



Funeral poverty briefing

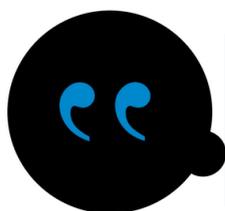
October 2017

Quaker Social Action on funeral poverty

Since 1867, Quaker Social Action (QSA) has delivered practical responses to poverty in East London. In 2010, through our *Down to Earth* project we began supporting and advising people on low incomes who can't afford rising funeral costs. Advisers help people to reduce the price they've been quoted, saving people an average of £2,338 on the cost of the funeral. In 2014, QSA launched the **Fair Funerals campaign** in response to the growing concern around the cost of funerals and people's ability to pay.

What is funeral poverty?

- The impact of funeral poverty can be financial, in the form of a legacy of debt but it can also be emotional in the form of the distress, shame and the perceived stigma of not being able to provide a 'decent send-off' for someone we love. Struggling with the financial pressures of funeral poverty often gets in the way of people's ability to grieve.
- A huge rise in prices, up 112% in 13 years, means an average funeral now costs £4078
- One in six people who organised a funeral in the past year admitted it caused them serious financial concern, with the average funeral shortfall standing at £2,334¹.
- The process through which people on low incomes consistently displays the same failures year after year. The UK's most vulnerable citizens are taking on increased levels of funeral debt, and the problem is set to increase significantly if steps are not taken to address issues facing almost every element of today's funerals.
- As a society we need to get better at discussing, confronting and planning for death. But the reality is, for an increasing number of people, after they've paid out for basic living costs there is little or nothing left to save. And death often occurs unexpectedly, or after a period where savings have been depleted by health care bills, long term ill health or by taking time off work to be a carer.



Valerie, 49, Bow in East London, says:

"When I didn't know how I was going to pay for the funeral, I was tearing my hair out. It was all I could think about. I couldn't even start saying bye to dad."

Steep increases in the cost of funerals

In 2014 the cost of dying rose seven times faster² than the cost of living. By 2017, the cost of a funeral had risen by 70.6% whilst wages had increased by only 20% over the previous decade³. Research from Sunlife reveals the cost of an average, basic funeral in the UK has now risen to £4078, up 4.7% in just a year⁴. The price of funerals has now risen above inflation for 35 years⁵.

Burials are significantly more expensive than cremations in most parts of the UK. The average price for a cremation now stands at £3,596 and £4,561 for a burial. This is particularly pronounced in London, where a cremation costs £4591 on average and a burial will set you back £7311. There's been both a steep increase in costs charged by funeral directors for their goods and services and the price of cremations and burials, usually conducted by local authorities⁶. Private and local authority crematoria increased their fees by 5.9% and 4.6% respectively, in just one year to 2017.

Some of the inter-related causes of funeral cost inflation include:

- Burial plot shortages
- Rise in volumes of new/private owned crematoria
- Rising Funeral Director costs

- Weakening State provision
- Rise in number/cost of Public Health Funerals

Burial plot shortages

There are areas in the country where there are no burial plots available (Tower Hamlets) and many other areas where space is limited causing prohibitive burial plot costs (Kensal Green £9809⁷).

A dysfunctional market

After a house, car and wedding, a funeral is the most expensive purchase people make, but in spite of this there is very little consumer scrutiny of the funeral industry. This can be largely explained by how vulnerable bereaved people are as consumers and our understandable reluctance to 'shop around' when buying a funeral. Only 6% of consumers asked for quotes from more than one funeral director, with a massive 89% going with the first one they contacted⁸. Because consumers do not shop around, there is very little competitive pressure on prices. Most consumers don't realise there are in fact huge differences in what funeral directors charge. On average, people will only organise one funeral in their lifetime which makes the need for information more pressing.

The funeral industry

The funeral industry is not currently subject to mandatory state regulation and there are no rules governing what funeral directors can charge for their goods and services. Funerals are big business: The UK 'funeral industry' is worth an estimated £2 billion. Although there are over 1,600 companies funeral directors, the market is increasingly dominated by three main companies: Dignity, Co-operative Funeralcare, and Funeral Service Partners. The funeral industry is making a significant profit⁹, with 'annual growth' of around 3% between 2011 and 2016.¹⁰

Public health funerals or "paupers' funerals"

Councils have a statutory duty under Section 46 of the Public Health (Control of Disease) Act 1984 to make arrangements for the funeral of any person who has died or found dead in their borough, where it appears "that no suitable arrangements for the disposal of the body have been made or are being made". There are no national guidelines on how hospitals and local authorities manage public health funerals and in reality there are huge discrepancies in service, with many vulnerable people receiving a poor service. The number of public health funerals has increased by 50% in four years¹¹, and we expect this to continue until sustainable action is taken to address funeral poverty. *Down to Earth* support increasing numbers of people to access public health funerals because they have no way of making up the shortfall between the price of a basic funeral and the award they could hope to receive from the SFFP.

Unmanageable Debt

The impact of steep increases in funeral costs is all being passed to bereaved consumers, many of whom are getting into serious, unmanageable debt when they lose someone they love. According to the UK Cards Association, in 2013 the most expensive transaction on credit cards was "Funeral Services", with an average cost of £1114¹². Their 2017 report on credit card debt shows that almost £200 million was on funeral costs alone, notwithstanding the £744 million already put on debit cards for funerals.¹³

A diminishing safety net

- The cost of funerals has increased at the same time as financial support from the state has been eroded. This means funeral poverty is inevitable for a section of our society.
- The Social Fund Funeral Payment (**SFFP**) administered by the Department of Work and Pensions (**DWP**) used to cover the cost of a basic funeral for people on qualifying benefits where there were no other funds available through relatives or the estate of the deceased.

- Over the past 12 years, the value of the SFFP has been eroded dramatically in real terms. The average award in 2016-17 was £1,429, around 35% of the average cost of a funeral.¹⁴ As a result, even people awarded a grant are left with a potential shortfall of £2,355, often leading them into unmanageable debts.
- In 2012-13 there were 66,000 applications for SFFPs in the UK but only 35,000 awards. This means 47% of applications were turned down. A House of Commons note on the SF FP states: 'The adequacy of Funeral Payments, in light of actual funeral costs, has long been a source of complaint' (House of Commons, Standard Note, SN01419, 1 November 2013).
- In 2016-2017, 27,000 grants were awarded worth around £38.6million. The amount spent on the SFFP has only increased from £2 million since 1988. In real terms this represents a large decrease in expenditure, being the lowest figure for more than 10 years.
- Making a claim can be a complex process and can leave people confused and frustrated at a very stressful and disorientating time. Bereaved people struggle to absorb information so navigating the SFFP system becomes particularly challenging.
- The DWP will only pay out a grant once the funeral has taken place. However, funeral directors normally require a deposit of over £1,200 before a cremation can go ahead, rising to over £3,000 for a burial. So people find themselves having to raise this money fairly quickly before they know if they'll receive anything from the DWP, often leaving them with no choice but to access unaffordable forms of credit.

Sophie, 39, Liverpool, applied to the Social Fund after her mum's death

"I was working but claiming housing benefit to help cover my rent. I have no savings and am on a low income. At first the DWP told me I was eligible for a grant. But I was turned down. They told me that my brother should pay for the funeral. But my brother has severe physical and mental disabilities, and has lived in a residential care home for the past 15 years. I don't understand how they think my brother would be able to pay for the funeral."

- *Down to Earth* support a lot of people turned down for a grant because the DWP deems another sibling or family member as able to pay, even when this sibling/family member is disabled, estranged or is in prison. It's hard to see how these individuals can be expected to cover the cost of a funeral. These rules mean often the most vulnerable people are falling between the cracks.
- Research by the University of Bath found that 'procedural complexities already identified could...impact on their grief. For some, it could also exacerbate pre-existing health issues. Over half of the claimants interviewed were seeking help for depression, anxiety and insomnia'¹⁵.
- Bereavement benefits are also available for widowed spouses or civil partners whose partner paid sufficient national insurance contributions. They include a one-off grant of £2,500 if the couple had no children, or £3,500 if they did, plus 18 monthly payments. These are usually only available to people under pensionable age.
- Research conducted in 2012 suggested that eligibility rules for claimants were not in sync with modern family and kinship patterns¹⁶. The success of an application often hinges on a person's ability to provide complex quantitative information about family relationships. The vulnerable undoubtedly lose out. The form does not sufficiently take into consideration the nature of contemporary family relationships and may have the unintended impact of penalising people who don't have straightforward nuclear families.
- The suite of financial support following the death of spouse or civil partner (Bereavement Payment and Bereavement Allowance or Widowed Parent's Allowance) was replaced for new claimants in April 2017. The main group which will be negatively affected is widowed parents with dependent children: the Childhood Bereavement Network estimates that 96% of families will be supported by these specialist benefits for a shorter period under the new system, and at least 75% of whom will be worse off in cash terms.
- Under the new system, cohabiting couples can't claim the benefit, even if they had children together and had been living together for many years.



James, 47, Yorkshire, got into financial trouble after his wife lost her battle with cancer:

"I had no idea how I was going to raise the money for my wife's funeral. I had given up work to become my wife's main carer so our savings were almost all gone. We are Catholic so it was my wife's wishes to be buried. I was really shocked when our local funeral director quoted me £6,300.

The government had turned me down but Down to Earth advisers helped me appeal and eventually I was awarded £1,650 to help clear my debt. I've still got quite a bit to pay off, which I'm doing through a payment plan. **Having this debt hanging over me is a painful reminder of my wife's death."**

Funeral Poverty In government

Westminster Hall Debate

In October 2015, Paul Maynard MP (Blackpool North and Cleveleys) introduced a Westminster Hall Debate on funeral poverty. The debate was attended by a large number of MPs from across the house including Stella Creasy (Labour), Karen Lumley (Conservative), Jim Shannon (DUP) and Phillip Boswell (SNP). In the words of Patricia Gibson MSP, the issue "inspired uncharacteristic consensus" across the main political parties. Justin Tomlinson, Minister for Disabled People answered the debate for the Government and suggested a roundtable to look into the issues raised in more detail. About the SFFP, he said: "Ensuring better understanding of eligibility pre-application is probably the most important point. When I looked at the figures, I was concerned about the number of people applying, because of the time that it takes to go through the applications, and the people who do not get an award."

Scottish Government

In October 2015 the Scottish Government announced¹⁷ their plans to commission research into rising funeral costs and develop a series of recommendations to inform policy. This announcement follows their consultation¹⁸ early in the year which stated:

"The Scottish Government believes that funerals are a vital public service and that no-one should be prevented a dignified funeral because of cost. Similarly, no-one should be forced into debt by the cost of organising a funeral for their loved one." The Smith Commission¹⁹ has also recommended that the SF FP be devolved to the Scottish Parliament, providing an opportunity to address concerns around its adequacy.

Funeral Services Bill

In December 2014, the Funeral Services Bill²⁰ was read by Emma Lewell-Buck MP (South Shields) under the Ten Minute Rule. It called for a parliamentary review of funeral affordability, the establishment of a simple funeral service for people on low incomes and a duty to carry out an eligibility check for the SFFP. QSA and Church Action on Poverty²¹ mobilised hundreds of constituents to contact their MPs urging them to support the Bill.

Tackling Funeral Poverty – Fair Funerals Recommendations

Government

- **Government strategy**

Funeral poverty is a multi-faceted problem which spans different government departments including the DWP, the Department of Health, the Department for Business, Innovation and Skills and the Department for Communities and Local Government. Very little is known within government about how different state bodies

converge and interact with bereaved people on low incomes. A government inquiry should be undertaken involving the relevant departments and recommendations made for improving the situation of people on low incomes arranging a funeral.

- England, Wales and Northern Ireland should follow Scotland's initiative²² by removing the burden of doctor's fees from the consumer.

- **Cover the cost of a basic funeral**

It is understandable that the government does not want to cover the full cost of a traditional funeral for all SFFP applicants, but it should recalibrate the benefit and provide for costs of a very basic funeral and be clear to eligible citizens that if they require more than the very basic then they will have to self-provide.

- **Support for the bereaved**

Quaker Social Action has developed a raft of recommendations for improving how the SFFP responds to the needs of bereaved people. These have been outlined in our response to the Work and Pensions Select Committee inquiry (January 2016) on bereavement benefits and can be provided on request.

- **Third party advocate scheme**

A third party advocate scheme could provide a solution to several of the factors that converge to create funeral poverty. The scheme could very quickly determine for people their eligibility for the SFFP and other state and charitable grants and help them find a funeral that meets their needs at a reasonable price. Such a scheme would be likely to save the DWP time and money because state funds would be channelled towards funeral directors charging a reasonable price as opposed to those with inflated costs. This could have the overall effect of bringing prices down across the funeral industry.

- **Senior decision maker**

A senior decision maker should be appointed who can re-consider cases where an applicant has been turned down but their case involves exceptional levels of vulnerability and need.

Voluntary and community sector

- **Public education**

In 2014 Quaker Social Action set up the Funeral Poverty Alliance, bringing together voluntary and community sector organisations to pursue collaborative solutions to funeral poverty. We're currently working with members including Macmillan, Which?, Cruse Bereavement Care and Citizens Advice to grow people's knowledge and awareness and build their resilience to funeral poverty. Public services including registrars, general practitioners, care homes and advice centres are very well placed to reach people with timely, high quality information. The government departments that oversee these services should collaborate with the Alliance on an effective public education campaign targeted at people vulnerable to funeral poverty.

Local authorities

- **Transparency**

Local authorities should provide transparent, accessible pricing information for cremations and burials to allow bereaved customers to make informed choices. Currently there is a dramatic postcode lottery in the prices charged for cremations and burials.

- **Cost recovery for cremations**

Local authorities should not be making a profit from their funeral service. As suggested by the consultation recently undertaken by the Scottish government, this service should be run on a cost-recovery basis.

The funeral industry

- **The Fair Funerals pledge**

In June 2015 we launched the Fair Funeral pledge²³ which asks funeral directors to sign up to provide

transparent information about pricing and make their most affordable funeral visible. The pledge seeks to bring scrutiny and transparency to the experience of buying a funeral. We now have over 35% of the entire industry signed to the pledge.

- **Curtailling funeral inflation**

As a precursor to controlling funeral inflation, more needs to be understood about the business costs and profit margins of funeral directors. Having determined this, government should explore options for controlling funeral inflation, for example requiring funeral directors to provide and make visible a simple funeral service at an agreed price, or indexing funeral director costs at retail price index.

Funeral poverty in the news

Funeral poverty is of real and growing concern to the public and has received a lot of recent attention from leading mainstream media. Here are some examples from print media:

The Independent | *Funeral Poverty: The Crisis for Britain's Poorest*²⁴

The Mirror | *Grieving families can't afford to bring dead relatives home before funeral, MPs told*²⁵

Evening Standard | *More people dying penniless and alone in London, official figures show*²⁶

The Daily Telegraph | *The not-so-great leveller: dramatic differences in cost of dying just miles apart*²⁷

The Daily Mail | *The rising cost of DEATH: Higher cremation charges and undertaker fees means the price of funerals has spiralled*²⁸

The Guardian | *Too poor to die: how funeral poverty is surging in the UK*²⁹

¹ <https://www.sunlife.co.uk/workarea/downloadasset.aspx?id=19327357009>

² <https://www.sunlifedirect.co.uk/blogs-and-features/can-you-afford-to-die-cost-of-dying-rises/>

³ <https://www.sunlife.co.uk/workarea/downloadasset.aspx?id=19327358947>

⁴ ibid

⁵ <http://www.royallondon.com/Documents/PDFs/2015/10299-Funeral%20Report%2052pp%20FINAL.pdf/>

⁶ <http://www.bbc.co.uk/news/uk-england-33905444>

⁷ <https://www.royallondon.com/Documents/PDFs/2017/Royal-London-National-Funeral-Cost-Index-2017.pdf>

⁸ <https://www.royallondon.com/Documents/PDFs/2017/Royal-London-National-Funeral-Cost-Index-2017.pdf>

⁹ The Co-operative Funeralcare made an operating profit of £36 million in the first half of 2012, up 6.6% compared to the first half of 2011: <http://www.iii.co.uk/research/LSE:87GO/news/item/462187> Dignity's operating profits in the first quarter of 2015 were £35.8 million: <http://www.dignityfunerals.co.uk/corporate/investors/news/press-releases/2015-05-11/459/q1-trading-update>

¹⁰ IBIS world (2015): <http://www.ibisworld.co.uk/market-research/funeral-activities.html>

¹¹ <https://inews.co.uk/essentials/news/uk/worrying-picture-isolation-numbers-paupers-funerals-soar/>

¹² <http://www.theguardian.com/money/2014/jun/04/credit-debit-card-spending-funerals>

¹³ <http://www.theukcardsassociation.org.uk/2017-facts-figures/index.asp>

¹⁴ [Department for Work and Pensions \(2016\) Annual Report by the Secretary of State for Work and Pensions on the Social Fund 2015-16](http://www.dwp.gov.uk/assets/dwp/annual-reports/2015-16/2015-16-annual-report.pdf)

¹⁵ Kath Woodthorpe; Cost of Dying Special Report: "Affording a funeral" Social Fund Funeral Payments (2012). University of Bath

¹⁶ ibid

¹⁷ <http://news.stv.tv/scotland/1330104-scottish-government-research-rising-funeral-costs-averaged-at-3481/>

¹⁸ <http://www.gov.scot/Publications/2015/01/2869/17>

¹⁹ [http://www.scottish.parliament.uk/ResearchBriefingsAndFactsheets/S4/SB_15-](http://www.scottish.parliament.uk/ResearchBriefingsAndFactsheets/S4/SB_15-07_The_Smith_Commission_Welfare_Proposals.pdf)

[07_The_Smith_Commission_Welfare_Proposals.pdf](http://www.scottish.parliament.uk/ResearchBriefingsAndFactsheets/S4/SB_15-07_The_Smith_Commission_Welfare_Proposals.pdf)

²⁰ <http://services.parliament.uk/bills/2014-15/funeralservices.html>

²¹ <http://www.church-poverty.org.uk/>

²² <http://news.scotland.gov.uk/News/Tackling-funeral-poverty-1dea.aspx>

²³ <http://www.quakersocialaction.org.uk/fair-funerals-pledge>

²⁴ <http://www.independent.co.uk/news/uk/home-news/funeral-poverty-crisis-mass-graves-debt-cycles-big-death-loved-one-dies-undertakers-video-a7682151.html>

²⁵ <http://www.mirror.co.uk/news/uk-news/grieving-families-cant-afford-bring-7130270>

²⁶ <http://www.standard.co.uk/news/london/more-people-dying-penniless-and-alone-in-london-official-figures-show-a3125956.html>

²⁷ <http://www.telegraph.co.uk/news/uknews/11910711/The-not-so-great-leveller-dramatic-differences-in-cost-of-dying-just-miles-apart.html>

²⁸ <http://www.dailymail.co.uk/health/article-3042208/The-rising-cost-DEATH-Higher-cremation-charges-undertaker-fees-means-price-funerals-spiralled.html>

²⁹ <http://www.theguardian.com/commentisfree/2015/jun/09/poor-die-funeral-poverty-costs-uk>