

Funerals market: insight gathering survey

1. **How has the cost of conducting a funeral (i.e. the cost to funeral directors and crematoria operators) changed? Please consider both costs on average and by funeral type.**

(a) What factors have contributed to any change in costs?

(b) How does this compare to the trend in costs prior to the market investigation?

2. **How has the price of a funeral to consumers changed? Please consider both prices on average and by funeral type.**

Both SunLife's data, gathered for their Cost of Dying 2024 Report, and the CMA's data in their 2024 Review of market outcomes, agree that average funeral director fees reduced in real terms in 2023. However, any reductions that have taken place since 2020 have still been insufficient to correct the above inflation rises from previous years. According to SunLife, average funeral director fees for an attended 'basic funeral' rose 83.3% between 2006 and 2023, when the Bank of England's calculator shows Consumer Price Index (CPI) inflation for the same period was just 65.4%. Also, within these averages are areas of particular concern, like Wales, where SunLife figures suggest fees have risen by 16.2% increase since 2020 and 28.4% since 2021.

We also do not feel confident that any downward trend will continue, with SunLife's report showing smaller drops in 2023 than in 2022. Three of the regions in their report also rose at above CPI inflation rates, which was 8% between 2022 and June 2023, the time of the data collection: South West England 12.1%, North East England 9.9% and Yorkshire and the Humber 8.8%.

We have also documented some extreme price hikes ourselves by comparing the cost of an Attended Funeral on companies' Standardised Price Lists (SPL) in June 2023 with September 2024 (27 branches across six areas). The highest increase we noted was 50.7% by an independent in Cardiff, followed by 39% and 19.7% by Dignity at two London branches, 25.1% by an independent in North London, and 18.6% and 18.5% by a medium-sized company in Bournemouth and London. While we recognise the time span of these comparisons is 15 months rather than a year and so could include two price increases, we believe these percentages are still unnecessarily high.

We added another 10 branches and two areas to the sample, making 37 branches across eight areas, to compare current Attended Funeral SPL prices. We found in six of the eight areas that the difference between the highest and lowest cost company we had found was over £1,000, with five falling between £1,500 and £1,600, while in Bournemouth the difference was £1,989. We also noticed that in six of the eight areas two companies seemed to top the list in terms of price, Funeral Partners and a medium-sized company. This corresponds with our general experience that the prices of both these companies tend to be very high.

We feel unattended or direct cremations have increased quite a bit in price over the last few years. It used to be unusual for high street companies to charge as much as £1,600 but this is not uncommon now and in some cases they can cost nearly £2,000.

We were concerned to see in the CMA's Review of market outcomes in February 2024 that the two CMA funeral types listed on the SPL had both increased by more than the other types and the Unattended Funeral at 12%, well above CPI rates for the relevant period (6.7%).

There do however seem to be more alternative, lower cost offers available, including variations on unattended funerals where there is a service in a funeral director's chapel of rest or other venue before having an unattended cremation/burial. This is sometimes called an attended direct cremation. These options tend to have limits on attendee numbers, e.g. up to 12, and a short crematorium slot of 10-20 minutes. They are often billed as giving time for private reflection and to play some music, and possibly to say a few words, but with no officiant or 'formal service'. In turn, some crematoria now advertise these kinds of slots.

However, the payment terms for cheaper options can make them less accessible for people with financial difficulties as they often require payment in full before the funeral, sometimes at the time of making the arrangements or within 48 hours of doing so. We also know of a big online company offering these kinds of services that will only accept payment by card over the phone, when the Department for Work and Pensions (DWP) and charities both pay by BACS. All this makes it much harder for people who are applying for a government funeral payment or for funeral grants from charities.

Crematorium costs also seem to have reduced in real terms but, again, SunLife's figures show the average cremation fee as having risen 136.6% between 2007 and 2023, when CPI inflation for the same period was just 61.7%. There is a long way to go before the previous above inflation rises are adequately addressed.

In terms of overall costs, the average cost of an attended 'basic cremation' rose by 3.3% to £3,795 in 2023 according to SunLife. While this is a drop in real terms it represents less of a drop than the previous year, again calling into question the existence of a continuing downward trend.

Although the CMA's investigation, and therefore the Order, did not include burial fees, it is still important, perhaps even more so, to highlight that SunLife has the average burial fee as rising by 10.4% in 2023, above CPI inflation of 8.6%. The Cremation Society estimates that 80% of funerals are cremations, leaving 1 in 5 people facing burial fees that face no scrutiny at all.

(a) What factors have contributed to any change in prices?

We would like to raise a slight concern about the revenue data the CMA is gathering from funeral directors. What generally defines a funeral as unattended or attended is potentially in flux now more than it has ever been. The CMA's definition of an unattended funeral is, "a funeral which does not include a service and where mourners may not attend". Our understanding is that this refers to what happens at the crematorium or cemetery, as opposed to at any other venue. Therefore, offerings where a limited number of people, often up to 12, can attend for a short slot of 10-20 minutes with music but no officiant are classed as attended funerals. This can cost as low as £1,395.

We are therefore concerned that the inclusion of these services in the 'other attended funerals' category could be pulling down the average revenue in a way that distorts the average price of an attended funeral, particularly in relation to historic prices. In contrast, funerals where no one attends the crematorium or cemetery, but a service is held beforehand, at the funeral director's chapel of rest or another venue, is classed as an unattended funeral. In this situation, the service could be no different to the example given above or it could be longer with an officiant and larger attendance. Given that the reduction in revenues is relatively small so far, we ask that the CMA exercises caution when drawing conclusions about any trend in prices.

(b) How does this compare to the trend in prices prior to the market investigation?

2021 and 2022 are the first years when a marked drop in SunLife's average cost of a 'basic funeral' has occurred, which is positive after fairly relentless above inflation price rises for many years. However, 2023 showed some prices to be rising again which is concerning.

3. **How has the quality of funeral services changed? Please consider both those services that consumers can observe and those they cannot (e.g. 'back of house' practices).**

We have not seen a noticeable shift, in either direction, in the numbers of client cases where we log problems with funeral services.

(a) What factors have contributed to any change in quality?

(b) How does this compare to any trend in quality prior to the market investigation?

4. **Has consumer awareness of quality changed since the market investigation? If so, what has driven this change?**

We do not believe consumer awareness of quality has really changed. Despite supporting several clients planning a funeral [redacted], none of them mentioned the issue or expressed concern or apprehension about the quality of care their deceased person might receive or about receiving their ashes. In the months since then, only one client has referenced [redacted]. We have also had one client comment that they wanted to be sure they were using a reputable company, but the timing of this is not known. No other concerns have been expressed to us, despite the news having been reported by multiple national media outlets. [This refers to concerns expressed in advance of something happening, as opposed to complaints made about something that has already happened.]

We recognise that many people won't have heard the news about [redacted] and others perhaps did but didn't register it at the time because they weren't facing a funeral at that point. However, the almost complete absence of comments from people may also partly suggest that recently bereaved people do not want to think about these issues, potentially aligning with the CMA's findings in their 2020 final report that customers do not wish to see the storage and preparation facilities. In addition, despite the fact [redacted] has led to reports about the lack of regulation in the at-need industry, we suspect most people still presume funeral directors are regulated (69% of adults at the time of the CMA investigation). We therefore also agree with the CMA's assessment that the vast majority of customers likely take it for granted that back of house quality is assured and we think this could lead people to believe [redacted] isn't anything to worry about.

5. **Have relationships between funeral directors and crematoria operators changed?**
6. **Have there been any changes in how funeral directors and crematoria operators coordinate over the services and prices they offer to consumers?**
 - (a) What effect, if any, has the increasing prevalence of direct cremations had on how funeral directors and crematoria operators interact?
7. **Has there been a change in consumer behaviour (e.g. an increasing interest in unattended funeral services and an increase in price and service comparison and shopping around)?**

Unattended services

SunLife's 2024 report has the proportion of direct cremations in 2023 at 20% however, as the survey covers the previous four years, 18% of these were held because of Covid-19 restrictions. If these funerals are excluded the figure is 17%. Regardless, the report suggests that the increase in these types of funerals has broadly sustained post-pandemic, but we think it is too early to say whether they will increase further. We do not have robust data regarding the number of our clients who have unattended funerals, but our sense is that they constitute a much smaller percentage of the funerals our clients arrange. However, it may be that fewer of these people contact us for help because the costs are much lower. Overall, we agree that they remain at increased levels compared to before the pandemic.

- (a) **If so, what has driven these changes in consumer behaviour?**

We believe there are three drivers for the increase. The primary one is the Covid-19 pandemic when restrictions meant large numbers of people experienced them out of necessity, resulting in greater general awareness. While the imposition of these services and the accompanying distancing was desperately hard for many people, some people have since identified various reasons why an unattended funeral is appropriate for them, given the choice. In most cases this doesn't mean there is no attended event at all though, with SunLife's report finding that 33% held a wake afterwards, 27% a memorial service and 18% held both. As already referenced, we know from our work that some people also hold some kind of service before the cremation/burial, which can include funeral director involvement. Indeed, some funeral companies now offer this type of approach as a package.

Another factor that has further contributed to people's awareness of unattended funerals is the extensive amounts of advertising, following the pandemic, from bigger direct cremation companies that are often online only. For example, we encounter some people on our helpline who refer to this kind of funeral as 'pure cremations' because of the intense advertising carried out by the company of the same name. We know many high street funeral directors have been acutely aware of the extent of this kind of advertising and believe this is part of the reason why more now offer them.

We believe the third driver is the cost-of-living crisis and the continuing high price of attended funerals. SunLife's 2024 report found that over 4 in 10 (44%) people said the cost-of-living crisis impacted how they organised and/or paid for the funeral and that 9% had a direct cremation to reduce costs, up 2% on 2022. Meanwhile, 12% of people who had a direct cremation did so because they couldn't afford an attended service.

Lastly, while we don't want to suggest this is a significant factor, we are aware of some cases where funeral directors have advised clients to switch from an attended funeral to a direct cremation because of difficulties with finances.

If so, do you consider them to be positive changes for consumers?

An increase in people arranging unattended funerals, of all kinds, is likely positive in part, at least for some of the arrangers. Research from interviews with people who arranged a direct cremation in late 2017 suggests that being able to choose a direct cremation is very positive for some people. It acknowledges that the research doesn't look at any impact on would-be attendees.

<https://journals.sagepub.com/doi/full/10.1177/00380385211036350>

However, it is important that people are very clear what they're getting, and that they are making a genuine choice. We note that none of the research participants cited the cost of funeral services or difficulties with this as a motivating factor for their choice but, as the SunLife stats above show and as we know from our work, this is sometimes the case. It can cause great distress.

'We felt deep grief over not saying one last goodbye. My children were practically raised by her when I was working 60 hours per week to make ends meet and to not even be able to say goodbye, it was truly [sic.] upsetting.'

In the research it is important to note that two of the driving factors for choosing a direct cremation were that people felt it gave them control and maintained consistency with their values and beliefs, or those of the person who had died. When people have an unattended funeral out of necessity due to financial reasons but wanted something different, their control has been compromised, potentially also resulting in them having something that is not consistent with their or the deceased person's values and beliefs. In this sense, a proportion of the increase in unattended services is not positive but an outcome of funeral poverty and an indicator that prices are still too high.

We are also concerned about the rise of unattended funerals in a sector that continues to be unregulated outside of the CMA Order. While the full details of [redacted] are not yet known, we believe that unattended funerals, by their nature, are more vulnerable to misconduct going undiscovered.

(b) If so, do you consider them to be temporary or permanent changes?

We believe these changes are likely to be more permanent, or at least that they are not likely to reverse soon. Where people are making a free choice, if there was going to be a bounce back to the levels of unattended funerals seen before the pandemic this would have already happened. Where people are forced to have an unattended funeral because of financial difficulties, the ongoing, comparatively high cost of attended services and the continuing cost-of-living crisis will perpetuate this.

Shopping around

From our experience supporting people through our helpline, our sense is that there hasn't been much of a change in people shopping around. When we raise the idea, reactions can still vary hugely. Some people have already done it, some are open to it and many don't want to consider it. Reasons not to shop around include it not feeling like the 'right' thing to do, the emotional labour of it feeling too much, using a company they've used before, or one that's been recommended to them, the deceased person already having been collected or wanting to use a company that is as close as possible. Where clients do shop around this is often people who are especially proactive and more internet savvy.

We are aware that SunLife's 2024 report said the proportion of people getting more than one quote was up significantly in 2023 at 40%, but this doesn't align with our experience. We note that SunLife's survey is carried out online meaning respondents are much more likely to have easy access to the

internet and to be more confident using it. Respondents are also obtained through market research panels, to which people have already signed up in order to obtain opportunities. This suggests some interest in consumer issues and so they may be more likely to engage with shopping around. While SunLife's statistic, and comments from some funeral directors in their report, suggest there may have been an increase in some parts of the population, we question how representative that is and how much it includes those who are most financially vulnerable. We note that in a separate question about actions taken to reduce costs, only 15% shopped around for the best price (up just 4% on 2022).

Our figures don't show an increase. Although we have some data from before the Order it is only from during the pandemic which could have resulted in unusual/unexpected ways of behaving. From April 2020, when our data starts, our figures show a decrease since 2020/21, with the last two years the same but a third of what it was during 2020/21. Internal factors create too many variables for this data to be properly comparable from one year to the next, but we do not believe these variables are masking a 40% increase.

We note as well that there has been very little public awareness raising of the requirements of the Order so we think the chance people will know that prices must now be available on websites, for example, is low. If people were more aware of the transparency requirements it might lead them to feel slightly more at ease with shopping around. Plus, if all companies were compliant with displaying prices in branch windows, which they aren't, this might further normalise the idea of cost as a reasonable consideration for funerals. However, we are cautious about the extent of impact either would have on rates of shopping around.

(a) If so, what has driven these changes in consumer behaviour?

If there has been any increase, part of it could likely be attributed to the Order, but we think part of it could be connected to the cost-of-living crisis.

(b) If so, do you consider them to be positive changes for consumers?

While we don't believe there has been a significant change in shopping around, if people do shop around, it does not mean they are able to access affordable prices or that they will necessarily choose a cheaper company or package if there is one. We know this from our experience supporting people through our helpline – sometimes clients say they have already looked around and the company they've chosen is the cheapest when we know this isn't the case. The reason for this discrepancy is

unclear, but all the factors regarding choices that existed before, that are special to bereaved people planning a funeral, still exist. As the CMA observed in their final report, 'Even when customers are able to obtain the necessary information, their insensitivity to price (linked to the social and other pressures that are at play) can impede their ability to act upon that information. This in turn reduces the ability of customers to drive competition between funeral directors and reduces the incentives for funeral directors to compete for customers on the basis of price and/or overall quality of service.' We do not believe this has substantially changed.

While these factors will likely always exist, without further action on prices, like looking at price controls, and full-scale regulation, even those customers who do shop around will continue to be faced with high prices.

(c) If so, do you consider them to be temporary or permanent changes?

8. How has the Order impacted funeral directors and crematoria operators?

When our helpline staff are getting prices for clients, most of the time they will filter out companies that do not have an SPL on their website, primarily because this is the easiest and quickest way for them to compare costs. They would only tend to include a company that doesn't have an SPL in the options they provide to the client if they had been unable to find a company in the area with a reasonable SPL price. In this way, non-compliance could potentially have a small impact on those businesses.

(a) Has it impacted operating costs?

(b) Has it impacted conduct?

We think it is positive that the Order requires funeral directors with five or more branches and crematorium operators to provide some revenue information to the CMA as we hope that this reminds them that their prices are under some scrutiny. However, we note that, for the CMA's 2024 market review a striking 16% of companies who were required to provide this information to the CMA did not do so. While this is an improvement on the previous year, it suggests there is a proportion of the sector that still thinks it is above scrutiny.

9. **How has the Order impacted consumers?**

The requirement for all funeral directors to display all their prices online and in branch is unquestionably a positive outcome. While, concerningly, 10% were shown to be non-compliant with the website transparency requirements in February, and we still newly find several a month that aren't, most consumers who look online will have been positively impacted. Even people who do not carry out any price comparisons will likely have been better able to make informed choices.

We are less able to comment on the extent to which pricing information is being given over the phone or in person as it should be, but we sadly do still encounter people who say they haven't been given a quote and have been told they will just get an invoice after the funeral. We also still find that some staff we speak to do not know about the requirements or the SPL, and some companies that seem to be compliant online turn out not to be because on calling we discover there are other packages available that aren't listed on their website.

However, when do encounter people who have compared prices, our sense is that they have probably had an easier time doing so than before the Order, with people often having done a more thorough job.

There are still problems though. Now, the biggest difference between companies is not whether prices are displayed but how easy they are to find.

Many companies have their SPL in a different place on their website to their other prices. The location of the SPL is also often much less prominent or somewhere you wouldn't instinctively look. All this increases the chance people will either miss the SPL completely or forget about it when it comes to considering all the options. This is especially problematic if the company's other offerings are all more expensive. Sometimes all the pricing information is hard to find, not just the SPL. While we know that prices and SPLs must be displayed and so will persevere and, from looking at countless websites, we have learned some of the common places to look, like in the footer menu, bereaved members of the public are likely to find it more difficult.

The fact the Order does not require that all pricing information is held in the same place significantly hampers the effectiveness of the Order and the benefit to bereaved consumers.

*The difficulty we have appeared also to be experienced of the ITV Tonight team in their episode *Funeral Costs: The Price of Dying*, in May. They carried out their own review of 'the websites of 150 funeral homes across the UK' and said they found that 36% 'did not have their price lists prominently displayed'. Then, when*

they phoned a sample of those companies they found 'getting a straight answer wasn't always easy'. <https://www.itv.com/watch/tonight/1a2803/1a2803a9403> (starts at 17.47 minutes).

We also see confusing pricing where packages, baseline professional fees and the SPL prices don't seem to bear any relation to each other.

Comparing SPLs, if they can be found, is easy but beyond that things are not necessarily any more straight forward than they were before, particularly for attended funerals. In fact, while there are possibly fewer set packages around, the mix on some websites of an SPL and packages is almost more confusing than it was before.

While all funeral directors must display an Additional Options Price List (AOPL), the Order does not require a funeral director to allow customers to add items or services to the CMA Attended Funeral, or even to state whether this is possible. Therefore, if someone wants something different, it is often not as simple as comparing the CMA Attended Funeral price and the requested additional items on their AOPL.

All this means it can also be difficult to tell if the additional items you want will result in you being pushed up to a much more expensive service.

However, basing your comparison solely on the SPL can be risky for two reasons. Firstly, we notice that they sometimes appear to be out of date – sometimes this is confirmed to us, sometimes the document is dated over a year ago and sometimes there is a package listed separately that is a higher cost but offers the same products and services. As the SPL is often not integrated into a company's price offerings and held in a different place on the website, it may be more likely to overlook it when updating prices. Secondly the jump from the CMA Attended Funeral price to the next package or to a 'bespoke' approach can vary hugely and, in some cases, can be quite significant.

In the same way as with the SPL, it would also serve consumers much better if the Terms of Business had to be displayed in the same place as all pricing and other documents, something that some companies do well. However, there are a great many that seem to hide the Terms of Business, often in the footer of the website and sometimes in very small text, or simply have them in a completely different place to the pricing information or do both. Some of these may be considered 'prominent' and therefore compliant, but we believe they are not easy to spot or helpfully or logically placed and therefore do not serve consumers.

If the Order has reduced companies soliciting business through coroner and police contracts, then this will have had a positive impact on consumers, though we have still encountered it happening on occasion.

Overall, we believe the features that have an adverse effect on competition (AECs) that the CMA identified in the funeral director market during their last investigation persist, in particular:

‘a) Low level of customer engagement caused by the intrinsically challenging circumstances surrounding the purchase of a funeral’ and

‘c) Lack of visibility to customers of the level of quality of care given to the deceased by funeral directors’.

Regarding the second AEC, this is much improved but not resolved:

‘b) Lack of easily accessible and clearly comparable information on the products and services provided by suppliers, including their prices and levels of quality’.

As we have set out, some prices and SPLs are still not easily accessible, packages and services outside of the SPL are not necessarily clearly comparable and levels of quality are difficult to determine.

In terms of the AECs in the crematoria market, we suspect there also remains a low level of customer engagement with the crematoria market, for the same reasons, and that high levels of local concentration still exist.

We believe many customers are still experiencing a detrimental impact.

(a) Has it impacted funeral prices?

SunLife’s 2024 report found that most companies (55%) hadn’t changed their prices because of the Order, including 25% who hadn’t even reviewed their prices, and only 28% reduced some of their prices, with 25% making some increases. This aligns with our general experience that, while there have probably been some incidents of companies undercutting others, this concern, voiced by the industry in advance, hasn’t generally been borne out from what we’ve seen. Also as we evidenced in question two, there are still huge differences in prices within areas and between areas.

(b) Has it impacted consumer choice or behaviour?

On the odd occasion where it has felt appropriate to advise people, in the process of our work, that a company does not have an SPL as they’re meant to and therefore we can’t easily offer a direct comparison with other

companies, we have had one or two people state that they ‘won’t choose a company that isn’t doing what it’s supposed to’. However, this is rare.

10. Please provide your views on the likely evolution of the funerals market in the next five to ten years.

- (a) Please consider costs to funeral directors and crematoria operators; prices to consumers; consumer behaviour; quality of funeral services; and the conduct of funeral directors and crematoria operators.**

It is possible that the increased numbers of unattended funerals may prompt companies to increase prices, or engage in more intensive upselling, to fill any gaps in profit left by the decrease in attended funerals, which are more expensive.

Given that we are three years on from the Order coming into force and yet some crematorium operators and at least 10% of funeral directors are still not compliant with it, it seems clear that the CMA’s proactive, intensive work needs to continue for quite some time. This is especially the case given that, we believe, consumer awareness of the requirements is low, which, coupled with the vulnerability of many bereaved people, means we imagine public reporting is and will continue to be low. However, while we know that the CMA are working hard to enforce the Order and we hope that price transparency conduct will continue to improve, we are also aware that it is a vast market and the CMA’s resources are limited.

We believe quality and conduct more generally won’t change significantly without further regulation.

The need for regulation as identified by the CMA in their final report in 2020 still exists. At a minimum, the recommendation the CMA made, for the UK government and the devolved administrations in Northern Ireland and Wales to establish a registration and inspection regime for funeral directors, still needs to be implemented, as a first step towards full-scale regulation.

We don’t think prices will reduce sufficiently without further action and urge the CMA to assess the possibility and impact of price controls. If the CMA does not launch another MIR then at the least we ask that they call on the UK Government to consider introducing price controls as part of a broader regulatory regime.

- (b) **Please consider how you expect the Order to change the funerals market.**

While are generally supportive of the Order, believe it contains very important elements and it needs to remain in place, we think the power and scope of the Order to change the funerals market is limited without full-scale regulation.

- (c) **Please consider how any changes compare to current and past trends.**