

Paying for a funeral

How to keep costs down to avoid getting into debt



St Albans
District

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Background – the cost of funerals

Funerals are expensive and this can cause problems for low-income families. Unlike most other items, families spend the same amount, on average, on a funeral whatever their household income.¹ The social pressure to give a loved one a ‘good send-off’ means there is little difference between spending on funerals by less affluent and more affluent families.² For families with low incomes, paying for a funeral is one of the most expensive purchases that they make in their lives. As a result, the poorest are disproportionately affected by the high cost of funerals.

According to SunLife, an insurance company, the average cost of a basic funeral in the UK in 2018 was £4,271. Burials, at an average cost of £4,798, were more expensive than cremations, at £3,744.

These costs include fees for the cremation or burial, the funeral director’s fees and payments to a doctor and celebrant. They do not include the cost of flowers, extra limousines, or food and a venue for a wake. On average, these add another £2,061 to the cost of a funeral.³

Table 1: Funeral extras

Memorial	£824
Catering	£362
Limo hire	£264
Venue hire	£210
Flowers	£171
Order sheet / service card	£82
Funeral notice	£76
Death notice	£73

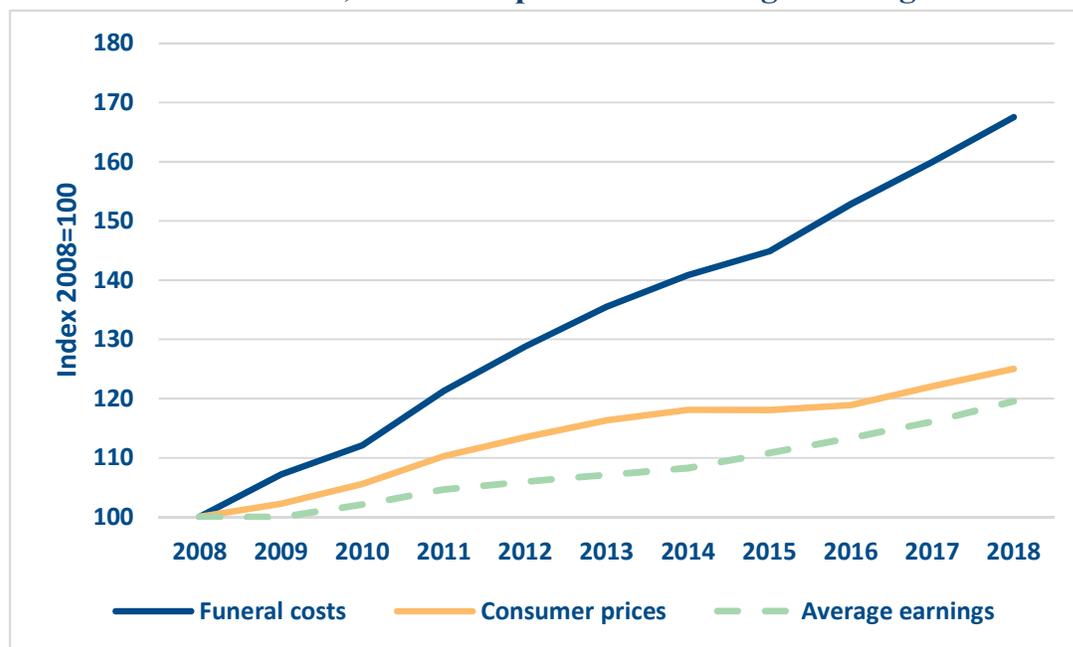
The average cost of a basic funeral increased by 4.7 per cent in 2018, well above the overall rate of inflation. Funeral costs have been rising much more rapidly than other prices for many years. Over the last decade, the cost of a funeral has increased by 68 per cent, well above the general rate of inflation and the increase in average earnings.

¹ Competition and Markets Authority (CMA) (2018), *Funeral Markets Study*, <https://www.gov.uk/cma-cases/funerals-market-study>, p. 6.

² Royal London (2018), *Buried in debt: The price of a good send-off*, <https://www.royallondon.com/media/research/>, p. 20.

³ SunLife (2018), *Cost of Dying Report*, <https://www.sunlife.co.uk/siteassets/documents/cost-of-dying/cost-of-dying-report-2018.pdf>, p. 28.

Chart 1: Funeral costs, consumer prices and average earnings



Source: SunLife and Office for National Statistics

Funeral costs vary across the United Kingdom. In the South East and East region, which includes St Albans, the average cost of a basic funeral in 2018 was £4,469 – 5 per cent above the national average.⁴

The rapid rate of increase in funeral costs has led the Competition and Markets Authority (CMA) to review the funerals market and it published an interim report in November 2018. It concluded that above-inflation increases in funeral directors’ fees, which are the largest part of the cost of a funeral, could not be justified either by increases in their costs or by improvements in the quality of their services. It also said that large increases in the prices charged by private crematoria could not be justified by higher costs or a better service. As a result of these findings, the CMA believes a full market investigation is justified.⁵

Clients’ experiences - funeral poverty

Funeral poverty is a significant problem in the UK today. It occurs when the cost of a funeral is beyond a person’s ability to pay for it. It creates emotional distress if someone thinks they cannot give their loved one a decent send-off. It can also lead to financial distress. SunLife say almost 1 in 8 families who had to find the money to pay for a funeral had ‘notable financial problems’ as a result. On average, this group had to find £2,775. Some used their savings or sold their possessions. Others borrowed from a bank or from friends and relatives or on their credit card

⁴ SunLife (2018), p. 16.

⁵ CMA (2018), p. 7.

and risked ending up with long-standing, unmanageable debts.⁶ According to one estimate, in 2018 there was a record level of individual funeral debt.⁷

These problems are exacerbated by most funeral directors asking for upfront payment for certain items when a contract is agreed; and also requiring the balance to be paid before the funeral takes place.

We do not know the full extent of funeral poverty in St Albans, but we do have a small but steady stream of clients coming to Citizens Advice whose lives have been adversely impacted by funeral costs. Many want to know if they can get help to pay for a funeral or to tackle the debt that they have taken on as a result of paying for a funeral. These are two typical cases.

Client A

This client was a young person in a low-paying job whose parent had died unexpectedly. He was in work and just managing to pay his rent and other living costs, but did not qualify for any of the eligible state benefits. There were no assets available to pay for a funeral and he was ineligible for any help with funeral expenses. As a result, he was at a loss as to how he would arrange a funeral and cover the costs. This left him very distressed and anxious. He had not previously thought about arranging a funeral and was unaware of where to find advice about more affordable options. He wanted a 'proper' funeral and had already approached a funeral director. He was stunned by the potential costs.

Client B

This client had already arranged a funeral for her husband and paid some of the costs. However, she had an outstanding debt of over £1,000 to the funeral director and more than £3,000 to a friend. She was at a complete loss as to how she would be able to pay them back. She too had wanted a 'proper' funeral and was now very distressed about finding the money to pay for it.

The experiences of these clients are typical of people facing funeral poverty. They had not thought about funeral costs before their loved one died and they wanted to give the deceased a good send-off. They went to a local funeral director and when they found out the cost of a funeral, they faced an emotional choice, at a very difficult time, about how much they were willing and able to spend.

⁶ SunLife (2018), p. 39.

⁷ Royal London (2018), p. 20.

Shopping around - funeral directors in the St Albans district

In any well-functioning consumer market, prices are held down by providers making their prices readily available and consumers being prepared to shop around to find the best bargain. In the market for funerals, there is a lack of transparency around prices and people do not shop around. The result is that consumers end up paying over the odds.

The Competition and Markets Authority found that the bereaved could cut the cost of a funeral by over £1,000 by shopping around in their local area. But they also found that the bereaved generally do not do so. Only 14 per cent of people organising a funeral compare more than one funeral director. They also found that it is difficult to compare funeral directors without visiting them and discussing all the options. Little price and service information is available online.⁸

This is certainly true in the St Albans area, where the only way to compare prices effectively would be to visit the eight funeral directors who operate in the district. This would be a time-consuming process and one that someone who was recently bereaved might be reluctant to undertake. However, finding the cost of a funeral without visiting a funeral director would be difficult.

Three of these eight funeral directors display some prices on their websites.⁹ These are Co-op Funeralcare, which has a corporate website, and the two funeral directors that are members of the Dignity Group. The Co-op quotes prices for a ‘cremation without ceremony’ (£1,395) and a ‘simple’ funeral (£1,895 plus third party costs). It also offers ‘traditional’ and ‘classic’ funerals, but prices for these are only available by talking to a local funeral director.¹⁰ The two Dignity funeral directors, Phillips Funeral Services and E Seymour & Sons, both quote a price for a ‘simple’ funeral (£1,995 plus external payments to third parties) and for a ‘full funeral service’ (£2,895 plus payments to third parties).¹¹

Of the other five funeral directors, who are all independent operators, four have working websites. None of these offer any information on prices. One has a FAQ page that includes the question ‘How much will the funeral cost?’, but it does not answer the question by giving any indication of cost. Instead, it explains what fees cover and what other costs are involved. These funeral directors would probably argue that they offer a bespoke service, that every client has different needs that have to be taken into account and that this makes it impossible for them to publish detailed price lists or to offer greater transparency when it comes to pricing. However, this does not stop other funeral directors, in other parts of the country, from doing so.

⁸ CMA (2018), pp. 7-8.

⁹ The research for this section of the report was carried out on 23rd January 2019.

¹⁰ <https://www.co-operativefuneralcare.co.uk/>

¹¹ <https://www.dignityfunerals.co.uk/funeral-directors/locations/england/hertfordshire/st-albans/dartmouth-house> and <https://www.dignityfunerals.co.uk/funeral-directors/locations/england/hertfordshire/st-albans/26-marlborough-road>

The websites of these four independent funeral directors also contain no mention of simple funerals, though it is likely that all offer them.

There are a small number of websites that allow some comparison of the cost of funerals in St Albans, but these provide only limited help.

Funeral Choice identifies four funeral directors in the St Albans district (Phillips Funeral Services, J J Burgess and Sons, L C Weston and M K Ginder & Sons) and suggests their prices for a simple funeral range from £1,700 to £1,995 (it is not made clear but these prices will exclude third party costs).¹²

A search on the Beyond.life website finds only three funeral directors in St Albans – one independent and the two members of the Dignity group and gives quotes for a traditional cremation, including funeral directors fees, a standard wood coffin, a hearse, one limousine, a celebrant and crematorium fees. The independent firm comes out a lot cheaper.¹³ However, the Dignity Group has questioned whether this website compares like with like when it comes to funeral directors in its group.¹⁴

Funeralzone offers a more comprehensive listing of funeral directors in the St Albans district, but it does not have any pricing information, only addresses and contact numbers.¹⁵

None of the funeral directors in the St Albans district is to be found in the Good Funeral Guide's or the Natural Death Centre's list of recommended funeral directors.

Of course, price is not the only consideration when arranging a funeral. Membership of a recognised trade association will reassure the bereaved that they are dealing with a funeral director that has high ethical and professional standards.

Getting help - funeral expenses payments

The government offers help to people who are struggling with funeral costs through the Funeral Expenses Payment scheme. They, or their partner, must be receiving at least one of the following benefits to be eligible for the scheme: Income Support, income-based Jobseeker's Allowance, income-related Employment Support Allowance, Pension Credit, Housing Benefit, Child Tax Credit, Universal Credit or the disability or severe disability element of Working Tax Credit.

¹² <https://www.yourfuneralchoice.com/>

¹³ <https://beyond.life/>

¹⁴ <https://www.dailymail.co.uk/news/article-6636347/Boss-price-comparison-site-goes-war-UKs-biggest-undertaker.html>

¹⁵ <https://www.funeralzone.co.uk/>

The scheme will only pay costs if there are inadequate funds in the deceased person's estate (excluding a house left to a widow, widower or surviving civil partner and personal items). Help is available to a partner, close relative or friend of the dead person who is arranging the funeral, but it may not be available if another person with a similar relationship does not meet the eligibility criteria.¹⁶ How much is paid will depend on the claimant's circumstances and estimating how much any individual might receive is very difficult. This creates problems for someone hoping to receive a payment because claims can only be made with a funeral director's invoice, meaning that any payment will only be assessed and received after the costs are due to be paid.

Furthermore, any payment from the scheme will not pay for the full cost of a funeral.¹⁷ It will cover the burial or cremation fees, travel to the funeral, the cost of death certificates and other documents and up to £700 of other funeral expenses, including the funeral director's fees, the coffin and flowers. In 2017/18, the average award was £1,450.¹⁸ This is only around one-third of the average cost of a funeral. Despite the rapid increase in the cost of funerals, the maximum contribution to funeral expenses has been fixed at £700 since 2003.

Local authorities have an obligation to arrange a public health funeral if someone dies and no one is willing or able to make the arrangements. This usually happens when the council is notified about a death by the Coroner's Office. When the council has to pay for a funeral, it will retrieve its costs from the estate of the deceased if it is large enough. Such funerals are rare. St Albans City and District Council arranged only 10 in the three years from 2016 to 2018.¹⁹ People cannot opt for a public health funeral simply to avoid funeral expenses.

Keeping costs down

There are three ways to pay less for a funeral: shop around, opt for a 'traditional' funeral but cut its costs, or opt for a cheaper type of funeral.

Shop around

If someone is determined to arrange a traditional funeral, the best way to cut the cost is to shop around for a funeral director. As already highlighted, one website suggests three funeral directors in St Albans offer very similar cremations at prices ranging from £3,164 to £5,687, so shopping around could save a person over £2,500.

¹⁶ More details can be found at: <https://www.gov.uk/funeral-payments>

¹⁷ House of Commons Library (2018), Social Fund Funeral Payments, <http://researchbriefings.files.parliament.uk/documents/SN01419/SN01419.pdf>, p. 3.

¹⁸ £37.1 million was paid out to around 25,500 claimants: Annual Report by the Secretary of State for work and Pensions 2017-18 (2018), <https://www.gov.uk/government/publications/social-fund-annual-report-2017-to-2018>, p. 6.

¹⁹ <https://www.stalbans.gov.uk/council-and-democracy/departmentsPoliciesPlans/opendata/publichealthfunerals.aspx>

Cutting costs

Cremations are cheaper than burials.

It is a good idea to set an overall budget for funeral costs, and to stick to it. It is also important to tell funeral directors about this limit because they may be reluctant to pry into the financial situation of their customers. If funeral directors know there is a limit on the amount a client is willing to spend, they may be less likely to suggest add-ons and more expensive options.

SunLife found that two in five people tried to keep the cost of a funeral down by cutting back on some items. Measures taken included choosing a cheaper coffin, not embalming the body and not using a hearse. 4 per cent of people opted for a cheaper cremation time.²⁰

Holding a funeral, whether a burial or cremation, in the area where the deceased lived is much cheaper than having it elsewhere. Funeral directors will charge more for an 'out-of-area' funeral because of the extra time they will spend travelling to and from the funeral, and cremation or burial fees could be higher too.

The additional costs of a send-off, over and above the cost of the funeral itself, average around £2,000. The most expensive items are a memorial, limousine hire, flowers and the costs of hiring a venue and catering for a wake. People make savings on these items by spending less on flowers, holding wakes at home and doing their own catering.²¹

Cheaper options

Most funeral directors offer a 'simple funeral' package. This will include looking after the body before the funeral, a simple coffin and a hearse to the local crematorium. However, they may not promote this option, so customers will have to ask about it. A recent survey found one in three customers were not told about the lowest cost option by funeral directors.²² Some funeral directors may also use emotive language to dissuade people from choosing a simple funeral, making it sound like a less respectful or less desirable option.

If someone is looking for a very low-cost funeral and is prepared to accept a number of constraints, they can opt for a 'direct cremation'. Typically, the funeral is arranged over the telephone and payment has to be made upfront. It involves looking after the deceased's body, transporting the body to a crematorium and the cost of the cremation. The deceased cannot be viewed, there is no funeral procession and mourners cannot be present at the cremation, which takes place at a time and place of the funeral company's choosing. After the cremation, the remains can be given to the family or friends of the deceased to keep or dispose of as they wish. For many people, these restrictions make this option unattractive and direct funerals can be seen

²⁰ SunLife (2018), p. 40.

²¹ SunLife (2018), p. 40.

²² Royal London (2018), p. 26.

as ‘funerals without the funeral’. Ironically, relatively affluent families are more likely to choose direct cremations, while the less affluent reject them because they are seen as uncaring and not giving the deceased person a proper send-off.²³

However, if someone organising a funeral is prepared to accept these conditions, the savings are considerable. Direct cremations are much cheaper than simple cremations because there are no payments for hearses, limousines, flowers and officiants’ fees. According to SunLife, the cost of a ‘typical’ direct cremation in 2018 was £1,712; and £1,598 in the South East and East region.²⁴

Almost all funeral directors now offer direct cremations, but only around half of respondents to SunLife’s survey of people who had arranged a funeral recently were aware of them. Only 2 per cent of funerals are direct cremations.

Alternatively, there is no legal requirement to use a funeral director for any part of the funeral arrangements and some people opt to arrange a funeral by themselves. Unsurprisingly, this is not a route that many families chose to take because of the logistical and practical challenges.

Where to go for advice

Most people approach just one local funeral director when someone dies. Funeral directors are, therefore, a pivotal source of guidance, but they are more likely to emphasise what they can do for the bereaved person, rather than set out all the options. For this reason, it is a good idea to seek out independent advice.

This is not provided by the local council. Anyone turning to St Albans City and District Council’s website would find themselves strongly signposted to a funeral director, with no suggestion that they should shop around. It says:

When the death certificate has been issued by the Registrar, you will also be given a certificate authorising the funeral. The choice of a firm of funeral directors is important as you should feel comfortable and confident with them. They may also be known to you personally, may be recommended by a friend, your GP or religious adviser or may just have a good reputation in your area.

Your funeral director can make all the arrangement for the funeral, burial or cremation, religious or secular service. The funeral director can also advise on all the procedures and documents needed to register the death.²⁵

²³ Royal London (2018), pp. 14-15.

²⁴ SunLife (2018), p. 19.

²⁵ <https://www.stalbans.gov.uk/contact-us/advice/death/>

Fortunately, other organisations do offer guidance.

Citizens Advice can help with all the issues around arranging a funeral.²⁶

- Online – Search for ‘Citizens Advice funerals’ for general guidance about the practical aspects of arranging a funeral.
- Face-to-face – Visit Citizens Advice in St Albans for personal advice.

Down to Earth, run by Quaker Social Action, offers practical advice on organising an affordable funeral to people on a low income. It will also help with all the other tasks that have to be carried out after someone has died.²⁷ The Money Advice Service had advice on its website about what to do when someone dies, how much funerals cost and how to get help paying for a funeral. This includes guides to arranging a funeral without a funeral director and to reducing the cost of a funeral.²⁸ Advice covering the same ground can be found on the Money Saving Expert website.²⁹ The Natural Death Centre’s website has similar advice and it also has details natural burial grounds.³⁰ The Good Funeral Guide has very good guides to choosing a funeral director, planning a funeral and arranging a funeral without a funeral director.³¹

Conclusions

The Money Advice Service says:

There is no need to feel pressured to spend a lot of money or get yourself into debt, just to show your affection and respect.
You can have a funeral that’s dignified and meaningful without having to spend a huge amount of money.³²

However, many people, including those on low incomes, feel it is important to give the deceased a good send-off and disrespectful to cut back on funeral costs. This can lead to problem debts.

Anyone arranging a funeral should consider the following steps:

- Shop around – get quotes from a few funeral directors
- Consider cheaper options – a simple funeral or a direct cremation
- Be prepared to cut back on costs of the funeral and the wake
- Find out about eligibility for a funeral expenses payment
- Seek advice online or by visiting Citizens Advice

²⁶ <https://www.citizensadvice.org.uk/family/death-and-wills/funeral-services/arranging-a-funeral/>

²⁷ <https://quakersocialaction.org.uk/we-can-help/helping-funerals/down-earth>

²⁸ <https://www.moneyadviceservice.org.uk/en/categories/deaths>

²⁹ <https://www.moneysavingexpert.com/family/what-to-do-when-someone-dies/>

³⁰ <http://www.naturaldeath.org.uk/>

³¹ <https://www.goodfuneralguide.co.uk/>

³² <https://www.moneyadviceservice.org.uk/en/articles/how-much-does-a-funeral-cost#how-to-reduce-the-cost-of-a-funeral>

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