



## **Citizens Advice Scotland response Competition and Markets Authority Funeral Director and Crematoria Services Market Investigation – Statement of issues**

*Citizens Advice Scotland (CAS), our 59 member Citizen Advice Bureaux (CAB) 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.*

*In 2017-18 the Citizens Advice Service network helped over 295,100 clients and dealt with almost 800,000 advice issues for clients living in Scotland. With support from the network clients had financial gains of almost £142.2 million and our self-help website Advice in Scotland received approximately 3.2 million page views.*

The funeral market and funeral poverty are areas where CAS has extensive evidence and insight. In particular, CAS welcomes the attention given in this Statement of issues to: transparency; consumer choice; the vulnerability of consumers purchasing a funeral; and the importance of redress. We will respond to the Statement of issues where our evidence is most relevant.

### **Summary of issues**

In relation to paragraph 8, points (a) and (b), CAS agrees that it is important to understand what customers consider to be essential parts of a funeral. Our evidence suggests the bundled nature of some funeral products can be confusing for consumers and they may not always be aware what is and isn't included in a funeral; this is also true when purchasing funeral plans. We would welcome agreement across the funeral industry of what is included in a funeral. We note that an agreed definition of a simple funeral is incorporated into industry codes for the funeral director trade bodies. However, not all funeral directors are members of trade bodies so we would welcome wider agreement on this to ensure consistency and transparency for customers across the whole market. Funeral directors should provide consumers with clear and consistent information, which meets consumers' needs, and enables them to organise a dignified send-off for their loved one.

In terms of quality, within Scotland the Inspector of Funeral Directors is looking at this issue. We welcome this and believe consistent levels of quality and standards across the industry would benefit consumers. Ensuring transparency across the funeral market will help safeguard consumers who are vulnerable and making decisions at a difficult time.

CAS is pleased to see the vulnerability of customers at the point of need recognised under paragraph 8, point (c). CAS would emphasise at the time of bereavement all consumers are vulnerable. Nonetheless, there may be certain groups or individuals with other characteristics which increase their vulnerability. For example, those on a low income may be trying to balance affordability against providing a funeral they consider dignified and respectful. More openness and transparency, like providing written quotations for all consumers, would help people make decisions at this difficult time and make a choice regarding which funeral director they use.

This is linked to the issue point (f) raises concerning the funeral sales process. For consumers to make a meaningful choice this process should be open and transparent. CAS' recommendations for this process include all funeral directors displaying their price lists, and

making copies available to customers. Funeral directors should also be required to provide a written itemised estimate and make clear to consumers whether all aspects of the estimate are essential or not.. To promote comparison and customer choice, CAS would welcome a standardisation of language and terms used across the industry so that consumers can be confident they are comparing like-with-like. The unbundling of funeral packages would also assist consumers in comparing different funeral directors. The provision of clear and consistent information is especially important when funeral directors will be interacting with a vulnerable customer group. Additionally, given that customers are unlikely to be familiar with the process of organising a funeral they are often reliant on a funeral director to explain the process to them, so providing this information in an understandable and transparent way is particularly important.

### **Summary of potential remedies**

CAS agrees with the broad consensus that the lack of transparency impedes consumer choices as highlighted in paragraph 11 and would support remedies to improve this. We have highlighted some of our concerns above. It is also important to note the role which citizens advice bureaux can play in supporting clients, both in terms of preparing for and planning their own funeral and in assisting clients who are struggling to afford to pay for a funeral.

With regard to paragraph 12, point (a) CAS would welcome steps to assist those who are struggling to pay for a funeral. The 'Funeral Poverty in Scotland' report<sup>1</sup> estimated that 10% of people in Scotland will struggle to pay for a funeral which they are responsible for. This could result in people getting into debt; accessing high-cost credit to pay for a funeral; going without other essentials; or feeling guilt for not providing their loved one with what they consider to be a dignified send-off. Below are two cases from citizens advice bureaux which demonstrate the difficult situation people may find themselves in when trying to provide a dignified and respectful funeral for a loved one.

*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 this 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 visited a bureau as he only had £2 left on his electricity and had no food in the house. His lack of funds was due to the expense of his mother's funeral and a change in his benefits. He was hoping for his children to visit him over the weekend and was provided with a referral to a food bank.*

Paragraph 15 refers to regulation of the funeral sector. Within Scotland, the Scottish Government has appointed an Inspector of Funeral Directors. We welcome this step and look forward to reading her review of the funeral profession and recommendations once released.

### **Invitation to submit views**

In response to paragraph 16, point (a) CAS believes that the issues the CMA have identified should be within the scope of their investigation and that these have been correctly characterised.

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<sup>1</sup> [https://www.cas.org.uk/system/files/publications/funeral\\_poverty\\_in\\_scotland\\_0.pdf](https://www.cas.org.uk/system/files/publications/funeral_poverty_in_scotland_0.pdf)

In response to paragraph 16, point (b) CAS would welcome attention on the transparency of information provided to consumers; investigation into steps to increase consumer choice in the funeral market; and evidence gathering on the impact of consumers' vulnerability when making decisions related to funerals. We would also welcome the CMA giving attention to redress for consumers if something goes wrong. At present, funeral director trade bodies run a number of arbitration schemes. However, we are concerned that the fees levied on consumers making complaints through these schemes may be a barrier to accessing them or reduce the likelihood of making a complaint at all.

### ***Proposed focus***

CAS has a query in response to paragraph 33, points (a) and (b). Whilst it is positive to pay attention to customers' experience we are unclear as to how customers would know what the essential components of a funeral are and how quality varies between funeral directors and crematoria. As highlighted in our comments on paragraph 8, there is a lack of agreement within the funeral industry around the key components of a funeral. Furthermore, customers are likely to only purchase a funeral a few times in their lifetime so may be unfamiliar with what might be essential components and/or how to measure quality. In Scotland, the Inspector of Funeral Directors is considering aspects of quality within her work. Nonetheless, this lack of knowledge highlights the importance of transparency in the provision of information to consumers purchasing a funeral or funeral plan.

CAS is pleased that further views and data are being sought in relation to the take-up of low cost funerals. It is important that consumers have choices when making decisions regarding a funeral. However, the appropriate option will depend on the individual. CAS is clear that consumers should not feel they have to select this option for cost reasons if they do not feel it is a dignified and/or respectful way to say goodbye to their loved one. If they chose a low cost option for cost reasons alone the individual may feel guilt regarding their decision which could continue for a long period. This is why it is important that consumers have clear information to assist them in making a decision at this difficult time.

### ***Local market concentration***

CAS is disappointed that under paragraph 42 the CMA state they do not propose to explore local market concentration in the provision of funeral director services in the course of this inquiry. Within Scotland, there are particular issues around rural and island communities who are likely to have less choice with regards to which services they use. The 'Funeral Poverty in Scotland' report found crematorium charges tended to be more expensive in areas with only a single private operator. We therefore recommend that the CMA includes local market concentration in this inquiry to ensure consumers in rural and/or island communities are not negatively impacted by this issue.

### ***Sector characteristics***

In response to paragraph 56, CAS welcomes that the issue of bundles and packages is highlighted under points (a) and (b). At present, these can confuse consumers in a number of ways. Firstly, they may lack transparency when consumers are unclear what aspects of a funeral each package includes. This can also make it more difficult to compare packages.

The names of different packages can also influence consumers. For example, if the packages are called 'Gold', 'Silver', and 'Bronze' an individual may feel if they didn't chose the 'Gold' option they are not showing how much they cared for their loved one. This is concerning given that consumers are vulnerable when making these decisions. The above reasons also demonstrate why CAS recommends that funeral directors provide all customers with itemised written quotations.

### ***Market outcomes***

CAS believes the potential detrimental effects identified in paragraph 59 are the right ones to focus on. The issue we see most across the Citizens Advice Network in Scotland is people struggling to pay for a dignified and respectful funeral, in part due to prices.

### ***Role of trade associations***

CAS welcomes paragraph 90 confirming the CMA will give attention to trade associations' approaches to in handling customer complaints, monitoring and enforcing standards and disclosing information on breaches of the codes of practice. In response to paragraph 16, we discussed our concerns in this area and the importance of redress when something goes wrong.

### ***Remedies***

In response to paragraph 98, CAS would suggest a number of additional potential remedies. Firstly, the CMA could consider licensing funeral directors across the whole of the UK. This could be one way to ensure consumers can compare the quality of services provided by funeral directors when making a decision on which to select. It could also increase transparency across the market. Secondly, the CMA could investigate the possibility of removing the fees charged to consumers for complaints processes. This could improve consumers' access to redress.

In terms of the four categories of potential remedies grouped together under paragraph 111 CAS welcomes that this investigation will give attention to information/transparency remedies and price/charging remedies.

### ***Improving transparency and helping people make good choices***

CAS is supportive of the proposed remedy to improve transparency and help people make good choices and the aims of this as described in paragraph 115. The Citizens Advice Network across Scotland already contributes to this through the provision of advice to consumers planning and/or paying for a funeral. Consumers may seek advice through face-to-face contact in a citizens advice bureau or through accessing our online advice.

### ***Price/charging remedies***

CAS is aware that many people across Scotland struggle to pay for what they consider to be a dignified and respectful funeral for a loved one. We would welcome price/charging remedies that could make this difficult time easier for this group.