

FSCSR

Funeral Service Consumer
Standards Review

Project Background (updated October 2019)

The FSCSR is an independently chaired project that brings together the skills and knowledge of industry experts and key stakeholders with a view to improving quality, standards and outcomes for funeral service consumers. Agreeing a common set of standards right across the sector – and testing these successfully against the views of respected consumer bodies – will be key to the success of the project.

Lewis Shand Smith was appointed as chair for his experience as the former Chief Ombudsman and Chief Executive of the Ombudsman Service. He has significant experience serving on the boards of companies and organisations, in either a non-executive director or trustee capacity, and is also the independent Chair of the Dispute Resolution Service Implementation Steering Group within the banking sector.

Prior to his appointment, the decision to move forward with this work was taken by a group of funeral industry stakeholders and consumer groups at a roundtable event hosted by Dignity plc, in December of last year. The Competition and Markets Authority and HM Treasury were also in attendance and are keeping a keen eye on this work.

Although this work was initiated by Dignity plc and is being funded by the funeral industry through the National Association of Funeral Directors (NAFD), with additional financial support from Golden Charter, Funeral Zone and Ecclesiastical Planning Services, it is of fundamental importance that Lewis was independently appointed by the participants of the roundtable and is not employed or connected in any way by the funding organisations. Indeed, they have completely relinquished any leadership of the project so it can enjoy equal and shared ownership across the sector. Supporting Lewis, through provision of joint Secretariat services, are both the NAFD and the National Society for Allied and Independent Funeral Directors (SAIF).

This is an ambitious, but essential project – particularly in light of the Competition and Markets Authority's market investigation into the sector. We were particularly pleased to see the CMA refer to the establishment of this project in its [published Issues Statement](#) and we believe our work will be viewed positively by them as indicative of a sector that is determined to be progressive and to put commercial interests aside, in order to come together for the greater good.

The success of this project will be measured through its ability to secure the participation of, and agreement, from the funeral profession, consumer groups and other key stakeholders. To this end, we are seeking to put in place a diverse stakeholder reference group that will inform, guide and underpin our work.

Why is this project necessary?

Research commissioned by Dignity PLC recently confirmed what many in the funeral sector have known for some time – that there is a common misconception among consumers that the funeral sector is fully regulated and operates to required standards. In actual fact, the UK funeral market relies on a system of voluntary self-regulation, which means that many funeral directing businesses are able to operate in an entirely unregulated space.

Even for those funeral businesses that are subject to voluntary regulation, there is much room for improvement. The two main trade bodies, which collectively represent approximately 80% of the sector, have separate codes of practice and operate differing inspection regimes, which makes it difficult to accurately monitor and compare standards between different funeral service providers.

Despite both major trade bodies requiring their members to clearly present their pricing information, in 2018, the Competition and Markets Authority's (CMA) study of the funerals market found that there was "limited visibility of pricing, particularly online". The CMA also found that, where pricing information was made available, it was not always easy to compare packages. For example, many funeral directors advertise a 'simple funeral' package but the elements included in the package vary between suppliers.

A combination of a lack of mandatory regulation, clarity about services offered and clear pricing information has led to the market operating in a way that does not serve consumers' best interests. It is therefore vital that this project succeeds in bringing together the main industry bodies and consumer groups with an interest in funeral matters to think of ways to tackle these issues and to make clear recommendations to Government and policy-makers.

The aims of the FSCSR

Produce a comprehensive codified set of minimum standards for the profession, to be presented to the Government as a proposed starting point for future regulation, and recommended for immediate adoption by both major trade associations.

At present, the funeral market relies on a voluntary model of self-regulation, operated by the two major trade associations (NAFD and SAIF), which each require their respective members to abide by similar but separate codes of practice.

This system is less than satisfactory as funeral service providers that are not members of any trade body escape regulation altogether and those that are can be held to different standards, depending on which trade association(s) they choose to be members of.

At some point in the near future, the Scottish Government is highly likely to introduce a statutory system of regulation for funeral service providers operating in Scotland. The publication of HM Inspector of Funeral Directors' recommendations on how funeral directors in Scotland should be regulated is expected imminently and a public consultation on a Scottish Government draft statutory code of practice for funeral directors has now been launched.

Among other things, the FSCSR will:

- a) Seek to identify the extent to which the recommendations of HM Inspector of Funerals could be usefully implemented as a statutory system in the rest of the United Kingdom. The FSCSR's findings and any recommendations will then be presented to Government stakeholders;
- b) Identify areas in which the proposed Scottish statutory code of practice can be enhanced in order to prescribe an even higher set of standards to which trade association members should be required to meet; and
- c) Identify ways in which the funeral industry can change in order to empower and improve the experiences of funeral service consumers.

Propose a method of monitoring and encouraging compliance with these minimum standards, to be presented to the Government and recommended for implementation by both major trade associations.

At present, those funeral service providers that are subject to voluntary regulation, are inspected and assessed against their association's code of practice differently, depending on which trade association they belong to.

Both NAFD and SAIF are committed to implementing a single code of practice informed by the work of the FSCSR. This will bring standards across the voluntarily regulated part of the funeral services market into alignment.

The FSCSR will evaluate the models currently implemented by the two major trade associations and consider ways in which they:

- a) Can be improved to better ensure compliance with required standards;
- b) Can be implemented in such a way as to ensure consistency between the two major trade associations; and
- d) Could be modified for the purposes of implementation by a statutory regulator in England, Wales and Northern Ireland (building on the work already carried out by HM Inspector of Funeral Directors in Scotland). The FSCSR's findings and any recommendations will then be presented to Government stakeholders.

The FSCSR will also consider whether the findings of inspections should be publicised and, if so, what form this should take (e.g. pass/fail certificates, online quality standards ratings etc.).

To recommend a set of rules and guidance for funeral service providers to adopt with a view to improving consumers' ability to usefully compare services offered by different providers. In particular, the group will consider how transparency in relation to services offered, the standard of those services and pricing could be improved.

The CMA's recent interim report raised concerns about the limited visibility of pricing and the difficulty some consumers reported when seeking to compare packages, such as 'simple funeral' packages, which can vary between suppliers.

The FSCSR will seek overcome this problem by producing a set of transparency rules and accompanying guidance for funeral directors. Recommendations about blanket implementation of these rules may be made to the Government. In the short-term, both major trade associations have indicated that they are committed to adopting these rules into their terms of membership.

Structure of the FSCSR

The FSCSR Steering Committee

The Steering Committee is an independently chaired group of experts and representatives of key organisations who are partners in the project, and/or who have particular expertise to lend to the project.

In December 2018, Lewis Shand Smith, former Chief Ombudsman and Chief Executive of Ombudsman Services, was appointed as FSCSR Chair by a diverse group of industry stakeholders and consumer interest advocates. The Steering Committee was handpicked by Lewis Shand Smith for their skills, knowledge and experience.

Among other things, the purpose of the Steering Committee will be to:

- Appoint members of the working groups and the Stakeholder Reference Group
- Manage the project budget
- Help guide the project through from start to completion by providing input and guidance to the project managers/working groups at agreed regular checkpoints.
- Sign off on the final outputs of the review.

It is anticipated that the Steering Committee will meet three times to

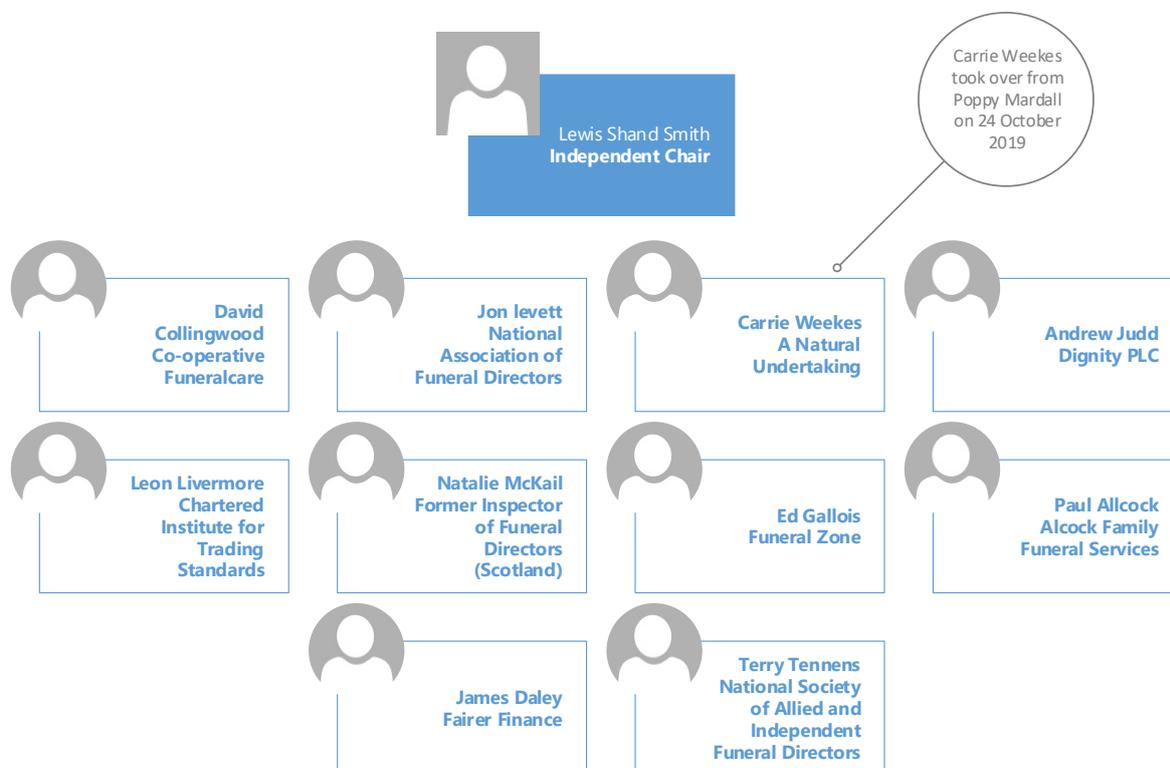
1. agree terms of reference (including workstreams), budget allocation, working group membership and rules of engagement;
2. approve public consultation documents; and
3. sign off the Outputs, subject to any change requirements.

Membership of the FSCSR Steering Committee:

- **Lewis Shand Smith (Chair)**
Lewis Shand Smith was appointed as chair for his experience as the former Chief Ombudsman and Chief Executive of the Ombudsman Service. He has significant experience serving on the boards of companies and organisations, in either a non-executive director or trustee capacity, and is also the independent Chair of the Dispute Resolution Service Implementation Steering Group within the banking sector.
- **Natalie McKail, Formerly HM Inspector of Funeral Directors**
Natalie was appointed for her knowledge of the profession and extensive regulatory experience.
- **Leon Livermore, Chief Executive of the Chartered Institute for Trading Standards**
Leon was appointed for his knowledge and expertise in regulation and professional standards.
- **James Daley, Chief Executive of Fairer Finance**
James was appointed for his consumer interest expertise and knowledge of the funerals market.
- **Jon Levett, Chief Executive Officer of the National Association of Funeral Directors**
Jon was appointed to represent the views and interests of NAFD member firms
- **Terry Tennens, Chief Executive Officer of the National Society of Allied and Independent Funeral Directors**
Terry was appointed to represent the views and interests of SAIF member firms.
- **Ed Gallois, Chief Executive Officer of Funeral Zone**
Ed was appointed for his expertise in developing market comparison tools in the funeral sector.
- **Carrie Weekes, A Natural Undertaking**
Carrie replaced Poppy Mardall on the Steering Committee in October 2019. Both Carrie and Poppy were appointed to bring the perspective of a non-traditional independent funeral director.
- **Paul Allcock, SAIF National Executive Member**
Paul was appointed to bring the perspective of a trade body affiliated independent funeral director.

- **Andrew Judd, Director of Funeral Operations for Dignity plc**
Andrew was appointed to represent the views of the second largest provider of funerals in the UK.
- **David Collingwood, Director of Funerals for the Co-operative Group**
David was appointed to represent the views of the UK's largest provider of funerals and a member of the co-operative movement.

The FSCSR Steering Committee at a glance:



FSCSR Minimum Standards Working Group (Working Group A)

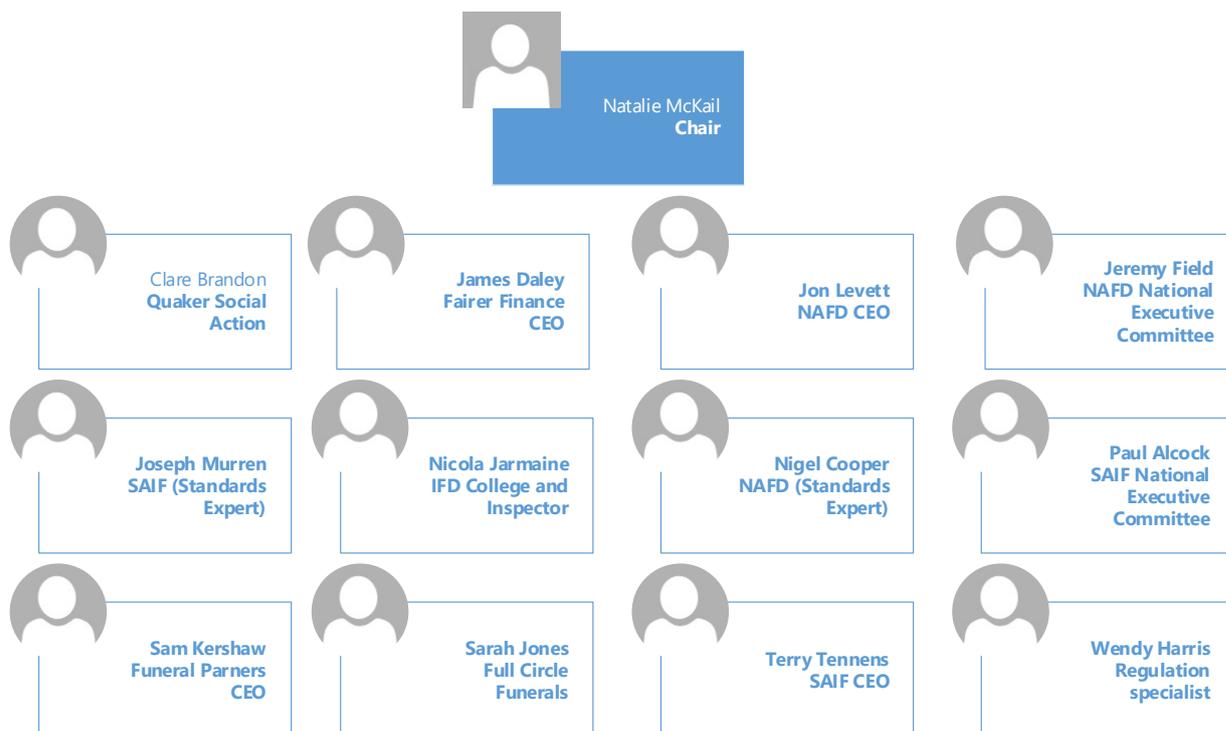
The purpose of Working Group A is to produce:

- a) a robust and comprehensive code of minimum standards/requirements for the funeral directing profession (output 1); and
- b) an agreed list of compliance monitoring requirements (Output 2)

In doing so the Group will:

- identify examples of good practice within existing standards and guidance (including trade association codes of practice);
- identify examples of good practice within existing industry inspection regimes;
- identify any current gaps or areas for improvement;
- consider the outputs of and learning from the Scottish Code of Practice Short life Working Group;
- consider the extent to which standards and inspection regimes used in other comparable professions/sectors can be usefully applied to the funeral directing profession; and
- consider the views and feedback of the FSCSR Stakeholder Reference Group (SRG)

Membership of Working Group A:



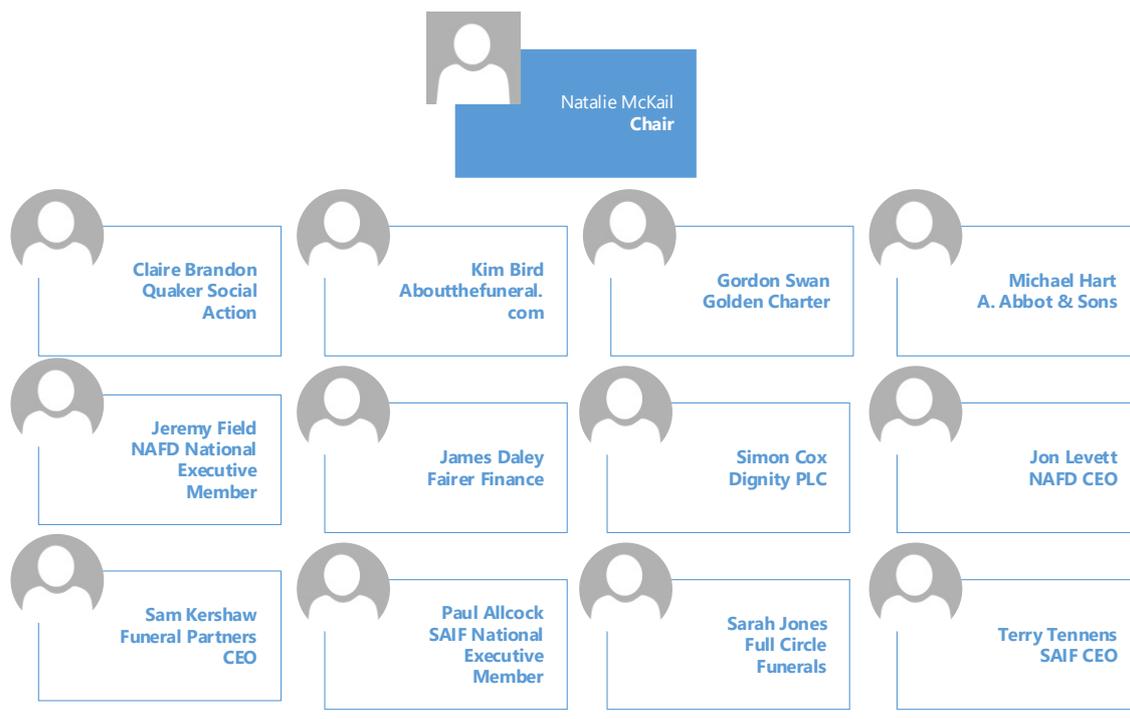
The FSCSR Transparency Working Group (Working Group B)

The purpose of Working Group B is to identify practical steps that could be taken to improve consumers' ability to usefully compare services offered by different service providers. In particular, the group will consider how transparency in relation to services offered, the standard of those services and pricing could be improved.

In doing so the Group will:

- consider the strengths and weaknesses of approaches adopted by service and price comparison websites;
- consider the strengths and weaknesses of approaches adopted by a selection of funeral directors in the UK;
- consider the strengths and weaknesses of approaches adopted in other jurisdictions (e.g. the USA);
- consider what service aspects/standards a consumer would consider to be a minimum requirement; and
- consider the level of detail that a consumer would find helpful.

Membership of Working Group B:



The FSCSR Stakeholder Reference Group (SRG)

The role of the SRG will be to provide considered feedback on the draft outputs of each working group prior to Steering Committee approval being sought.

In doing so, the SRG will help ensure that the interests of bereaved families and other funeral consumers remain the key focus of this project.

Composition of the SRG:

The SRG comprises representatives from all sizes of funeral directing businesses, academics, religious groups, consumer interest groups, regulatory bodies and other stakeholder organisations.

We had initially intended to publish the full list of SRG members but have taken the decision not to do so. This is because we received feedback that some stakeholders were reluctant to engage with us as they didn't want to be publicly viewed as being affiliated with our work.

In order to balance the need to encourage engagement with our desire to be as transparent as possible, we intend to give every SRG member the option to have their full response to any FSCSR consultation published on our website.

If you know of an organisation or individual whose experience, knowledge or perspective could help inform our work, please encourage them to join the SRG by emailing contact@fscsr.co.uk.

Immediate next steps and indicative timescales (subject to change)

4 November 2019	Second meeting of Working Group B to progress development of transparency outputs.
2 December 2019	Second meeting of Steering Committee to agree public consultation documents.
16 December 2019	Initial consultation period. Members of the SRG will be asked to consider draft outputs and provide feedback.

FSCSR

Funeral Service Consumer Standards Review

Indicative project timeline (subject to change)

