



Press Release

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NEW STUDY REVEALS SCALE OF FUNERAL POVERTY: UK FUNERAL DEBT REACHES £142M

- *New National Funeral Cost Index reveals Brits are getting into debt to pay funeral costs*
- *109,000 UK adults are living with funeral debts, passed on from the deceased*
- *Study shows funeral costs are a 'postcode lottery' - charges range from £2,859 to £6,899*
- *Royal London says the UK's Social Fund Funeral Payment system needs a fundamental review*

A major new study conducted by **Royal London** highlights that funeral debt in the UK has reached £142m. It also reveals how Brits are struggling to pay for funerals, but showing resilience as they find ways to pay.

The **Royal London National Funeral Cost Index** highlights that the average cost of a funeral in the UK is now £3,551, and 109,000 UK adults have incurred funeral debt. On an individual basis the average debt is £1,305; collectively this equates to £142m across the UK.

On behalf of Royal London, YouGov surveyed 1,988 people who arranged a funeral in the past five years. Just under half (46%) of respondents said it cost 'more' than they expected. Amongst those who said the costs were 'more' than they expected, (42%) admitted they had problems meeting the cost.

Despite the cost pressure, only 11% of people in this group chose a cheaper funeral. Over a third (35%) used their own savings to help pay for it; 28% borrowed money from family or friends; and 1 in 5 in this group (20%) went into debt (paid using a credit card or a loan).

Royal London's National Funeral Cost Index is a new annual study published in partnership with **The Institute of Cemetery and Crematorium Management** (ICCM) – the organisation which represents professionals working in burial and cremation authorities and companies throughout the UK.

Data obtained from ICCM for the study highlights how the UK funeral market is polarising society: those who can afford and those who can't afford the cost of a funeral. Data provided by ICCM illustrates how the cost of a UK funeral differs depending on where you live: charges range from **£2,859** for a cremation in Belfast, to **£6,899** for a burial in Beckenham, Kent.

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The study was commissioned to understand how people in the UK pay for funerals. Founded in 1861 to help people pay for their funerals, this is a key focus for Royal London as it continues to provide life insurance to people today. Currently the mutual is working with others in this space, such as government and charities, to understand the financial barriers that people face. One of the key concerns Royal London has identified is the Social Fund Funeral Payment system.

Royal London says a fundamental review of the Social Fund Funeral Payment system (the UK's funeral state safety net) is required, but there are immediate ways to ease the pressure. For example, the Fund's cap of £700, in place to meet 'other funeral expenses', should be index-linked to inflation, and adjusted to reflect current UK living costs.

Commenting on the findings, **Jerry Toher, CEO of Consumer Division at Royal London Group** said:

“Our findings shine a light on the financial pressure people face when they arrange a funeral – bills range from nearly £3,000 to almost £7,000 depending solely on where people live. Our study also highlights the range of coping strategies people employ – from using their own savings to meet the shortfall; to selling their possessions, or taking on debt. We want to highlight the cost of funerals because, as our study shows people are struggling to pay and this is causing household debt.

“We'd like the Social Fund Funeral Payment system to be reviewed because we believe it's not fit for purpose. For example, it asks bereaved relatives to commit to significant funeral costs when they have no idea if they will qualify for a payment or how much it might be, with decisions often taking 3 weeks or more.”

Tim Morris, CEO of The Institute of Cemetery & Crematorium Management, said

““The shortage of burial space in the UK is a major concern for the Institute, burial authorities and the public; the latter being indicated in the research results. Spiralling cemetery maintenance costs and the lack of local affordable burial space for the bereaved highlights the fact that cemeteries are not sustainable. The only sustainable option is for the governments in Scotland and England & Wales to introduce legislation that permits the reuse of old abandoned graves. Again, public attitude as identified in the research results indicates agreement.”

Other key findings:

Among those who arranged a funeral in the past five years:

- One in five (22%) people said the deceased left no financial provision for the funeral.
- 37% of people admitted they wouldn't mind a Public Health Funeral if it meant their family could avoid debt.
- Over half (55%) agree there's not enough financial support available to bereaved families.

Funeral costs

- In the UK, the average cost for a cremation funeral is £3163, comprising: £654 (cremation) + £160 (doctor)+ £125 (minister) + £2224 (funeral director)
- In the UK, the average cost for a burial funeral is £3933, comprising: £1,584 (burial) + £125 (minister) + £2,224 (funeral director)

Locations

The top 10 most expensive locations to have a funeral in the UK:

• Beckenham Kent	Burial	£6,899
• New Southgate London	Burial	£6,854
• Putney Vale London	Burial	£6,707
• Twickenham, London	Burial	£6,539
• Enfield Cemetery & Crematorium, London	Burial	£6,359
• Lambeth London	Burial	£6,017
• Leatherhead, Surrey	Burial	£6,011
• Redbridge, London	Burial	£5,754
• Merton, Surrey	Burial	£5,747
• Kingston-upon-Thames, Surrey	Burial	£5,724

The top 10 cheapest locations to have a funeral in the UK:

• Thatcham West Berkshire	Burial	£2,995
• Greenock Scotland	Cremation	£2,986
• Nottingham	Cremation	£2,981
• Alford, Lincolnshire	Burial	£2,978
• Bangor Crematorium, Wales	Cremation	£2,961
• Woodvale Crematorium (Brighton & Hove), West Sussex	Cremation	£2,952
• Downs Crematorium (Brighton), West Sussex	Cremation	£2,948
• Amersham ,Buckinghamshire	Burial	£2,924
• Gwent Crematorium, Wales	Cremation	£2,875
• Belfast Crematorium, Northern Ireland	Cremation	£2,859

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Notes to editor:

1. The total number of deaths in the UK in 2013 was 576,458. 19% of survey respondents said they struggled to meet funeral costs. This represents a UK-wide number of 109,527. The level of funeral debt is calculated by multiplying the number of people who struggled to meet funeral costs by the average debt taken on (£1,304.95). This totals £142,927,285.
2. Royal London National Funeral Cost Index comprises quantitative research conducted by YouGov, and data collected from the Institute of Cemetery and Crematorium Management (ICCM). The research was conducted from 14-22 August 2014. YouGov Reports commissioned two surveys on the *YouGov Panel*. The first surveyed approximately 13,000 nationally representative UK adults aged 18+ in order to produce a sample of 1,988 who had organised a funeral, and used the services of a funeral director in the last five years. The second surveyed a further 1,000 adults aged 18+ who had organised a funeral and used the services of a funeral director in the last five years.

For the purpose of this research, YouGov's Profile Data Library was used (contains information about YouGov's 400,000+ panel members on a wide range of topics and is updated and populated continuously with new information). ICCM gathered burial and cremation fees for all UK crematoria and two burial locations within the catchment of each crematorium via internet searches and direct contact with burial and cremation authorities.

3. A *Public Health Funeral* (sometimes known as a Pauper's Funeral) is basic, often with no choice about the type of funeral given, the date, time or location. They are arranged when nobody is willing or able to make arrangements for the deceased, so their local authority must make arrangements under the terms of Section 46 of the Public Health (Control of Disease) Act 1984. The local authority is permitted to recover any costs they incur in making the funeral arrangements from the estate of the deceased, including selling their possessions.
4. To be eligible for a Social Fund Funeral Payment – the applicant must claim within 3 months of the death, be in receipt of certain benefits or tax credits. They must also meet rules about their relationship with the deceased. Eligibility rules are set out at: www.gov.uk/funeral-payments/eligibility. The Social Fund Funeral Payment cap goes towards 'other funeral expenses' such as the funeral directors' fee, coffin, religious costs, flowers etc. Funeral directors' fees, which can be met out of the Social Fund Funeral Payments fund, are capped at £700 and have been frozen since 2003.

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About Royal London:

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