

## **FUNERALS MARKET INVESTIGATION**

### **The Funerals Market Investigation Order 2021**

#### **Notice of making an Order under sections 138 and 161 of the Enterprise Act 2002, issued under section 165 of, and Schedule 10 to, the Enterprise Act 2002**

1. On 28 March 2019, the Competition and Markets Authority (CMA), in exercise of its powers under sections 131 and 133 of the Enterprise Act 2002 (the Act), made a market investigation reference (MIR) in relation to the supply of funerals and related goods and services in the United Kingdom (the Market Investigation).
2. On the same date, the CMA appointed from its panel a group of four independent members (the Inquiry Group) to conduct the Market Investigation and publish a final report (the Final Report). The Inquiry Group was required to decide whether any feature, or combination of features, of each relevant market prevents, restricts or distorts competition and thereby has an adverse effect on competition (AEC) and, if so, what action should be taken.
3. On 18 December 2020, the Inquiry Group published its [Final Report](#) on the Market Investigation in which it decided, in accordance with section 134 of the Act, that:
  - (a) there are features of the relevant markets which, individually and in any combination, prevent, restrict or distort competition in connection with the supply of funerals and related goods and services in the United Kingdom and therefore, there are AECs, within the meaning of section 134(2) of the Act;
  - (b) the CMA should take action to remedy, mitigate or prevent the AECs and resulting detrimental effects;
  - (c) in order to address the AECs and resulting customer detriment, an integrated package of remedies should be imposed consisting of:

- (i) a requirement on all funeral directors and crematorium operators to disclose certain price information to customers;
- (ii) a requirement on crematorium operators to disclose certain price information to funeral directors in the local area and other funeral directors upon request;
- (iii) a requirement on all funeral directors to disclose particular business, financial and commercial information to customers;
- (iv) a prohibition on all funeral directors from:
  - 1. entering into or conducting certain arrangements with a hospital, hospice, care home or other similar institution which could reasonably be understood to encourage, incentivise or require the institution to refer customers to the funeral director or give that funeral director preference over other funeral directors; and
  - 2. soliciting for business through coroner and police contracts.
- (v) a recommendation to the UK government and the devolved administrations in Northern Ireland and Wales to establish in England, Northern Ireland and Wales an inspection and registration regime to monitor the quality of funeral director services, as a first step in the establishment of a broader regulatory regime for funeral services in these nations;
- (vi) a recommendation to the CMA Board to:
  - 1. actively monitor market outcomes in the funerals sector, in order to identify and, where possible, address any harmful behaviour;
  - 2. publish an annual review of market outcomes in the funerals sector; and
  - 3. consider at the earliest opportunity, when the impact and consequences of COVID-19 on the funerals sector are sufficiently understood and the sector is more stable, whether to consult on a future MIR; and
- (vii) to assist the CMA in monitoring the funerals sector, a requirement on some funeral directors and all crematorium operators to provide the

CMA with specific price and volume information on the goods and services that they provide to customers.

4. The CMA's package of remedies is implemented by:
  - (a) the Funerals Market Investigation Order 2021 (the Order) attached to this Notice; and
  - (b) recommendations it has made in the Final Report to the UK government and the devolved administrations in Northern Ireland and Wales, and the CMA Board.
5. On 15 April 2021, the CMA published a notice of intention to make the Order.
6. The CMA received 113 responses to its notice of 15 April 2021, non-confidential versions of which will be published or summarised on the CMA website,<sup>1</sup> and has considered carefully all representations it has received. In light of those representations, the CMA has made some modifications to the proposed Order it consulted on. The CMA considers that the modifications are not material in any respect and has decided, in accordance with paragraph 5 of Schedule 10 to the Act, that the Order, as modified, does not require any further consultation.
7. The CMA now gives notice of the making of the attached Order. The Order is made in accordance with section 138 and in exercise of the powers conferred by section 161 of and Schedule 8 to the Act.
8. This Notice, the Order and Explanatory Note accompanying the Order, which provides an explanation of how the Order is expected to operate, will be published on the CMA website.

Martin Coleman  
Inquiry Group Chair  
16 June 2021

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<sup>1</sup> <https://www.gov.uk/cma-cases/funerals-market-study>.