



Designing a Social Security System for Scotland:
Funeral Payments

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About the Citizens Advice Service

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 Adviceguide provides information on rights and helps people solve their problems.

In 2014-15 the Citizens Advice Service network helped over 323,000 clients in Scotland alone and dealt with over one million advice issues. With support from the network clients had financial gains of over £124 million and the Scottish zone of our self-help website Adviceguide received approximately 5.4 million unique page views.

Summary

The CAB service has a unique role in Scotland. No other charity offers direct help to so many people over such a wide variety of problems and across the whole of Scotland. Our on-the-ground experience and extensive evidence base puts us in an ideal position to set out a vision for how Scotland should use its new social security powers.

Funeral Payments should allow for families who require support to have a dignified but affordable funeral for their loved ones. However, the current system, which is part of the Regulated Social Fund, often fails to meet the needs of those struggling to meet the costs of a funeral. As a result of people struggling to pay funeral costs, CAB across Scotland are helping more people than ever before who find themselves in funeral poverty.

There are a number of problems with the current system, including the unclear eligibility criteria and application process. CAS recommends that **the criteria for any new funeral support are much more clearly defined to give certainty to applicants.**

Currently people are often required to pay a deposit upfront (frequently £500-£1000) to funeral directors, regardless of whether they will be successful in their application for a Funeral Payment. Particularly given the unclear eligibility criteria, families can inappropriately borrow money thinking that they will later get a Funeral Payment. If they are unsuccessful, they may be in debt they can't afford. Even if they are successful, their Funeral Payment will be reduced by the amount they have borrowed as it is considered money that they had.

When the powers are devolved, **there should be an agreement between the Scottish Government and all funeral director trade bodies that deposits will not be required when someone is eligible for funding support.**

Applicants are also often unclear as to what will be paid for; what is not covered and payment amounts can vary and are often opaque. This means individuals can act on the assumption that the entire funeral will be paid for when in fact only a small payment will be made towards costs that are not core charges (e.g. transport,

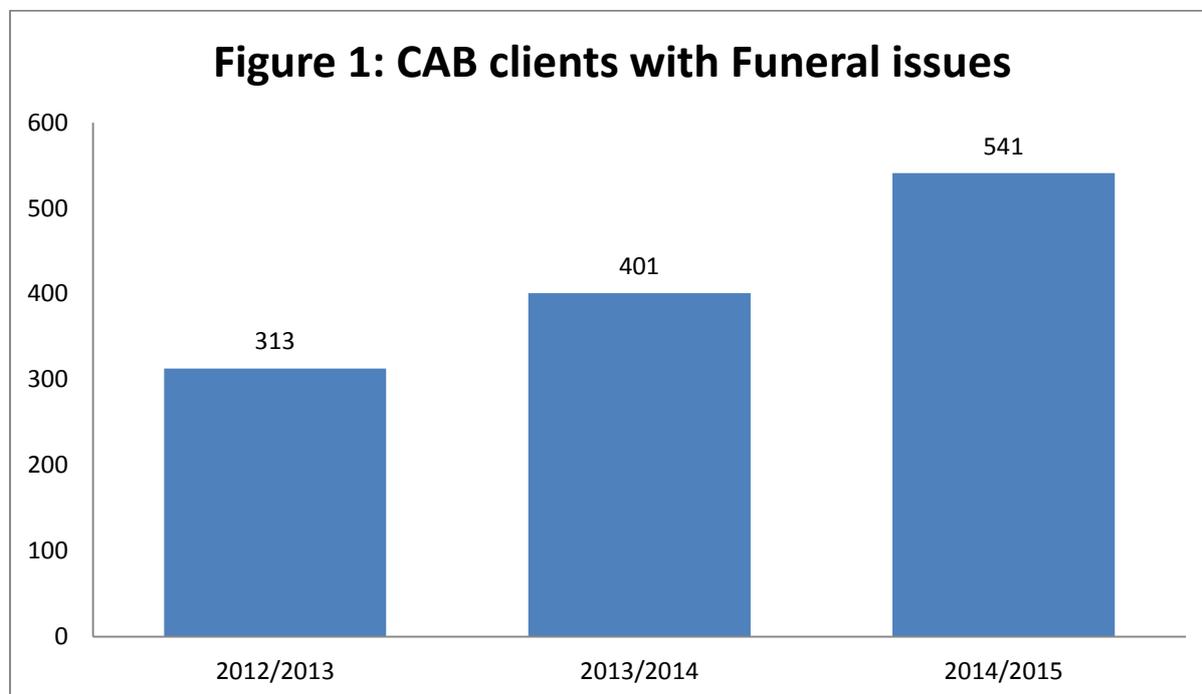
flowers, memorials etc.). **A clear fixed payment solution is needed to give certainty to applicants so they know what they are able to afford.**

CAS would support **a much clearer definition agreed by industry and government which sets out what is included in a respectful, agreed, affordable funeral and how much this costs.** While we would support individuals to make additional arrangements subject to their own wishes, a clear affordable minimum should be provided.

The cost of a basic dignified funeral has been allowed to increase at eye-watering levels over the past decade. The cost of an average basic funeral in Scotland can now range from £2,500 to £5,000. These costs can be completely unaffordable for many in society, especially those in low pay employment who may be paying for a funeral of a partner who was the main income earner in the household. CAS recommends that **rising costs be addressed by the Scottish Government as a matter of priority.** One option to be considered would be to cap the amount that can be charged to those in receipt of funeral grants for the disposal of a body.

Regulated Social Fund Funeral Payments

As a result of people struggling to pay funeral costs CAB across Scotland are helping more people than ever before who find themselves in funeral poverty (figure 1).



CAS has seen a number of cases at CAB where the current funeral payments system fails to meet the needs of those struggling to meet the costs of a funeral. Often it can be unclear to those claiming whether or not they will be successful in their claim and decisions can take a prolonged period of time. There is evidence that the unclear eligibility criteria and application process means there is a high refusal rate in applications. UK Government figures show there were 66,000 applications to the fund in 2012-2013 however only 53% were successful.¹

Added to this difficulty is the need for a deposit up-front (frequently £500-£1000) to funeral directors regardless of whether the person organising the funeral will be successful in their application to the social fund. This is because of the uncertainty around whether the individual will be successful in getting an award even if it appears that they qualify.

CAS therefore recommends that the criteria for any new funeral support is much more clearly defined to reduce the number of unsuccessful applications and give certainty to applicants.

Payment amounts for certain costs have also been frozen for a number of years not taking into account the quickly rising costs of funerals across the UK². This has left

¹ House of Commons library, Social Fund Funeral Payments, 2013

² Additional funeral expenses have been capped at £700 since 2003. University of Bath (2012)

even those who are successful in applying short of the money needed to pay for a respectful funeral.

A number of applicants for funeral payments are often unclear as to what will be paid for and what is not covered as payment amounts can vary and are often opaque. This can mean that individuals can act on the assumption that the entire funeral will be paid for by the DWP when in fact only a small payment will be made towards any costs that are not core charges (e.g. transport, flowers, memorials etc.).

- A South of Scotland CAB reports of a client whose sister had died leaving very little money to contribute towards the cost of a funeral. The client has taken responsibility for organising the funeral and has approached a local funeral directors to help make arrangements. The client paid £1,000 of her own money as a deposit with the total cost coming to £2,611. She is retired and receives the basic state pension and pension credit with no other income. The client states that they have organised the most basic funeral the directors could manage and kept costs to a complete minimum to help the client. They signposted the client to the CAB for help with how to cover the costs. The maximum grant available from the Social Fund is £1,200 leaving the client well short of the costs despite being on a very low income.

CAS would support a move to a fixed payment amount from a funeral grant system to increase certainty for claimants in the amount of support they will receive and what this covers.

Funeral Directors also collect deposits as local authority disbursement costs (cremation or burial fees) must be paid in full upfront. CAS has shown over the last two years how these local authority charges vary substantially across Scotland and how they have increased, in some cases, by as much as 42% in one year.³ If costs continue to increase without a rise in funding for funeral payments, this would mean that any new system would either have to pay fewer awards or reduce the level of award.

“Last year I had to arrange the funeral of my older brother who passed away suddenly as I was his closest living relative. This was a really difficult time for me as my mother had only past away the year before and I was still struggling with the grief and losing my brother made this harder. The local funeral director helped me apply for a grant [Social Fund Funeral Payment] after I told him I received Employment and Support Allowance. It was a difficult form that I didn’t understand at the time because I was upset but the girl in the undertakers took her time to help me. She said she helped people like me all the time.

“It looked like I would be successful in getting [social fund] money to help, but I still needed to find £700 for a deposit to give to the funeral company. The undertaker kept costs low so I wouldn’t be out of pocket and the [Social Fund] grant would cover it. The undertaker told me that the funeral couldn’t go

³ CAS, The Cost of Saying Goodbye, 2015

ahead without the deposit but I didn't have the money. I went home upset and worried what would happen about my brother's funeral, I really didn't want him to go into an unmarked grave.

"After speaking to other family members I only managed to get together half what was needed (£350). I almost considered taking out a payday loan to get the rest of the money but my wife said that would only make things worse as she had read about what can happen when these go wrong.

"I then went to my local CAB who helped me apply to a local charity for a grant to make up the rest of the deposit as I didn't want to delay the funeral any longer. The funeral director promised to refund this if my [social fund] application was successful. The funeral went ahead and the undertakers and local priest provided a great service.

"I was really stressed until the DWP [social fund] came back saying my application had been approved as I was worried that I would need to find all the other money to give to the funeral director which I couldn't afford.

"I think any new funeral cost support should stop people needing to find big deposits that people like me and my family don't have, it's really unfair and upsetting to not have the money when all you want is a bit of respect for your brother or whoever. It needs to be less stressful to apply and find out the result."

CAS recommends that, alongside the introduction of a Scottish funeral support funding system, rising costs must be addressed by the Scottish Government as a matter of priority. One option to be considered would be to cap the amount that can be charged to those in receipt of funeral grants for the disposal of a body.

A further complication with regard to social fund funeral payments is that, when considering an award, the DWP considers a wide number of family members' financial circumstances, even when these people are estranged from the applicant. Not only does this slow down the process of confirming any award but it can mean a refusal for payment despite the fact that the individual organising the funeral, who can be the closest relative, would be eligible.

- A West of Scotland CAB reports of a client who is the next of kin and legal representative of his late father who died unmarried and had no other children. The client advises that there was no estate but only debts. The client has to borrow money to pay for the funeral for which he has accepted responsibility. The CAB is assisting him to make an application to the social fund.

CAS recommends a defined system for deciding who is the responsible next of kin – the person who will be tested for eligibility. We would recommend using the 'nearest relative' test that is currently used in the Human Tissue

(Scotland) Act 2006⁴. This is the recommended test by the Burial and Cremation Review Group as to who should be responsible for disposal of a body. Any application process should allow for a deviation from this set list on reasonable grounds e.g. a son or daughter applies as the spouse is incapacitated or estranged.

⁴ Nearest relative test is the first on this list that is living: (a) spouse/civil partner; (b) lived with partner of more than 6 months; (c) child; (d) parent; (e) brother/sister ; (f) grandparent; (g) grandchild; (h) uncle/aunt; (i) cousin; (j) niece/nephew; (k) longstanding friend



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