Press release: CMA proposes major funerals probe after identifying serious concerns

Today's interim report presents the issues the Competition and Markets Authority (CMA) has identified since launching a Market Study into the funerals sector 6 months ago.

Its initial work indicates problems with the market that have led to above inflation price rises for well over a decade — both for funeral director services and crematoria services. The scale of these price rises does not currently appear to be justified by cost increases or quality improvements.

Given the nature and significance of the issues the CMA has identified, it believes the full powers of a Market Investigation — carried out by an independent group of CMA panel members — are required. Issues include that:

- Today, people generally spend between £3,000 and £5,000 organising a funeral, and the price of the essential elements has increased by more than two-thirds in the last 10 years, almost 3 times the rate of inflation. Organising a funeral would now cost those on the lowest incomes nearly 40% of their annual outgoings, more than they spend on food, clothing and energy combined.
- Customers could save over £1,000 by looking at a range of choices in their local area. However, people organising a funeral are usually distressed and often not in a position to do this making it easier for some funeral directors to charge higher prices. Prices are also often not available online, making it difficult to compare options.
- While some smaller funeral directors have sought to keep their prices low, other providers — the larger chains in particular — have implemented policies of consistently high year-on-year price increases. A number of these have now introduced lower cost funeral options, but this doesn't go far enough to make up for years of above inflation price hikes. The CMA's evidence also indicates most people who organise a funeral remain extremely vulnerable to exploitation and future rises in charges.
- Cremations account for 77% of funerals, yet there are limited choices for most people in their local area and fees charged by crematoria have increased by 84% on average in the past 10 years, more than 3 times the rate of inflation.

Andrea Coscelli, chief executive of the CMA, said:

People mourning the loss of a loved one are extremely vulnerable and at risk of being exploited. We need to make sure that they are protected at such an emotional time, and we're very concerned about the substantial increases in funeral prices over the past decade.

We now feel that the full powers of a market investigation are required to address the issues we have found. We also want to hear from people who have experienced poor practices in the sector, so that we can take any action needed to fix these problems.

The CMA will now be consulting on the potential market investigation reference and welcomes any views on the issues identified in its report by 4 January 2019.

It would also like to hear from people involved in the industry and others, who may have observed instances of poor quality standards in the back-of-house facilities of funeral directors. Details on how to respond are available on the <u>funerals market study page</u>.

Notes to editors

- 1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
- 2. The average price of the core elements of a funeral is now £4,271 (2018) and the average cremation fee is £737 (2017). Funeral director prices increased by 68% and crematoria fees rose by 84% over the most recent 10-year periods for which we have data. By comparison, inflation (CPI) increased by around 25% over this time.
- 3. In parallel to the CMA's market study, the Government (HM Treasury) has been <u>seeking evidence</u> to aid in the design of a more appropriate regulatory framework for the pre-paid funeral plan sector. Because of this, the CMA is not looking at the pre-paid sector.
- 4. Enquiries should be directed to the press@cma.gov.uk, on 020 3738 6460.
- 5. Follow us on <u>Twitter</u>, <u>Facebook</u> and <u>LinkedIn</u>. Sign up to our <u>email alerts</u> to receive updates on the markets cases.

<u>Press release: CMA proposes major</u> <u>funerals probe after identifying</u>

serious concerns

The CMA is consulting on a major funerals probe because of concerns over large price hikes, hitting people at their most vulnerable.

<u>Press release: Charities encouraged to bid for £15 million Tampon Tax Fund</u>

Thousands of women and girls across the country are set to benefit from a new £15 million round of the Tampon Tax Fund

News story: New partnership with Muscular Dystrophy UK to improve journeys for disabled road users

- Department for Transport announces new partnership with Muscular Dystrophy UK
- £2 million funding commitment for Changing Places accessible toilets
- new facilities to give greater confidence to disabled people travelling on the roads

A new partnership with charity Muscular Dystrophy UK (MDUK) will bring Changing Places accessible toilets to the majority of motorway service areas — making journeys easier for disabled people across England.

The charity will work with the Department for Transport to allocate £2 million of funding for Changing Places toilets, which will be built in the early 2020s.

The funding was announced as part of the government's <u>Inclusive Transport Strategy</u>, which aims to provide equal access to the transport network by 2030.

Transport Accessibility Minister Nusrat Ghani said:

It is not good enough that only 15 of England's 112 motorway

service areas currently have facilities that all disabled people can use with confidence.

I am committed to delivering an inclusive transport network, and our partnership with MDUK is the next step in ensuring that everyone, disabled or not, can use our roads.

Changing Places facilities differ from standard accessible toilets, providing more space and specialised equipment, including adult-sized changing benches and hoists, to allow people with conditions like muscular dystrophy and cerebral palsy to use them safely and comfortably.

Catherine Woodhead, Chief Executive of Muscular Dystrophy UK, said:

We welcome the Department for Transport's investment in Changing Places toilets at motorway service stations across England. By building more Changing Places across the road network, disabled people and their families can travel in the knowledge there will be fully accessible toilets they can use safely and with dignity.

Investing in Changing Places toilets means we can tackle the exclusion many disabled people face. We look forward to working in partnership with the Department for Transport and our campaigners in delivering this project.

The Inclusive Transport Strategy also included:

- £300 million to make railway stations more accessible through Access for All
- £2 million for audio and visual equipment on buses, so that passengers on almost every bus will know where and when to alight
- a £2 million passenger awareness campaign to increase disability awareness and reduce hate crime on our network
- an accreditation scheme for transport operators to receive formal recognition for positive work to improve disabled passengers' experiences, such as training frontline staff and senior management on disability awareness
- measures to ensure future technology is designed inclusively from the outset, with opportunities sought to harness innovation

This followed an announcement in May 2018, when the <u>Prime Minister said she</u> wanted people to enjoy an extra 5 years of healthy and independent living by 2035, while also narrowing the gap between the richest and poorest.

Press release: Charities encouraged to bid for £15 million Tampon Tax Fund

- £15 million available for charities working with vulnerable women and girls
- Each successful project will receive at least £1 million in funding
- £47 million has been allocated to projects since the programme established in 2015

Thousands of women and girls across the country are set to benefit from a new £15 million round of the <u>Tampon Tax Fund</u>, launched today by the Minister for Sport and Civil Society, Mims Davies.

Charities across the country can now bid for at least £1 million in funding for projects that support victims of domestic violence or work to reduce rough sleeping and homelessness among women.

The money will also be available to programmes that help vulnerable women through music therapy, encourage them to participate in sport to improve their physical and mental wellbeing or charities that make onward grants to smaller organisations, so they can deliver tailored services to support women.

Mims Davies, Minister for Sport and Civil Society, said:

It is vital that disadvantaged women and girls and those who face violence or homelessness are given the help they need to rebuild their lives and reach their full potential.

This fund is already having a resoundingly positive impact across our country and I am delighted that thousands more women and girls will be helped as a result of this round of funding.

All grants from this round will be offered to charities for two year projects.

Over 70 charities have received grants from the Tampon Tax Fund, with £47 million allocated since Autumn Statement 2015. This additional £15m brings the total to £62m.

To find out more and apply for the <u>Tampon Tax Fund</u>. Applications close Sunday 20 January 2019.

NOTES TO EDITORS

For more information contact the DCMS press office on: 0207 211 6276.