

Citizens Advice Scotland evidence to Social Security Committee on Funeral Expense Assistance (FEA)

Citizens Advice Scotland (CAS), our 60 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.

Citizens Advice Scotland welcomes the opportunity to provide evidence to the Social Security Committee. CAS has comments in relation to the following areas of the regulations and accompanying policy narrative:

Policy Objectives:

CAS welcomes the Scottish Government's recognition of the impact of rising funeral costs on families on low incomes. CAS highlighted the high cost of funerals and the impact this can have in terms of debt issues and on grief in the Funeral Poverty in Scotland report (2016)¹. This report also showed that support for funerals is currently unbalanced and that one way to rebalance the difference between costs and resources would be an increase in the assistance available from the state to meet the gap.

Application:

CAS welcomes the extension of the application window for FEA to six months, and notes the DWP is making a similar change. The advice and support provided by Citizens Advice Bureaux (CAB) advisers includes supporting individuals completing the application form for Funeral Payments, which is complex. 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. However, it is concerning to see that there may no longer be discretion on late applications. At times clients visit CAB outwith the application window and are not aware of being able to apply for assistance prior to visiting the CAB. For example, see the below case:

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.

¹ You can read the full report here:

http://www.cas.org.uk/system/files/publications/funeral_poverty_in_scotland_0.pdf

CAS welcomes the Scottish Government taking measures to ensure that the process is as easy as possible for application. We also support the commitment to process FEA applications in ten working days. However, CAS would welcome clarification on whether it is intended to insert this into the FEA regulations, or whether these are to be made in alternative social security regulations.

Relationship

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. 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.

Additionally, 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 who 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.

Therefore, CAS is pleased to see a potentially simpler and less intrusive approach being proposed.

Residence

CAS agrees that requiring applicants to be habitually resident in Scotland is a reasonable requirement. As set out in the consultation document, the test for establishing this – an applicant having their main home in Scotland, having an intention to keep living there, and be legally entitled to be in Scotland – is sensible. As some of this will already be established by virtue of being in receipt of a qualifying benefit, it should not represent an onerous barrier on applicants.

CAS would also recommend consideration of individuals who may have temporarily moved to provide care. An individual may move to care for a sick relative who subsequently passes away and they may then arrange the funeral and apply for FEA.

Qualifying benefits

As part of the proposed list of qualifying benefits in the consultation document, it is proposed that Universal Credit should be a qualifying benefit 'as long as someone has an award of more than £0'. CAS believes that due to the way full service Universal Credit operates that it would not be necessary to include the qualification that there should be an award of more than £0, as under those circumstances a person's UC claim would be closed. As adding additional qualifications makes it less straightforward to establish eligibility for individuals and advisers we would recommend that Universal Credit is included as a qualifying benefit with no further qualification.

Assistance to be given:

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 £3,550 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 to 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 since 2003. This was the point 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. CAS welcomes the commitment to annually uprate the flat rate element of the Funeral Expenses Assistance as this will ensure that the benefit does not continue to lose value. However, 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 Scottish Government considers increasing the amount provided for "other costs" in the FEA prior to the commencement of the benefit to account for the long period it has been frozen.

Moreover, struggling to pay for a funeral 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 FEA 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

² *Ibid*

£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.

CAS notes that the majority of FEA awards will be paid into a bank or credit union account. CAS is aware that not all individuals have these accounts and would not want this to be a barrier to receiving a FEA payment. CAS recommends that Post Office accounts are included as an option for FEA payment.

CAS notes the suggestion that FEA payments should be made directly to funeral directors. We would emphasise that it is important that individuals are treated with dignity and given a choice in terms of how they receive their benefits.

Re-determinations

Citizens Advice Scotland would recommend that the timescale to make a re-determination request should be extended to six weeks (42 days). This would enable individuals to gather and submit further evidence, as well as being able to seek and receive independent advice if they need it. This is challenging in the current reserved benefits system, where the timescale is set at four weeks, and consultation with CAB advisers has suggested that six weeks would be a more appropriate period across the new Scottish social security benefits.

Citizens Advice Scotland would consider that a limit of 15 working days to make a re-determination on a Funeral Expense Assistance application is an acceptable time period. We do note however, that whilst mentioned in the consultation document, neither of these provisions appear in the draft regulations, and would welcome confirmation that it is the intention to add them.