

Funerals market

Review of market outcomes

9 February 2024

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1. Summary

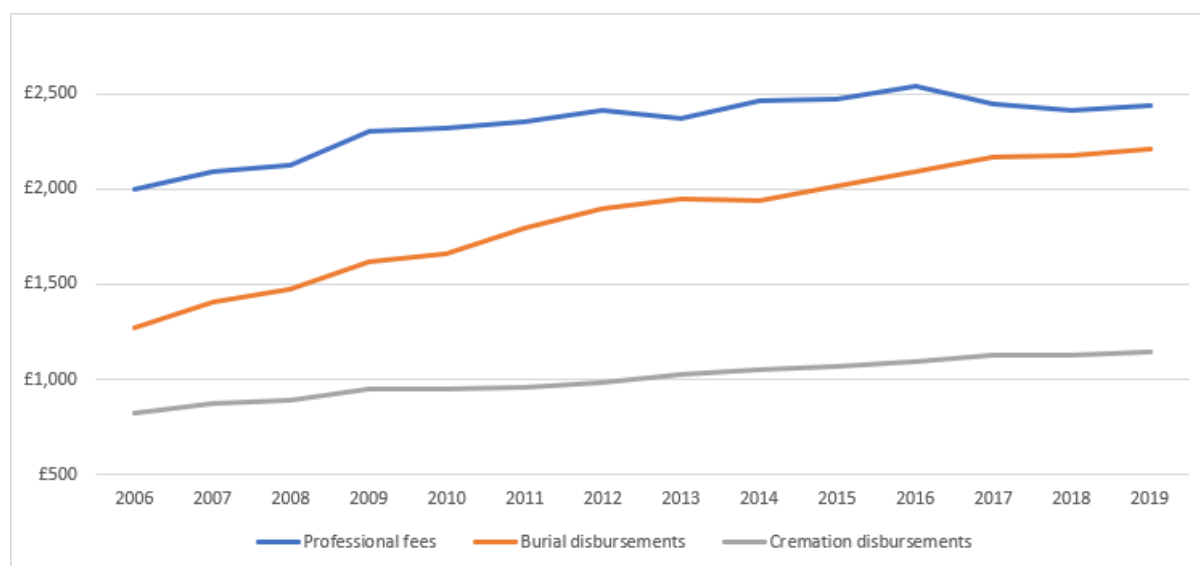
- 1.1 On 18 December 2020, the Competition and Markets Authority (CMA) issued its [final report](#) following a market investigation into the supply of funerals and related goods and services in the United Kingdom.
- 1.2 The CMA's investigation identified problems in the funerals sector and proposed a package of 'sunlight remedies' to address those problems. The remedies, including the legally binding Funerals Market Investigation Order 2021 ([the Order](#)), are intended to support customers when choosing a funeral director or crematorium and to place the sector under greater public scrutiny.
- 1.3 The CMA investigation also recommended that the CMA Board should:
 - (a) actively monitor market outcomes in the funerals sector, in order to identify and, where possible, address any harmful behaviour;
 - (b) publish an annual review of market outcomes in the funerals sector; and
 - (c) consider at the earliest opportunity, when the impact and consequences of the COVID-19 pandemic on the funerals sector are sufficiently understood and the sector is more stable, whether to consult on a future market investigation reference (MIR).¹
- 1.4 This report is the second annual review of market outcomes in the funerals sector. For this review, we have analysed information provided by funeral directors and crematorium operators to the CMA to cover the period from 1 September 2022 to 31 August 2023.
- 1.5 Although the submissions we have received from funeral directors and crematorium operators have provided us with substantial coverage of the sector, we did not receive submissions from 16% of those funeral directors and crematorium operators who were required to provide the specified information to the CMA. The CMA will continue to take action, whenever

¹ In addition to the remedies summarised in paragraphs 1.2 and 1.3, the Inquiry Group conducting the CMA investigation also gave serious consideration to price control regulation. Their view was that while measures to improve the competitive process were valuable, they were unlikely to be sufficient due to the circumstances following a bereavement meaning consumers would have significant difficulty in engaging with the purchasing process in general (and the issue of price in particular). However, COVID-19, and the essential public health response to it, severely restricted the CMA's ability to fully develop all the remedies that the Inquiry Group may otherwise have pursued in order to achieve a complete solution to the problems found. The Inquiry Group considered consumers may in the future require a level of protection beyond the measures introduced through the Order and therefore, it recommended that the CMA Board should consider consulting on a future MIR when the impact and consequences of the pandemic on the funerals sector were sufficiently understood and the sector was more stable.

required, to ensure that it has the information it needs to monitor outcomes in the funerals sector.

- 1.6 The main finding of our second annual review is that the average revenue per funeral for the period from 1 September 2022 to 31 August 2023 is slightly higher than for the period from 1 September 2021 to 31 August 2022 and at the time of the market investigation, although the increase is below the rate of inflation for the corresponding period.²
- 1.7 This finding contrasts with analysis conducted during the market investigation, which showed that the average cost of the funeral director's professional services³ had increased by an annual rate of 4.5% (1.6% in real terms, accounting for inflation) between 2006 and 2019.⁴ Similarly, Figure 1 below shows that the amount spent on the cost of services provided by third parties⁵ had increased by an average annual rate of 5.6% (2.5% accounting for inflation) for cremations and 7.4% (4.3% accounting for inflation) for burials. Although the analysis conducted during the market investigation is not directly comparable to the information we have analysed to inform this review, it is indicative of repeated cost increases above inflation for more than a decade leading up to the market investigation.

Figure 1: Average professional fee, and burial and cremation disbursements in real terms (2018 prices), 2006-2019



Source: CMA analysis based in information collected during the funerals market investigation.

Note: Professional fee, burial disbursements and cremation disbursements are weighted by funeral director share of supply.

² The Consumer Prices Index (CPI) rose by 6.7% in the 12 months to August 2023.

³ The professional fee includes collection and care of the deceased, hearse and attendants and director, one limousine, use of the chapel of rest, attending to all essential documentation and an oak veneer coffin.

⁴ Final report, paragraph 2.30.

⁵ This includes costs such as the crematorium or burial site, the doctor and the minister/celebrant.

- 1.8 Looking at the most recent outcomes following the market investigation, we have found that:
- (a) for funeral directors operating from five or more branches, the average revenue per funeral for the period from 1 September 2022 to 31 August 2023 was £2,732, an increase of 4% from the average revenue per funeral for the period from 1 September 2021 to 31 August 2022 of £2,639;
 - (b) for funeral directors operating from ten or more branches, the average revenue per funeral for the period from 1 September 2022 to 31 August 2023 was £2,652, an increase of 3% from the average revenue per funeral for the period from 1 September 2021 to 31 August 2022 of £2,566; and
 - (c) the average revenue per cremation for the period from 1 September 2022 to 31 August 2023 was £822, an increase of 2% from the average revenue per cremation for the period from 1 September 2021 to 31 August 2022 of £809.
- 1.9 We consider that an increase of 4% and 3% for the average revenue per funeral for funeral directors operating from five or more branches and ten or more branches respectively, and an increase of 2% for the average revenue per cremation, is consistent with a declining average revenue per funeral in real terms, given the rate of inflation including the rise in energy costs during the period of review. This may represent a better outcome for consumers than the trajectory of funeral costs before our investigation, which were rising at a faster rate than general inflation for many years.⁶ However, it is too early to determine whether this represents a downward trend, and we note also that the average revenue per funeral for some types of funeral – in particular unattended funerals offered by larger funeral directors – appears to have risen faster than the rate of inflation, which may be a potential cause for concern.
- 1.10 We think that this below-inflation overall increase in the average revenue per funeral and cremation is likely to reflect, at least in part, the impact of the COVID-19 pandemic and associated restrictions, which changed ways in which funerals could be conducted with immediate implications for the behaviour and economics of the funerals sector, and possible longer-term effects. The enforced simplification of funerals during the COVID-19 pandemic

⁶ Our analysis conducted during the market investigation indicated that the average cost of the funeral directors' professional services had increased by an annual rate of 4.5% (1.6% accounting for inflation) between 2006 and 2019.

may still be affecting people's choice of funeral by, for example, encouraging consumers to purchase simpler or unattended funeral services and/or to spend less on additional products and services. We consider that it is too early to determine whether such effects are transitory or represent permanent changes to consumer preferences, although the information we have collected indicates that there is a gradually rising trend in the purchase of unattended funeral services, albeit attended funeral services remain the norm for most consumers.

- 1.11 The below-inflation overall increase in the average revenue per funeral and cremation may also be an indication that the CMA's price transparency measures, as well as the CMA's ongoing monitoring and enforcing compliance in the sector, may be having constraining effects on funeral prices. The 'sunlight' remedies that the CMA has put in place are providing vital information to customers at a time of distress and vulnerability.
- 1.12 However, we have received complaints to suggest that approximately 250 firms may not be complying with the transparency requirements in the Order, which represents approximately 10% of the total firms we understand are currently operating in the sector. We have written to these firms to explain the steps they need to take to comply with the Order and to warn them that firms who do not comply with these rules are breaking the law and can expect to be subject to enforcement action.
- 1.13 In conclusion, while the evidence we have collected suggests that average funeral revenues have fallen in real terms during the past 12 months, we consider that it is too soon to say whether this represents a better outcome for consumers in the form of a long-term change in the operation of the funerals sector or a real-terms downward trend in prices, particularly given the increase in the average revenue per unattended funerals offered by larger funeral directors. It is therefore not appropriate, at this time, for the CMA Board to decide whether or not to consult on a further MIR. The CMA will continue to monitor the sector closely and take enforcement action where firms fail to comply with the Order.

2. Introduction

2.1 On 18 December 2020, the CMA issued its final report following a market investigation into the supply of funerals and related goods and services in the United Kingdom.

2.2 The CMA found concerns arising from:

- (a) low levels of customer engagement caused by the intrinsically challenging circumstances surrounding the purchase of a funeral;
- (b) the lack of easily accessible and clearly comparable information on the products and services provided by funeral directors, including their prices and levels of quality;
- (c) the lack of visibility to customers of the level of quality of care given to the deceased by funeral directors;
- (d) high barriers to entry in the supply of crematoria services; and
- (d) high levels of local concentration in the supply of crematoria services.

2.3 The Inquiry Group decided to address these concerns through an integrated package of remedies, as follows:

- (a) A requirement on all funeral directors and crematorium operators to disclose certain price information to customers.
- (b) A requirement on crematorium operators to disclose certain price information to funeral directors in the local area and other funeral directors upon request.
- (c) A requirement on all funeral directors to disclose particular business, financial and commercial information to customers.
- (d) A prohibition on all funeral directors from:
 - (i) 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
 - (ii) soliciting for business through coroner and police contracts.

- (e) 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.
- (f) A recommendation to the CMA Board to:
 - (iii) actively monitor market outcomes in the funerals sector, in order to identify and, where possible, address any harmful behaviour;
 - (iv) publish an annual review of market outcomes in the funerals sector; and
 - (v) 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.
- (g) 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 revenue and volume information on the goods and services that they provide to customers.

2.4 The remedies outlined in paragraphs 2.3(a),(b), (c), (d) and (g) were implemented by the Funerals Market Investigation Order 2021 (the Order). The remedies outlined in paragraphs 2.3(e) and (f) were taken forward by recommendations to the UK government and the devolved administrations in Northern Ireland and Wales and the CMA Board respectively.

2.5 Since the Order came into force in September 2021, the CMA has been actively monitoring the funerals sector and the purpose of this review is to set out our current view on market outcomes in the sector. The review sets out the information we have collected from funeral directors and crematorium operators, our findings to date and what we think this means for the funerals sector moving forward.

3. Information collected from funeral directors and crematorium operators

- 3.1 The Order requires larger funeral directors and all crematorium operators to provide the CMA with specific revenue and volume information on the goods and services that they provide to customers, in order to help the CMA monitor the funerals sector:
- (a) Funeral directors operating from five or more branches up to nine branches must supply the CMA every six months with the total number of funerals it has arranged for customers in the preceding six months and the total revenue (excluding disbursements) gained from the provision of funeral director services⁷ during the same period. The information must be provided separately for each branch and in aggregate form for all branches.
 - (b) Funeral directors operating from ten or more branches must supply the CMA every six months with the same information outlined in paragraph 3.1(a) in aggregated form and also in disaggregated form, showing the totals for:
 - (i) CMA Attended Funerals;⁸
 - (ii) any other Attended Funerals⁹ supplied by the funeral director;
 - (iii) CMA Unattended Funerals;¹⁰ and
 - (iv) any other Unattended Funerals¹¹ supplied by the funeral director.

⁷ Funeral director services are defined in the Order as the services provided by a funeral director to a customer in respect of the arrangements for a funeral. Such services can include, but are not limited to collection, storage and care of the deceased; organisation of the funeral and supply of goods and services such as coffins, hearses and limousines; guidance and support to the bereaved; and intermediary services between the customer and third parties, such as the crematorium, cemetery or other burial site, and the minister or celebrant.

⁸ A CMA Attended Funeral is defined in the Order as an Attended Funeral where the products and services provided by the funeral director are generally considered to be sufficient to deliver an Attended Funeral; comprise the elements set out in Part C of Schedule 1 to this Order; and comply with the minimum standards set out in Schedule A to the [Explanatory Note](#) to the Order.

⁹ An Attended Funeral is defined in the Order as a funeral which includes a service and where mourners may attend.

¹⁰ A CMA Unattended Funeral is defined in the Order as an Unattended Funeral where the products and services provided by the funeral director are generally considered to be sufficient to deliver an Unattended Funeral; comprise the elements set out in Part D of Schedule 1 to this Order; and comply with the minimum standards set out in Schedule A to the [Explanatory Note](#) to the Order.

¹¹ An Unattended Funeral is defined in the Order as a funeral which does not include a service and where mourners may not attend.

- 3.2 A crematorium operator must supply the CMA every six months with the total number of cremations it has carried out in the preceding six months and the total revenue it has gained from crematoria services¹² during the same period in aggregated form and also in disaggregated form, showing the totals for:
- (a) Crematorium Standard Fee Attended Services;¹³
 - (b) Crematorium Reduced Fee Attended Services¹⁴ (if offered by the crematorium operator);
 - (c) Crematorium Unattended Services¹⁵ (if offered by the crematorium operator); and
 - (d) any other services provided by the crematorium operator that are not captured by 3.2(a), 3.2(b) and 3.2(c).
- 3.3 A crematorium operator must provide the information in paragraph 3.2 separately for each quarter for each crematorium it operates. Further, the revenue information must include all revenue generated from crematoria services and exclude burial services and the revenue generated from memorials related to Crematoria Services must be provided separately.
- 3.4 The revenue and volume information provided by funeral directors and crematorium operators as required under the Order is not directly comparable to the information that the CMA collected during the market investigation.¹⁶ This is because the purpose of the information required under the Order is to provide the CMA with a high-level view of average revenue per funeral and

¹² Crematoria services is defined in the Order as the services provided by a crematorium operator in connection with the cremation of the deceased, including the provision of a chapel or specific place for attended cremations, the committal and the associated sales of additional products and services, such as memorials, audio-visual support and hospitality.

¹³ A Crematorium Standard Fee Attended Service is defined in the Order as a cremation which includes a service with mourners present at the crematorium held in peak hours (typically considered to be weekdays from 10am to 4pm and weekends).

¹⁴ A Crematorium Reduced Fee Attended Service is defined in the Order as a cremation which includes a service with mourners present at the crematorium held in off-peak hours (typically considered to be on a weekday before 10am or after 4pm) and for which a reduced fee is charged.

¹⁵ A Crematorium Unattended Service is defined in the Order as a cremation which does not include a service and where mourners are not present, sometimes referred to as a direct cremation.

¹⁶ For funeral directors, (a) the two sets of information include different types of funeral services; (b) the information provided by funeral directors as required under the Order includes a greater proportion of smaller funeral directors than the information collected during the market investigation; and (c) the revenue information provided by funeral directors as required under the Order excludes disbursements (eg cremation and burial fees), whereas some of the information collected during the market investigation included disbursements. For crematorium operators, the analysis of cremation prices and mix conducted during the market investigation was based on crematoria fees rather than crematoria revenue, which includes additional products and services provided by the crematorium operator.

the types of services being purchased by consumers without placing an undue burden on funeral directors and crematorium operators.

- 3.5 For this review, we have analysed information provided by funeral directors and crematorium operators to the CMA in April 2023 (to cover the period from 1 September 2022 to 28 February 2023) and October 2023 (to cover the period from 1 March 2023 to 31 August 2023).
- 3.6 Although the submissions we have received from funeral directors and crematorium operators have provided us with substantial coverage of the sector, we did not receive submissions from around 16% of those funeral directors and crematorium operators who were required to provide the specified information to the CMA.¹⁷ We expect all funeral directors and crematorium operators who are required to submit information to the CMA to do so in a timely manner and we will continue to take action against those parties who do not.

¹⁷ The funeral directors who are required to provide the specified information to the CMA are listed in Schedule B and Schedule C of the [Explanatory Note](#). For the avoidance of doubt, inclusion (or exclusion) of a funeral director on (or from) this list does not determine whether a funeral director is (or is not) subject to this requirement. The determining factor is whether a funeral directors operates from five or more or ten or more branches. All crematorium operators are required to provide the specified information to the CMA. The CMA has compiled a database of all crematorium operators in the UK so it can better monitor and enforce against those crematorium operators who do not provide the specified information in a timely manner.

4. Findings

Funeral directors

4.1 For funeral directors operating from five or more branches, the average revenue per funeral for the period from 1 September 2022 to 31 August 2023 was £2,732, an increase of 4% from the average revenue per funeral for the period from 1 September 2021 to 31 August 2022 of £2,639 (see Table 1).¹⁸

Table 1: Average revenue per funeral for funeral directors operating from five or more branches

	<i>1 September 2022 to 31 August 2023</i>	<i>1 September 2021 to 31 August 2022</i>
Total revenue (excluding disbursements)	£848,965,762	£720,481,249
Total number of funerals arranged	310,798	273,002
Average revenue per funeral	£2,732	£2,639

Source: Information collected by the CMA from funeral directors operating from five or more branches.

Note: The information in the table is based on submissions from 62 and 75 funeral directors for the years ending 31 August 2022 and 31 August 2023 respectively.

4.2 For funeral directors operating from ten or more branches, the average revenue per funeral for the period from 1 September 2022 to 31 August 2023 was £2,652, an increase of 3% from the average revenue per funeral for the period from 1 September 2021 to 31 August 2022 of £2,566 (see Table 2).

4.3 The average revenue per funeral for attended funerals was significantly higher than the average revenue per funeral for unattended funerals. The majority of funerals were attended funerals (89% compared to 92% for the period from 1 September 2021 to 31 August 2022) and the majority of revenue was generated from attended funerals (96% compared to 97% for the period from 1 September 2021 to 31 August 2022), although the information suggests that there is a gradually rising trend in the purchase of unattended funeral services. The increase in the average revenue per funeral for unattended funerals was significantly higher than for attended funerals (eg a 7% increase in the average revenue per CMA Attended Funeral compared to a 12% increase in the average revenue for CMA Unattended Funeral, although the average revenue per funeral for CMA Unattended Funerals is lower than for Other Unattended Funerals).

¹⁸ In Appendix A, we have analysed the information provided by funeral directors separately for April 2023 (to cover the six-month period from 1 September 2022 to 28 February 2023) and October 2023 (to cover the six-month period from 1 March 2023 to 31 August 2023).

Table 2: Average revenue per funeral for funeral directors operating from ten or more branches

	1 September 2022 to 31 August 2023				
	<i>CMA Attended Funerals</i>	<i>Other Attended Funerals</i>	<i>CMA Unattended Funerals</i>	<i>Other Unattended Funerals</i>	<i>Total</i>
Total revenue (excluding disbursements)	£197,981,023	£494,038,782	£21,052,053	£8,292,405	£721,364,262
Total number of funerals arranged	79,696	161,636	22,678	8,034	272,044
Average revenue per funeral	£2,484	£3,056	£928	£1,032	£2,652

	1 September 2021 to 31 August 2022				
	<i>CMA Attended Funerals</i>	<i>Other Attended Funerals</i>	<i>CMA Unattended Funerals</i>	<i>Other Unattended Funerals</i>	<i>Total</i>
Total revenue (excluding disbursements)	£179,831,362	£447,622,295	£12,413,392	£4,421,539	£644,288,588
Total number of funerals arranged	77,162	154,459	14,972	4,480	251,073
Average revenue per funeral	£2,331	£2,898	£829	£987	£2,566

Source: Information collected by the CMA from funeral directors operating from ten or more branches.

Note: The information in the table is based on submissions from 24 and 27 funeral directors for the years ending 31 August 2022 and 31 August 2023 respectively.

Crematorium operators

- 4.4 The average revenue per cremation for the period from 1 September 2022 to 31 August 2023 was £822, an increase of 2% from the average revenue per cremation for the period from 1 September 2021 to 31 August 2022 of £809 (see Table 3).¹⁹
- 4.5 The average revenue per cremation for Standard Fee Attended Services was significantly higher than the average revenue per cremation for Reduced Fee Attended Services and Unattended Services. The majority of cremations were attended services (84% compared to 85% for the period from 1 September 2021 to 31 August 2022) and the majority of revenue was generated from attended services (93% compared to 93% for the period from 1 September 2021 to 31 August 2022).

¹⁹ In Appendix B, we have analysed the information provided by crematorium operators separately for April 2023 (to cover the two quarters from 1 September 2022 to 28 February 2023) and October 2023 (to cover the two quarters from 1 March 2023 to 31 August 2023).

Table 3: Average revenue per cremation

	<i>1 September 2022 to 31 August 2023</i>			
	<i>Standard Fee Attended Services</i>	<i>Reduced Fee Attended Services</i>	<i>Unattended Services</i>	<i>Total</i>
Total revenue	£332,064,232	£9,101,038	£26,222,991	£367,388,262
Total revenue from memorials				£34,027,813
Total number of cremations carried out	361,415	13,167	72,611	447,197
Average revenue per cremation	£919	£691	£361	£822

	<i>1 September 2021 to 31 August 2022</i>			
	<i>Standard Fee Attended Services</i>	<i>Reduced Fee Attended Services</i>	<i>Unattended Services</i>	<i>Total</i>
Total revenue	£226,037,102	£7,140,621	£17,591,728	£250,769,451
Total revenue from memorials				£29,766,679
Total number of cremations carried out	253,702	10,667	45,674	310,043
Average revenue per cremation	£891	£669	£385	£809

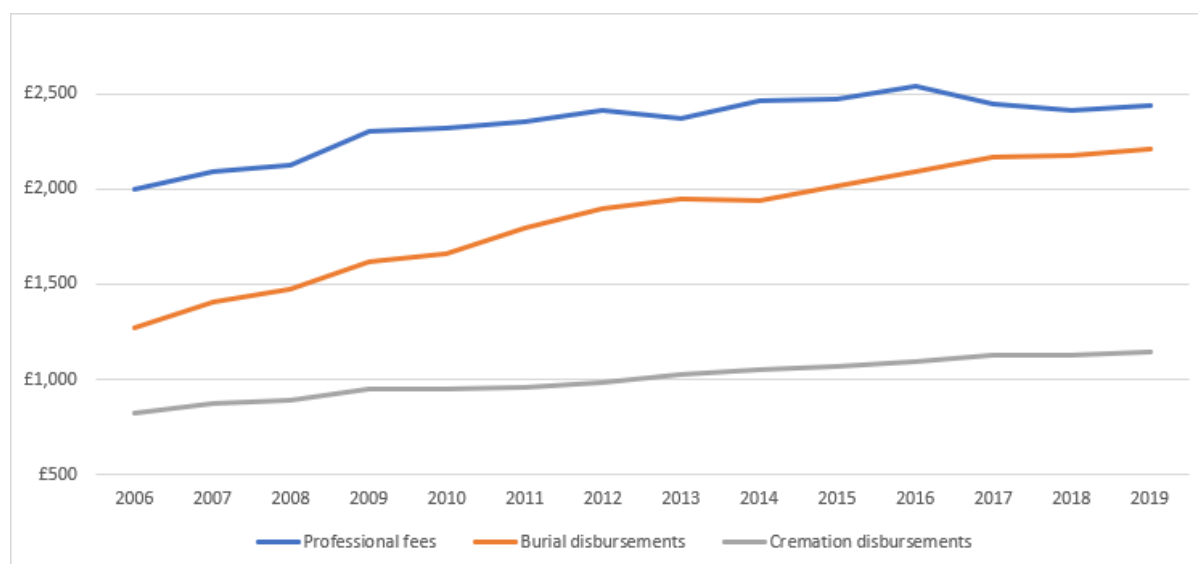
Source: Information collected by the CMA from crematoria operators.

Note: The information in the table is based on submissions from 114 and 158 crematorium operators for the years ending 31 August 2022 and 31 August 2023 respectively.

5. Analysis of market outcomes

- 5.1 Our examination of the information we have collected from funeral directors and crematorium operators to inform the review indicates that the average revenue per funeral in the period from 1 September 2022 to 31 August 2023 is at a slightly higher level compared with the period from 1 September 2021 to 31 August 2022 and at the time of the market investigation, although the increase is below the rate of inflation for the corresponding period.²⁰
- 5.2 This contrasts with analysis conducted during the market investigation, which showed that the average cost of the funeral director's professional services²¹ had increased by an annual rate of 4.5% (1.6% in real terms, accounting for inflation) between 2006 and 2019.²² Similarly, Figure 2 below shows that the amount spent on the cost of services provided by third parties²³ had increased by an average annual rate of 5.6% (2.5% accounting for inflation) for cremations and 7.4% (4.3% accounting for inflation) for burials. Although the analysis conducted during the market investigation is not directly comparable to the information we have analysed to inform this review, it is indicative of repeated cost increases above inflation for more than a decade leading up to the market investigation.

Figure 2: Average professional fee, and burial and cremation disbursements in real terms (2018 prices), 2006-2019



Source: CMA analysis based in information collected during the funerals market investigation.

Note: Professional fee, burial disbursements and cremation disbursements are weighted by funeral director share of supply.

²⁰ The CPI rose by 6.7% in the 12 months to August 2023.

²¹ The professional fee includes collection and care of the deceased, hearse and attendants and director, one limousine, use of the chapel of rest, attending to all essential documentation and an oak veneer coffin.

²² Final report, paragraph 2.30.

²³ This includes costs such as the crematorium or burial site, the doctor and the minister/celebrant.

- 5.3 Looking at the most recent outcomes following the market investigation, we have found that:
- (a) for funeral directors operating from five or more branches, the average revenue per funeral for the period from 1 September 2022 to 31 August 2023 was £2,732, an increase of 4% from the average revenue per funeral for the period from 1 September 2021 to 31 August 2022 of £2,639;
 - (b) for funeral directors operating from ten or more branches, the average revenue per funeral for the period from 1 September 2022 to 31 August 2023 was £2,652, an increase of 3% from the average revenue per funeral for the period from 1 September 2021 to 31 August 2022 of £2,566; and
 - (c) the average revenue per cremation for the period from 1 September 2022 to 31 August 2023 was £822, an increase of 2% from the average revenue per cremation for the period from 1 September 2021 to 31 August 2022 of £809.
- 5.4 We consider that an increase of 4% and 3% for the average revenue per funeral for funeral directors operating from five or more branches and ten or more branches respectively, and an increase in 2% for the average revenue per cremation is consistent with a declining average cost in real terms, given the rate of inflation including the rise in energy costs during the period of review. This may represent a better outcome for consumers than the trajectory of funeral costs before our investigation, which were rising at a faster rate than general inflation for many years.²⁴ However, it is too early to determine whether this represents a downward trend, and we note also that the average revenue per funeral for some types of funeral – in particular unattended funerals offered by larger funeral directors – appears to have risen faster than the rate of inflation, which may be a potential cause for concern.
- 5.5 We think that this below-inflation overall increase in the average revenue per funeral and cremation is likely to reflect, at least in part, the impact of the COVID-19 pandemic and associated restrictions, which changed ways in which funerals could be conducted with immediate implications for the behaviour and economics of the funerals sector, and possible longer-term effects. The enforced simplification of funerals during the COVID-19 pandemic

²⁴ Our analysis conducted during the market investigation indicated that the average cost of the funeral director's professional services had increased by an annual rate of 4.5% (1.6% accounting for inflation) between 2006 and 2019.

may still be affecting people's choice of funeral by, for example, encouraging consumers to purchase simpler or unattended funeral services and/or to spend less on additional products and services. We consider that it is too early to determine whether such effects are transitory or represent permanent changes to consumer preferences, although the information we have collected indicates that there is a gradually rising trend in the purchase of unattended funeral services, albeit attended funeral services remain the norm for most consumers.

- 5.6 The below-inflation overall increase in the average revenue per funeral and cremation since the conclusion of the market investigation may also be an indication that the CMA's price transparency measures, as well as the CMA's ongoing monitoring and enforcing compliance in the sector, may be having constraining effects on funeral prices. The 'sunlight' remedies that the CMA has put in place are providing vital information to customers at a time of distress and vulnerability.
- 5.7 However, we have received complaints to suggest that approximately 250 firms may not be complying with the transparency requirements in the Order, which represents approximately 10% of the total firms we understand are currently operating in the sector. We have written to these firms to explain the steps they need to take to comply with the Order and to warn them that firms who do not comply with these rules are breaking the law and can expect to be subject to enforcement action.
- 5.8 In conclusion, while the evidence we have collected suggests that average funeral revenues have fallen in real terms during the past 12 months, we consider that it is too soon to say whether this represents a better outcome for consumers in the form of a long-term change in the operation of the funerals sector or a real-term downward trend in prices, particularly given the increase in the average revenue per unattended funerals offered by larger funeral directors. It is therefore not appropriate, at this time, for the CMA Board to decide whether or not to consult on a further MIR. The CMA will continue to monitor the sector closely and take enforcement action where firms fail to comply with the Order.

Appendix A: Funeral directors detailed findings

Funeral directors operating from five or more branches

Table 1: Average revenue per funeral for funeral directors operating from five or more branches for the periods from 1 September 2022 to 28 February 2023 and 1 March 2023 to 31 August 2023

	1 September 2022 to 28 February 2023	1 March 2023 to 31 August 2023	Total
Total revenue (excluding disbursements)	£421,774,006	£427,191,757	£848,965,762
Total number of funerals arranged	156,560	154,238	310,798
Average revenue per funeral	£2,694	£2,770	£2,732

Source: Information collected by the CMA from funeral directors operating from five or more branches.

Note: The information in the table covering 1 September 2022 to 28 February 2023 is based on submissions from 73 funeral directors. The information in the table covering 1 March 2023 to 31 August 2023 is based on submissions from 76 funeral directors.

Funeral directors operating from ten or more branches

Table 2: Average revenue per funeral for funeral directors operating from ten or more branches for the period from 1 September 2022 to 28 February 2023

	1 September 2022 to 28 February 2023				Total
	CMA Attended Funerals	Other Attended Funerals	CMA Unattended Funerals	Other Unattended Funerals	
Total revenue (excluding disbursements)	£100,483,019	£246,741,193	£8,831,846	£4,771,740	£367,044,414
Total number of funerals arranged	41,258	81,158	9,869	4,954	137,239
Average revenue per funeral	£2,435	£3,040	£895	£963	£2,674

Source: Information collected by the CMA from funeral directors operating from ten or more branches.

Note: The information in the table is based on submissions from 27 funeral directors.

Table 3: Average revenue per funeral for funeral directors operating from ten or more branches for the period from 1 March 2023 to 31 August 2023

	1 March 2023 to 31 August 2023				Total
	CMA Attended Funerals	Other Attended Funerals	CMA Unattended Funerals	Other Unattended Funerals	
Total revenue (excluding disbursements)	£97,498,004	£247,297,589	£12,220,207	£3,520,665	£367,345,668
Total number of funerals arranged	38,438	80,478	12,809	3,080	134,805
Average revenue per funeral	£2,537	£3,073	£954	£1,143	£2,725

Source: Information collected by the CMA from funeral directors operating from ten or more branches.

Note: The information in the table is based on submissions from 26 funeral directors.

Appendix B: Crematorium operators detailed findings

Table 1: Average revenue per cremation for the period from 1 September 2022 to 30 November 2022

	1 September 2022 to 30 November 2022			
	Standard Fee Attended Services	Reduced Fee Attended Services	Unattended Services	Total
Total revenue	£78,783,377	£1,970,980	£5,691,841	£86,446,199
Total revenue from memorials				£8,512,332
Total number of cremations carried out	88,051	2,964	16,122	107,137
Average revenue per cremation	£895	£665	£353	£807

Source: Information collected by the CMA from crematoria operators.

Note: The information in the table is based on submissions from 162 crematorium operators.

Table 2: Average revenue per cremation for the period from 1 December 2022 to 28 February 2023

	1 December 2022 to 28 February 2023			
	Standard Fee Attended Services	Reduced Fee Attended Services	Unattended Services	Total
Total revenue	£89,658,874	£2,559,271	£7,012,839	£99,230,984
Total revenue from memorials				£7,192,557
Total number of cremations carried out	98,635	3,802	19,154	121,591
Average revenue per cremation	£909	£673	£366	£816

Source: Information collected by the CMA from crematoria operators.

Note: The information in the table is based on submissions from 162 crematorium operators.

Table 3: Average revenue per cremation for the period from 1 March 2023 to 31 May 2023

	1 March 2023 to 31 May 2023			
	Standard Fee Attended Services	Reduced Fee Attended Services	Unattended Services	Total
Total revenue	£86,008,019	£2,615,491	£6,885,309	£95,508,819
Total revenue from memorials				£8,907,595
Total number of cremations carried out	92,382	3,452	18,924	114,758
Average revenue per cremation	£931	£758	£364	£832

Source: Information collected by the CMA from crematoria operators.

Note: The information in the table is based on submissions from 153 crematorium operators.

Table 4: Average revenue per cremation for the period from 1 June 2023 to 31 August 2023

	1 June 2023 to 31 August 2023			
	Standard Fee Attended Services	Reduced Fee Attended Services	Unattended Services	Total
Total revenue	£77,613,962	£1,955,296	£6,633,002	£86,202,260
Total revenue from memorials				£9,415,328
Total number of cremations carried out	82,347	2,953	18,411	103,711
Average revenue per cremation	£943	£662	£360	£831

Source: Information collected by the CMA from crematoria operators.

Note: The information in the table is based on submissions from 153 crematorium operators.