POLICY AND LEGISLATION UPDATE

BY MORGAN HARRIS, NAFD POLICY & LEGISLATION MANAGER.

NAFD meets with HM Treasury and the Financial Conduct Authority to discuss impact of funeral plan regulation on funeral directors

Earlier this year, ahead of the Government announcement of HM Treasury's consultation on changes to regulation of the funeral plan market, the NAFD wrote to John Glenn MP, Economic Secretary to the Treasury, offering to meet with him to discuss concerns about some aspects of the pre-paid funeral plan market.

On 3 July 2018, Treasury officials contacted the NAFD in response to the letter. Given that, in the period between the letter to Mr Glen and the Treasury's response, the Government had launched its consultation, the meeting was expanded to include the Financial Conduct Authority (FCA) and a representative delegation of NAFD members, to ensure that the NAFD could set out its overarching position and members could express their differing experience and perspectives on the potential impact of regulation on their part of the funeral profession.

The meeting offered a valuable opportunity for both HM Treasury and the FCA to understand and interrogate this full range of views, to inform their thinking and help to reduce the risk of unintended consequences of the introduction of regulation for consumers and hundreds of funeral businesses across the UK.

The NAFD delegation was attended by NAFD Immediate Past President Alison Crake (Crake & Mallon Funeral Service) NAFD First Vice-President David Barrington (Barrington's Funeral Services) and John NAFD Executive Committee member John Adams (Perry & Phillips Funeral Directors), representing smaller independent firms, and NAFD Executive Committee member David Collingwood (Co-op Funeralcare), Steve Coyle of Funeral Partners and Steve Wallis of Dignity, representing larger corporate members.

The broad purpose of the meeting was to discuss the potential impact of different regulatory solutions on funeral directors. I provided an introduction on behalf of the NAFD, expressing the united objective of the funeral profession to safeguard vulnerable consumers and the range of diverse needs of NAFD members from the proposed legislation. The attending member firms were then invited to provide the officials with their own views, experiences and concerns about the pre-paid funeral plan market from their respective positions in the market.

Our collective NAFD message was that, while united in the view that a statutory regulatory solution is required, there are differing views as to what the exact shape of new regulation should look like.

L-R: Steve Coyle (Funeral Partners), Steve Wallis (Dignity Funerals), Alison Crake (NAFD Immediate Past President), David Barrington (NAFD First Vice-President) and NAFD Executive members David Collingwood and John Adams

Given that the consultation document makes it clear that the Government's preference would be to bring the pre-paid funeral plan market under the compulsory jurisdiction of the Financial Conduct Authority (FCA), we also highlighted that the consultation document failed to provide sufficient detail about the envisaged FCA regulatory framework to enable us to usefully comment on the merits of this proposal.

During the meeting a number of suggestions about how the market could be improved for consumers and funeral directors were offered, together with suggestions about how regulation might be applied, without disproportionately disadvantaging smaller funeral directing businesses.

It is currently unclear how long the policy development process will take. Much depends on whether HM Treasury's final proposal requires primary legislation. If amendments to primary legislation are required, we were assured that these changes would be subject to further consultation.

HM Treasury is considering in detail which organisation is best placed to regulate the market and will publish a response to its call for evidence in due course. Once a decision has been made, HM Treasury will work with the entity responsible, to ensure the final regulatory regime is proportionate and appropriate.

Whichever organisation is given responsibility for regulating the funeral plan market, the NAFD stands ready to provide all the assistance required to help ensure the system works well for our members and the families they serve.

NAFD provides additional assistance to the CMA

During August, the NAFD provided additional detailed information to the Competition and Markets Authority, as part of its market study of the funeral sector, on a range of topics - including how the Funeral Arbitration Scheme and Committee for Professional Standards operate and why the Association is concerned about the transparency of local councils that are setting up or proposing their own commercial funeral services.

The Association understands that the CMA is on track to report initial findings later this month.

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