

30 October 2020

Death, Funerals, Burials and Cremation Submission Team  
Ministry of Health  
PO Box 5013  
Wellington 6140

By email: [burialandcremation@health.govt.nz](mailto:burialandcremation@health.govt.nz)

**SUBMISSION on**  
**"Death, funerals, burial and cremation: a review of the Burial and Cremation**  
**Act 1964 and related legislations" consultation document**

**1. Introduction**

Thank you for the opportunity to make a submission on the death, funerals, burial and cremation consultation document. This submission is from Consumer NZ, New Zealand's leading consumer organisation. It has an acknowledged and respected reputation for independence and fairness as a provider of impartial and comprehensive consumer information and advice.

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A submitter profile is attached at the end of this submission.

**2. Comments on the discussion document**

Our answers to selected questions in the discussion document are set out below.

***Question 15: Do you agree that there are issues that could be improved with the funeral services sector? Are you aware of any other problems?***

Yes, we agree there are issues with the funeral services sector.

In addition to the issues identified in the consultation document, we are concerned about the use of unfair terms by funeral service providers.

We have dealt with cases where the funeral company's standard terms and conditions contained terms we consider unfair and likely to breach the Fair Trading Act.

For example, one agreement contained a broad indemnity clause requiring the signatory to indemnify the provider against all costs but failed to disclose the actual price of the services provided. Under the agreement, the consumer could be liable for losses arising from services they hadn't requested or losses caused by the provider.

In other cases, funeral companies have attempted to charge significant penalty fees or interest for late payment of an account. Not only do these costs add a significant amount to the bill but, in some cases, the penalties have not been disclosed in the terms so there is no legal basis upon which to charge such fees.

***Question 20: What is your preferred option for regulating (or not) the funeral services sector? Please provide the reasons for your view.***

We support option 4 - providing central regulation of funeral directors and adopting the Law Commission's recommendations regarding regulation of the funeral services sector. Consumers are vulnerable at the time they engage a funeral director. We therefore consider there is strong justification for regulation of the sector.

We agree with the Law Commission's conclusions that current legislative protections provide very limited assurance around quality and standards in the industry. If something goes wrong with a funeral, it cannot easily be put right and existing protections in the Consumer Guarantees Act provide inadequate safeguards.

In addition to a licensing regime, we consider consumers need access to an independent complaints process to ensure they have an avenue to seek redress if things do go wrong.

***Question 24: What is your preferred option for ensuring that consumers are fully informed of the component prices of funeral services? Please provide the reasons for your view.***

We strongly support option 3 - making it mandatory to disclose all component prices as per the Law Commission's recommendations.

Complaints we receive often result from funeral costs not being disclosed or not being fully disclosed before the funeral takes place. Our research has found few providers disclose fees on their websites or in printed material and consumers often have no idea how much a funeral should cost. As a result, many families will not be aware of the total cost of the funeral until they receive the bill.

According to research cited in the Law Commission's 2015 report, funerals may be the third most expensive purchase a person will make in their lifetime, after a house and car. However, when purchasing a house or car, they will usually shop around before deciding what to buy and will know the exact cost before making the purchase. This is not the case with funerals.

When arranging a funeral, consumers are usually grieving and vulnerable. They must agree to a service without knowing the total cost. They may also be unaware there are options to reduce costs or that they could arrange the funeral themselves. As a result, consumers can easily pay more than they otherwise would have wanted.

Clear pricing is an essential requirement for markets to operate efficiently and for consumers to be able to make informed choice. We consider the absence of clear pricing information in the funeral industry is a major issue and necessitates regulatory intervention.

The lack of price transparency in the industry increases the risks consumers will pay inflated prices and creates the opportunity for exploitation. We therefore consider funeral

providers should be required to disclose their charges and terms. This is an essential requirement to enable consumers to make informed decisions about the services they're purchasing.

Some providers already disclose fees on their website so we do not think it would be difficult or expensive for all funeral companies to do this. We also consider funeral companies should be required to disclose legal requirements for burials and cremations and what services are optional extras, such as embalming and transportation in a hearse.

Thank you for the opportunity to make a submission on the consultation document. If you require any further information, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jon Duffy', with a stylized, cursive script.

Jon Duffy  
Chief executive

# About you

Your submission and any correspondence you send to the Ministry may be requested by a third party under the Official Information Act 1982 (OIA).

If somebody requests information from your submission under the OIA, we are obliged by law to handle such information in accordance with the OIA. In many cases, this means that we will release your submission and supporting information to the person who requested it unless there is a justifiable reason for withholding this information under the OIA.

If you consider that any part of your submission could be withheld under the OIA, please make this clear in your submission, noting the reasons why you think the information ought to be withheld (eg, you may consider some information to be commercially sensitive).

<b>Question 1:</b>	<b>What is your name and contact details?</b>
	<p>Aneleise Gawn</p> <p>Consumer NZ</p> <p>Private Bag 6996</p> <p>Wellington 6141</p> <p>Phone: 04 384 7963</p> <p>Email: <a href="mailto:aneleise@consumer.org.nz">aneleise@consumer.org.nz</a></p>

<b>Question 2:</b>	<b>Are you responding on behalf of a group or organisation, or as an individual?</b>
	<p><input checked="" type="checkbox"/> Group or organisation    <input type="checkbox"/> Individual</p> <p>Specify what type of group or organisation:</p> <p>Consumer organisation</p>

<b>Question 3:</b>	<b>Are you a member of the funeral service sector?</b>
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, specify what capacity:

<b>Question 4:</b>	<b>Are you responding on behalf of a local or regional council?</b>
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, specify which council:

<b>Question 5:</b>	<b>Are you responding on behalf of a veterans' organisation?</b>
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, specify which organisation:

<b>Question 6:</b>	<b>Do you identify as Māori, Pacific, Asian, Pākehā/European or other?</b>
	<input type="checkbox"/> Māori <input type="checkbox"/> Pacific <input type="checkbox"/> Asian <input checked="" type="checkbox"/> Pākehā/European
	<input type="checkbox"/> Other    Please specify:

<b>Question 7:</b>	<b>Are you a member of the disabled community?</b>
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No