House of Commons

Work and Pensions Committee

Oral evidence: Bereavement benefits, HC 551 – i

6 January 2016

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[Watch the meeting]

Members present: Rt Hon Frank Field (Chair), Mhairi Black, Ms Karen Buck, John Glen, Richard Graham, Mrs Emma Lewell-Buck, Craig Mackinlay, Steve McCabe, Jeremy Quin, Craig Williams

Questions 1 - 53

Examination of Witnesses

Witnesses: **Lucy Coulbert**, Managing Director, The Individual Funeral Company, Coulbert Family Funerals, **Nigel Lymn Rose**, National Association of Funeral Directors, **Mohamed Omer**, Muslim Council of Great Britain, and **Melvyn Hartog**, United Synagogue, gave evidence.

Q1 Chair: May I welcome you to our first session of this year? Might I begin by asking each of you, starting with Mohamed, to introduce yourself and say why you are here—apart from that we invited you—for the sake of the record? Then we will begin with Emma.

Mohamed Omer: My name is Mohamed Omer. I represent the Muslim Council of Great Britain on burial matters and I am also a board member for Gardens of Peace Muslim Cemetery, which is the largest dedicated Muslim cemetery in the whole of Europe. This is the reason why this particular issue is of particular importance to our community and that is why I am here.

Chair: Great, thank you. Lucy?

Lucy Coulbert: I am Lucy Coulbert. I am here from The Individual Funeral Company and Coulbert Family Funerals this morning.

Nigel Lymn Rose: Good morning. Nigel Lymn Rose, and I am a working funeral director, but I am here today in my capacity representing the National Association of Funeral Directors, which is the largest and most inclusive organisation of funeral directors in the country. We represent everyone, from the smallest to the largest funeral firm, and about 80% of the funerals carried out in the UK are carried out by our membership. I have been involved with the NAFD in looking at matters of legislation and in fact have been involved with the DWP about our concerns right back from February 1987, when the first discussion took place before the introduction of the Social Fund in April 1987.

Melvyn Hartog: Melvyn Hartog. I am Head of Burial for United Synagogue, which is the largest Orthodox Jewish organisation within the United Kingdom. We carry out—within, really, the London area—850 funerals a year, so therefore this is obviously quite interesting to us.

Chair: Very good. Might we begin to play this in the following way? We obviously have standard questions about the operation of the scheme, and then maybe, Melvyn and Mohamed, you might make it plain if there is a different point of view that you want to represent? Is that all right?

Q2 Mrs Lewell-Buck: Good morning, everyone. I was wondering about the people that you have come across who cannot afford a funeral. What options are available to them? That is for those who are eligible for the Social Fund and then those who are not eligible for the Social Fund, bearing in mind that the fund itself does not even come close to the cost of a funeral anyway.

Chair: Can we begin with you, Lucy, and then go to Nigel?

Lucy Coulbert: Sure. Honestly, there is very little option. If people do not—

Chair: Lucy, I do not know whether we can turn your mic up, if that is possible. We cannot hear you very well, sorry.

Lucy Coulbert: That is okay. Effectively, there is very little option. With the Social Funeral Fund, if there is a deficit between what a funeral director charges and what you pay, if the family cannot afford to meet that cost, then they do not have access to bank loans in general and they probably do not have a credit card that they could put it on, so therefore we are forced to look at charities that they can apply to. Quaker Social Action is a great resource for an awful lot of people. If the rest of the family cannot find money, then they have to wait, effectively.

Q3 Chair: By "wait" you mean what, Lucy?

Lucy Coulbert: They have to wait and they have to save.

Q4 Mrs Lewell-Buck: So the body will remain in—

Lucy Coulbert: In situ. It would have to. You could start a funeral on what the Social Funeral Fund would pay, but it is not going to help anybody in the long run in that if somebody does not pay my bill it is within the terms and conditions—as with an awful lot of funeral directors now—that if the bill is not paid within a certain time limit, it will get passed to a debt collector. We cannot afford to have our services used for free. Possibly they might even start looking at doorstep lending or the loan companies that you see on TV with 1,000% APR, so it is just a spiral. If it does not stop, it is going to get worse.

Nigel Lymn Rose: Morning. Thank you, Emma. As the National Association of Funeral Directors, our members offer a wide range of different types of funerals, but one has to always remember that when a family are making the selection, although we ask them about their finances, they are not always forthcoming or indeed do not feel able to necessarily tell us, so we do not necessarily always know the position at the outset, which can cause some embarrassment.

But to answer the question as to where we stand with regard to Social Fund funerals and those people that have insufficient funds but are not entitled to assistance from the Social Fund, it is a bit of a catch-22. Regrettably, no consideration will be made by the DWP as to whether someone is eligible to obtain assistance with the funeral until the funeral bill is presented. Now, our members conform to a code of practice and deal with the funeral in the way the Office of Fair Trading like us to, which means everything is flexible until it happens, which it gives people the opportunity to change things. If you have a family that you think will be in receipt of benefit and will be entitled to assistance from the Social Fund, they do not know for definite until after the funeral has taken place, by which stage it is very difficult to look elsewhere for assistance. There are a few charities that would help after the event.

Q5 Chair: If somebody in our constituency dies and their family contact a funeral director, would you be able to carry out the full funeral service, however modest it was, on the moneys they could get from the Social Fund?

Nigel Lymn Rose: No.

Q6 Chair: So you know that everybody that you are in contact with, if they are poor, will be in debt after the burial or cremation?

Nigel Lymn Rose: Not necessarily, because quite often there will be members who are not a close member of the family or there will be friends who will give assistance to cover the shortfall, and that shortfall, provided it is paid directly to the funeral director and not to the claimant, will assist the claimant. If it is paid to the claimant, it is then deducted from the amount the DWP would give in terms of assistance and, therefore, would give the claimant no benefit.

Chair: Emma, sorry, I interrupted.

Mrs Lewell-Buck: No, it is okay. I was wondering if Melvyn or Mohamed had anything to add to that.

Melvyn Hartog: The United Synagogue, we are a membership organisation, so our members pay an annual fee, currently £70 a year. By doing that, that means they are guaranteed automatically to have a burial. Obviously we get a percentage who choose not to pay that amount and, therefore, at the time of death that is when the problems start, but because we bury very, very quickly, certainly within 24 or 48 hours, we take it on the chin and we pick up the cost of the funeral. We ask them if they are going to send a donation towards it but, if they cannot afford it, we will not refuse to bury anyone, so therefore we bury them.

Mohamed Omer: From my perspective, we have serious challenges in this issue. In particular, just like the Jewish community, we also have to bury as quickly as possible. The problem we face once again is that we do not run a membership organisation. There are, de facto, certain informal burial committees that are set up by certain community members that they will subscribe to and they will get some payment from that. But there are a number of places whereby they are unable to do so and what happens in those circumstances is that we generally appeal to the community at large to say, "This person cannot afford it. What can you do to assist?" That is how we have so far managed to try to and help them out, but a lot of times the families then simply go to a relative to try to borrow the money, saying, "I am going to try to claim some money from the Social Fund". It is never going to be sufficient, as already mentioned by my colleagues over here, but we cannot afford to delay.

I can say that for the 15 years since we have been in operation, there has not been a single time whereby we have not buried somebody for the sake of money, but that does not mean that the individual families are not in debt. This is the problem. There is no clarity in terms of when a family can, in particularly, claim for the money or the amount, because at that time they only want to ensure that their loved ones are buried as quickly as possible and given the funeral that anybody would want for their family members.

For us, let me just clarify one point: we do not offer several options in terms of burials. Ours is a standard burial, so therefore there is no choice to say, "Can we cut this out?" No, it is not that simple, the burial for the entire community is identical. That is the message of Islam: everybody is the same, everybody should be buried the same and that is what we try to do.

Q7 Richard Graham: Happy New Year to you all. Mohamed, in my experience in the Muslim community in my constituency in Gloucester, a lot of the actual burial is done by the family and community themselves. In fact, in the funerals I had been to, I was not clear who in a sense was being contracted. It is not like a Christian funeral, where it is quite clear there is an organisation that is doing things. I would love to understand a bit more about who does the burial and what the costs involved are, and then on the payment side you mostly have the Muslim Welfare Association, I suspect, around the country. Isn't that the organisation that would normally help pick up the tab?

Mohamed Omer: I know Gloucester very well. One of my uncles was buried there, so I do know it. It is a very informal structure in Gloucester, whereby most of the mosques will have an informal funeral service, so the mosque will have a washing facility, they will have bought a second-hand vehicle or something to carry the body and then the only charge would be the actual cost from the cemetery in terms of the burial. The entire planning from the time somebody passes away to the cemetery will be taken care of by the community itself. There is no formal charge as such. People will contribute to the mosque to say, "This is a service being provided".

In terms of what you are saying about the welfare, there is not a national welfare fund as such, no. Each area will then determine it itself, saying, "Listen, we have somebody in the community who claims not to have any next of kin. They want to be buried. Can anybody assist?" Generally speaking, a lot of people will come down and assist. The only issue then we will have is that no family member would want to be indebted to somebody else for paying for their funeral. This is where the point lies, so they will therefore try the maximum to ensure, "Is there any way I, as an individual, can get some money to pay for my father or my mother's funeral?" This is where the Social Fund comes in.

For us, we cannot wait for the determination. One of the biggest problems we have is the fact that the families themselves are unclear as to when they can claim, because they are under the impression that if their father or mother was on a benefit, they will be able to claim. No, it is the next of kin who should be. This is where the problem lies, this is where we need clarity and this is where we need certain aspects to be clear to ensure that the community understands, as well as assistance from the Government itself. They need to change the policy, simple.

Q8 Ms Buck: Yes, I want to pursue this particular issue of whether the time constraints that operate within the Jewish and Muslim communities, in particular, make what is a difficult process that much harder, because people are so motivated obviously by getting the burial done within 48 hours. Do you find you have the experience of people who then simply have not collected the necessary information or gone through the necessary stages of the process to put themselves in a position that will qualify for Social Fund payments?

Melvyn Hartog: If somebody has just lost a close relative, they are at their lowest ebb, and you start giving them something that is more than my tax return to read through and to fill in—I know they have three months to do it, but we obviously do not know how long the grieving time will be. But as soon as we pick up the body, our most important thing—and for the family as well—is to get the burial done. That is the respect to the dead. Therefore, we put the money to one side and we will let the family try to sort that out. But again, this is not advertised very well for people. We all know we are going to die, so people know whether they can afford a funeral or not, but there is nothing around that says, "Do not forget, if you are in this position, there is help around." It is not advertised at all. Nobody knows until somebody dies, and then someone says, "Oh, by the way, if you get this form, then you can claim money".

Nigel Lymn Rose: Could I add that, of course, many of our members do carry out funerals on behalf of the Muslim and the Jewish community? When they have the interview and the discussions with the family, they talk to them about how they intend to pay, how that payment is going to be made and then, if they explain that there is a difficulty, they endeavour to help them and indeed complete the necessary forms for the DWP. The problem is of course—for fear of repeating myself—that we cannot possibly get an answer for them as to whether that payment or that grant will be made and the funeral director of course has to commit himself to the cost of the burial, be that with the Muslim community, the Jewish community, the local authority or indeed the Church of England. Wherever that may be, the funeral director remains committed to that expenditure even though he does not know whether the client is going to be able to obtain the grant that is expected.

Q9 Chair: Nigel, if Mohamed was employing your services, your services would only be taking the body from the mosque to the place of burial, wouldn't they?

Nigel Lymn Rose: Can I say, that is not necessarily clear? In Mohamed's case that would be true, but I can cite examples throughout the country whereby our members, for example, have built and serviced and provide the washing facilities in the mosque; they provide the staff that deal with the removal; they provide the coffin; they provide the transfer; they provide the professional services, and the mosque in turn—or the family—pays them for the provision of those services. It does depend on the local arrangement and not all the local arrangements, even with regard to the graves, are the same as Mohamed's.

Mohamed says there is one type of grave in the cemetery that he is responsible for, yet I can cite other areas in the country where the Muslim community want to be buried only in a brick-lined or concrete-lined grave, other areas in the country where the grave has to be of a particular depth—by that, I mean the chamber has to be a particular depth, not the burial—and I can also cite areas where you have to remember that surcharges are made by local authorities who provide the services to the Muslim and the Jewish community because the graves are only allowed to accommodate one interment and cannot be used again for a subsequent interment. So there are factors there that the families need help with. It is not necessarily always the same, although I would fully accept and acknowledge that the funerals tend to have a greater family involvement, the bearers tend to be provided by the community, the washing, as you rightly say, tends to be carried out by people from within the community and, generally speaking, in my experience the funeral consists of a hearse and the family do not normally have following limousines. But that is a cultural difference, not a religious difference.

Mohamed Omer: Karen, if I may move on to the problem that Melvyn has cited, we have the sensitivity at that time of the funeral, when the family themselves are only interested to ensure how quickly they can bury. Our job at that stage is to do preliminary enquiries. They will just simply come and say, "Listen, my father or my mother has passed away. I cannot afford it. What can you do?" We ask them generally, "Are you on benefits? Will you be able—" Then we can just guide them, "You might be able to claim under this particular—" At this moment in time they will have no money whatsoever, so we will then assist them, wherever possible, saying, "Listen, this particular community where you belong, is there anybody who can assist you with that?" and this how we are. If a shortfall in the money remains, as a trust we try to see if we can accommodate them in that respect. If they get the money from the Social Fund they will then come and reimburse us, but there is no guarantee on that aspect of it at all.

Also, as I was saying, the actual form—like a tax return, as has been mentioned before—is quite daunting for a family who is not familiar with how it should be completed, so we do also provide that service to them. In terms of what Nigel was saying, the Muslim community is a very young community in comparison to the other communities. Therefore, we do not have established funeral directors everywhere around the country at this moment in time, but that is changing. For example, in London, you will very rarely find that anybody would use a non-Muslim funeral undertaker because there is now an established one, but in other areas there is not. I do accept that. There are lots of religious and cultural differences, and we concentrate on the religious difference rather than the cultural, because we understand that not everybody has to provide the cultural differences but the religious should be taken care of.

It is a challenging time and so far the community has been very good. Let me also add that we are trying to set up a funeral fund ourselves so that, if people are in this legitimate difficulty, we can see if we can assist them but it is a process and it is quite taxing on a community that is run on a voluntary basis. It is very difficult for us to find the resources to do this. Our aim has always been to see if there is any way the DWP can work with us in a manner where they can understand certain organisations, like the funeral directors and ourselves, and come to a system whereby it is much easier for the family. We can give them the challenges we face from the family's perspective and suggest how we can work together to make it easier for everybody concerned. We also understand that there are budget restrictions from the Government's perspective as well and this is where we think, "Let's work together to see whether there is anything the communities can do in order to make sure that this system works effectively".

Q10 Craig Mackinlay: You have covered quite a lot of what I was going to ask about what people do if they do not have enough money; I think Lucy covered a lot of that. People, generally in the Christian faith, have to just wait. I think there is a lot of variability in the awards and you are not going to know for certain what that SFF award will be until you have filled in this vast form. It would be good to see that form, I think, Frank. If people get the maximum award possible, how much is that likely to be? Because with the extra £700 for one-off costs that you are allowed to have, that would certainly be sufficient to pay for a low-cost funeral. I realise that it is going to be later in the day that you are going to know whether they are going to get that or not but if people do get a maximum award that is enough for a low-cost funeral. Is that the case?

Nigel Lymn Rose: No, that is not the case.

Q11 Craig Mackinlay: It is not the case? Because we have some figures here that say the average is £1,375 and there are obviously going to be a lot costing a lot more.

Nigel Lymn Rose: That is true, the average may well be £1,375. I don't know the source of those figures. I do know, though, the source of the figures produced by Royal London in its recent report, which were somewhere in the region of £7,000 for an average funeral, including the disbursements. Now, I think we have to look at this very carefully because the disbursements are the first element. The way it is worded and the way the Government generally presents things is that the necessary costs of burial or cremation are paid, plus up to £700. The problem is you say that to anybody in the street and they will assume that you have a funeral paid, which can be a burial or a cremation, plus up to £700. What we are talking about is the cemetery fee, which can be anything from £500 to £6,000 or £7,000, plus £700 for other fees, or the crematorium fee, which I think is now an average of just £739 under the current fees, plus the doctor's fees, if doctor's fees are necessary—they are not necessary when the coroner is involved, and incidentally, they are no longer payable in Scotland, they don't apply in Scotland now, but plus those fees, if they are payable. Then the £700 is towards the cost of everything else and that is woefully inadequate. The average price you were quoting there is not the average price of a funeral, per se, it is the average price of a simple funeral, so if that is the average price of a simple funeral, the range will not be the big range that you would imagine. If you were talking about the average price of a funeral, I would suggest that that is considerably higher than that, but I am not privileged to know what it is because we are a trade organisation that don't—

Q12 Craig Mackinlay: What I was trying to get to was if somebody received a maximum award, I do not know what that maximum award could possibly be.

Nigel Lymn Rose: You don't need to worry, because the £700 is the bit to concentrate on, which would be the maximum award, because the other part would match the burial fee or the crematorium fee, so it does not matter. Just remember, the £1,375 that you mentioned, that is the average award; that is not the average cost of a funeral, that is the average award.

Q13 Craig Mackinlay: I realise that, but what I am saying is if that is the average, there must be a bigger amount given to some. Is that bigger amount given to some enough to cope with a very basic funeral? That is the point I am trying to get to.

Nigel Lymn Rose: No, I am sorry, the point is that bigger amount will only be bigger if the crematorium fee or the cemetery fee is bigger. The £700 is the absolute cap, but that £700 also has to take account of the minister's fee, for example. The minister's fee is set by the Church of England and approved by Parliament. The minister's fee is currently £178—if you are going into church it is £203—and that is no longer a discretionary fee. So that comes off the £700, leaving £497 for other funeral expenses, which may indeed be for the person ordering the flowers. It need not necessarily be the actual costs of the funeral. The minimum cost of a funeral, ignoring the cemetery fee or crematorium fee, is considerably higher than £700, so there will be a shortfall.

The difficulty is that the funeral director is very often asking for that shortfall, as I understand it, before the funeral takes place. That does not mean that the funeral director is not still exposed to a risk, as the funeral director still has the risk of course that the grant will be turned down. Then, the cost that the funeral director has paid for the grave, the cost that the funeral director has paid for the minister, the cost that the funeral director has paid for the disbursements, he does not receive back—and he also does not receive what was expected to be £700.

Craig Mackinlay: You must know a very good friend of mine, John Weir.

Nigel Lymn Rose: Yes, I know John Weir very well.

Mohamed Omer: Craig, if I may just also add to that, the cost also varies. For example, if somebody is in East London the DWP will determine whether, in the area where that particular individual lived, there is a cemetery there and what would be the cost of that cemetery if they were buried there. Therefore, if somebody came to be buried at Gardens of Peace, my charge would be £2,700 for the grave. If that person decided to be buried there, DWP will limit the amount to the burial fees of the particular local cemetery, whether it provides the Muslim facility or not. Irrespective, that is the standard fee they will provide. This is where, even if you get the maximum award, it will leave them out of pocket as well. This is where there is a lot of discrepancy. There is no uniformity. This is the consistency element that we need to address.

Q14 Jeremy Quin: Sorry to be boring on this: if we can, I want to get even more granular on the 700 quid. It is pretty core in terms of the margin that your members are making or—as you present—are not making, that is, the loss they are making. That £700 has been described in some of the written evidence as essentially the director's margin, so a large chunk of that should be the margin that you are making on presenting a funeral, but that is not how you are describing it. I just want to be absolutely clear in my own mind what the £700 goes towards, what it covers. I get the minister's fee. My father is a clergyman and he will say, "It is a church fee, not the minister's fee", but carry on. There is that bit; what are the other elements?

Nigel Lymn Rose: If I can go back to when the cap was originally introduced in 1997. When we asked the policy unit at the DWP what this cap was for they said, "Any other funeral expenditure". We asked the question, "What does that mean?" because prior to that, it was defined that it was a facility that was provided, rather than a cost. The original thing said that there was the cost of any necessary documentation, the cost of an ordinary coffin, the cost of a hearse, one car, removal, preparation of the deceased, and it was made absolutely clear in the original statutory instrument that that was not to be cash-limited. It was a particular service, in the same way that a grave is not cash-limited, it is the most reasonable cost local grave. But when we asked the question in 1997, the answer we got was, “It is whatever somebody chooses to spend that money on”. I said, “Are you saying that someone could say, ‘I am going to have a burial in my back garden and I am going to spend that money in the pub on a wake’?” and the answer was, “Yes”.

That money is available for the family to decide how they are going to spend it. There is no fixed criteria to which that relates. Indeed, for a number of years now, the Minister has said that that is a substantial contribution towards the other costs and it has been left as wide as that. I am afraid that is the way it stays today, so a family could say, “I don’t want to have a simple coffin. I am going to go and purchase a coffin on the internet”—or from one of our members—and do the funeral themselves, and that is just going to be a contribution to the cost of the coffin. It is completely open to be interpreted how the claimant chooses to interpret it. In reality, our members would be saying, “Look, you have a limited fund. You would be well-advised to spend this towards what we may see as optional costs for the funeral” but, in reality, most people assume with a funeral that someone has to take care of the deceased; someone has to move the deceased; a coffin has to be provided; a hearse has to be provided; bearers have to be provided. They are things that, although they are not essentials, because you could potentially do them yourself, are what most people view as being an integral part of a funeral service.

Q15 Jeremy Quin: When you work out how you charge for the essentials, as you put it, do your members incorporate a margin on to that? I presume they do.

Nigel Lymn Rose: Absolutely, because our members have to make a profit to remain in business. I can cite many firms that have gone out of business or into liquidation in recent years. It used to be, prior to the 1997 inquiry of the Office of Fair Trading, that most of our members sold package funerals. The feeling of the Government then was that we should not be selling package funerals. We should itemising all our charges so people could select from a list and have items or not have items. For example, if you want to buy your coffin from elsewhere, that is fine, you can go to our members, choose a funeral without a coffin and the coffin can come from elsewhere. If you wanted to use your own pick-up truck as a hearse, you could do so, and you would not then be being charged for a hearse by the funeral director, so it allows you to pick from a list. That was thought to be the right way to do it.

Q16 Chair: Nigel, so we are clear, in the mind of the Department, there are minimum funeral arrangements that are covered, plus £700?

Nigel Lymn Rose: No, in the Department’s eyes, the amount that is covered is the cost. There are two forms of disposal, a burial or a cremation. So that means the cost of a burial in the most reasonably priced local cemetery. If that includes the purchase of a grave, then so be it. If it is an existing grave that has to have a memorial moved to open it, that means the cost of opening that grave. If you do not have a family grave, it means purchasing it. They are covered in total, irrespective of what they are at the local cemetery, or cremation—

Q17 Chair: So there is a minimum package that the Department will cover plus £700?

Nigel Lymn Rose: Correct. But the minimum package does not include the funeral director, the coffin, the cars, the hearses, the transfer of the deceased. It is just that plot in the ground. If we go back into history and look in 1997 when the—

Chair: So it is not a minimum package, is it, then?

Nigel Lymn Rose: No, not a package at all.

Q18 Mrs Lewell-Buck: In the Department's mind it might be, but the reality is it does not meet it, so there is that minimum package there but the cost that they award does not meet that minimum package, so people always have a shortfall.

Nigel Lymn Rose: Absolutely.

Q19 Chair: So the minimum package does not cover when somebody dies in my household—can I address this to you, Lucy—it does not cover coming to collect the body—

Lucy Coulbert: That would not come under the £700. Funeral director's charges are split into two, effectively. On the one hand is everything that we pay out on your behalf, so it would be the crematorium or cemetery, the doctor's fees, should they apply, and that is the bare minimum, but all of that is covered. Then on the other side is what you pay us to do for you, so that is the removal. If somebody dies at home or hospital, wherever, it covers our professional services. It should cover a hearse and bearers—all the adequate number of bearers—should we need them. So the disbursements side is effectively completely covered. It is the bare minimum, the legal minimum, to carry out a funeral. The £700 is supposed to be towards our fees.

Now, looking at the charges for Oxford, if you were to die in Oxford and we were going to Oxford Crematorium, the bare minimum is £1,782. That is the minimum. If your average is £1,375, there is a deficit of £407 that I am meeting personally, that my company is meeting. I cannot run a business like that and, forgive me, this is a business. I have to make money, otherwise I am not going to be here next month to help other people. So where does that cost come from? Do I personally have to meet that? I am not going to. Therefore it has to come from somewhere, so who is going to meet that cost? That is what we are trying to say.

Q20 Chair: So even if you were the most sensitive of directors, which I am sure you are, Lucy—

Lucy Coulbert: I am.

Chair: We have all had experience of people coming into our surgeries, we are meeting people in our constituencies and however proper people are and dignified, it is also possible, sadly, in our society to tell roughly what their income is. If you knew that somebody would be very hard-placed, you could not offer a package that did not put them into debt?

Lucy Coulbert: That is effectively what it is. For £1,782, my profit on that funeral is £168, so I would be dealing with a family from beginning to end if they were applying for help from the DWP. I have had one family that was waiting for nine months, so for nine months I was helping that family. I was applying to charities for them. I was making phone calls on their behalf. My total profit for doing nine months of work was £168, so you tell me how I am still here, because I am not sure, but that is the point that we are trying to drive.

Q21 Mhairi Black: Nigel, I am going to ask about something that you touched on earlier. I wonder if you could explain what some of the key differences are between Scotland and down here.

Nigel Lymn Rose: The regulations in Scotland are quite different to the regulations in England and Wales. However, the Social Fund payment and the DWP Social Fund are pretty much the same. The differences are we can all walk across the border into Scotland while we are alive, but we have to seek permission to bring a body from Scotland into England and Wales and we have to get the Coroner's permission to be able to take a body out of England and Wales into Scotland. We are partway through a review of the DECC certification process in England and Wales; the review has been completed in Scotland. Unfortunately—and this is perhaps not the place to mention it—we are not going to end up with a unified system. We are going to end up with one system in Scotland and one in England and Wales.

The Scottish system now, if it is to be a cremation, there is no requirement for the two doctors—that is the doctor that had been attending the deceased and another independent doctor to confirm what the first doctor said. There is no requirement for that now in Scotland. Therefore, even if the DWP were not involved, the cost of a cremation in Scotland—if the doctors were charging the recommended—is £164 less than in England and Wales. In Scotland you do not have a coroner. You have the Procurator Fiscal that deals with unexpected and suspicious deaths. Apart from that, the situation in Scotland is very similar to that in England and Wales. The problem we get that is a little bit of an issue is particularly cross-border, because there are areas of Scotland where nearly all the cremations take place over the border in England and there are places in England where nearly all the cremations take place across the border into Scotland, and each of those requires the necessary paperwork to be completed.

Chair: I think what we are going to try to do now is elicit the same information from different angles. We have been centring, quite rightly, on the families. I think we might now move to what it does to the businesses. Jeremy.

Q22 Jeremy Quin: Very simply, we have the three elements of the profit margin. How do you cope, Lucy? On the situation you described, the very sad situation of you having to help that family for a protracted period, you are making a 10% margin at the end of the day broadly on the funeral, £168, which is not a lot of money but that was the margin in that case. Is it that you are able to cross-subsidise from more expensive funerals? How is it that the industry, the family undertakers, manage to stay in business, given how you have described it?

Lucy Coulbert: For me personally, I set up a separate company, so Coulbert Family Funerals is purely dedicated to helping people that are applying to the DWP. As such, it is effectively run as a not-for-profit. My other company, The Individual Funeral Company, we use the same facilities. Both companies are in one office, so that one can trade from the other. That is the only way that I have been able to figure out a way around it. In terms of business, honestly and truthfully, helping people that are applying to the DWP and knowing, absolutely knowing, that there is going to be a deficit that an awful lot of families cannot meet, is not worth funeral directors' time. It is absolutely not worth our time, but we do it, because without us there you have no other options, apart from going to a local authority and letting them take control of the funeral or letting the NHS do it. Without people that are literally doing this for nothing, for absolutely nothing, and spending hours and weeks and months helping people, they have no other option, apart from to go to a local authority or wait for money to come through from a charity.

Q23 Jeremy Quin: You will forgive me if I press you on this—

Lucy Coulbert: No, of course.

Jeremy Quin: —but it is important that we absolutely get the facts. Do you have any view, or Nigel perhaps, on what proportion of people do end up going down the other route that you described? That is one question. The second is: you described your business model, which I totally understand but it must still help defray cost on your more profitable business to have that number of funerals going through your undertaking firm. I am not being nasty, I just want to make certain that—

Lucy Coulbert: No, no, absolutely.

Jeremy Quin: So those are the two questions.

Lucy Coulbert: The Individual Funeral Company I started two years ago, so it is still in its infancy. We have a bank loan under the Government guarantee scheme, which we are still paying, but we are not getting the volume of funerals that large companies will so I average between three and five a month. Most large funeral directors can accommodate eight a day, so we are a long way away from each other. Yet there is still a need there and it had to be met because my parish—and you can have a look on the internet, there is a website and it will tell you where your parish sits compared with other parishes and where they are on effectively a scale of deprivation—out of 12,660 parishes, mine is 11,296, so there are only roughly 1,400 parishes more deprived in the area that I am in. So while one absolutely does feed the other, there is a clear and apparent need that people that are applying to the DWP need so much more time spent with them and there is an awful lot of hand-holding, which we are glad to do, because nobody else is doing it, nobody else is picking up that baton and nobody else is prepared to help them.

Q24 Jeremy Quin: Given the deprivation in your parish, my first question is how many end up slipping through to go their local authorities or other providers?

Lucy Coulbert: Environmental Health undertook 15 funerals last year, which does not sound like an awful lot but one is too many. The NHS, God bless them, they will not tell me their figures, so that I don't know. That is something that you guys would have to find out, but, honestly, one is too many. Most people would not begrudge you guys putting up a payment to cover a funeral because most people would think a funeral is the last thing that you can ever do for anybody. I certainly would not mind paying another £10 a year knowing that my next-door neighbour, who could not afford to bury her husband, could do that. I would gladly pay for that, because it is the right and proper thing to do. Right now, it is not happening and it is not okay, people having to wait nine months to bury their son is not all right.

Q25 Jeremy Quin: Can I ask Nigel just on the cross-observation point, how do businesses operate? How do you survive?

Nigel Lymn Rose: It is all down to percentages, isn't it, if we are honest? I am speaking on behalf of the National Association. Clearly we cannot discuss costs with our members, but we know that we have members who are successful and members who struggle. We know from the figures given that 9% of deaths result in a claim being made. Of those 9% of deaths in which people try to make a claim, about 6% of deaths result in a payment from the Department of Work and Pensions. The sad thing in all this, though, if we go back—I am afraid I can go back a long way—is we are now finding ourselves in exactly the same position as we found ourselves in in 1986. In 1986, we had people who were struggling and feeling marginalised because the only option available to them was to have a Public Health (Control of Disease) Act section 46 funeral provided by the local authority. The very thought of having a funeral carried out for public health and control of disease has a total stigma to it and it is unfortunate.

Q26 Chair: It may be that others want to come in as well, but what is particularly shaming, Lucy, about having an Environmental Health funeral compared with what you are able to offer through your charitable arm? How would the neighbours notice? How would shame enter into this?

Lucy Coulbert: With local authority funerals there is no guarantee that the family will be told when that funeral is taking place. It is purely the legal requirement to dispose of a body, so it does not necessarily mean that there is a funeral at all. I think with family, certainly, just having to apply to the DWP for help paying a funeral is shameful within itself and it is embarrassing. When you compound that with why they are on benefits in the first place it can make a bad situation even worse.

Mohamed Omer: From our perspective, a public health funeral would not be acceptable because they are burying in a normal mixed section, so they would not necessarily go into a Muslim section. For us, that would not be acceptable. As a community, if we ever came across a funeral of that nature, we would undertake it to ensure that they were given a proper burial in accordance with our faith. Therefore, for us it would be much more difficult.

Melvyn Hartog: We carry out about 25, 30 charity funerals a year and that is people who do not belong anywhere. They are Jewish—obviously we have to check that to make sure it is acceptable—and we bury them but we do not make any other restriction. The only thing is we say to the family we will not allow an upright stone. They have to have a slightly different type of stone that is cheaper. There are a lot of people who do ordinary burials that will go for a cheaper stone anyway, so it is not showing out. You cannot really tell. We bury them without cost. It costs us money because you still supply the coffins, shrouds, ritual washing, the minister and the pick-up and everything else, but we do it.

Q27 Richard Graham: I think what we have heard confirms what many of us might have suspected, which is so-called minority faiths look after their own rather more effectively perhaps. Coming back to some of the queries there, Nigel, the thing I am wrestling with in my mind is that the figures that are given to us here suggest that, basically, there has been a 13% increase over the last five years in the average Social Funeral Fund award but that the increase in the average funeral price has gone up about 35% over the same period. That is a hell of a lot higher than inflation over that period. Is that because local authorities are bumping up the costs of cremation or burial or is that because—for whatever reasons—your members' costs and bills have been rising sharply?

Nigel Lymn Rose: I will try to answer that as best I can because, clearly, I don't have full information as to what all our members charge. Suffice it to say that 10 years ago the disbursement element or add-on on a funeral was about 20% to 25%. The disbursement add-on now over that 10-year period has gone to over 50%, so disbursements have gone up year on year by over 10%. I accept and acknowledge that funeral costs have also gone up slightly ahead of inflation, but not to the same extent as the disbursements.

Q28 Chair: When you say "disbursements", so we are clear, Nigel, you mean minister's fees—

Nigel Lymn Rose: Minister's fee, crematorium fee, doctor's fees, flowers, church fees, organist. For example, if I can just use a couple of figures from the DWP—

Q29 Richard Graham: Hang on, because I know this will take quite a bit. What I was going to suggest, Chairman, is that maybe if Nigel can send us an example of what you are going to read—sort of for 1999 and for today—and also an example of a sort of "standard" bill, I think that would be quite useful evidence to have, so we can see it broken down fairly precisely.

The next question I was going to ask you on the cost side was that, if I have this right, the average Social Funeral Fund award is basically linked to the fixed cost of being buried or cremated in that particular place.

Nigel Lymn Rose: Yes.

Q30 Richard Graham: If that is the case and if that £700 other element is fixed, I am still struggling to see why the extra costs should end up, as Lucy is describing, in a charitable handout from the funeral business. I accept that if there is no one in the family or friends to drive the car and help at all then there are going to be some other costs, but that should be payable out of the £700.

Nigel Lymn Rose: If I could give clarity first of all on the £700. There is a bit of a difficulty with the way that DWP administer contributions. By "contributions" I mean any money left by the deceased. If the deceased had left £200 under the bed that £200 would be deducted from the grant made. But it will not be deducted initially from the amount paid for the cemetery fee. It will be deducted from the £700 cap. That is always the first place that the deduction comes from. If we take the average £1,375 award, the proportion of that that relates to the cemetery and crematorium fees is bigger than it used to be by the very nature that it is not capped.

Q31 Richard Graham: But, Nigel, it is slightly counterintuitive because if we are saying that the average award reflects basically the fixed cost of the crematorium or the cemetery, and that has gone up 13% over the last five years, the cost of the funeral or cremation on average has gone up by more than double that. So there is a paradox in there, Chairman, which I think the Committee might need to mull on.

Nigel Lymn Rose: Sorry, could you just repeat the two figures, because I must admit I am slightly confused. I am suggesting that if you take the £1,375—we have asked the DWP to give us the analysis of that figure as to how much of it relates to the fixed—

Q32 Richard Graham: With respect, it is slightly irrelevant because you have all confirmed that the fee that they pay is based on the cemetery or the crematorium cost, the actual cost to that individual. Therefore, the amount it has gone up quite simply reflects the increase of that cost from the cemetery or the crematorium, but the actual cost of the funeral in the cemetery that your members are charging has gone up by more than double that, so there is something else that is increasing significantly over inflation going on in there. I just think it—

Nigel Lymn Rose: No, but the £700 has not changed within that.

Richard Graham: I just think, Chairman, there is an opportunity for Nigel to write and explain where that is coming from.

Q33 Chair: Yes, we will probe it further, because I am becoming more confused as we go along, to be honest with you, in that what I thought was covering the basic costs does not cover the basic costs at all.

Nigel Lymn Rose: No, absolutely not.

Chair: It covers the cemetery and crematorium fee.

Mrs Lewell-Buck: No, it does not cover that fee. It does not cover that.

Chair: No, but we ought not to have a conversation among ourselves. We have witnesses.

Q34 Craig Mackinlay: I think I have this in my mind, and perhaps somebody could clarify. There are two elements to what somebody may get from the DWP.

Nigel Lymn Rose: Correct.

Q35 Craig Mackinlay: You have the fixed element, which will be very expensive in Mohamed's case because in the East End a plot is expensive. It will be cheaper in Scotland perhaps and your prices where you are—£943 for the cremation, £160-odd for the doctor—are paid in full and are going to be variable across the country, no matter what that cost is.

Nigel Lymn Rose: Correct.

Q36 Craig Mackinlay: The £700 is for the coffin, the hearse, the bits and pieces.

Melvyn Hartog: Anything.

Q37 Craig Mackinlay: Yes. That £700 is fixed across the country and that is in the hands of the family to say, "We will have it very minimal and keep it down" or, "We want a bit more" and the costs will be more?

Nigel Lymn Rose: Correct.

Q38 Craig Mackinlay: If £200 is found under the bed, that will come out of the £700 first until that diminishes to nothing and, if there is £750, you will start diminishing the fixed element?

Nigel Lymn Rose: Yes. Just one further point—

Craig Mackinlay: That is how I have understood it, and is that—

Nigel Lymn Rose: If I could add one further point, if a friend comes along and says to that claimant, "I will help you and give you £500 towards the cost of the funeral", if the claimant receives that to give to the funeral director then that is deducted from the £700.

Q39 Craig Mackinlay: If they give it to you direct that is not a problem, yes?

Nigel Lymn Rose: Correct.

Mohamed Omer: If I may add two points of clarification, first, on the £700 that DWP has said is the fixed cost, what would help is knowing how they determined that £700. That is something that we need to understand, because there are lots of costs involved that will make it impossible for anybody to provide the service, no matter how basic it is. The second element is the fact that there is a compromise by a family member if they wish to bury their loved ones with a religious requirement. They may not be able to meet the full cost because the DWP will determine that the cheapest cemetery in your area is X amount. So those two areas need to be identified. If you are now looking at the legislation again, this is something which you need to bear in mind. That is what I wanted to say.

Q40 Chair: Now, the other thing—thanks partly to Craig's questioning—is that what I would have thought was the funeral is actually the £700 deal.

Mohamed Omer: Yes.

Chair: If I was thinking of burying my mother, I would be thinking about how the body is collected, the actual coffin, how we get her to the church, how we follow in cars and all the rest of it. That to me is the funeral, but there are clearly these other fixed charges about opening graves, what they charge and so on. I am clearer than I was. I want to bring Steve in, but you want to come in on this point, Jeremy.

Q41 Jeremy Quin: Yes. The key question that we need to expose is the difference between the DWP's definition of what this £700 covers—

Mohamed Omer: Absolutely.

Jeremy Quin: And most people's understanding of what a funeral necessitates, because it is the gap between that basket of goods that is in the £700 notionally and the reality that we are talking about. Is that the case?

Mohamed Omer: That is the case, because what happens is the fact that people's perception of what should be covered by the £700 is not clear. Where did the DWP determine that the £700 would be adequate to provide all these services? This is where there is a difference and—

Q42 Jeremy Quin: At the moment, there is no settled definition or understanding of what that £700 should contain notionally?

Mohamed Omer: Yes, if you phone up the DWP, they will say, "£700 is the maximum we will give you". They will not take into account what the actual costs element should contain. If they tell people, "Listen, you can only do this, this and this. You can only use this coffin. You can only use this pallbearer" blah blah blah, then people can understand that, "Listen, this is the rationale behind arriving at the £700". At this moment in time, a family wants something, which even if it is basic, is dignified. That particular figure is why we are suggesting that, if the DWP work with other national directors and funeral directors, they will understand and see what should be—

Q43 Jeremy Quin: What you have collectively said to us this morning is that that £700 does not go anywhere near the basic costs of what is commonly understood to be required by the public for a funeral.

Mohamed Omer: Absolutely not. It is all subsidised. From our community's perspective, we subsidise this for the simple reason we are providing a service.

Q44 Chair: Lucy, before Steve comes in and then others, I am burying my mother, right, we have £700. Could you tell me when the £700 disappears?

Lucy Coulbert: Straight away.

Q45 Chair: I make contact with you and ask you to collect her body. You take the body back to your premises and you house it in a coffin and we have a date for a funeral. The funeral comes, so the coffin is sealed and then it is brought back to our home. Has the money run out by then?

Lucy Coulbert: Gone.

Chair: Gone?

Lucy Coulbert: Completely. Out of that £700, you have to bear in mind that not all funeral directors own their own hearses. They do not have staff, so we hire in people as and when we need them; it keeps our costs down. An awful lot of funeral directors are like that at the moment. So out of that £700 I pay £265 for a hearse, I pay £90 for two bearers and then I pay roughly £200 for a minister or somebody to take the service.

Q46 Chair: But isn't that covered in the standard fee?

Lucy Coulbert: No. That all comes out of that £700.

Chair: Right, so the minister is not covered.

Lucy Coulbert: Then I pay £120 for a coffin, because that is the least expensive one I can get, and that leaves me £25.

Chair: The money has gone before my mother is brought home to start—

Lucy Coulbert: If you were applying to the DWP, your mother would not be brought home. That is a luxury, effectively, and it does not cover it.

Q47 Steve McCabe: I want to go back to Richard's point. I have a sense—I apologise for missing the start of this—that unless we have a much clearer breakdown of the individual charges that make up the total bill, it is hard to understand what is happening. As I came in, I heard Nigel say that he did not know about the costs and querying the Royal London estimates but, if you look at their estimates, the average cost has risen by more than 4% in a year. During that year inflation has been negative for most of the year, so some of the costs are going up disproportionately. Somebody is charging more than they were previously for the same bit of the service. That must be the case. Unless we get a breakdown on what bits are going up, I don't see how any of us can understand what area of it needs to be looked at.

Chair: Richard has asked for that information and we will follow it up with a more detailed letter to you, Nigel, saying precisely what we do need about the costs.

John Glen: Because we cannot make a recommendation unless we have clarity on where that £700 is deficient and why it is deficient and on what element.

Chair: Of course we do accept that when the inflation rate is published it is an average and that means there are some prices above and some below. If you do not have precisely what we are after we will write to you, Nigel.

Nigel Lymn Rose: For example—

Chair: No, there is no need to get us confused further. Lucy, we might ask you as well, as a smaller company, rather than the trade association.

Lucy Coulbert: Yes, no problem.

Mrs Lewell-Buck: Chair, just quickly, obviously that information would be helpful but it is different for every single part of the company, so we are not going to be able to make a concrete assessment because it varies, all of it—

John Glen: Yes, but we can have some regional variations and make a judgment about where that happens. The point is what we are hearing is that the quantum of the difference between the actual costs and the £700 is so big that, presumably, it is going to be broadly true anywhere and to a greater extent in some places than the other. But if we can establish where those elements are most deviant from what the proposed hypothetical contribution of the £700 is we will be in a strong position.

Chair: Yes, but we can also ask what we already know from Mohamed and Melvyn. We could ask, when we have those costs, how that compares with what you think is a minimum but decent funeral.

Mohamed Omer: Absolutely. Mr Chair, what would be useful—as you are saying what would be useful to yourself—is knowing how DWP determines the £700. What does it constitute? That will also assist us in order to try to get that information, so that we can then say, the same with inflation, maybe more electricity is being used—inflation is more than inflation of electricity, so that is—

Nigel Lymn Rose: Mr Chair, just to be clear, when the original statutory instruments were brought in it was completely specified. From 1987 to 1997 there was a specification as to what the DWP would assist with. That specification disappeared in 1997 and, since then, the wording that has been used regularly by the DWP—which I know causes confusion because that is evident from what was said earlier—is that funeral payments are an important safety net and cover the full necessary costs of a burial or cremation and up to an extra £700 for further expenses. The problem is that does not send out the right message. It definitely sends out the message that you have your full funeral paid for plus the £700, and I think that is what causes the confusion, even in people who have looked at it when they are not in an emotional state.

Q48 Richard Graham: Mohamed, interestingly, assuming that the average Social Funeral Fund award does cover the actual cost of the cemetery in the case of the Muslim or Jewish communities, then the £700 fixed award for the other costs—given, particularly in my city, the community spirit to the burial process that you have described—would more than adequately cover that. In a sense, it is only confirmation that the £700—and we need to look at what the original DWP definition was, as Nigel suggested—covers a lot of the basic things in a situation where the family or friends provide the vehicle, for example. You can see already, from some of the indicative costs given by Lucy and Nigel, where the costs are ratcheting up and the hearse is quite an important part of that, which is not used on the whole—

Mohamed Omer: This is where I made the point earlier on that that is an area whereby there is an informal facility available. If you look at London, for example, there are actual funeral undertakers, so almost 99.9% of all the funerals that take place in London will be done through a Muslim funeral undertaker that will have the same charges as a normal funeral undertaker would. However, in areas like Gloucester, in certain small areas, there will be an informal facility in place whereby the community will do so. In that case I do accept that, yes, there will not be the formal charges of trying to hire a vehicle but then the community are trying to fulfil that from their own voluntary purposes.

Richard Graham: Chairman, in a sense, I think one of the things that comes out of this and one of the things from my own observations is that these things are part of a community. Death is as much a part of our life as anything else and the community resilience question are. We have not had any evidence from the Church of England on this, have we?

Chair: On the resilience part I am not sure they would be able to help us, sad to say. But there is a difference, isn't there between—if we went back to 1900—how communities with burial clubs, with guilds and so on would have covered all of this, which is now maintained by a Muslim and a Jewish community but which has fallen away for the wide population. We have to deal with where we are, rather than where we might like to be. Craig, would you come in? I would then like to do a final question.

Ms Buck: Perhaps there were an awful lot of paupers' funerals back in the day, were there not?

Chair: No, no, sure.

Ms Buck: It wasn't a golden age is what I am saying.

Chair: Yes, but one of the problems—I am sorry we are discussing it in front of you like this—is there would have been a huge drive in a community not to have what was then called a pauper's funeral, what is now called an environmental services funeral and, in a sense, there is a difference I think in what local communities would have tried to do to try to prevent the pauper's funeral. There isn't that to draw on today but I have a separate question for Lucy afterwards.

Q49 Craig Mackinlay: If I could take us back to the awareness of the Social Fund and I think Melvyn did touch on it. We have had some written evidence, and I think it was the University of Bath that did a report into the cost of dying. But it is just about the awareness and how many people know about it, compounded by the uncertainty and the confusion around it and what you think can be done to raise awareness and make it a bit easier.

Nigel Lymn Rose: The situation with our members is that they do try to keep families informed of all the benefits that are available to people. There was the "Tell It Once" scheme that was going to be rolled out through all registrars, which has not been rolled out through all registration services. These are the opportunities. People should have known from the bereavement services that they come into contact with in the hospitals and many of the people they see before they come to us. Our members try their best to make people aware. Indeed, many of our members sit with these claimants and because the form is so daunting at a time when a family are recently bereaved and feel their heads are in cotton wool, they sit there and they help the family complete the SF200, complete all the documentation and send it off.

The families do sometimes feel they are a bit remote now that everything is dealt with at one central office in London. It is not quite the same as being able to go into your local office where you may well already be known because you are making claims. But the positive side of that is that, generally speaking, they currently have the central office in London dealing with things. They have more experience of funeral claims, so I suppose the advantage is that we get the answer right more. But it is getting this information through to people and the biggest misconception is partly the fact that people assume the full funeral is paid for. The second big misconception is that they look and it is always a thought, "Has the deceased got sufficient to pay for a funeral? Was the deceased in benefit?" Whereas we have to continually point out, "It is you—the claimant—that needs to be in benefit as well as the deceased having left insufficient to cover the cost of the funeral" and that is something that people don't understand. Equally, if you get a spinster daughter who has been looking after her mother all her life, did not go out, stayed at home and mother dies, she thinks she has no choice but to arrange that funeral despite the fact she has brothers and sisters that are out there working that don't want to make any contribution to it. She feels that it is wrong. She has looked after mother all that time. It is this catchment with a close relative. It is this business of people having a misunderstanding of what is actually going to be provided for them.

Melvyn Hartog: Everything you are talking about is the final end, but if only we could all wake up and say to people, or make people understand, that we die, but we will not talk about it. People don't want to talk about death because it is a bad omen, so let's not discuss it. But if we started speaking at a younger age to recognise it ask recognise some of the problems that you will possibly to have, as you know what sort of lifestyle you lead and whether a funeral will be affordable to you, you could pay something? Even if you pay towards a funeral to get a life insurance policy to give you a £10,000 lump sum on death, like in the old co-op days, is very cheap but we don't push it at all. I don't mean from the funeral side, in the country we don't just talk about death, which I think we should.

Q50 Craig Mackinlay: I want to clarify one point with you there, Nigel, so the benefit or the qualification for SFF is twofold: it is the deceased has to be poor, have no assets—

Nigel Lymn Rose: But insufficient funds.

Craig Mackinlay: Insufficient funds and also the family who has come in to say, "I need to do this funeral" they have to be on benefits as well.

Nigel Lymn Rose: Correct, on a qualified benefit. If it is the partner now of the deceased, you then consider anybody other than that one person.

Craig Mackinlay: In intestacy, if you died with no money it is not up to the family to pay it or if you die with debts they die with you.

Nigel Lymn Rose: Correct.

Craig Mackinlay: Strangely, the debt of your funeral then passes to whoever has walked through the door to say, "I need to organise this funeral".

Nigel Lymn Rose: Because that person has entered into a contract with the firm that they walk into. If they did not—

Craig Mackinlay: Yes, you have to have a contract with a live person, yes.

Nigel Lymn Rose: Yes, but the point I am making is if they did not then it would become a public health matter and that would bring you back to section 46 of the 1984—

Mohamed Omer: If I may say, in terms of awareness what we are trying to say, more importantly, it to simplify the form and perhaps highlight it better to say, "What will you be expecting and who can claim for it?" From our side, from our own community, we have already started publicising this on our website. Every time somebody comes and sees us we tell them there is this avenue. I agree with Nigel that the registrar and the hospital bereavement offices must be providing that option because that is the first point. Like everybody else, when somebody dies the last thing you are thinking about is cost. You are talking about, "How quickly can you bury?" From that perspective, this is what we will try to do. Also, finally, the staff at DWP who answer these queries must be recognised and must be absolutely sensitive to the issue of who is phoning up. At times they are very rude, I can tell you, and that is why a lot of people get put off. That is something that they should bear in mind as well.

Q51 Chair: Lucy, can I put the last question to you?

Lucy Coulbert: Sure.

Chair: Given that you have two companies, a charitable one and a non-charitable one, you presumably, inevitably, make judgments on who will be able to have bills of any kind coming in for a funeral and those which don't. Once you have made that decision—and in a sense it is going to be covered by your charitable arm—how do you negotiate to keep people's expectations within what that package needs?

Lucy Coulbert: I think people are honest anyway. If people are going to be applying to the Department for Work and Pensions and are very free with that information, in return I am very free with mine. Effectively, that is why I started my own companies because I was a square peg in a round hole anyway. By having my own company I have a lot more freedom to do an awful lot more for people. If they are free with their information I will make sure that I give them realistic expectations. I tell them what we are able to do for the amount of money that they could possibly get. That is the key. Nobody is quite sure and that again sets them on edge.

I can give them an expectation of, say, "£1,250, that is what the cost is going to be. I am going to have to find it or you will have to find the rest of that deficit somewhere" but nobody is sure. The main problem is that I can't give them a realistic expectation without knowing exactly what they are going to be getting. It is so much guesswork. That is the major problem from my side of things because I don't know what I can do because I don't know the money. The family does not know what the deficit is going to be, so we can't be proactive in applying for different things for different charities for them, for example, because we don't know how much we need.

Q52 Chair: Lucy, you have come to collect my mother's body, you make the judgment quite quickly that it is going to be on the charitable arm.

Lucy Coulbert: To be fair, I think that is what funeral directors do. We have to be able to read people pretty sharpish.

Chair: Yes, sure. At what point will I then say to you that I need to go to DWP?

Lucy Coulbert: It is usually in the arrangement stage. For example, if mum died at home, you came out at 3.00 am and brought her into our care, it is usually within the next 48 hours or so somebody will go and see a funeral director and we start making arrangements. It is usually at that point, so either I will ask or they will tell me what their expectations are or whether they are going to be applying for anything. It is only possibly 48 hours after your mum has passed away that I will find out what is happening and what is going on.

Chair: If that information was not forthcoming you would gently ask for it?

Lucy Coulbert: I have to, I do not—

Chair: I am not trying to blame; I am just trying to understand the process.

Lucy Coulbert: But I do not want to compound someone's grief by giving them a £3,500 bill because they have just chosen absolutely everything that they can possibly have. It is up to me to find out that information because I don't want to add to their worry, and it is a massive worry for people. It is absolutely the responsibility of the funeral director to find out or figure out or get the information of what is reasonably affordable for them. It is not us being mean, it is not us being rude, it is trying to take a bit of that stress away by trying to reduce costs, as opposed to giving them a bill that they are just going to worry about paying.

Chair: Great, all right.

Jeremy Quin: People don't talk about death in advance. They certainly don't go around getting quotes for what happens when their auntie dies. By the time you are in a situation that Lucy has collected the deceased and then you are talking to the relatives 48 hours later, given the costs you have already alluded to and transferring the body into your care, it is too late. I am not saying you take advantage, I am not saying that at all but there is a situation where—

Lucy Coulbert: There are people that do. That is the problem.

Jeremy Quin: I am sure that is the case. I am sure that may be the case. It is difficult by that stage because at that stage you are committed.

Chair: I foolishly said that was the last question—it is a last question. The last question is going to Craig.

Q53 Craig Mackinlay: What you said about the self-provision, years past and burial clubs, of course the FCA have blown all of those nice little arrangements out of the water, you have to be registered and be able to offer an insurance policy. Do you think the credit unions could be part of a bit more self-provision where people could, when they get to 60, think, "I will put a few pounds away and just build up a little fund"? That, to me, would be the sensible way forward.

Lucy Coulbert: It would be but people don't have money.

Nigel Lymn Rose: There is the option of prepaid funeral plans that—

Lucy Coulbert: The problem is that if people are applying to the Department for Work and Pensions for help paying for a funeral, where are they supposed to find the money to pay into a monthly plan? That just opens up a huge can of worms anyway because there are so many funeral plans out there; there is one on the market that I would personally recommend to them because I think it is good. The rest of them have so many caveats within them that, personally, I would not let my grandma take one out. If I would not let my grandma take one out, effectively why would I sell somebody a product that I would not have? I would not touch half of them with a barge pole. There are a few that are good and there are a few that would help people but, again, where are they going to get the money for this? Say, for 10 years, if they die after year three of paying in, somebody still has to find their payments.

Craig Mackinlay: Unless it has been enough to pay for the entire amount, all you have done is increase your withdrawal rate that you get from DWP.

Lucy Coulbert: Exactly.

Chair: Right, on that unhappy note, we have gone well over time, partly because of our interest. Thank you very much and I think we are going to come back also, if we may, Nigel, to you.

Nigel Lymn Rose: Yes, if there is anything you want, that is absolutely fine.

Chair: Yes, really good. Thank you very, very much for your time.
Mohamed Omer: If there is anything else from us too.

Chair: Indeed, thank you.