

Cardboard coffin or full parade? How to plan for your funeral

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Highlight: The best way to get the goodbye you want, whether it's a woodland burial or traditional send-off, is to think ahead

Body

Kim Penfold's dad, John, died at home last September aged 79. Although he had heart issues, she had not been at all prepared for his death. "We were extremely close and did have conversations about what kind of funeral he wanted, but after he died I realised that we hadn't even scratched the surface," said Penfold, 45, who lives in North Lincolnshire.

"Small things suddenly become so emotional when you're planning a funeral. We couldn't remember a couple of the songs he wanted, which was upsetting. You end up guessing and hoping that he would have been happy."

Penfold and her family had to wait seven weeks for the funeral while a post-mortem was carried out. Her dad had been organised, leaving a spreadsheet with details of his wishes and setting aside money for a funeral, but she was still shocked by the cost.

"Dad was from a big East London dockyard family — there are traditions with food at East End funerals, it's not cheap. There was enough money to cover the funeral but that's just a tiny bit of that day. It was important to us to do it right, so we paid the extra," she said.

"The experience made me think about when I die, so I'm putting a financial plan in place. I believe that it's up to all of us to think about what we want and make sure that it's paid for."

Not many of us like to discuss our deaths and yet most of us would prefer to spare our loved ones the expense and stress of a funeral. This is not possible unless you have the chat — and make the financial arrangements. Only 0.3 per cent of the people questioned last year by the insurer SunLife knew all their loved one's funeral wishes and 18 per cent knew absolutely nothing.

How much is a funeral?

SunLife, which specialises in services for the over-50s, said that the average cost of dying last year was £9,200. Its research was based on interviews with 100 funeral directors and 1,500 people who organised a funeral last year.

It said that while 69 per cent of people had made some provision for their funeral, only 59 per cent put away enough

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to cover the whole cost. Some 19 per cent of families said they had trouble paying for a funeral and had to find an average of an extra £1,870 to cover costs.

A YouGov survey of 3,749 adults in October found that 75 per cent had not planned any of their funeral while 5 per cent said they had planned it all.

Basic funeral costs, which include fees for a cremation or burial, the funeral director's fee, the cost of getting two doctors to sign the form needed for a cremation, and a minister or celebrant, have fallen 2.5 per cent since 2021, SunLife said, to an average of £3,953.

But average legal or financial fees for administering an estate have gone up 10.9 per cent to an average of £2,578. You do not have to hire a solicitor to administer an estate, but you will have to pay a £273 government fee when applying for probate on any estate worth more than £5,000.

In a year where inflation hit 11 per cent, it is no surprise that SunLife found that associated funeral costs such as venue hire and catering rose 7.4 per cent to £2,669, increasing the overall cost of a funeral 3.8 per cent.

The cheapest options are direct cremations, which happen without a service or mourners present. They cost an average of £1,511 last year. SunLife estimates that they now make up 18 per cent of all funerals, up from 2 per cent in 2018. Many people choosing this option arrange a separate celebration of life or memorial, however.

There are other basic options: Co-op's Essential funeral, for example, costs £1,750-£2,140 and includes help with arrangements and paperwork, a choice of dates and times offered by the funeral director, caring for and transporting the body, a basic coffin, service at a crematorium or graveside and collection of ashes.

A standard cremation with a service costs an average of £3,673 with burials costing £4,794, SunLife said.

There are regional variations with those in London, the South East and East of England paying the most. The £5,283 average cost of a funeral in London is 59 per cent higher than in Northern Ireland, for example, where you can expect to pay £3,317. The National Cremation Society of Great Britain said that the highest crematoria fees in 2022 were in Frieckenheim, near Arbroath, at £1,100, while the cheapest were £392 in Belfast. Hour-long slots have become common, making up 38.54 per cent of bookings compared with 6.8 per cent in 2007.

Eco-friendly water cremation, also known as aquamation or alkaline hydrolysis, uses water and a strong alkali to process the remains instead of flame.

Woodland burials, where biodegradable coffins and urns are used, are a growing trend, according to the Co-op. The Natural Death Centre lists natural burial grounds around the country on naturaldeath.org.uk.

The consumer website [Comparethecoffin.com](https://comparethecoffin.com) offers coffins made of a range of materials, from cardboard to steel with prices from £265.

Steven Mitchell, the site founder, said you don't have to use a funeral director. "If that's what people want then it's fine, but it is possible to make the arrangements yourselves," he said. "People don't have to buy a package with things they don't need, like certain types of funeral cars. The people who work at mortuaries are amazing and go the extra mile to help families. There can also be a mark-up on coffins bought through funeral directors so shop around as you would with anything else."

The Competition and Markets Authority (CMA), Age UK and the Money Advice Service say that you can save money by making arrangements directly with the cemeteries and crematorium department of your council. They said comparing at least two funeral directors could save you £1,000 and recommended getting a full cost breakdown and explanations of charges.

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SunLife said that the biggest single funeral costs outside burial or cremation costs were for memorial headstones or plaques (£1,064 on average), catering (£467), car hire (£353), venue hire (£312), flowers (£210), orders of service (£105), funeral notices (£80) and death notices (£77).

While one in four people paying for funerals said the costs surprised them, 90 per cent of directors surveyed said people spent more than they needed to on flowers, coffins and funeral cars.

Terry Tennens from the National Society of Allied and Independent Funeral Directors said: "Technology has made it easier to shop around. A CMA order in 2021 requires businesses to display prices online and on shop fronts."

Times Money Mentor's top pick of prepaid funeral plans

How do you pay?

You can set aside savings or investments to cover the cost of your funeral, buy yourself a pre-paid funeral from companies such as Co-op, Dignity or Golden Charter, or use your life insurance — either through a special over-50s plan or by earmarking some of your standard life insurance payout.

Setting money aside through a savings account is the most straightforward option but remember that your money may not beat inflation, so funeral costs may outgrow your savings.

Banks and building societies should release funds ahead of the completion of probate and inheritance tax after being provided with a death certificate and bill from a funeral director. If you have the money in a joint account, your partner will be able to withdraw it.

A pre-paid funeral plan allows you to pay for your funeral in advance at today's prices, either upfront or in instalments (the latter coming with fees and interest). You may have seen them advertised on daytime TV. The funds, held in trust or as what is known as a whole of life insurance policy, which pays out upon your death, are protected against inflation and not included as an asset when calculating inheritance tax. They are also not normally included in an assessment of savings for means-tested benefits or care costs.

Plans differ but typically include transport of the body to the funeral directors' mortuary, care of the body, visits to the chapel of rest, coffin, hearse and funeral director personnel and some of the burial or cremation cost.

A plan can reduce distress for loved ones by keeping a record of your funeral wishes and having a funeral director pre-appointed. The body can be taken into the chosen funeral director's care, usually a 24-hour service, and they will give guidance on what happens next.

Since July 2022 firms offering pre-paid funeral plans have been regulated by the Financial Conduct Authority (FCA) after allegations of mis-selling.

Cold calling and commission payments to intermediaries such as funeral directors have been banned and firms now have to provide a funeral unless the customer dies within two years of taking out the plan, in which case a full refund will be offered. Authorised firms, such as Low Cost Funeral Limited, Freeman Brothers and Open Prepaid Funerals Limited, can be found on

[fca.org.uk](https://www.fca.org.uk), which also has a list of unauthorised firms.

Customers can now complain to the Financial Ombudsman Service and are protected by the Financial Services Compensation Scheme (FSCS) if their funeral firm fails.

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Several firms have stopped trading since the new regulations came in, which has left some customers waiting to find out how much of their money will be returned. If your company has gone bust you should have been contacted by the administrator and told if your plan has been transferred to another firm or whether you will get a refund.

Over-50s life insurance pays out a lump sum that can go to funeral costs. The sum does not usually rise in line with inflation. In contrast with funeral plans, which return money subject to a fee on cancellation, most over-50s plans do not return money if cancelled.

Some employers offer a death in service benefit of three to four times a worker's salary, while some trade unions and professional bodies also pay a benefit on death.

If you are getting government benefits your family may be able to get a Funeral Expenses Payment in England and Wales or a Funeral Support Payment in Scotland.

What to remember

Before buying any kind of financial product check that the firm you are considering is on the Financial Services Register on the FCA website and thus authorised to offer a funeral plan contract. Shop around, and check for any extra commission and fees.

Most standard plans won't cover all the costs of a funeral. The cheaper the plan the more restrictive it will be, with less choice of funeral director, dates and times.

In areas where cremations and burials are expensive it is worth ensuring that the full cost of cremation or burial is covered when choosing a plan. Tell your funeral plan company if you move and need to change funeral director. This may incur a fee.

Keep your paperwork safe, give copies to executors and tell anyone who will need to know that it exists.

There are still some plans for sale that offer a fixed amount when you die, or turn 90. These usually work out as more expensive than other options.

Mike Forsyth from Co-op Funeralcare said: "Getting the financial side set up for your family is great, but it's also so important to consider your wishes so that your family doesn't have to think about things like what your favourite pair of shoes are and what music you'd like. The need to get those wishes down is equally, if not more important than the financial side. The emotional part is where the real heart of funeral plans is."

Funeral plan prices — what you can expect to pay, and what you get

Co-op

Simple

(£3,225) includes £850 for third-party fees, basic coffin, fixed cortege route, restricted date, time and location for the funeral and Co-op's choice of car.

Bronze

(£3,735) includes £1,000 towards fees, wood-effect coffin, a hearse and pallbearers.

Silver

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(£4,150) covers all third-party fees. Hearse, pallbearers, one limousine.

Gold

(£4,460) as above plus wood veneer coffin, two limousines and memorial canvas.

Golden Charter

Basic

(£1,749 or monthly from £18.62) includes unattended cremation with no choice of location, date or time, coffin selected by funeral director, transportation of deceased to the funeral director's premises within 25 miles (within working hours), £500 for third-party costs

Value

(£2,895 or from £23.30 a month) — as above with basic coffin, £800 for third-party costs.

Standard

(£3,495 or from £28.11 a month) — as above with simple coffin, £1,100 for third-party costs, choice of time and date of funeral, procession to funeral.

Select

(£3,850 or from £30.96 a month) — as above with high quality coffin and transportation of the deceased to the funeral director's premises at any time, £1,100 for third-party costs, one limousine.

Premier

(£4,099 or from £32.95 a month) — as above with superior coffin, £1,100 allowance towards third-party costs, two limousines, a list provided to the family of mourners of who sent flowers.

goldencharter.co.uk

Dignity

Offers bespoke funeral plans. The average attended funeral service costs about £3,600.

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