



## National Association of Funeral Directors response to Social Security Scotland consultation on Funeral Support Payment

### Introduction

The National Association of Funeral Directors (NAFD) supported the introduction of the Funeral Support Payment and welcomed its index-linking to ensure that it increases year on year. We continue to support the Scottish Government's commitment to helping bereaved people in need and welcome this review of the FSP. However, we believe there are flaws in the process, which in some cases are anomalous to the benefit system.

We hope the ongoing commitment to bereaved people and to addressing funeral poverty will see the Government make the necessary changes to the award and welcome the opportunity to engage further with Government/Social Security Scotland on the issue.

### Award covers some aspects in full, but not others

Burial and cremation authorities' costs are covered in full by the Government for every disposal; the same cannot be said for funeral directors. The award (once burial or cremation costs are removed) rarely covers the cost of funeral director professional service fees – which range widely in Scotland and depend on location and company, but indicatively are £1800 - £2,500 – even for an essential, or basic as it is sometimes known, funeral. These fees do not even include the hearse, coffin or removal so the overall funeral directors' financial burden is even greater than this.

This is above the average flat rate award of around £1250.00 pounds. So already, many funeral directors operate FSP funerals at a loss and as such, unlike local authorities who offer burial and cremation, and being penalised, but do so out of goodwill and to serve their community.

### Application process facilitates non-payment of a funeral

The application process, unlike we believe the vast majority of (if not all) other government benefits, allows for part of the award covering those carrying out the professional services of a funeral to be paid directly to the applicant. Indeed, FSP representatives telephone applicants even after the application has been made offering



them the chance to switch any initial decision for the award to go directly to the funeral director to be paid to them instead.

Unfortunately, we are seeing an increase in the numbers of applicants who are not then passing that money on to the funeral director, even if the funeral director is already undertaking professional duties, such as taking the body into their care and preparing the funeral. Sometimes the funeral will already have been conducted. This is negatively affecting funeral director business and what they can offer bereaved people.

#### A two-tier system for bereaved people

The ability to pay an applicant directly, and then not passing the award on, is having several effects. In a worst-case scenario funeral directors are not paid at all, leaving them with bad debt and having carried out all agreed services for no remuneration. As stated, funeral directors in this instance are the only party involved in the funeral process not to get paid. Local authorities, burial authorities and cremation authorities all get paid in full (via the funeral director who must bear the upfront cost), but funeral directors do not. It is discriminatory and unfair and leaves the FSP system open to abuse.

Secondly, more funeral directors are not carrying out FSP funerals until they receive the award for fear of being left in bad debt. This is creating a two-tier system whereby those who can pay get a faster service, and those who cannot do not, which is unfair on bereaved people and discriminates against those who are of lesser financial means. Some funeral directors now refuse outright to conduct a Funeral Support Payment until payment is made in full up front, which is leading to significant delays in the funeral, sometimes stretching into weeks. This has a knock-on effect on mortuary storage in the NHS and private sector.

#### Below is a selection of comments passed to us by Funeral Director member firms

“We carry out a lot of funerals involving funeral support payments and it is a never-ending slog if the family chose not to have the payment sent directly to ourselves. As we all have discussed many times in the past, this payment should be made directly to the funeral director; there should be no reason the family require it paid to them and in some cases when they mention this is the choice they have made it sends up red flags to us as to whether we are going to receive it in full or at all from them.”

“No one wants to stall a funeral, and I don’t blame any funeral director for doing so, but we should not settle for this going forward. Surely someone in Government will eventually have that lightbulb moment. The Government are proud to advise the



percentage of claims that are being paid direct to the claimant, yet they have no idea (and don't care) whether the monies reach the funeral director."

"We sit with the claimant, whilst they complete the application on the phone, yet the Funeral Support Payment Staff are required to phone the claimant to ensure that they would not prefer the monies paid into their own bank account. We have even had claimants phoned several times to try and change the original payment destination from the FD to the claimant. Who is making up these instructions to the staff? This puts added pressure on the claimant which should not be permitted."

"It's a good idea to recall why this payment was introduced and that away back in 1987 funerals cost literally a tenth of what they are now. This benefit and its descendant, the FSP have been diluted and throttled into what is little more than a Paupers disposal. At the time it solved funeral poverty overnight and as we rush headlong into another such crisis, it is well to remember that."

"The option (to pay the award directly to the applicant) enables significant fraud, whereby the Funeral firm can accept the service, then the applicant redirects the funds to themselves, leaving the funeral firm unpaid. Due to these types of fraud, we decided, as did a great many other funeral firms, to delay FSP supported services until all finances were paid in full. The FSP has rarely ever met its 10 working day application process (and has been known to stretch to 40+ days), this causes even further delays for the family and unfortunately also makes it obvious to the community at large, that this particular family are awaiting help, which is a complete failure of the State and its intent, to ensure "dignity, fairness and respect" for all.

"We not only pick up a loss for our services, but we have to pay the cremation or burial fees which can be £2567 for a lair and £1250 for a cremation fee. This is not a risk we can continue to take and should not have to. We have tried writing to various MPs and get a word salad back about enabling the claimant to be responsible for their own money. This is taxpayers' money for a funeral payment."

"Unfortunately Paying the funeral support payment to applicants directly greatly increases the likelihood of non-payment from a minority of people."

"There is a large number of funeral directors who are only 5 or 10 unpaid funerals away from ruin."

"All our families are treated the same, with respect and at face value but we have twice been caught out with the applicant changing their preferences for payment to be made directly to them instead of us. Trying to pursue payment through the court system is futile, payments aren't honoured and we incur additional costs in trying to recover the debt due to us."



“When payment is made to the client we not only pick up bad debt on our services but also pick up the crematorium or burial debt. We can be thousands of pounds out of pocket on each funeral and cannot sustain this. We will no longer take risks in the future.”

### Survey

Earlier this year, the NAFD and Society of Allied Independent Funeral Directors (SAIF) conducted a joint survey of members on the issue. The key findings are:

- 96% of respondents conducted FSP funerals frequently or sometimes
- 81% said they had experienced non-payment or bad debt when the award was sent directly to the applicant
- 93% said that for up to half of all FSP funerals they conduct they had to chase payment or were left with bad debt.
- 60% said they were “often” or “always” kept waiting for payment when the award was sent to the applicant
- 61% said they had suffered some financial loss when the award is sent directly to the applicant, while 30% said it left them with cash flow issues.
- Over half (54%) said they had delayed or refused an FSP funeral because of concerns about payment
- 98% said that the award should, as standard, be paid directly to the funeral director (with applicant’s consent)
- 90% said they “strongly agreed” that “the option for applicants to have FSP paid directly to themselves should be removed and all payments should be made to the funeral director (with consent)”, while 6.7% “agreed”. 3.3% were neutral while 0% disagreed or strongly disagreed.

### Recommendations

1. That the Government ensures that a Funeral Support Award is paid directly to the funeral director who is carrying out the funeral, and not to the applicant. This would help prevent a two-tier system and ensure that the time between death and funeral is kept to a minimum. At the very least, it is essential to close the loophole that allows the applicant to change payment options after the initial application has been made.
2. Pay directly to the Funeral Director the invoice for services/cremation/burial up to the maximum amount awarded; however, if the invoice is for less, then only pay that amount. In the latter instance, if there are ‘other costs’ the applicant can supply



receipts or invoices from those suppliers and those allowed amounts can be directed to the applicant. This will ensure each award is correct for the services provided, bereaved people are no overspending what they cannot afford, and funeral directors are not being left with unnecessary bad debt.

3. Increase the award to the Competition and Markets Authority's (CMA's) estimate of the average funeral director's fees for a simple 'Attended Funeral', which in 2024 was £2,484. This includes a funeral director, oak veneer coffin, collection and care of the deceased, one limousine, use of chapel of rest, processing documentation. This would help alleviate funeral poverty and people getting into debt.

### East Ayrshire Respectful Funeral Service

While we always welcome choice for bereaved people, we have concerns about local authority schemes broadly on several levels, which we would be happy to discuss with you in more detail.

We are concerned that services delivered for residents at a lower market rate have a detrimental effect on local markets, which can lead to a race to the bottom on price and create a postcode lottery on what is available to whom. There are concerns reported to us by members about conflicts of interest.

Also, we have reported to the CMA our concerns that local authority schemes can conflict with the CMA Funeral Order 2021 and as such can be non-compliant with the statutory order.

### Conclusion

While the NAFD supports the Funeral Support Payment, it is clear that there are flaws in its administration and that funeral directors are being left with bad debt. As a result, an increasing number are either refusing to take FSP funerals or are delaying funerals until they receive the award. This penalises people due to their social or financial status.

Funeral directors want to provide everyone with a dignified and respectful funeral, regardless of status, and this response details how the Scottish Government can make steps to support this.

We urge the Government and Social Security Scotland, rather than to dismiss the concerns of the funeral sector as it has done on these issues up until now, to have an open and constructive dialogue with the NAFD and other representatives of the sector, and this review is the perfect time to do so.



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