



SAIF's Response to CMA Funerals Market Study Statement of Scope 2018

Introduction to SAIF

The National Society of Allied and Independent Funeral Directors (SAIF) was formed in September 1989 in order to ensure that independent, often family owned and private funeral directors would not only survive but thrive as multi-generational firms whose service and community engagement in many cases has been long standing in providing a professional, caring and transparent funeral services in their local communities.

SAIF was formed with the background of significant change, the rise of national chains buying into the funeral service market through the acquisition of family funeral directors.

One of SAIF's early campaigns was the key issue of 'transparency of ownership' as some of the conglomerates still traded under the family business name, which meant that consumers were unaware that the business was no longer operated by the family and created distress to the bereaved who was caring for their deceased kin. This remains an issue today.

SAIF in the early 1990's established the funeral planning company, Golden Charter Limited, to offer the network of independent funeral directors of a trusted pathway of experienced independent funeral directors and an assured funeral pre-payment company for consumers.

Since its inception SAIF has consistently worked with the UK Government and statutory authorities, including the former Office of Fair Trading which influenced early manifestations of SAIF's Codes of Practice which provide protocols for member firms with their interactions with customers to ensure clear information, reporting and recourse procedures.

SAIF welcomes the themes of transparency of pricing in the competitive business environment presented by the 'market study' from the Competition and Markets Authority (CMA). We are concerned that consumers have a clear and understandable pathway, as well as consistency in services, so that pricing for services is comparable from one funeral director to the next, as we observe inconsistency in this area¹. We welcome the CMA's review of how like for like services may be proposed and believe the Simple Funeral in the SAIF Code of Practice² provides the components of a basic funeral service.

Today SAIF has nearly 900 members with over 1,700 branches across the UK.

Funeral customisation versus one size fits all

The funeral service purchase is a unique one that differs remarkably from even a significant lifetime purchase such as a home or gift, there is huge emotion attached to the funeral event and how smoothly the process is completed can heal or harm the next of kin's grief journey.

There is one opportunity to get the funeral service right!

The component parts of a funeral directors service is not limited to the following, but gives a flavor of their role:

- The care of the deceased, from their transportation to preparation, clinical storage, to final resting place and importantly, the presentation of the deceased for viewing by the clients in the chapel of rest.
- The planning of the funeral service, which is a collective memorial of the deceased, which combines their wishes as well as the needs of the next of kin.

¹ Dewar A 2013, p12 Funeral Poverty: A plan for managing the impact of the costs, Trowbridge: Wiltshire Citizens Advice Bureau

² SAIF Code of Practice 2018 Attached.

- There is the administration aspect of fulfilling the legal paperwork from guidance to registering the death, to booking the service event at the client's chosen place and varying amounts of accompanying preferences, from flowers, music, PowerPoint and video slideshows, the selection of readings, music, family members who will read poetry, present a eulogy and liaison with clergy or celebrants. Announcements and obituary notices printed and digital.
- The full liaison with the client and their family. It should be noted that this is becoming more complex with the changing nature of family units and the unfortunate 'conflict within families' that is escalating with concerning levels. The outcome of this fragmentation are disputes over the deceased, their wishes and ownership of the body. The law needs urgent attention as well as expert mediators available to swiftly resolve the emergence of disputes that can stall the process of funeral arrangement and in which the funeral director is caught between the warring parties.³

The Purpose of Funeral Directors: the twin role of caring for the deceased and for the care of the bereaved

SAIF are glad to be invited onto the working groups, consultations and roundtable meetings of the Burial and Cremation Team from the Scottish Government following the 2016 Burial and Cremation Act. In July 2017 Natalie McKail became the first Inspector of Funeral Directors appointed by a UK Parliament.

SAIF and the NAFD have had for many years Quality Assurance Assessors who conduct full inspections of our members' premises and documentation every two years which monitor compliance and ensure protection for consumers in the case of poor practice with a client redress scheme.

There is a level of concern for SAIF that the market study may not appreciate the unique service at a unique time for the contracting of a funeral director by the consumer. Funeral directors' offer far more than a commoditised retail service.

This is reflected in Natalie McKail's focus across Scotland for "the care of the deceased" in the specialist work remit and the process of care within and out with of a funeral home. In particular, the standards of the mortuary, refrigeration for maintaining cold storage and preservation of the deceased with increasing longer waiting times between the death and disposal of the deceased.

SAIF has also been proactive in supporting members in their duty of care to the clients and their kin facing acute bereavement.

SAIF Care is a client care and bereavement counselling service which is led by a professional agency that is accredited with the British Association of Counsellors and Psychotherapists and the National Counselling Service.

SAIF are also actively participating in a ground breaking piece of research during 2018-19 with a member firm who is researching the "Therapeutic value of a funeral service" accredited by the University of York.

The purpose of this study is to test the hypothesis that there is psychological benefit for a ritual/event/memorial/funeral service to mark the passing of a family member or friend, and how it enables the grieving process.

This is important in the light of "funeral affordability (poverty)" discussions that with limited social fund payments by the Department of Work and Pensions, families do not feel compelled to choose a 'direct disposal' funeral which has not remembrance or celebration of the deceased's life.

Notwithstanding the above, the vast majority of SAIF member firms offer clients the choice of 'direct disposal' for their kin, if that is the client's preferred option.

³ Conway H 2018, :

https://pure.qub.ac.uk/portal/files/137094490/Funeral_arrangements_and_feuding_families_Pharos_Intl_.pdf

Online comparison requires a level of sophistication and simplification

SAIF welcomes the scrutiny of online comparison websites. We are aware of the CMA's market study into the benefits and risks of such media in the hotel industry and we look forward to the professional insights that can be brought to bear to ensure, in particular about:

1. Transparency of ownership
2. Accurate comparisons, like for like priced services. As we know that some firms offer baseline prices "from..." and end up paying far more than ever intended. ⁴
3. We comment below about the important remarks the CMA is concerned to elevate in the outcomes of this study, how quality might be measured? This could be a star rating system based on qualified staff, services and resources, ethical and environmental services, and access to the funeral home for the disabled, and availability of viewing times.

Consumers' rights and responsibility

Over the last 10 years leaflets and information for bereaved families and even Registrars have suggested to families that they should seek three quotations for a funeral service.

The fact is with so much prompting very few chose to do this, surely this says something. The point being, most families do not feel the need to at such a sad time.

We think an advertising programme initiated by the Government in advising consumers about funeral decisions, choice, obtaining multiple quotations and important services for consideration would be useful.

Furthermore, we see a role in the Government referring to SAIF and the NAFD as the trade associations for funeral directors who voluntarily regulate their member firms and provide consumer mediation and protection schemes.

Facts on funeral cost increases, including crematoria and cemeteries.

Funeral directors prices have in the majority risen 2016-17 on average 2.1%, and these increases are attributed to increased overheads, bad debt and decreased opportunities for investment.

Whereas private crematoria have increased their fees on average by 5.9% in 2016-17 year⁵

Public crematoria according to the Royal London 2017 report increased their fees by 5.4% and burial fees for the same period at 5.3%.

Jeremy West, SAIF Past President and Fellow, remarked:

"We now see local Council owned crematoriums have followed with their price increases, one example being in South Essex Crematorium in Havering, where fees have risen by 22% in 2 years, taking advantage of bereaved families!"

Lots of funerals today due to customs and cultures are far more involved and time consuming, Saturday and Sunday funerals and long religious services in Church are examples of funerals being more expensive. Funeral Directors offer a 24 hour a day service 364 days a year. No answer machines, but, personally responded to.

It appears evident that local authorities have increased their council owned bereavement service fees, to fill a budgetary shortfall through national government funding and this has led to exponential increases.

Basic burial fees over the last eight years in Scotland have increased 77%⁶.

Private crematoria fees over the past ten years have increased 100%⁷.

⁴ Sunday Telegraph July 2016: <https://www.telegraph.co.uk/money/consumer-affairs/after-my-mother-died-i-realised-just-how-exploitative-the-funera/>

⁵ p10 <https://www.royallondon.com/Documents/PDFs/2017/Royal-London-National-Funeral-Cost-Index-2017.pdf>

⁶ 7 June 2018 <https://www.bbc.co.uk/news/uk-scotland-44151702>

⁷ 10 September 2017: <https://www.theguardian.com/uk-news/2017/sep/10/soaring-crematorium-fees-private-sector-rivals>

In the light of these statistics, we are glad the CMA are analyzing crematoria pricing and exploring how barriers to entry for new crematoria to facilitate competition may be explored.

An invitation for the CMA Study Team to visit a SAIF member firms

We believe there is merit in the CMA market study team in spending half day with a funeral director to gain a 360 degree perspective of the full range of services required of a modern, progress funeral director.

We warmly invite you to visit a member, and any of SAIF's National Executive Committee members would be pleased to host your colleagues or choose a firm from the database we have submitted.

Most SAIF Funeral Directors today recognise the need to offer a vast range and choice of services, from the very simplest to the more elaborate. Trust is paramount between the funeral director and a bereaved family. The reputation a local family owned funeral director has built over many years, within their community is what counts. People today demand a high standard of service, regardless of whatever they require, and if a funeral is carried out to those standards, SAIF believes it helps people come to terms a lot better with their loss.

SAIF is grateful to the CMA study team for their openness to listen and engage in this important market study. If at any stage we can assist or you wish to test your findings with SAIF representatives please do not hesitate to let us know.

Question followed by Response:

43.

Purchasers of funeral services at the time of bereavement are likely to be vulnerable due to the death of a loved one, and are also likely to be under time pressure. These will be challenging circumstances for making informed choices. In its 2001 inquiry the OFT found that people arranging funerals are generally not aware of prices and that, once they have entered a funeral director's premises, they rarely make efforts to find the prices offered by other firms. Research carried out in 2017 suggests that the situation has not improved markedly since the OFT looked at the market, with only 6% of people reported to have got quotes from more than one funeral director.

SAIF's Response:

It is evident that the majority of people having to organise a funeral, choose a funeral director based on recommendation, previous personal experience or location.

However, the profession has undoubtedly experienced an increasing trend amongst funeral consumers in the last 10 years that suggest the austere economic environment that has faced consumers and rising funeral inflation, has influenced consumer behavior. Whilst this may be on a more regional basis, evidence within some of our member FD firms suggests that the number of estimates and price quotes issued to consumers who actively shop around for price information, before committing to appointing a specific FD have increased as a trend over the past decade

44.

We have heard concerns about a lack of transparency in pricing and service information, particularly online. Where prices are available, they can be difficult to compare due to a lack of clarity on what the price covers and/or bundling of various elements making up a funeral.

SAIF's Response:

All our FD members are individually owned businesses, where the proprietor decides on issues of their pricing, web presence and website content. As members of SAIF, they are bound by a Code of Practice that is effectively policed.

Pricing transparency has always been promoted within SAIF and is the very reason that we have always insisted as part of our Code of Practice that our funeral director members have an itemised price list and give clear written estimates as early as possible in the arranging of a funeral. Clients are expected to sign this detailed estimate in acceptance of the costs that are outlined to them.

Whilst not currently in our Code of Practice, over the past few years SAIF has additionally responded to this concern by encouraging all of our member funeral directors to have their services and prices clearly shown on their websites. This has proven difficult for some who do not have a website presence for their business, however the vast majority of funeral directors who signed up to the Quaker Social Action Fair Funerals Pledge were members of SAIF.

The relevant Excerpt from SAIF's Code of Practice:

5. Prices and Price Lists.

5.1. Prices must be fair and reasonable in relation to the particular goods or services supplied, thereby ensuring clients receive fair value at all times. Price lists, detailing all the services offered must be prominently displayed, so they can easily be seen by all visitors to the premises.

5.2. Such price lists must also be available for clients to take away with them or to be presented and left with them when a home visit is made.

6. Provision of Estimates and Invoices

6.1 Terms and Conditions

Members shall make clients aware of their Terms and Conditions of Trading, which ideally should be printed on the estimate given to them. Alternatively, copies should be sent to clients or made available for clients to inspect.

6.2 Provision of the Estimate.

6.2.1 Clients must be provided with a detailed written estimate at the time of arranging the funeral or, if that is not achievable then as soon as practicable afterwards. Where a consumer requests an estimate, in writing or otherwise, at an earlier stage (e.g. during an initial meeting or over the telephone), members should provide this as far as is practicable to do so. Members should make sure that clients confirm their acceptance of the estimate formally, as long as possible before the funeral takes place.

6.2.2 All estimates must at least give the following details of the Funeral Director's charges:

- Professional fees.*
- Removal of the deceased.*
- Coffin or Casket (including fittings and interior).*
- Embalming/Hygienic Preparation.*
- Hearse(s).*
- Limousine(s)*

6.2.3 All estimates must also itemise each disbursement cost, including:

- Cemetery/Crematorium fees.*
- Doctors' fees.*
- Minister of Religion or Officiant.*
- Church and associated fees.*

Where only an approximate cost can be given, it must be made clear that this may vary. The 'confirmed' cost must be supplied to the client as soon as possible.

6.2.4 Any additional items, which arise or are instructed after the estimate has been issued, must be authorised by the client prior to them being charged to their account.

6.2.5 A revised estimate, showing the changes made and the alterations to costs must be issued wherever practicable, where the client varies their original instructions, and again the client should formally confirm their acceptance of such changes.

45.

We therefore wish to investigate whether the practices of funeral directors (for example, around transparency of information) mean that people buying funerals in such challenging circumstances at the time of need are less likely to make informed choices, and if so, what more is needed to support people making such choices under those circumstances.

SAIF's Response:

SAIF's Code of Practice already requires our members to deliver clear and transparent pricing information, that is easily available and provide written fully itemized estimates for clients to consider. The current Code stops short of requiring FD members to publish their prices online or prescribing what format they should use.

However, we could consider this in conjunction with the CMA investigation and the consideration of advice provided to the membership of other Funeral Trade Associations, such as the National Association of Funeral Directors (NAFD).

Any requirement for the mandatory publishing of price details online would be a great challenge for the industry and would raise the obvious question of fairness and impartiality of the CMA, if such a requirement were to be compared across other care industries and how they are required to present their pricing.

It should be noted that many SAIF member firms do encourage clients to secure alternative quotations which validates their competitive pricing to the client.

46.

We also want to understand what factors may have an impact on prices and in particular, the extent to which, and dimensions along which, funeral directors compete with each other. Amongst other issues, we will examine what factors funeral directors take into account when setting prices and other elements of their offering, and over what geographic areas funeral directors seek to attract customers.

SAIF's Response:

This is a very big question – but it appears loaded in placing all the responsibility for funeral costs and price transparency at the door of the funeral director. This is not a competent understanding of how the funeral industry works or how funeral costs faced by the consumer are calculated.

The funeral industry is a capital intensive one. Coach built cars, large refrigeration units, clinical standard preparation areas, having appropriate premises & chapels of rest for families to visit, staff uniforms, general office space & IT equipment, etc. There are also approximately 40 staff hours invested in each funeral arranged. But FD costs are only ever around two-thirds or less of the funeral account.

The remaining third or more, are the disbursements that the FD pays on the client's behalf. This is where the greatest level of price inflation has been seen in recent years, especially with regards to church fees, burial and crematorium costs. Crematorium fees have risen exponentially, especially since 2008 when economic austerity was being felt, local authority budgets were being squeezed and a hike in cemetery and cremation costs was an easy target for increased revenues at a time when central government funding for local authorities was shrinking and local authorities had to fill gaps in their budgets that they could not fill due to the cap on rises in business and domestic rates.

The independent publication by Sun Life, the Cost of Dying Report 2017 clearly shows that:

- Cremation Fees increased by 7.9% over 12 months
- Burial Fees increased by 5.6% over 12 months, compared to
- Funeral Director costs increased by 3.3% over 12 months

The link to the Cost of Dying Report 2017 is here:

<https://www.sunlife.co.uk/siteassets/documents/cost-of-dying/cost-of-dying-2017.pdf>

The conclusion here is clearly that.

1. FD price rises are at the lowest end of the cost increase spectrum and are absolutely in line with inflation. (RPI 3.3% at May 2018 *source: www.ons.gov.uk*)
2. Cremation costs have increased 139% more than FD costs
3. Burial costs have increased 70% more than FD costs.

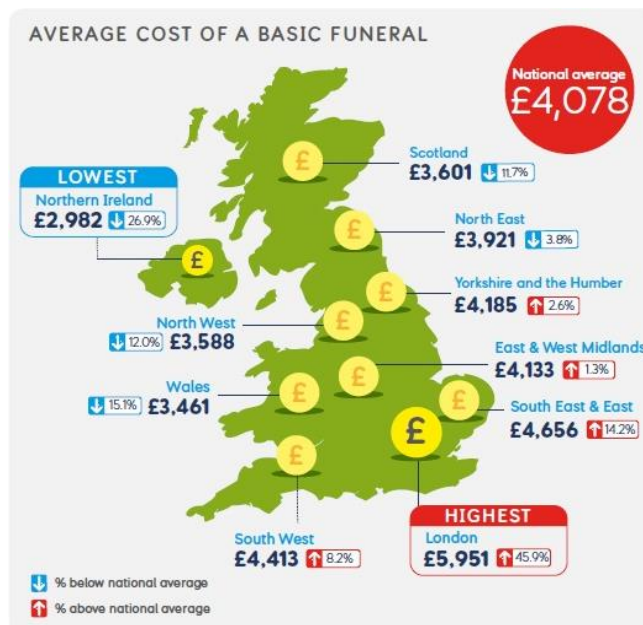
Returning to the price increases of our FD members, most have only increased their costs in line with inflation over the last 10 years and 2017 is no exception. Undoubtedly, some funeral directors ~~having~~ have inflated prices, which can cause an increase in some areas, but likewise there are other areas where there is competition locally and funeral directors are lowering their prices to encourage custom. The trend of new funeral businesses opening is also supporting a lowering of prices as FDs try to remain price competitive.

However, in all cases, the consumer must surely take some responsibility for investigating prices and what they can afford themselves. There is no general unwillingness or malaise as far as SAIF can determine amongst our FD membership or the wider profession to keep prices hidden from view, that cartel type behavior exists and that prices are available in some cases online, but in most cases via a simple phone call or email enquiry.

Finally, regarding geographical areas covered, whether it be the cost of a Basic Funeral or Direct Cremation, there are significant regional variations in funeral costs, which are broadly split across a North & Midlands vs. South divide.

The National Average Cost for a Basic Funeral is £4,078.00

The UK regions relative to this average are as follows:



Unsurprisingly, London remains the most expensive place to die and substantially above the National Average by 46%. However, with the exception of the South East & East and South West regions, which are above the national average, the rest of the country, that is seven out of ten regions, are all below the national average in price, with Northern Ireland is the lowest, 26.9% below the national average and where funeral prices have actually fallen by 9% in the last year – so the story is not all about inflationary pricing. (£2,982) where funeral prices have actually dropped 9% in the past year, and Wales, which has seen a drop of 4.6%. (*source: Sun Life Cost of Dying Report 2017*).

In addition to general submissions on this theme, we would particularly welcome responses to the following questions:

a) Why have funeral prices generally increased?

SAIF's Response:

For most of SAIF's FD members, their increases have been in line with inflation. The larger groups, such as Dignity and the various Co-operatives have proven to be considerably more expensive than the majority of independents in recent years.

As to the specific causes, there is no one reason for the rise, as there are several factors which can affect the cost of a funeral, including:

- Cuts to local authority budgets leading to a rise in crematoria costs in order to increase income
- reduced subsidies for burials
- Wage increases for local authority staff, crematorium staff and grave diggers
- Increases in funeral director fees
- Rising fuel prices
- Mercury emissions abatement targets and associated costs
- Lack of space for new graves have seen plot prices increase dramatically
- Increase in cost of land for burial sites
- Shortage of woodland burial sites
- Increased investment in cemetery infrastructure including road repairs
- Modifications and improvements to crematoriums

58% of funeral directors think cuts in central government funding is the main reason for the rise in crematoria costs

Commissioned by SAIF in 2010, the price comparison survey conducted by Ipsos Mori consistently found Independent Funeral Director firms were significantly more price competitive than the larger corporates. Also, we attach a smaller survey that validates this from a 2017 SAIF (Charter) survey of members pricing.

b) What explains certain large funeral price differences between funeral directors in the same local area?

SAIF Response:

The statement above provides a background of corporate related factors contributing to funeral price inflation on a national basis.

Within the same locality the more granular reasons to influence pricing are likely to be:

- Family traditions
- Cultural influences
- Faith based requirements
- Socioeconomic profile
- Demographics of the area– these can influence preferences greatly.

Financial hardship has become increasingly present in towns across our country in the last 10 years. It does not however always follow that those with a tight budget want a low-cost funeral. On the contrary, in some cases, due to family and cultural traditions, expensive funerals can be requested with multiple family members sharing the costs between them. The funeral account may too be split

for settlement between part lump sum payment and part monthly payments, if the funeral director is willing to accept such terms, which tends to be the case.

Finally on this point, if there is a clear variance in the client profile within a town, it is also the case that you can find different funeral directors serving different parts of that demographic. Offerings and price-points can vary considerably between FDs in the same town, where some may focus on attracting the wealthier resident, whilst others may have a simpler offering and more affordable pricing that is within reach of those who are financially challenged, perhaps on DWP support.

c) In what settings and under what circumstances do consumers decide which funeral director to contact?

SAIF's Response:

The by-product of bereavement is often grief and possibly emotional crisis. It is fair to say therefore that the purchase of a funeral is crisis purchase, motivated more by emotional upset. In such circumstances, the decision as to which funeral director to use may be motivated more by past positive experiences and where comfort and a feeling of satisfaction from good service and high standards of care was gained. It is generally well known, that people gravitate to what they know, in difficult and worrisome circumstances.

Where deaths occur in a professional care environment such as a hospital, care home, or where support has been received from pastoral or medical carers such as a local priest or Macmillan Care team, then their recommendation can be a significant influencing factor for a family, especially if it is the first time that they have experienced bereavement. Recommendation can be a big influence in decision making.

As the millennial generation comes to an age where they will have to start considering funeral services for elderly relatives and parents, the internet is going to play an ever increasing part and this will drive FD behavior in investing in this area. It is likely the millennials will want to do their research via a tablet or PC at home in the evening, to include details on the firm, their services, who works there and what it will cost, the values of a firm as well as how the firm goes about its charitable philanthropy – before they ever pick up a phone to ask for advice and finally to appoint their chosen FD. This trend will become increasingly more important over the next 5-10 years and will drive even the most resistant FD onto the internet and publish his/her prices.

d) What factors are important to them in making that choice? How far (in terms of distance / time) are consumers prepared to travel to reach a funeral director? Do consumers have sufficient information on the alternative funeral directors available locally?

SAIF's Response:

Many of the factors influencing a decision around choice of FD are outlined above in response to question (e). They tend to be locality, past experience, recommendation, research via internet. It is rare to see a family travel far from their home town to use an FD that is distant to them, preferring instead to use a local business. Where someone has died in one part of the country and is to have their funeral arrangements conducted in a different part, then it is not at all unusual for more than one FD to be involved in respective parts of the care of the deceased, out of necessity.

In our experience, FD's will encourage the consumer to visit their premises thus diminishing the mystery factor. Holding open days, charitable functions and hosting groups breakdown barriers and taboos and make the local consumer more comfortable.

e) *Is sufficient information (including low cost funeral options and itemised prices) made available by funeral directors, when is it provided and does it allow for meaningful comparisons of services between funeral directors?*

SAIF's Response:

Section 4 of The SAIF Code of Practice covers all the aspects of Information and Choice being made available to the consumer. It requires all our members to offer a simple funeral, clear price lists and itemised written estimates. It also requires in Section 12.5 what should be included in a "Simple (Basic) Funeral, namely:

- Making all necessary funeral arrangements and providing professional advice.
- Removal of the deceased to a suitable resting place allowing 10 running miles within normal working hours.
- Provision of a simple, veneered coffin and conveyance by hearse direct to a local cemetery or crematorium.
- Provision of the funeral director and all necessary staff.
- All necessary disbursements.

SAIF continue to consider whether there might be a star-graded rating scheme that would assist the consumer in making their choice of FD through grading ~~from~~ each funeral home. The range of assessment criteria that would determine the outcome of the grade to be awarded would include: staff qualifications, quality of premises, breadth of facilities offered, quality of written material available (including price lists and low-cost funeral options) and range of services offered. However, we have held the view that the actual funeral experience is usually not determined by these, but through the professional care offered by the funeral director to their client.

We would be interested with your view on a rating system which maintained a fair and integral review process.

f) *How do consumers evaluate non-price factors, such as quality?*

SAIF's Response:

There is no "standard" profile of a consumer. They are varied and multi-faceted – as are the wide variance of motivating factors that influence their purchasing decisions; self-evaluations, trusted recommendation, past experience, specific offering, location, personal relationship with funeral staff, member of a recognized quality trade association (such as SAIF) – it is not easy to define

Using a member of a recognised association such as SAIF should guarantee that the funeral director in question is at least compliant with recognised standards of quality and is following a detailed Code of Practice. Member FD firms can be identified via the consumer section of the SAIF website at saif.org.uk.

g) What are the benefits or limitations of intermediaries, such as comparison websites, in helping people choose a funeral director?

SAIF's Response:

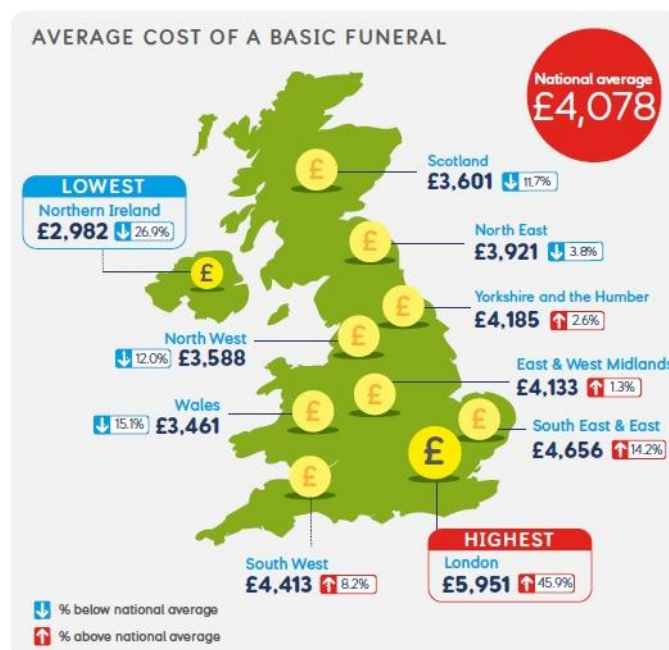
The key benefit of comparison websites, or "market disruptors" to give them another name, would be greater accessibility of pricing in the public domain, which in turn may motivate a reduction in prices.

However, any such website proprietor, or other intermediary will have invested their own capital into developing their offering and technology. They therefore have to generate a revenue stream to provide a return on that investment and this is invariably done by charging the funeral director a commission or fee for their introduction.

This only succeeds in adding costs to the FD, squeezing their margins, which conversely will therefore increase costs and provide less scope for a reduction in prices!

The localized nature of the funeral profession does not allow for comparison of consumer behavior and decision making in more traditional retail offerings, such as online purchases of consumables like groceries, clothes, furniture or white goods, where the source of the goods is not an issue.

An example of this would be to revisit the UK map showing Average Cost of a Basic Funeral below.



A consumer has researched prices online and is resident in London, where they are facing a basic funeral cost of around £5,951 is not likely to engage an FD providing the same funeral specification in Northern Ireland, even though it is offered at a 50% discount. However, that same London based consumer may be willing to purchase a new car in Northern Ireland, based on internet research, if they can secure that vehicle at a 50% discount to London prices, and would be willing to travel to secure it.

We are encouraging our FD member firms to demonstrate online the full range of their services, pricing and their values as a business, however, there are a significant amount of members without any digital footprint.

A true comparison can only be made by the consumer taking responsibility for their purchase and personally being in contact with the FD concerned.

h) How effective are industry codes of practice in facilitating consumer choice e.g. through transparency obligations placed on funeral directors?

SAIF's Response:

The SAIF Code of Practice must be displayed prominently in every FD premises, where the consumer can see it. SAIF invests a significant share of its annual budget in delivering a detailed and comprehensive Quality Assurance Programme that requires every member firm's individual offices to be visited and inspected. Failure to evidence display of the Code of Practice and the obligations contained within it, such as visibility of price lists, provision of detailed written estimates, visibility of a simple basic funeral offering etc.

Failure to follow the Rules of Membership of SAIF, will result in referral to the Professional Standards Committee and may result in expulsion from SAIF, with the withdrawal of all benefits and loss of the "quality mark" for the member business afforded through membership.

i) How do funeral directors compete to attract customers?

SAIF's Response:

Many funeral directors will use advertising platforms such as local newspapers and local magazines, Church diaries, radio and TV. Many also have a strong sense of social responsibility and get actively involved in the communities in which they sit and exist to serve. They support local events and charities.

The sale of funeral plans to guarantee future clientele and offer protection from funeral inflation, is another activity that FDs will use to protect and secure their future market.

j) What, if any, barriers exist to funeral directors entering a new local area?

SAIF's Response:

There are currently no legal barriers preventing a funeral director opening in a new local area, however the high capital requirements and level of competition in the locality would need to be considered by any new funeral entrepreneur and the commercial viability that represents.

48.

In light of the evidence we receive, should we find a problem under this theme, we will consider what remedies may be appropriate. For example, we may consider whether measures requiring increased transparency are necessary; whether there is a case for requiring prices for certain types of funeral to be specified, or for requiring unbundled pricing; and/or whether technological solutions may be appropriate. We would welcome initial views on the following questions:

a) Could funeral directors providing enhanced online information enable effective comparisons, and if so, what information should they provide?

SAIF's Response:

Packaging elements of a funeral with a set price regardless of hours worked is likely to be the most

cost effective option for the client. Funeral directors regularly carry out services which if itemised would cost far more, particularly if costs were charged at an hourly rate for example. Whilst it may be clearer in some circumstances, itemised pricing of funerals over packaged pricing of funerals may also mean a considerable increase in cost to the consumer.

That said, there is no industry recognized standard that currently prevails to define what should or should not be included in any packaged funeral product. This could be something to consider and could be facilitated by the NAFD and SAIF working together.

a) Are there other ways to improve transparency of information that we should consider?

SAIF's Response:

The ownership of a company is often misleading. Transparency of ownership is a very big issue.

There are many former family businesses which have been taken over by Dignity and the various Co-operatives which still trade under the former owning family's name. This is misleading to someone trying to make a judgement on which funeral director they should use. It is very common for a family to have fully arranged a funeral only to learn subsequently that the arrangements have been made with a corporate entity and not the family business they thought they were dealing with.

b) Are there measures that could help consumers evaluate non-price factors, such as quality, together with prices?

SAIF's Response:

Yes – the best Specific Measure to help a consumer evaluate non-price factors and price factors is for the consumer to take some responsibility in their own decision making.

The consumer can specifically reach out to their local SAIF member Independent Funeral Directors in the locality where they live, where the more affordable pricing is available and ask them about the Code of Practice they follow, and how this protects the consumer.

They can then specifically obtain a specific and detailed price list or a specific and detailed written estimate of funeral costs, whereby they can make an informed decision on price. They will also receive a specific high standard of care, where they will be treated fairly and professionally and the deceased will be specifically treated with high standard of dignified and respectful care.

The principles of purchasing a funeral are not that different from selecting a professional tradesperson to attend on your home:

1. You make contact with them by phone or email,
2. You arrange to meet with them and explain what you require
3. They provide you with a written estimate of their costs to address your needs
4. You consider the quality of their work based on any recommendations you may have received
5. You consider how well qualified and accredited each professional tradesperson is.
6. You make an informed decision on all the above considerations.

The point here is, that there is a point where it is the consumer must take responsibility for their own decisions, beyond the very best efforts of trade associations, member firms and the efforts of the consumer protection organisations like the CMA.

Other variables is discerning quality of service, could include the following:

- Training and qualifications of staff
- Quality of aftercare services for the bereaved
- Quality of care for the deceased.

- Premises, vehicles and experience of the firm
- Membership of a trade association/consumer redress scheme

c) Are there technological or innovative solutions that could help consumers make more informed choices?

SAIF's Response:

Quite possibly. But the results of any innovation may not exist. The price comparison websites are proliferating and their reach is growing – but keep in view, whilst these may open up the availability of pricing information, it does not follow that this would result in lower prices.

SAIF advocates to its members greater clarity of information on funeral director websites, including pricing, services available and clarity of ownership – these are probably the main factors to help better inform consumers in their decision making.

Finally, SAIF advocates clarity of pricing demonstrating what is and is not included in the advertised pricing to consumers.

49.

Crematoria market power

In addition to general submissions on this theme, we would particularly welcome responses to the following questions:

a) Do crematoria compete to serve funeral directors and their customers and if so, how?

SAIF's Response:

This very much depends on who owns the crematoria concerned. Crematoria are generally positioned to cover a specific geographical area.

Where catchment areas overlap, populated with more than one crematoria there tends to be better price competition with pricing. The standards, quality of the facilities and staff engagement will also be a deciding factor.

Conversely, where Cities or areas are covered by multiple crematoria owned by the same company we have witnessed particularly high pricing for cremations due to the lack of competition.

b) Do customers (or funeral directors on their behalf) actively consider alternative crematoria when arranging a funeral? What would encourage them to do so more?

SAIF's Response:

In our experience most decisions are made purely on convenience of location. There have been a number of new crematoria in recent years which have given an alternative choice in some regions and it is here that cost tends to be more of a deciding factor.

Where costs are a specific concern for a family, an FD would likely advise a family to consider the availability at the very start of the day or the very end of the day, as most crematoria offer significant discounts for these unpopular times

c) What are the main barriers to entry for new crematoria?

SAIF's Response:

This is not our area of expertise but we would imagine that limited available land in optimum positions would be the main barrier.

Proximity to residential areas and planning considerations may also be barriers.

d) Why have cremation fees generally increased and why do they differ across the UK?

SAIF's Response:

We have addressed this earlier in this response.

Local Authority crematoria have been used to raise revenues to support local council balance sheets. Commercially owned crematoria have responsibility towards their shareholders in delivering a dividend.

The costs of replacing crematoria equipment is significantly expensive and the need for improved cleanliness and anti-pollution regulations and mercury abatement have also added significant costs to operators. Lack of competition and localized monopolies will further inflate prices.