local authorities' existing procurement functions.

Price control regulation of funeral director services and crematoria services

Price control regulation of funeral director services

77. The form of price control regulation that we have been considering would:
- (a) set a maximum price for a defined 'benchmark' package consisting of funeral products and services. Funeral directors would be required to make the 'benchmark' package available for sale, at any price up to the maximum cap level, and to ensure the benchmark package was actively marketed and promoted to its customers;
 - (b) require funeral directors to pass on the cost to customers of any intermediary services, such as cremation and burial fees, without a mark-up/profit margin added to those costs; and
 - (c) include compliance and reporting obligations for funeral directors, which would enable the CMA to monitor compliance with price control regulation.
78. In addition, we were anticipating that any such price control regulation would be accompanied by a recommendation to government for the establishment of a new regulatory body which would eventually assume responsibility for any price control regulation.

How the measure would address the provisional AEC and resulting customer detriment

79. We have provisionally found evidence of customer detriment in the form of high and increasing prices, well above the rate of inflation, over a sustained period and also returns (for a substantial proportion of the sector) above the level which one would expect to see in a well-functioning market. This points to a substantial and enduring detrimental effect on customers
80. We consider that there are adverse demand effects caused by the unique set of circumstances and intrinsic challenges that most people encounter when purchasing a funeral. We consider that this would limit the extent to which other remedies, such as increased information and transparency, could be expected to comprehensively address the AECs we have provisionally found. Our preliminary view is that price control regulation is likely to be both necessary and appropriate in order to directly and comprehensively address the harm associated with high funeral prices. The aim of price control

regulation would be to reset high prices closer to competitive levels and provide an ongoing restriction on future price increases.

Remedy design issues

81. There are a number of factors that we have considered with regard to the design of a price control remedy. Whilst we have progressed our thinking on some aspects of the price control design and methodology, there are a number of issues which would require further evidence and analysis, alongside additional review and consultation. The ability of the sector to engage with our investigation and to consult with us on these matters has been, and continues to be, severely limited by the impact of the Coronavirus (COVID-19) pandemic. There is also considerable uncertainty regarding the extent to which this may change during the remainder of our market investigation. This has, and continues to, pose a constraint on our ability to issue requests for information meaning that we were unable to collect recent pricing data, nor update our profitability analysis, both of which are necessary to assess and set the initial level of a maximum price.
82. Our current thinking is that price control regulation for funeral directors would:
- (a) apply to all providers of funeral director services in the United Kingdom (UK). However, we have also considered an approach which would limit the application of price control regulation to certain providers of funeral services;
 - (b) apply a maximum price to a defined 'benchmark' package of funeral products and services;
 - (c) be set by reference to available pricing data for comparable products and services provided across the UK and analysed against inflation and cost/profitability data;
 - (d) be set either for the UK as a whole, for each devolved nation or regionally; and
 - (e) include an obligation to pass intermediary costs (such as cremation or burial fees) onto customers without a mark-up/profit margin added to those costs.
83. We have considered how the maximum price level would be initially determined and adjusted over time (as necessary). We have evaluated different approaches to develop a methodology for setting the initial maximum price for the proposed benchmark package. Given the current circumstances and challenges presented by Coronavirus (COVID-19), we do not consider it

practicable to set an initial maximum price level at this time. However, in the absence of the Coronavirus (COVID-19) pressures on the sector, we consider that it would be feasible to determine an initial maximum price level for a benchmark package and that we could develop a viable methodology for this.

84. Parties commented upon the elements of the proposed benchmark package and whether certain products or services should be included or excluded from the package. Many parties told us that we would need to provide further detail with regard to the specification of the products and services in a benchmark package, for example time-based restrictions for some services or the type of coffin to be included in the package. Some parties commented upon the perceived risk of “over-specifying” the package which might result in customers paying for more products and services than perhaps they otherwise would have chosen or needed. Some parties also questioned whether the introduction of price control regulation would be a proportionate remedy and opined that other remedies might be able to address any AECs and resulting detrimental effects on customers. Finally, many parties submitted that price control regulation may cause unintended consequences in this sector.
85. We have considered all of the points raised, including and in particular, the risk of unintended consequences. Our preliminary view is that these risks are capable of being overcome through further analysis, consultation and detailed specification of the price control regulation, absent the challenges presented by Coronavirus (COVID-19).

Remedy implementation issues

86. We have considered the issues relating to the implementation, monitoring of compliance and enforcement of any price control regulation.
87. We anticipated that any price control regulation would initially be introduced by means of an Order because this would provide the most-timely solution to address the detrimental effects on customers of the AECs that we have provisionally found. Our preliminary view is that this could initially be for a period of five to seven years.
88. Given the enduring nature of the AECs and resulting consumer detriment, our current thinking is that it would be appropriate for a body tasked with regulating the funerals sector to assume responsibility for price control regulation over the medium term. This would include responsibility for setting or adjusting the maximum price level and the monitoring and enforcement of compliance.

89. Parties commented upon the perceived practical difficulties involved with implementing and monitoring compliance. In particular, some parties submitted that in a highly fragmented sector it would be challenging for the CMA, or a regulator, to ensure that all funeral directors were aware of the obligation to provide and promote a price-controlled benchmark package and for compliance to be monitored and enforced.
90. We have acknowledged that the dynamics of the funeral sector may present challenges, particularly in monitoring compliance. However, we have also considered how such risks could be addressed or mitigated. This includes, for example, the proposal for a regulatory body for the sector and a database of funeral directors held by a regulator that would be utilised when implementing price control regulation. In addition, we have considered whether simplified compliance reporting could be appropriate for some funeral directors.
91. Some parties submitted that the heterogeneity of funerals would mean that price regulation would be difficult to implement. We acknowledge that the products and services which comprise a funeral may vary from customer to customer. However, our preliminary view is that price regulation could be focused on the most commonly purchased funeral products and services and that the issues raised by parties can be addressed.
92. Our preliminary view is that the issues raised by parties can be addressed. We acknowledge that further consideration of these issues and mitigation of any potential risks is required. This cannot be progressed at this time due to the inability of the sector, and other stakeholders, to engage with our investigation at the present time. However, we consider that there is no evidence to suggest that:
- (a) an effective price regulation regime could not be designed and implemented; and
 - (b) any such regime would be disproportionate, given the consumer detriment in relation to high prices that we have provisionally found.
93. Therefore, we consider that, in the absence of the challenges presented by Coronavirus (COVID-19), it would be possible to implement price control regulation of funeral director services which would be both effective and proportionate.

Price control regulation of crematoria services

94. The form of price control regulation for crematoria that we have been considering would:

- (a) set a maximum price for a defined 'benchmark' package of cremation products and services. Crematoria would be required to make the 'benchmark' package available for sale, at any price up to the maximum cap level, and to ensure the benchmark package was actively marketed and promoted to its customers;
 - (b) be applicable to either all crematoria in the UK;, or alternatively, all private crematoria in the UK.
 - (c) include compliance and reporting obligations for crematoria which would enable the CMA to monitor compliance with price control regulation;
95. As with our considerations in relation to funeral directors, we were anticipating that any such price control regulation would be accompanied by a recommendation to government to establish a new regulatory body to eventually assume responsibility for any price control regulation.
96. We have also considered issuing additional guidance to Local Authorities regarding how they should interpret and implement their cost recovery obligation. We have also considered whether any such guidance should be accompanied by obligations on local authorities to ensure full transparency in their price setting decisions.

How the measure would address the provisional AEC and resulting customer detriment

97. We have provisionally found evidence of customer detriment in the form of high and increasing prices, well above the rate of inflation, over a sustained period and also returns (for a substantial proportion of the sector) above the level which one would expect to see in a well-functioning market. This points to a substantial and enduring detrimental effect on customers.
98. We consider that there are adverse demand effects caused by the unique set of circumstances and intrinsic challenges that most people encounter when purchasing a funeral. We consider that this would limit the extent to which other remedies, such as increased information and transparency, could be expected to comprehensively address the AECs we have provisionally found. Crematoria market concentration and evidence suggesting that the choice of crematoria is highly influenced by its location and proximity to the deceased or bereaved person/s, suggests that an information transparency remedy would be unlikely to fully address demand-side issues. Given this, our preliminary view is that price control regulation is likely to be both necessary and appropriate, in order to comprehensively address the harm associated with high prices for crematoria services. The aim of price control regulation would

be to reset high prices of more expensive operators closer to competitive levels and provide an ongoing restriction on future, above inflation, price increases. This would directly address the detriment arising from the AECs we have provisionally found.

99. Several parties suggested that a remedy which recommends that the government reforms planning regulation for new crematoria could, either partially or fully, remedy the competition concerns we have provisionally found. Whilst we consider that there are barriers to entry in the crematoria sector, our view is that there are economic barriers and also potentially planning barriers to new entrants. Our preliminary view is that reform of planning regulation will not directly and comprehensively address the customer detriment caused by high prices in some crematoria.

Remedy design issues

100. There are a number of factors that we have considered with regard to the design of price control regulation of crematoria services. Whilst we have progressed our thinking on some of these issues, there are a number of design, methodology and implementation decisions which require further evidence and analysis, alongside additional review and consultation. The ability of the sector to engage with our investigation and to consult with us on these matters has been, and continues to be, severely limited by the impact of the Coronavirus (COVID-19) pandemic. There is considerable uncertainty regarding the extent to which this may change during the remainder of our market investigation. This has, and continues to, pose a constraint on our ability to issue requests for information meaning that we were unable to collect recent pricing data, nor update our profitability analysis, both of which are necessary to assess and set the initial level of a maximum price.
101. Our current thinking is that the price control regulation for crematoria would:
- (a) Set a maximum price for a defined 'benchmark' package of products and services which would be offered and promoted by crematoria;
 - (b) apply to all crematoria in the UK or, subject to further analysis and consultation, only to all private crematoria in the UK. Any decision on this issue would require further external engagement;
 - (c) include a defined list of products and services;
 - (d) have a maximum price, which
 - (i) would be initially determined using pricing data from the sector and referenced to inflation, cost base and profitability data;

(ii) may be adjusted over the duration of its enforcement period; and

(iii) would be set either for the UK as a whole, for each devolved nation or regionally.

102. Parties commented on the elements of the proposed benchmark package and whether certain products or services should be included or excluded. Whilst there was broad agreement on some of the suggested products and services, there were also some suggestions for amendments, for example including the unattended scattering of ashes. There are also some further considerations required in regard to environmental surcharges and medical fees and whether these elements should be included in any benchmark package.
103. Parties had mixed views on the use of a benchmark package as the basis for setting a price control. Some parties stated that cremations were not a homogenous product and therefore a package of products and services could not be used as a basis for price regulation. Others felt that a benchmark package would be a suitable means of implementing price regulation in the sector. Other parties suggested that a direct or unattended cremation package of services would be preferable.
104. Some parties expressed concerns about whether the maximum price level would allow operators to achieve a normal rate of profit and how the maximum price level would take into account any variations in quality and associated capital investments
105. Parties expressed mixed views on the need for price regulation in the crematoria sector. There were some submissions that the rationale for price control regulation was stronger for crematoria than for funeral directors. Most private crematoria operators who responded were against the introduction of price control regulation and suggested that price regulation would not be a proportionate remedy to address any competition issues in the sector.
106. With regards to a recommendation to local authorities on their cost recovery obligations, some parties were of the view that this obligation was sufficient to restrict price increases for these operators. Other parties were of the view that local authorities were not currently acting upon this obligation and therefore any further guidance would not be effective. We consider that further detailed consideration and engagement with third parties would be needed in order to reach a view on the scope of any price control.
107. We have considered all of the points raised by parties. Our preliminary view is that the issues raised by parties can be addressed through further analysis, consultation and detailed specification of the price control regulation (absent the challenges presented by Coronavirus (COVID-19)).

108. We have considered how a maximum price level could be initially determined and adjusted over time (as necessary). We have evaluated different approaches to develop a methodology for setting the initial maximum price for the proposed benchmark package. Given the and challenges presented by Coronavirus (COVID-19), we do not consider it practicable to set an appropriate initial maximum price level at this time. However, in the absence of the Coronavirus (COVID-19) pressures on the sector, we consider that it would be feasible to determine an initial maximum price level for a benchmark package and that we could develop a viable methodology for this.

Remedy implementation issues

109. We have considered the issues relating to the implementation, monitoring of compliance and enforcement of any price control regulation for crematoria services.

110. We anticipate that any price control regulation would initially be introduced by means of an Order. Our preliminary thinking is that this could initially be for a period of five to seven years. In our view, this would provide the most-timely solution to address the detrimental effects of the AECs that we have provisionally found.

111. Given the enduring nature of the AECs and resulting consumer detriment, our preliminary thinking is that it would appropriate for a body tasked with regulating the funerals sector to assume responsibility for price control regulation in the medium term. This would include responsibility for setting or adjusting the maximum price level and the monitoring and enforcement of compliance.

112. Our preliminary view is that the issues raised by parties can be addressed. We acknowledge that further consideration of these issues and mitigation of any potential risks is required. This cannot be progressed at this time due to the inability of the sector, and other stakeholders, to engage with our investigation at the present time. However, we consider that there is no evidence to suggest that:

(a) an effective price regulation regime could not be designed and implemented; and

(b) any such regime would be disproportionate, given the consumer detriment in relation to high prices that we have provisionally found.

113. Therefore, we consider that, in the absence of the challenges presented by Coronavirus (COVID-19), it would be possible to implement price control

regulation of crematoria services which would be both effective and proportionate.

Quality regulation of funeral director services

114. We have provisionally decided to recommend to the UK government and the devolved administrations in Northern Ireland and Wales to establish in England, Northern Ireland and Wales a registration and inspection regime as a first step to the establishment of a broader regulatory regime for funeral director services.
115. In this section, we set out our view as to what that broader regulatory regime could entail if the UK government and relevant devolved administrations decide to expand the registration and inspection regime to form a broader regulatory regime.
116. The regime could include:
- (a) Clear requirements for funeral directors in the form of statutory minimum standards;
 - (b) effective monitoring and enforcement of standards through a statutory licensing and inspection regime;
 - (c) an appropriate body to monitor and enforce standards; and
 - (d) the collection and dissemination of information to customers on the quality of services provided by funeral directors.
117. The introduction of statutory minimum standards for back of house services could ensure that funeral directors deliver acceptable levels of service to customers. We note that there are existing codes of practice for those funeral directors who are members of either NAFD or SAIF,⁸ but these codes are voluntary, differ as between the two trade associations, and the membership does not cover the entire sector – we estimate that the membership of [NAFD](#) and [SAIF](#) together represents just over 75% of funeral directors,⁹ and we have received representations from many funeral directors strongly objecting to the involvement of the trade associations in any future regulatory regime.

⁸ The two main trade associations representing funeral directors, NAFD and SAIF, both set standards of service through their codes of practice.

⁹ Based on the overall numbers of funeral directors and branches in the UK estimated in an unpublished 2017 report, we estimate that between them, their membership represents just over 75% of funeral director branches (see [Funerals market study](#), paragraph 2.50).

118. The introduction of a statutory licensing and inspection scheme, whereby only those undertakings who are granted authority by a designated licensing body could operate as funeral directors, could help ensure that funeral directors deliver acceptable levels of service to customers. In addition, the designated licensing body could work closely with providers to resolve effectively any problems relating to service quality.
119. Customers could be further supported in their engagement with the funerals sector by the collection and dissemination of information to customers on the quality of services provided by funeral directors, in order to enable them to access and compare information on funeral directors' service quality. This information could be published on the websites, and displayed at the premises, of funeral directors, disseminated by trade associations and voluntary groups and used by intermediaries, such as PCWs. The broad dissemination of this information may also encourage funeral directors to improve their back of house standards beyond any statutory minimum standards, in order to preserve or improve their reputation amongst customers.

Scope of quality regulation

120. In order to determine the services provided by funeral directors (and the aspects of service quality) that could fall under the scope of a quality regulatory regime, we have considered:
- (a) the scope of the existing voluntary quality standards for funeral directors in the UK, specifically the codes of conduct of NAFD and SAIF, the accreditation scheme operated by the [Good Funeral Guide](#),¹⁰ and the [draft Code of Practice for funeral directors](#) published for consultation in January 2020 by the Funeral Service Customer Standards Review (FSCSR);¹¹
 - (b) the standards currently in place for hospital and public (local authority) mortuaries as well as other establishments where 'licensed activities' take place, in England, Wales and Northern Ireland¹² – the [Human Tissue Authority \(HTA\)](#), amongst other responsibilities, is a specialist regulator

¹⁰ The Good Funeral Guide is a not-for-profit social enterprise company dedicated to supporting, empowering and representing the interests of dying and bereaved people living in the UK.

¹¹ The FSCSR is an industry group consisting of NAFD, SAIF, some large and independent funeral directors, charities and bereavement groups and customer facing organisations, which was established in November 2018 to seek an industry-wide consensus around how to improve customer outcomes in the funeral directing sector.

¹² [Health Scotland](#) is responsible for these activities in Scotland.

for activities concerning the removal, storage, use and disposal of human organs, tissues and cells;

- (c) the relevant health and safety guidelines in place for funeral directors' premises in the UK – the [Health and Safety Executive \(HSE\)](#) provides guidance on [managing the risks of infection when handling the deceased](#);
- (d) the regulatory regime for the funerals sector in Scotland and proposals for its further development, including the [draft Code of Practice for Funeral Directors](#), published for consultation in June 2019;¹³ and
- (e) the scope of quality regulation of funeral directors in international markets.

121. We consider that the following back of house services provided by funeral directors could fall under the scope of the regime:

- (a) Collection and transport of the deceased.
- (b) Care, storage and preparation of the deceased.

122. In order to provide these services to an acceptable minimum level of quality, funeral directors will need to be able to demonstrate that they have:

- (a) suitable premises, facilities and equipment, including facilities for the storage and preparation of the deceased, having (or having access to) sufficient and appropriate refrigeration facilities, and (if embalming is to be carried out at the funeral directors' premises) access to embalming facilities;
- (b) appropriate education and training, including continued professional development (CPD), the necessary accredited technical education and/or training for relevant staff¹⁴ and management training for those with management responsibility;
- (c) appropriate governance processes and procedures to monitor quality standards, including suitable procedures to monitor premises, facilities and equipment and for the identification of the deceased; and
- (d) an appropriate complaint handling and consumer redress process to ensure that any incidences of funeral directors failing to meet the required

¹³ We note that the consultation on the draft Code closed on 20 September 2019 and the final Code may be different from the draft Code published for the purposes of consultation.

¹⁴ This could include education and/or training for funeral directors, as well as for other staff, such as funeral arrangers/administrators and funeral service operatives/assistants/drivers/bearers.

standards can be effectively resolved and the customer appropriately recompensed.

123. Table 1 below outlines the scope of the potential regime. The regulatory framework set out in the table is based on an outcomes-based regulatory model, because we think that a predominantly outcomes-based regulatory approach will better take account of the diversity of funeral directors and their varying service delivery models. Where we have considered existing regulations and standards, we have modified them so that our regulatory framework specifically addresses the concerns that we have identified to date and to avoid the creation of duplicative or overlapping regulation.

Table 1: Quality regulation of back of house standards

Back of house standard	Principle	Desired outcomes
Collection and transport of the deceased	The deceased is treated with respect and dignity at all times during the collection from their place of death and transport to the funeral director's premises	<ul style="list-style-type: none"> • Staff responsible for the collection and transport of the deceased are trained to do so in a manner that prioritises the respect and dignity of the deceased • Staff receive appropriate consent from the bereaved before collecting and transporting the deceased • The deceased and their possessions are appropriately protected/secured during collection and transport • Vehicles and equipment used for the collection and transport of the deceased are fit for purpose and regularly inspected • The funeral director has suitable procedures in place for the identification of the deceased
Care, storage and preparation of the deceased	The respect and dignity of the deceased is maintained at all times at the funeral directors' premises	<ul style="list-style-type: none"> • Care, storage and preparation of the deceased complies with the HSE's guidance on managing the risk of infection when handling the deceased • The funeral director has, or has access to, via a third party, sufficient, clean, secure and refrigerated storage facilities that reflects anticipated body storage requirements • The deceased are stored individually* • Storage capacity includes contingency arrangements for a temporary increase in storage requirements • The bereaved is informed of where the deceased is stored
Premises, facilities and equipment	All premises, facilities and equipment are suitable for ensuring that the respect and dignity of the deceased is maintained at all times at the funeral directors' premises	<p>Facility design</p> <ul style="list-style-type: none"> • Premises, facilities and equipment are secure and accessible by authorised persons only • Premises, facilities and equipment are clean, well maintained and regularly inspected • The funeral director has, or has access to, premises, facilities and equipment can accommodate all body types and care services offered by the funeral director <p>Embalming†</p>

Back of house standard	Principle	Desired outcomes
		<ul style="list-style-type: none"> • Embalmers employed or otherwise engaged by the funeral director are appropriately qualified (eg certified by the British Institute of Embalming (BIE)) • The funeral director has a separate area for embalming • Embalming facilities comply with HSE guidance on managing the risk of infection when handling the deceased and Control of Substances Hazardous to Health Regulations 2002
Education and training‡	All staff have the necessary training and/or education to enable them to carry out their duties with respect and dignity for the deceased	<ul style="list-style-type: none"> • Staff meet the necessary educational and technical requirements for their role • Staff regularly undertake the necessary training and other forms of CPD to maintain their professional competence
Governance processes and procedures	The funeral director's governance arrangements enable them to monitor and uphold back of house standards	<ul style="list-style-type: none"> • The funeral director has appropriate governance processes and procedures in place in respect of back of house standards, including for the identification and location of the deceased, tracking the deceased's personal effects, management of ashes, any arrangements with third parties and the education and training of staff • Where embalming takes place, the funeral director explains the procedure and obtains the customer's permission prior to the procedure taking place • The funeral director undertakes regular inspections to monitor and uphold back of house standards and resolves any issues identified during inspections effectively and promptly
Complaint handling and consumer redress	The funeral director's complaint handling and consumer redress process enables them to resolve any issues with back of house standards	<ul style="list-style-type: none"> • The funeral director has a complaint handling process in place which: <ul style="list-style-type: none"> ○ is easy to use and understand; ○ provides customers with a variety of methods to submit a complaint; ○ requires them to investigate and resolve complaints promptly and fairly and, if applicable, provide appropriate redress in a timely manner; ○ ensures that all staff dealing with complaints are appropriately trained; and ○ ensures that all information relating to the complaint handling process is available to customers. • The funeral director is a member of an independent ADR scheme

Source: CMA analysis.

* The individual storage of the deceased can take a variety of forms, including separate compartments, communal racking and individual trays. The guidance supporting the regulatory framework will explain to funeral directors how they can comply with this desired outcome.

† The requirements in relation to embalming are only intended to apply where the funeral director has embalming facilities at its premises.

‡ We think that education and training is necessary for the appropriate care of the deceased. However, we think that body tasked with registering and inspecting funeral directors should undertake a review of existing education and training provision available to funeral directors and consult with funeral directors before determining what education and training (if any) should be mandatory for funeral directors and their staff and how this will be delivered to them.

Effective monitoring and enforcement

124. In thinking about how to effectively monitor and enforce compliance with quality regulation, we have considered existing licensing and inspection schemes in the funerals sector in the UK and abroad, as well as similar schemes in other regulated sectors in the UK.
125. We think that the introduction of a statutory licensing and inspection scheme for funeral directors would be an effective method of ensuring that funeral directors deliver acceptable levels of service to customers.
126. A licensing scheme could include the following elements:
- (a) Licensing of both businesses and individuals.
- (i) A licensing scheme could initially apply to businesses (as is the case with the development of a licensing regime in Scotland). The scheme administrator may later decide to extend the licensing scheme to individuals. We note that the regulation of both businesses and individuals would be consistent with the regulatory activity of the CQC in the care homes sector, where, like the funerals sector, quality of care is also difficult for customers to observe or assess.¹
- (ii) For providers, licensing would likely be most effective at individual branch level, although there may be scope for regulation at an organisational level for larger providers (eg scrutinising the governance procedures and processes that are in place to monitor quality standards across all branches). Licence conditions could cover the key principles of our proposed regulatory framework (see Table 1).
- (iii) For certain individuals, such as funeral directors, it may be necessary for the licensing scheme to ensure that they have the necessary skills and experience to perform their role. The scheme may also extend to those within management (ie some form of 'fit and proper' test) to ensure that they are suitable for overseeing the work of others. For other members of staff, licensing may not be required, but it may be necessary for those individuals to undergo a criminal record check.

¹ The CQC regulates care homes, managers of care homes and members of staff with director level responsibility.

- (b) An application or registration process to enable the scheme administrator to assess whether a business or individual meets the necessary conditions to be granted a licence.
 - (c) A periodic licence renewal process to enable the scheme administrator to assess a business or individual's ongoing compliance with licence conditions.
 - (d) The use of announced and unannounced inspections to enable the scheme administrator to monitor and enforce compliance.
 - (e) A robust enforcement regime, including a range of sanctions, such as fines and suspension and revocation of a licence, available to the scheme administrator to enable it to effectively enforce compliance with licence conditions.
 - (f) Publicly available information on licensees, such as a register, to ensure that customers only engage the services of a licensed funeral director.
127. A licensing scheme would need to be phased in over an appropriate period of time to avoid placing an undue burden on funeral directors and the scheme administrator.
128. An inspection scheme could include the following elements:
- (a) Announced and unannounced inspections at regular intervals to assess a provider's compliance with licence conditions and other relevant regulation – the time between inspections could reflect the risk of non-compliance.
 - (b) An assessment of both premises, facilities and equipment and the processes and procedures in place to uphold quality standards.
 - (c) A clear mechanism for disseminating the information collected during the licensing registration and inspection processes to customers to increase customer knowledge of and engagement with the sector. This could be in the form of an inspection report, including a rating or score, which could be published on the inspector's website; displayed on the funeral director's website and premises; disseminated by trade associations and voluntary groups; and used by intermediaries, such as PCWs.

Service quality information

129. The collection and dissemination of information to customers on the quality of services provided by funeral directors should cover both front of house and

back of house standards to enable customers to conduct a holistic assessment and comparison of funeral directors.

130. For back of house standards, we think that the information could include those aspects of quality that could fall under the scope of a regulatory regime, as outlined in Table 1.
131. For front of house standards, we think that the information could include:
 - (a) standard of premises, facilities and equipment used during the funeral service;
 - (b) professional competence of staff, including their expertise in planning and delivering funeral services;
 - (c) care of the bereaved; and
 - (d) customer service (eg availability of staff/hours of business, parking facilities, public transport links, accessibility (for customers with disabilities) and website and marketing materials).
132. There are a number of possible ways to collect information on service quality:
 - (a) Funeral directors could independently collect information to demonstrate the quality of the services they provide to customers.
 - (b) Funeral directors could complete an independent periodic survey which covers key elements of service quality. For example, following its investigation into retail banking, the CMA requires current account providers to publish results from an independent survey covering a number of Core Service Quality Indicators on their websites, in branches and in promotional leaflets – the underlying data is also made available to third parties, such as PCWs and finance platforms, to enable comparison services and encourage customers to compare providers and shop around.²
 - (c) The information collected by the body tasked with registering and inspecting funeral directors could be used to support customers in assessing the quality of services provided by funeral directors.

² See [Retail banking market investigation. Final report](#), CMA, 9 August 2016, Figure 13.2.

133. We think that the body tasked with registering and inspecting funeral directors (once established) will be best placed to specify and collect information on service quality as part of its licensing and inspection activities.
134. Service quality information could be displayed on the websites and premises of funeral directors, as well as any other marketing information provided to customers, such as leaflets or brochures. Other key market participants, such as trade associations and customer groups, could also publish the information on their websites and other media.
135. As well as improving customer engagement, the publication of service quality information could also incentivise funeral directors to maintain or improve their standards, as the publication of information relating to quality standards could have a positive or adverse reputational impact on that provider. Therefore, the publication of service quality information may act as a mechanism for driving quality above and beyond the minimum legal standard establish under a quality regulatory regime.
136. The information to be published and assessed could include key performance indicators, potentially with target levels of performance, or customer satisfaction information, which could be limited to a score indicating overall satisfaction or willingness to recommend, or it might be developed to cover a range of separate areas of service. We are aware of existing scoring or rating systems operated by the CQC and the FSA, which aim to improve customer understanding and engagement by distilling a wide range of complex information into an easily digestible form.