

FUNERAL DIRECTORS AND CREMATORIA SERVICES

MARKET INVESTIGATION

Statement of Issues - Summary

Following an initial review of the funerals industry, the Competition and Markets Authority (CMA) has a number of concerns about the services offered by funeral directors and crematoria. An in depth investigation into the sector is now being undertaken by a group of four independent people: Martin Coleman (Chair), Richard Feasey, Sheila McClelland and Karthik Subramanya (**the Group**) supported by CMA staff.

This will be an 18 month investigation into whether there are aspects of the services of funeral directors and crematoria that adversely effect competition. This matters because features of the market that adversely impact competition could result in people who are arranging funerals paying higher prices, receiving lower service quality, having more restricted choice and benefiting from less innovation than would otherwise be the case.

An Issues Statement is the first document to be produced and sets out the areas that the Group intends to focus on during the investigation; how it proposes to go about its work and some of the measures (described as ‘remedies’) that might be put in place if it was to find that there are competition problems that need to be addressed.

People with an interest in the investigation are encouraged to [read the Issues Statement](#) which contains a lot of information about how the process will work; the matters that will be considered and some questions on which the Group would be particularly interested to receive views.

Examples of the issues being considered are:

- What customers consider to be the essential components of a funeral, what they understand to be a good quality funeral or crematorium and how they assess quality when dealing with funeral directors and crematoria.
- The extent to which the vulnerability of customers at the point of need impedes their ability to engage with the process and make informed choices at all stages in the funeral arrangement process.
- Aspects of the funeral sales process – such as how and when prices are given – that may affect customers’ ability to make the best choices.

- The profitability of large and small funeral directors, and the extent to which cost increases and/or investments in quality improvements explain the increases in funeral prices that have been reported.
- The nature and extent of competition between both private and local authority crematoria, including how they set prices, the range of services they offer and the level of quality of their facilities.

The Issues Statement describes four broad categories of measures to consider if market problems were to be identified. These are:

- Measures to improve transparency and help people make good choices. The aim is twofold: to improve the preparedness of people ahead of the point at which the funeral needs to be organised and to make it easier for customers to make the best choices for themselves.
- Pricing/charging remedies. Such remedies would seek to limit the ability of funeral directors and/or crematoria to set prices significantly above the costs of providing their services. There are a number of options to achieve this.
- Measures to regulate the levels of service quality provided by funeral directors and crematoria, for example in relation to aspects of quality that customers are likely to find particularly difficult to engage with (e.g. standards of care of the deceased). Such remedies would also address any incentives to diminish product and service quality levels that could arise if prices were to be regulated.
- Market opening measures. Such measures are used to lower barriers to entry and could include: requiring the unbundling of elements of the package of services offered by funeral directors and/or crematoria; and, proposing reforms to the planning regime and to the way in which approval for new crematoria is given.

The Issues Statement is an opportunity for everybody to contribute to the Group's thinking at an early stage of the investigation. It would be valuable to hear from funeral directors (large and small) and providers of crematoria services. Views are also very much welcomed from individual consumers, consumer groups and other parties such as bereavement groups, charities and faith communities. Details of how to respond are provided in the Issues Statement.

During the investigation there will be hearings with relevant parties and formal requests for documents and information. Various documents on specific aspects of the investigation will be issued on which comments will be invited.