



Rated by Experts

Leading the market in
clarity and transparency



Contents

Overview	3
Red Line Criteria	4
Contact Fairer Finance	8

Overview

Our product ratings use a set or ‘red line’ criteria to calculate an underlying score for each product, which translates to a star ratings.

Products can achieve between one and five stars. The more comprehensive the product, the more likely it is to be rated highly.

To achieve a five-star rating, products must meet all of our red line criteria. We focus on core product features, and don’t give extra marks for unnecessary features or optional extras.

Our current red line criteria are contained in the following pages.

We do not consider price when calculating these ratings.

Red line 1 – guarantee or £1,200 allowance

Cremation

For cremation funerals, there must be a disbursement allowance of at least £1,200. This disbursement allowance must be intended to cover doctors' fees, minister's fees and the cost of the cremation.

Disbursement allowances must rise in line with a funeral inflation index – for example, as specified by Sunlife's Cost of Dying report.

Alternatively, these costs should be fully guaranteed.

Burial

For burial funerals, there must be a disbursement allowance of at least £1,200. This disbursement allowance must be intended to cover minister's fees and the interment cost.

Disbursement allowances must rise in line with a funeral inflation index – for example, as specified by Sunlife's Cost of Dying report.

Alternatively, these costs should be fully guaranteed.

Rationale

Our research indicated the upper limit for burial interment fees were between £900 and £1,000.

For example, interment fees in Exeter are set at £907 and in Gloucester the cost is £995. Including a minister's fee of £182, we have set our red line at £1,200 for burial.

Funeralbooker's 2017 Cremation and Burial Cost Index showed that across the UK the highest average cost for a cremation was £809. Using this as our upper limit and adding doctors' fees (£164) and minister's fees (£182), we have set our red line at £1,200 for cremation.

A contribution of £1,200 is included in plans provided by Safe Hands, Post Office Money, Dignity, Choice Future Planning, and Age UK. However, not all of these include an allowance for doctors' fees. The average amount offered across the industry is £914, with a median of £1,050.

Disbursement allowances for contribution plans are index-linked but the choice of index is inconsistent across the industry. 26 plans are RPI-linked and 6 are CPI-linked.

3 plans increase by 3.25%, and 9 plans match fund asset growth. **4**

Red line 2 – FPA regulation

Companies must be registered with the Funeral Planning Authority (FPA). The FPA requires regulated companies to regularly produce actuarial evaluations. This gives consumers assurance that an authority is checking that there are sufficient funds to cover the cost of providing agreed funeral services.

79% of funeral plan providers are regulated by the FPA. Only four providers (Open Prepaid Funeral Plans, Pride Planning, Prosperous Life and Safe Hands) aren't regulated by the FPA.

Red line 3 – no shortfall risk if moving home

Plans must allow customers to move home without taking on the potential risk of a shortfall – for example when moving to a more expensive location.

Without regional pricing, this cost must be factored in by providers. Nine providers do not allow customers to move their plans to another funeral director without the risk of extra cost.

Red line 4 – collection of the deceased

Plans must provide a 24-hour service for the collection the deceased.

A death can be an extremely distressing occurrence, and consumers should be able to have the deceased collected at any time. 'Office hours' collection routines may add considerably to next of kin's distress.

73% of plans offer a 24-hour service for the collection of the deceased. The rest of the market only offer collection during office hours.

Red line 5 – visitation in the chapel of rest

Plans must allow family and friends to see the deceased at any reasonable time with appointment. A significant number of plans only offer this service during normal office hours – and some plans don't include access to the chapel of rest at all. This is not a reference to direct cremation plans.

According to the ONS Labour Force Survey 2014, 17% of people employed in the UK work shifts. Funeral providers should therefore be flexible to their requirements and allow visitation of the deceased at any reasonable time. **5**

Red line 6 – quality of the coffin

Plans must provide a coffin with a veneer or wood effect. Consumers will have an expectation of quality of the coffin, and to gain five stars in our ratings, a plan must supply a coffin which is above basic or simple quality.

Red line 7 – funeral occurrence

Plans must allow funerals to take places on any normal weekday during working hours.

We do accept that there are extra costs involved in holding a funeral outside of normal working days and hours, and we don't expect plans to cover these. Nearly nine out of ten (90%) plans allow the funerals to take place on any normal weekday during working hours.

Age UK, Co-operative Funeralcare, Dignity, Golden Leaves, and Safe Hands all offer more affordable plans which restrict the time of day a funeral may be held. If the customer actively chooses one these plans, that is fine – but more comprehensive plans shouldn't limit the times at which a funeral can be held during normal working hours.

Red line 8 – cooling-off period

Plans must include a 30-day cooling-off period during which customers may cancel their plan and receive a full refund.

The FCA's Insurance Conduct of Business Sourcebook (ICOBS) requires all pure protection insurance policies to include a 30-day cooling off period. As funeral plans pay out on death, to our interpretation they would be considered to be a pure protection product if regulated by the FCA.

Cooling-off periods range from 14 days (Pride Planning, Prosperous Life, & Lincolnshire Co-op Funeralcare) to 90 days (Post Office Money). The most common cooling-off period within the industry is 30 days.

Red line 9 – cancellation fee

Cancellation fees must be £250 or less, including any non-refundable deposit.

The median cancellation fee for the industry is £249 and the average is £254.93. This ranges from £75 charged by Chelmsford Star Co-operative, to £500 by Choice.

We understand that marketing acquisition costs in the funeral planning marketplace are relatively high, but there comes a point where cancellation fees become so high they appear to penalise customers.**6**

Red line 10 – 24-hour helpline

Customers and next of kin must have access to a 24-hour telephone helpline. This number could be maintained by plan providers or individual funeral directors.

A 24-hour helpline is required in order for the body to be collected at any time and to provide peace of mind to consumers.

Red line 11 – provision of a hearse

Plans must provide a hearse.

This is a minimum requirement in order for the deceased to be transported to the place of service.

Red line 12 – provision of pallbearers

Plans must provide at least four pallbearers.

This is in order for the coffin to be moved without the requirement of family or friends.

Red line 13 – transfer radius

Plans must include transportation of the deceased in at least a 25 miles radius.

There is considerable variation in the market regarding the transfer radius offered before charges occur. The smallest radius offered is 15 miles, by Sunlife and Golden Charter.

East of England Co-operative and Open Prepaid Funeral Plans describe their services as 'local collection'.

At the other end of the scale, Avalon offers transportation across all of England, Scotland and Wales. Golden Leaves' Copper plan (direct cremation) also offers this. Across plans offering a set mileage rather than nationwide cover, the average mileage available is 34. The most common coverage offered is 50 miles.

Red line 14 – deposit plans

If providers offer plans for paying deposits by monthly installments then these plans must not be both mandatory and non-refundable.

Red line 15 – Insurance

Providers must offer insurance to cover the cost of the funeral plan if the customer dies before paying off the full cost of the plan.

Red line 16 – Is the deposit refundable?

Any deposit paid must be refundable. Non - refundable deposits act as barriers to exit.

Red line 17 – Is the cost of funeral be covered if one dies before completing payments?

The cost of the funeral must be covered by the provider if the plan holder dies before they have fully paid for their plan.

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