

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 [funerals market study page](#).

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 [seeking evidence](#) 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.
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