



Citizens Advice Scotland written evidence Reforms to the Social Fund's Funeral Expenses Payments scheme

August 2017

Citizens Advice Scotland (CAS), our 61 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Advice for Scotland provides information on rights and helps people solve their problems.

In 2015/16 the Citizens Advice network in Scotland helped over 310,000 clients in Scotland alone and dealt with over one million advice issues. With support from the network clients had financial gains of over £120 million and our Scottish self-help website Advice for Scotland received over 4 million unique page views.

Introduction

1. CAS welcomes the opportunity to respond to the proposed reforms to the Funeral Expenses Payments scheme, which would make some positive changes for people who need support to pay for funerals.
2. However, CAS believes that the proposals do not go far enough in addressing the growing problem of funeral poverty. Citizens Advice Bureaux frequently advise clients who, despite receiving assistance from the Social Fund Funeral Expenses Payment scheme, are unable to afford to pay for a funeral for their loved one. A CAS report showed that the average cost of a funeral in Scotland was £3,550¹ and the average Social Fund Funeral Payment was £1,375, leaving an average shortfall for an average funeral of £2,175². The Social Fund Funeral Payment is designed in two parts, the first part is designed cover costs such as the cost of the burial or cremation; doctor's fees; transportation of the body; and a return journey to attend the funeral. The second part is designed to cover the cost of "other expenses", such as funeral director fees. One factor which contributes to the shortfall between the Social Fund Funeral Payment and the cost of an average funeral is it has not been increased 2003 when the Government redefined the "other costs" element of the Social Fund's Funeral Expenses Payment as a "contribution" to other costs and capped it at £700.

¹ Funeral costs may include some or all of the following: the cost of a lair; the cost of internment; removal of the deceased Coffin or Casket; Embalming/Hygienic Preparation; Hearse(s); Limousine(s); memorial; Minister fees; venue hire for a wake/funeral reception; catering; obituary or death notice in paper; and flowers

² Citizens Advice Scotland (2016), Funeral Poverty in Scotland : A Review for the Scottish Government, http://www.cas.org.uk/system/files/publications/funeral_poverty_in_scotland_0.pdf

3. Given this shortfall and a significant increase in the number of clients seeking advice from Citizens Advice Bureaux regarding funeral costs CAS recommends that the Department for Work and Pensions considers removing this cap on “other costs”.
4. Additionally, CAS would recommend that the level of Funeral Payments should be raised in order to cover the full cost of a basic funeral. CAS research estimated that one in ten people struggle to pay for a funeral³. This can lead to people either getting into debt or getting into a worse financial situation than they are already in, for example by having to use high cost short term credit to cover the costs of a funeral. Struggling to pay for a funeral can also negatively impact on an individual’s grieving process and, consequently, their mental health. Below are a number of cases which highlight difficulties faced by a client to find funds to cover the shortfall between the Funeral Payment and the cost of a funeral. These illustrate why CAS recommends that the level of Funeral Payments should be increased.

A client in the South of Scotland paying for her mother’s funeral was left with a funeral bill of over £3000 despite receiving a funeral payment of approximately £1400. In order to pay for this bill she sold some of her mother’s belongings but this was not enough. She resorted to going into debt by paying the remaining balance on her credit card.

A client in the East of Scotland was very distressed as he had been quoted £4,000 for a funeral for his brother, and told that the most he would receive in a Funeral Payment was £2,000. He had cared for his brother for the past five years and, following his brother’s death, was told his Carer’s Allowance would end after six weeks. The client managed to borrow £500 to pay for the deposit and felt he would need to pay the remainder on his credit card. He was already struggling with a balance of £3,700 on his credit card, which he was managing to pay the minimum or slightly over each month but was concerned he wouldn’t be able to keep this up much longer.

Citizens Advice Scotland is a member of The Funeral Poverty Alliance and The Scottish Working Group on Funeral Poverty and fully support both groups’ submission to this consultation exercise. We also support the submission made by Marie Curie, recognising their role in providing care and support for people living with a terminal illness and their families and carers. We have below set out our response to the questions posed in the consultation document.

³ *Ibid*

Comments on proposed changes

Question 1

Do you agree that we should allow recipients of Funeral Payments to receive additional contributions towards the cost of a funeral from charities, friends and relatives without us deducting these contributions from the value of the Funeral Payment we award them?

1. CAS agrees with the Government proposal to allow recipients of Funeral Payments to receive additional contributions towards the cost of a funeral from other sources without these being deducted from the value of the award. There are various charities and trusts who offer grants to help people pay for funerals, which shouldn't be used to replace public money that the claimant is entitled to. This change would enable (and possibly encourage) charities and friends/family to offer meaningful financial support to the bereaved and help bring down the gap between funeral payments and costs.
2. Nonetheless, it is important to recognise that family structures are not simple and Citizens Advice Bureaux see clients who are unable to ask relatives for help. While the proposed change is welcome, many people won't be able to benefit. Below is an example of a client unable to get help from her family:

A client in the South of Scotland who was applying for a Funeral Payment told advisers that she was not on speaking terms with all of her four siblings and did not know of their circumstances and whether or not they were receiving a qualifying benefit. She was taking responsibility for paying for the funeral of her mother who she visited every day and her circumstances qualified her for a Funeral Payment. However, it was necessary for her to try find out information from her siblings to fill in the application form and, if one of them was in work, she would not qualify for a Funeral Payment. When she visited the CAB she was very distressed and concerned about funeral arrangements.

Question 2

Do you agree that we should not assign the responsible person status to people living in care establishments who receive income-assessed help from their local authority with their care fees, in place of an applicant who would otherwise be eligible for a Funeral Payment?

3. Evidence from CAB highlights that greater thought overall needs to be given to the assignation of the responsible person status in relation to eligibility for a Funeral Payment. Our evidence highlights that at times a family member wishes to take responsibility for paying for a funeral but are refused on the grounds that someone else in the family is the deceased 'next of kin'. Below is one example of this:

A client in the East of Scotland recently lost their mother and their maternal grandmother wished to pay for the funeral and apply for a Funeral Payment, which

she has qualified for in the past. The client works full-time and her earnings are above the threshold to be eligible for a Funeral Payment. The cost of the funeral was almost £4,000 and the client's grandmother was able to contribute £2,000. The client had no savings and came to CAB as she was struggling to pay the difference.

4. The above case is typical of those seen by advisers in CAB. In this case if the family member taking responsibility to pay for the funeral had been able to access a Funeral Payment the client may not have had this struggle to give her mother a funeral. It highlights the need for the Department for Work and Pensions to consider whether the current eligibility criteria for a Funeral Payment needs to be amended and CAS would welcome them doing so.

Question 3

Do you agree that we should extend the application period to claim Funeral Payments from 3 to 6 months?

5. CAS supports the Government's proposal to extend the application period to claim Funeral Payment from 3 months to 6 months.
6. The advice and support provided by CAB advisers includes supporting individuals completing the application form for Funeral Payments, which is complex. Moreover, there has been a steady increase (as a proportion of business) of 17% between 2013/2014 and 2016/2017 in clients seeking advice from CAB on the Funeral Payment claiming process/backdating. By extending the application period it also allows a longer time period in which individuals can access independent advice, such as that provided by CAB.
7. CAS is concerned that at present not all individuals eligible for Funeral Payments may be aware of their ability to access this and the proposed extension of the application period to claim Funeral Payments could assist these individuals, who may not immediately seek help or advice. The case below demonstrates how advice and support helped a client unaware she was eligible for a Funeral Payment:

A client in the East of Scotland was unaware that she was eligible for a Funeral Payment until she visited a CAB. She came in for advice and assistance as she was struggling following her husband's death, especially having paid out more than £3,000 on funeral costs. An adviser was able to contact the Department for Work and Pensions to confirm that she was eligible for a Funeral Payment and support her in completing the application form.

Question 4

Do you support the launch of a shorter application form for claims relating to children's funerals?

8. CAS supports the proposal to for a shorter application form for claims relating to children's funerals.

Question 5

Do you agree that we should clarify that Funeral Payments will pay for the necessary costs of a burial with or without exclusive rights of burial?

9. CAS would support the proposal to clarify the regulations to make it clear that Funeral Payments can cover the cost of a burial plot with or without associated exclusive rights of burial. As highlighted throughout this response, frequently clients seek advice from CAB when they have received the Funeral Payment and cannot afford to pay the shortfall.

Question 6

Do you agree that applicants and funeral directors should be able to submit evidence electronically to support a claim for Funeral Payments?

10. CAS supports the Government's proposal that applicants and funeral directors should be able to submit evidence electronically to support a claim for a Funeral Payment. However, claiming for Funeral Payments should not become digital by default and applicants must have the option to submit evidence either electronically or using a paper form depending on which they prefer.

Question 7

Do you agree that we should cover the proposed medical examiner fees, if adopted in the future, as a necessary cost, as we currently cover them as necessary for cremations?

11. CAS recognises that this question applies to England and Wales. Within Scotland these fees are covered by the Scottish Government. CAS supports this proposal that the Government should cover the medical examiners fees if introduced for burials as this would bring equity across the UK.