

# Funeral Planning – UK – 2022

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## This report looks at the following areas:

- Impact of the pandemic on consumer attitudes toward funeral planning and funeral preferences, especially in regards to direct cremation.
- Impact of rising inflation on household budgets and, in turn, on demand for funeral plans.
- The size of the prepaid funeral plan market and the largest providers.
- Funeral planning and preparations made by over-45s.
- Interest in prepaid funeral plans, including some of the more common plan options, by over-45s.
- Motivations to purchase and preferred buying channel.

Currently, only 10% of over-45s have a prepaid funeral plan, yet there is considerable latent demand and, therefore, growth potential. Among over-45s without a plan, 38% would like to prearrange their own funeral in order to ease the burden on loved ones, while 14% are interested in buying a prepaid plan within the next two years.

Converting these sales prospects into actual customers, however, will not be easy in a climate of rising inflation and as the market transitions to a new regulatory regime. The cost-of-living crisis in the UK could limit sales growth in the short term, as appetite for discretionary spending decreases, or alter the product mix, with more customers opting for lower-cost/direct funeral plans. On the other hand, providers should have greater success in spurring on people to take out a plan, in order to protect against future price rises.

Coming under the remit of the Financial Conduct Authority (FCA) in July 2022 will similarly have positive and negative ramifications for the industry. It will mean extra administration and cost for providers. It will also result in the failure or exit of some smaller companies, thereby reducing competition and potentially threatening public confidence, albeit in the short term.



“Mintel’s research shows there is considerable latent demand for funeral planning among over-45s. If providers could effectively tap into this and engender earlier engagement, the market for prepaid funeral plans has the scope to more than double in size.”

– Sarah Hitchcock, Associate Consultant – Financial Services, April 2022

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Over the longer term, FCA regulation can be viewed as an opportunity. Extra protections and improved standards will help underpin consumer trust in funeral plans, putting them on a level regulatory footing with over-50s insurance plans. It will also help to raise awareness of funeral planning in general – something that is urgently required to encourage take-up and earlier engagement.



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