

# **Funeral services industry in Singapore**

## *Findings and Recommendations*

17 November 2023

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International, Communications and Planning Division  
Competition and Consumer Commission of Singapore  
45 Maxwell Road  
#09-01 The URA Centre  
Singapore 069118  
Email: [cccs\\_feedback@cccs.gov.sg](mailto:cccs_feedback@cccs.gov.sg)

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## Executive Summary

### **Introduction**

1. Funeral products (i.e. goods and services) are often procured at a time when a consumer is in emotional distress and facing time and social pressures. This, coupled with market features of the funeral services industry that result in a low degree of price transparency, may put a consumer in a vulnerable position and impair the consumer's ability to make informed decisions on the purchase of funeral products, which is a significant and often unavoidable expenditure item.
2. CCCS has undertaken this market study with the support of the National Environment Agency ("NEA"), the lead planning agency for after-death facilities and services, to better understand the industry landscape for funerals. The market study examined the purchase of funeral products in Singapore, funeral arrangements and practices adopted by businesses that supply such products (hereafter referred to as funeral services providers or "FSPs"), and assessed potential competition and consumer protection issues that can arise.
3. As part of the market study, CCCS (a) conducted a consumer survey; (b) obtained inputs from the industry; (c) sought feedback from care facilities; (d) engaged government agencies and the Consumers Association of Singapore ("CASE"); (e) studied approaches taken in other jurisdictions; and (f) analysed consumer complaints and feedback received by CCCS and CASE, and through the media, over the last seven years.
4. Taking into consideration the findings from the market study, CCCS identified areas where more guidance can be provided to consumers and industry players to address concerns associated with the vulnerability of consumers in their purchase of funeral products. These are set out in CCCS's recommendations.

### **Market size and concentration**

5. There are over 300 FSPs in Singapore, with ample choices of providers for consumers who are from each of the larger religious groups, and for free thinkers in Singapore. No evidence was found to indicate that market concentration is high after accounting for affiliations between FSPs (such as companies that are subsidiaries, run by family members, have common directors or key company personnel of each other).
6. The information obtained through the market study did not uncover any conduct prohibited under the Competition Act 2004 in the funeral services industry.

### **Key findings and recommendations**

7. First, consumers who source for funeral products when the need arises may be vulnerable and consequently impaired in their ability to make informed decisions.

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Consumers are often in an emotional state of grief, stress and loss, especially when death occurs unexpectedly. They struggle to make considered decisions as they have to come to terms with the loss, handle the funeral in a timely manner, and arrange it in accordance with the wishes of the deceased or the deceased's family or friends. This is even more so if the consumer has no or limited prior experience in planning a funeral and has to make decisions within a short time.

8. In contrast, CCCS notes that pre-planning for end-of-life arrangements will put the deceased's family members and loved ones in a better position to make informed decisions on the purchase of funeral products when death occurs. Pre-planning for end-of-life arrangements should not usually need to involve pre-payment for a funeral. Pre-payment occurs where a consumer makes a payment well in advance of the actual delivery of products. When prepaying for funeral products or packages, consumers should consider their own financial circumstances, the length of time between purchasing and when the funeral products or packages bought may likely be required, and whether the FSP is likely to be able to provide the funeral products or packages when the time comes.
9. To raise consumer awareness, CCCS recommends that information can be made more accessible through platforms such as My Legacy to facilitate funeral pre-planning by consumers as part of their end-of-life planning. As pre-planning of funerals does not usually happen in our present social context, and consumers usually purchase funeral products on an at-need basis, CCCS considers that there is also room to provide just-in-time information in a bite-sized manner at important touchpoints which enables consumers to make more informed decisions when engaging an FSP. A checklist annexed to this report has been developed to assist consumers in this regard.
10. Second, consumers may face difficulties getting a good sense of how much funeral products cost and may not know the final price at the time of engaging the FSP. For the former, this was because (a) the nature of funeral products is such that in today's smaller families, consumers are unlikely to be familiar or have knowledge on how to arrange a funeral and the associated costs; (b) FSPs do not generally make price information readily available to consumers until they are approached by consumers; and (c) funeral packages are heterogenous and can vary significantly in price depending on what a package covers. As for why consumers may not know the final price at the time of engaging the FSP, the market study found that this was because consumers typically have the option to purchase add-on or refuse/cancel certain purchases during the course of the funeral.
11. As there are features in the funeral services industry that can cause the degree of price transparency to be low, CCCS considers that there is scope for FSPs to provide greater transparency to consumers on their terms (both pricing and non-pricing) by adopting certain best practices. Such practices include (a) providing a clearer itemisation of the products included in a package to the extent that is both practical for the FSPs and meaningful for the consumer; (b) highlighting to consumers that the package price could be subject to change, depending on whether there is any cancellation of

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products or additional chargeable products are procured for the funeral; (c) providing a clear list of optional items not included in the package and their prices which consumers can refer to should they wish to make additional purchases subsequently; and (d) providing an invoice with sufficient details about the items provided when the consumer makes payment. In addition, with respect to consumers, CCCS recommends raising consumer awareness that funeral packages and products are heterogeneous. The products provided by FSPs can be very different and the prices paid by consumers can vary significantly depending on what was procured. These recommendations aim to put consumers in a better position to be aware of what items are included in a package and what potential add-ons may be needed to meet their requirements and the associated costs.

12. Third, consumers may encounter unfair practices by some FSPs. Such unfair practices include (a) the use of false or misleading claims such as a 'one-stop service', which conveys the impression to consumers that consumers will only be required to liaise with the appointed FSP when they may have to liaise with multiple vendors; (b) the omission of material information such as the fact that the final price of funeral products may differ from the package price and the costs involved for additional products; and (c) asking for payment for supply of products, which are not requested for.
13. The Consumer Protection (Fair Trading) Act 2003 ("CPFTA") seeks, amongst various things, to ensure that suppliers provide consumers with accurate and material information so that they can shop with greater confidence. Whilst CCCS has not received many complaints against FSPs, anecdotal feedback suggests that some consumers may have faced potential unfair practices by FSPs. As the administering and enforcing agency for the CPFTA, CCCS can investigate and enforce the CPFTA against errant FSPs who persistently engage in unfair practices.

### **Conclusion**

14. When funeral products are needed to be procured, consumers are often in a vulnerable position and their ability to make considered decisions may be impaired. By encouraging the pre-planning of funeral arrangements, providing bite-sized just-in-time information to consumers on important factors to consider when purchasing funeral products and encouraging FSPs to adopt best practices to enhance transparency on their products, CCCS aims to better protect consumers and put them in a better position to make informed purchasing decisions for funeral products.

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### 1. Background

#### a. Impetus

1. Death is a certainty in life, which makes funeral arrangements along with the purchase of necessary funeral products<sup>1</sup> unavoidable. No matter how simple or elaborate the funeral, it is often the desire of family and friends to honour the deceased's life with a dignified send-off.

2. It is clear that a consumer's purchase of funeral products is unlike the purchase of everyday products. In the face of the passing of a loved one, the consumer may be in a state of emotional distress that can affect his or her decision-making. The consumer may not have the time to properly consider the choice of FSPs or funeral products in the face of time pressure to arrange a funeral quickly. The consumer may also face social pressure from family or friends to provide certain funeral rites based on religious or traditional customs. Such circumstances, and the relatively significant expenditure involved in a funeral which often run into thousands of dollars, may put the consumer in a vulnerable position relative to the FSP, and impair the consumer's ability to make informed decisions.

3. As a result, a consumer may experience difficulties in choosing an appropriate FSP or funeral product, and may end up paying for funeral products that he or she may not have needed. The consumer may also be vulnerable to any upselling or overcharging by FSPs. Similar concerns have also prompted market inquiries and interventions in overseas jurisdictions such as the United States, the United Kingdom and Australia.<sup>2</sup>

4. Given Singapore's aging population, the Competition and Consumer Commission of Singapore ("CCCS") was of the view that a market study of the funeral services industry to identify any associated competition and consumer protection issues would serve to facilitate a better understanding of the impact these issues have on consumers. Hence in 2021, CCCS initiated this market study into the funeral services industry in Singapore with the support of the NEA, the lead planning agency for after-death facilities and services.<sup>3</sup>

#### b. Methodology

5. As part of the market study, CCCS sought inputs from a range of industry stakeholders including consumers, industry players such as FSPs, hospitals, nursing homes,

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<sup>1</sup> Funeral products refer to funeral goods and services.

<sup>2</sup> For example, see the United Kingdom ("UK") Consumer and Markets Authority's market investigation into UK's funeral services industry and the Australian Competition and Consumer Commission's market study into Australia's funeral services industry.

<sup>3</sup> NEA also operates government-managed after-death facilities (e.g. cemetery, crematorium, columbarium and in-land ash scattering facility) and license funeral parlours with embalming facilities.

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hospices, government agencies, CASE and overseas authorities, through the following channels set out in paragraphs 6 to 11 below.

### *Consumer Survey*

6. CCCS appointed Blackbox Research Pte. Ltd. to conduct a consumer survey to gain insights into Singaporeans' attitudes, knowledge and considerations towards funeral planning, expectations of funeral cost, experience with organising funerals when the need arises ("**at-need funerals**"), and attitudes and experiences on pre-planned funerals ("**pre-planned funerals**"). The consumer survey was conducted in early 2021 and included respondents with and, without experience in planning a funeral.

7. The consumer survey comprised quantitative surveys and focus group discussions. The quantitative survey had a sample size of 500 respondents (representative of Singapore's general population structure), of which 182 respondents had experience making funeral arrangements in the three years prior to the survey. The 182 respondents were further split into two groups comprising those who had arranged at-need funerals and those who had arranged pre-planned funerals, in order to draw on their personal experiences in those areas.

8. The focus group discussions took place through six focus groups, each comprising eight respondents (48 respondents in total). Of the six focus groups, four were carried out with those with experience conducting at-need funerals where respondents were either sole or shared decision makers in the funeral planning process. The remaining two focus groups were carried out with those who had experience in pre-planned funerals or were thinking about it, regardless of whether it was for themselves or for someone else. The focus group discussions also took into consideration the practices and beliefs of the larger religious groups in Singapore (i.e. Buddhist and Taoist, Christian and Catholic, Hinduism and Islam) and freethinkers.

### *Industry Survey*

9. CCCS obtained inputs from industry players including the Association of Funeral Directors Singapore ("**AFD**") and FSPs to better understand the market situation as well as their views, experiences and trade practices.

10. Given that death can occur outside of homes in hospitals, nursing homes and hospices (collectively referred to as "**care facilities**"), CCCS also sought feedback from some care facilities to better understand the role they play in assisting grieving families with funeral planning and purchases.



*Engagement with Government Agencies and CASE*

11. CCCS engaged NEA to understand the industry, the Public Service Division (“**PSD**”) in relation to My Legacy<sup>4</sup>, and the Ministry of Culture, Community and Youth in relation to the role of Mutual Benefits Organisations (“**MBOs**”). CCCS also obtained inputs from CASE on consumer complaints and feedback received over the years relating to the funeral services industry. In addition, CCCS studied the approaches taken overseas by engaging the US Federal Trade Commission (“**FTC**”) <sup>5</sup> and the Australian Competition and Consumer Commission (“**ACCC**”) <sup>6</sup>.

12. CCCS conveys its thanks to all stakeholders who voluntarily provided their valuable inputs and time for the market study.

## **2. Overview of the funeral services industry in Singapore**

### **a. Regulatory framework**

13. Existing sectoral regulations governing the funeral services industry in Singapore are mainly aimed at addressing public health issues. Specifically, premises where bodies are received for preparation before burial or cremation, or for carrying out funeral rites or ceremonies and have embalming or body washing facilities (otherwise known as “**funeral parlours**”) are licensed by NEA and need to comply with certain environmental hygiene standards. As elaborated in paragraph 23 below, not all FSPs provide in-house embalming services. FSPs that do not have embalming services are not required to be licensed or regulated in Singapore. As of December 2022, NEA has licensed 26 funeral parlours with embalming or body washing facilities and registered 56 embalmers.

14. Beyond this licensing regime, NEA and the AFD have also in recent years jointly developed guidelines to provide useful information and share industry best practices, namely: (a) Guidelines for Handling of Deceased in the Funeral Parlour , (b) Guidelines for Hearse Operators and Transportation of Deceased and (c) Guidelines for Usage of Light-Emitting Wreaths and Inflatables at Funeral Wakes.<sup>7</sup> These guidelines help to ensure that the industry meets high public health standards, address safety concerns, and accord dignity to the deceased and bereaved family members.

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<sup>4</sup> My Legacy is a LifeSG initiative by various government agencies which helps the public explore, store and share a person’s end-of-life plans.

<sup>5</sup> The US FTC is a federal agency with both consumer protection and competition jurisdiction in broad sectors of the US economy. The US FTC protects consumers and competition by preventing anticompetitive, deceptive, and unfair business practices through law enforcement, advocacy, and education.

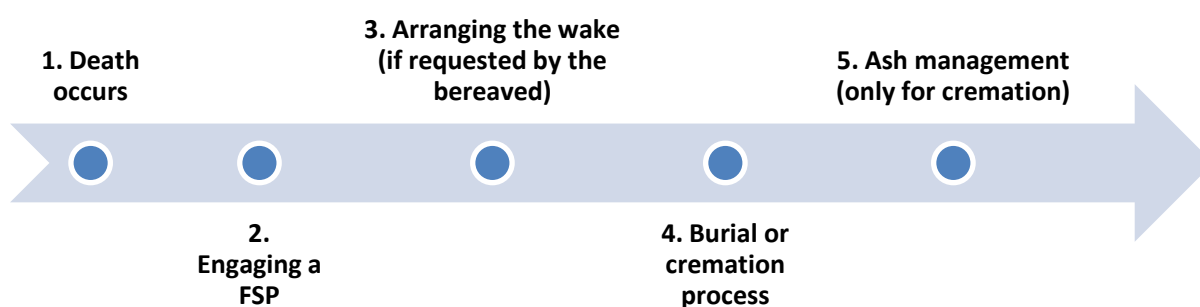
<sup>6</sup> The ACCC promotes competition and fair trade in markets to benefit Australians.

<sup>7</sup> <https://www.nea.gov.sg/our-services/after-death/post-death-matters/guidelines>

15. The funeral services industry in Singapore is subject to the Competition Act 2004 and the CPFTA, such that any market player that engages in anti-competitive practices or unfair practices might be subject to investigations by CCCS.

**b. Funeral process and industry landscape**

**i. Typical steps taken in a funeral process**



16. Death occurs: For deaths that occur in Singapore, the death is certified by a doctor and a death certificate must be obtained. This is regardless of whether the death takes place at the deceased's own home or in a care facility. After the death is certified, a digital death certificate can be retrieved from My Legacy.<sup>8</sup> Where death occurs overseas, the death needs to be reported to the Immigration & Checkpoints Authority<sup>9</sup>, and the necessary permits from NEA are required for the deceased's body to be repatriated to Singapore.<sup>10</sup>

17. Engaging a FSP: Arranging a funeral and coordinating its various aspects can be overwhelming to the bereaved. To ensure that the funeral takes place smoothly in compliance with regulatory requirements and that the expectations of bereaved families are met, an FSP is commonly engaged to arrange and coordinate the funeral.

18. Arranging the wake (if requested by the bereaved): Arranging a wake provides family members, friends and acquaintances an opportunity to pay their respects to the deceased and provides emotional comfort to grieving family members and friends. Although the quantitative survey found that most wakes last for three days, the duration of a wake can vary according to religious considerations and the preferences of family members. Wakes may also involve religious practices. Further, wakes can be held at different locations including funeral parlours, void decks, multi-purpose halls and private properties. Depending

<sup>8</sup> <https://mylegacy.life.gov.sg>

<sup>9</sup> [https://www.ica.gov.sg/documents/death/death\\_overseas](https://www.ica.gov.sg/documents/death/death_overseas)

<sup>10</sup> <https://www.nea.gov.sg/our-services/after-death/post-death-matters/when-death-occurs/overseas>

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on the location of the wake, different permits are required from the respective authorities before a wake can be held.<sup>11</sup> It should be noted that holding a wake and embalming the deceased's body is a matter of preference and religious beliefs, as there is no legal requirement for any of these to be done as part of the funeral process. For example, Muslim funeral rites typically do not involve embalming of the deceased and holding of a wake, as the deceased is typically buried within 24 hours of passing. Embalming is typically carried out if families select certain arrangements, such as a funeral with viewing or with an open casket, or when the body is to be transported over long distances or across borders.

19. Burial or cremation process: This is where the deceased is transported to the burial or cremation site. These are the final moments when the deceased is "sent off" by loved ones. Depending on the deceased's wishes and religious beliefs, the body may be buried or cremated. Aside from the death certificate, the necessary permits are also required to either bury or cremate the body.<sup>12</sup>

20. Ash management (only for cremation): Where cremation is opted for, a decision will need to be taken on whether to store or scatter the ashes of the deceased. In terms of ash storage, ashes may be stored in homes or columbaria niches, whether in one of the public columbaria managed by NEA, or in any one of the privately owned columbaria. In terms of ash scattering, this can be done on land or at sea. Similar to the burial and cremation processes, bookings will need to be made, with the necessary documentations provided when applying for ash scattering services.<sup>13</sup>

### ii. Funeral Service Providers as suppliers

21. FSPs are an important touchpoint in a consumer's journey of purchasing funeral products. To ensure that the funeral takes place smoothly and that the expectations of bereaved families are met, a FSP is commonly engaged to arrange and coordinate the funeral. The quantitative survey found that amongst respondents who had experience with making funeral arrangements three years prior to the survey, 82% of them had engaged a FSP to either handle all aspects of the funeral, or to handle some aspects of the funeral alongside other third-party vendors.

22. The services provided by a FSP typically entail:

Essential tasks regardless of whether a wake is organised:

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<sup>11</sup> <https://www.nea.gov.sg/our-services/after-death/post-death-matters/arranging-a-funeral>

<sup>12</sup> <https://www.nea.gov.sg/our-services/after-death/post-death-matters/burial-cremation-and-ash-storage>

<sup>13</sup> <https://www.nea.gov.sg/our-services/after-death/post-death-matters/burial-cremation-and-ash-storage>

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- a. Collecting the deceased's body from the home, care facilities or mortuary;
- b. Planning for the burial or cremation (including ash management), e.g. meeting regulatory requirements such as applying for a Permit to Bury/Cremate with NEA and making an application for burial/cremation at NEA-managed after-death facilities or privately owned crematoria;<sup>14</sup>

Additional tasks performed by FSPs to organise a wake:

- c. Sending the deceased's body for embalming, if requested by the family;
- d. Transportation of the deceased's body to the location of the wake and funeral;
- e. Arranging the details of the wake and funeral, e.g. setting up of the casket, the deceased's photograph, altar, tables and chairs for visitors, as well as arranging the hearse and bus for transportation to the burial or cremation site; and
- f. Recommending and linking up the bereaved family with intermediaries, e.g. suppliers of urns and niche plaques, suppliers of food catering services, and suppliers of wake venues.

23. Depending on its business model, the FSP may provide the aforementioned services in-house (e.g. FSPs who are licensed to operate funeral parlours with embalming facilities would be able to provide embalming services in-house), procure them from other suppliers of funeral products, or simply operate as an intermediary between the customer and those suppliers. For example, FSPs may arrange for the transport of the deceased's body to the cremation venue where the cremation of the deceased's body is provided by a separate supplier. As another example, FSPs which are not licensed funeral parlours (and therefore do not have embalming facilities) may sell funeral packages inclusive of embalming services that are supplied by a licensed funeral parlour with embalming facilities.

24. It is common to see FSPs offering funeral products as a package, based on the deceased's religion and duration of the wake. According to the FSPs who responded to CCCS's information request, some FSPs offer different funeral package options, whilst others offer a standard funeral package with the option to purchase add-ons. The products included in each FSP's package and the extent to which each FSP allows consumers to customise the package varies between FSPs and the types of funerals. CCCS also understands that FSPs commonly bill the consumer only on the day of burial or cremation.

### iii. Market concentration

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<sup>14</sup> <https://nea.gov.sg/our-services/after-death/post-death-matters/when-death-occurs>; <https://www.aic.sg/caregiving/prepare-funeral>; <https://mylegacy.life.gov.sg/when-death-happens/arrange-the-funeral/>

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25. There is a large number of suppliers with ample choices for consumers regardless of a consumer's professed religion or preference as to whether the FSP is a member of a trade association. There was no evidence to indicate that market concentration is high after accounting for affiliations between FSPs.

26. Large number of suppliers: Based on NEA's estimates from the bookings made by FSPs for the use of NEA-managed columbaria and its industry engagements, there appear to be over 300 FSPs in Singapore.<sup>15</sup>

27. Diversity of suppliers: There are sufficient FSPs in Singapore to serve consumers with different religious requirements (as illustrated in paragraph 35 below). There are also sufficient FSPs such that consumers are not confined to only those that are members of the AFD. In addition, the scale and nature of business operations of FSPs vary significantly, such as whether they operate out of physical offices, in terms of the number of funerals conducted monthly or in relation to the services that they specialise in.

28. Market shares are not high: Having a high market share may suggest that a market player has substantial market power. The information available to CCCS at the time of this market study does not indicate that any particular market player in the funeral services industry in Singapore (whether individually or collectively as affiliated FSPs) has a high market share.

29. The market shares of FSPs were estimated based on the number of cremation bookings made by FSPs between December 2016 and November 2019 for the use of NEA-managed crematoria<sup>16</sup>, which accounts for cremation of the majority of the deceased.<sup>17</sup> Market shares were also calculated by grouping together affiliated FSPs, as FSPs which are affiliated may not compete independently against one another.<sup>18</sup> Such affiliation includes formal corporate ties involving a parent-subsidiary relationship or familial ties involving relatives.

30. CCCS also observed that the three largest affiliated FSPs account for just over a quarter of the market (26%), which suggests that market concentration is fairly low.

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<sup>15</sup> Though NEA does not license or register FSPs, NEA has identified a total of more than 300 FSPs.

<sup>16</sup> The market shares of FSPs may be over-estimated if they make cremation bookings at NEA-managed crematoria on behalf of other FSPs, although the direction of bias does not affect the assessment that market shares are not high.

<sup>17</sup> NEA estimates that 80% of deaths in Singapore result in the bodies being cremated, of which 89% of cremations are handled by NEA and carried out at NEA-managed crematoria.

<sup>18</sup> CCCS notes that the affiliated FSPs are identified as of May 2020 and are not meant to be exhaustive.

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31. Another indicator of market concentration is the Herfindahl-Hirschman Index (“**HHI**”), that is estimated to be between 379 and 651, which is well below the threshold for concentrated markets.<sup>19</sup>

32. Taken together, CCCS did not find any evidence that market concentration is high, which is consistent with CCCS’s observation that barriers to entry and expansion in the funeral services industry do not appear to be high. For example, it is not necessary for FSPs to have a commercial office and shopfront to operate (as consumers do not typically visit FSPs before engaging them), and accordingly the capital required to start an FSP business is not high. However, CCCS notes that some challenges faced by FSPs in terms of attracting skilled labour to join the funeral services industry may be a significant barrier to entry and expansion.

33. There are ample choices of FSPs for consumers regardless of whether they prefer a FSP who is a member of AFD or one who is not a AFD member: CCCS considered the state of competition between FSPs who are members and non-members of the AFD. Affiliated FSPs could comprise (a) only AFD members, (b) only non-AFD members or (c) a mix of AFD and non-AFD members. Non-AFD members account for a substantial share of the market.

34. This finding is consistent with the other feedback received by CCCS. Non-AFD members that responded to CCCS observed that consumers appear to be indifferent on whether the FSP is a AFD member. Care facilities that responded to CCCS indicated that they recommend FSPs based on their experience with FSPs rather than AFD membership.

35. There are ample choices for consumers of different religions: There is a sufficient number of competitors who are able to provide funeral products for each religion. Table 1 below sets out the number of independent FSPs (or groups of affiliated FSPs) who can provide funeral products for the larger religious groups in Singapore (i.e. Buddhist and Taoist, Christian and Catholic, Hinduism and Islam) and freethinkers:

Table 1: Choices available to consumers for the larger religious groups and free thinkers in Singapore

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<sup>19</sup> HHI is calculated by summing up the squares of market share figures from cremation bookings data. As information is not available on how the number of cremation cases are distributed between the smaller FSPs that may be affiliated, CCCS has calculated a range of possible HHI for the funeral industry in Singapore. In general, HHI values of less than 1500 indicate unconcentrated markets. HHI values of 1500 to 2500 indicate moderately concentrated markets. HHI values of 2500 or greater indicate highly concentrated markets.

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<b>Group</b>	<b>% of Residents in Singapore - 2020<sup>20</sup></b>	<b>Minimum number of independent FSPs (or groups of affiliated FSPs) identified who can provide funeral products</b>
Buddhist and Taoist	39.9%	21
Free thinkers	20.0%	10
Christian and Catholic	18.9%	21
Islam	15.6%	15
Hinduism	5.0%	13

36. As seen from Table 1 above, for each religion, there are at least ten independent FSPs for consumers to choose from. This is consistent with feedback from the focus group discussions and FSPs, which did not raise any concern related to a lack of choice of FSPs for any religion.

37. The information obtained through the market study did not appear to uncover any anti-competitive conduct prohibited under the Competition Act 2004<sup>21</sup> in the funeral services industry by FSPs or other stakeholders. CCCS understands that some care facilities may provide informal assistance to customers on choosing an FSP. In this regard, based on information gathered from the care facilities, it was found that each care facility has its own type of information and extent of assistance it provides to help consumers choose an FSP. Some care facilities provide recommendations based on past experience with FSPs; some refer to materials published by NEA or the AFD which these care facilities deem to be official sources of information; and others do not provide such information at all and instead direct the family members to conduct their own search for an FSP. The information obtained by CCCS through the market study on the form and nature of such arrangements did not

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<sup>20</sup> Singapore Census of Population 2020 published in June 2021.

<sup>21</sup> The Competition Act prohibits anti-competitive agreements, abuse of a dominant position, and mergers and acquisitions that substantially lessen competition.

suggest any competition concern with regard to the recommendation of FSPs by care facilities.

38. Despite the large number and ample choices of FSPs in Singapore, and the absence of information suggesting any anti-competitive conduct prohibited under the Competition Act 2004 by FSPs or other stakeholders, other factors such as the ability of consumers to make informed decisions, the state of price transparency and the practices of suppliers may adversely affect competition between FSPs. These issues are addressed in the subsequent sections of this market study.

#### iv. Consumers

##### *Purchase of funeral products with and without preplanning*

39. Most consumers only consider the purchase of funeral products when the need arises. Other consumers may make plans for, or even purchase, funeral products in advance.

40. There are several types of funeral products available in the market for consumers who wish to purchase funeral products on a pre-planned basis. These include:

- a. Pre-paid funeral plans from an FSP: This is where a consumer pays an FSP in advance before the need arises for a funeral plan that will be carried out for the consumer or someone else.
- b. Membership schemes offered by FSPs: This is where a once-off or recurring membership fee is paid by a consumer to an FSP to receive certain benefits related to funeral products. Such benefits tend to include a guaranteed basic funeral package for the member and his or her spouse, as well as discounts on certain funeral products, e.g. the casket, hearse and sound system.
- c. Membership in MBOs: MBOs are regulated under the Mutual Benefit Organisation Act 1960. MBOs do not specifically provide funeral services; they are instead membership-based entities that primarily provide their members with monetary support for specified life events such as birth, death, or unemployment in exchange for payment of a regular subscription fee. MBOs were formed historically by clans, associations or ethnic community groups. As of June 2023, there are 65 MBOs in Singapore.<sup>22</sup>

##### *Consumers' attitude towards funeral planning in Singapore*

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<sup>22</sup> <https://www.mccy.gov.sg/sector/mbos>



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41. The quantitative survey found that the majority of respondents (72%) feel comfortable talking about death and funeral arrangements.

42. However, the topics of death and funeral arrangements are usually not top-of-mind to consumers. Without any prompt or reminder, most consumers would not ordinarily talk about it and leave the arrangements of their funeral to family members when death occurs, rather than make plans for it. In this regard, the quantitative survey found that the majority of respondents (75%) have never thought of arranging their own funeral, although 43% of these respondents would be open to doing so. The most commonly cited reason for not considering to do so is that the thought never crossed their minds (50%), followed by an expectation that their loved ones would arrange their funeral services (30%).

### *Consumers' knowledge towards funeral planning in Singapore*

43. Consumer awareness of the types of funeral products and arrangements is generally high. The quantitative survey found that the majority of respondents (ranging from 59% to 82%) were aware of the different types of funeral products (e.g. conducting a wake, cremation or burial) and arrangements (e.g. choosing to engage a FSP, purchasing a pre-planned package, or arranging individual components of the funeral without the assistance of third parties like FSPs).

44. However, consumer confidence to arrange a funeral tends to be low, especially for those without recent experience. The quantitative survey found that 39%, i.e. less than half of the respondents, felt confident that they were equipped with the knowledge to arrange a funeral. The proportion is higher at 59% amongst those with experience of making funeral arrangements in the three years prior to the survey.

### *How consumers obtain information on funeral arrangement*

45. As preferences for funeral arrangements can be deeply personal, consumers tend to rely on the advice and recommendations of family and friends. The quantitative survey found that the majority of respondents (52%) rely on recommendations from family and friends when searching for information on funeral arrangements. This is consistent with feedback from FSPs that consumers in Singapore tend to rely heavily on word-of-mouth to source for or identify FSPs. The focus group discussions also highlighted a reliance on the elderly and previous experience to learn about the religious practices to follow.

46. Other than word-of-mouth, consumers also rely on the internet and guidance from religious institutions to get information on funeral arrangements. Specifically, the quantitative survey found that younger consumers have a greater tendency to rely on the

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internet for information such as using search engines, reading through online forums or articles, or looking up websites of public sector agencies or FSPs. Older consumers tend to rely more on advice from religious groups. This is consistent with feedback from focus group discussions which highlighted that getting guidance from religious institutions is considered the right thing to do.

### *Factors affecting consumers' satisfaction in choice of FSP*

47. The quantitative survey found that the majority of respondents who had experience with making funeral arrangements three years prior to the survey (82%) cited cost as the most important consideration in choosing a FSP, followed by reputation and track record of the FSP (60%). Notably, through the focus group discussions, it was also found that the quality of service provided by the FSP appears to have a strong impact on consumers' satisfaction in their choice of FSP.

48. Whilst the majority of respondents in the quantitative survey indicated that they were satisfied with the level of service they had obtained, the focus group discussions highlighted five key factors that determined consumer satisfaction with the quality of service provided by an FSP:

- a. Expertise: Consumers seek reliable FSPs who have expertise in handling funerals in Singapore. Those with specific religious preferences would also seek FSPs who are experienced and familiar with handling the necessary rites or ceremonies associated with their religions. As funerals are seen as the last act of giving and interacting with the deceased, consumers want the funeral to be conducted to the best of the FSPs' ability and effort.
- b. Responsiveness: Arranging a funeral when the need arises is a time-sensitive and emotional process. Consumers need the FSP to be proactive and responsive so that the entire funeral process can proceed in a timely manner without undue delays. In addition, consumers may not be in the state of mind to actively engage or manage the FSP, or may be too busy managing the social aspects of the funeral such as informing close relatives and friends and coordinating visiting arrangements to the wake.
- c. Comprehensiveness: Consumers prefer an FSP who can handle all aspects and details of the funeral arrangements, so that consumers can focus more on grieving and speaking to relatives rather than having to deal with logistical details or coordinate with multiple vendors.

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- d. Customisation: The ability of the FSP to accommodate specific requests is important to consumers, be it in terms of customising the funeral package or making adjustments along the way. As an act of love and respect, consumers want to conduct the funeral rituals and ceremonies according to the wishes of the deceased or the deceased's family.
- e. Professionalism, Integrity and Sensitivity: Consumers expect the FSP to be transparent, empathetic and honest in handling the funeral arrangements. As consumers are going through an emotional loss, there is an expectation that FSPs should display sensitivity, understanding and support when discussing funeral arrangements. For example, a FSP who is late or not properly attired will be perceived as lacking in professionalism and sensitivity.

### 3. Key issues identified

#### a. Consumers who have to purchase funeral products only when the need arises may be vulnerable and impaired in their ability to make informed decisions

49. As observed above, without any prompt or reminder, most consumers would not ordinarily talk about death and funeral arrangements, and thus would leave the arrangement of their funerals to family members when death occurs, rather than make plans for it.

50. When death occurs, often unexpectedly<sup>23</sup>, consumers find themselves having to come to terms with the loss, and at the same time face the stress of having to make timely arrangements for the funeral. Some consumers may also face social pressure from family and friends on the way that the funeral is or ought to be conducted. As a respondent shared during a focus group discussion, "*...during that point of time, the state of mind is just sad and very stressful. At that point of time, I have to coordinate with my relatives plus my parents with the coordinator as well. So, in turn I think it's quite stressful.*" This is more so if the consumer had no or limited prior experience in planning a funeral, and has to learn and make decisions within a short time. Facing such circumstances, consumers may be vulnerable and may be impaired in their ability to make informed decisions. This is supported by the findings from the quantitative survey which are set out below.

51. When it comes to at-need funerals, there is room for consumers to make better informed and considered decisions: When asked to rate their state of mind to make informed and considered decisions (0 being least able, and 10 being most able to do so), the

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<sup>23</sup> The quantitative survey found that the death was unexpected for 62% of respondents who had direct experience of arranging a funeral for someone else. It was also found that those expecting the death indicated that they were in a better state of mind to make informed and considered decisions.

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quantitative survey found that a majority (61%) of respondents who had experience executing an at-need funeral in the three years prior to the survey indicated a score of 7 and above (out of 10) that they were in a state of mind to make informed and considered decisions. There is nonetheless room to improve this measure.

52. To ascertain whether there is a difference between consumers purchasing funeral products on an at-need basis and those doing so on a pre-planned basis, CCCS compared the quantitative survey results between the group of respondents who had experience making at-need funeral arrangements in the three years prior to the survey and the group of respondents who had experience making pre-planned funeral arrangements in the three years prior to the survey.

53. Consumers who had to arrange a funeral without any pre-planning appear to have less knowledge of funeral arrangements compared to those who had carried out pre-planning: The quantitative survey found that close to half of the respondents (41%) who had experience making at-need funeral arrangements did not have sufficient knowledge of religious practices and regulatory requirements that required compliance. In contrast, for respondents who had experience making pre-planned funeral arrangements, only a minority (19%) of such respondents shared the same opinion.

54. Consumers of at-need funerals do not compare FSPs before engaging them mostly due to lack of time: The majority of respondents who had experience making at-need funeral arrangements (62%) did not compare FSPs before engaging them. The most cited reason is the insufficiency of time (52%), followed by the fact that the FSPs engaged were recommended by people the respondents knew (46%). In contrast with respondents who had experience making pre-planned funeral arrangements, around half of such respondents (47%) did not compare FSPs before purchasing, for different reasons than the time pressure faced. The most cited reason is that the FSP was recommended by people the respondents knew (53%), followed by the fact that the FSP was recommended by a trusted third-party<sup>24</sup> (35%).

55. The time pressure of arranging at-need funerals does not allow consumers to consider different options before making a purchase: When confirming the decision of engaging a FSP, only 28% of the respondents who had experience making at-need funeral arrangements stated that there was enough time to think about different options (e.g. different options of funeral package, whether add-ons to the package are necessary) before making a decision. When contrasted with respondents who had experience making pre-planned funeral arrangements, 55% of such respondents stated that there was enough time to think about different options before committing to the purchase.

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<sup>24</sup> These could refer to staff from a care facility or religious institution.

56. Consumers of at-need funerals are reluctant to switch FSPs for fear of causing delay:

Amongst the respondents who had experience making at-need funeral arrangements, only 9% indicated that they have considered switching to another FSP after appointing an initial FSP to handle the funeral arrangements. In contrast, 43% of them stated that they did not consider doing so as they did not want to delay the funeral arrangements.<sup>25</sup> A much higher proportion of respondents who had experience making pre-planned funeral arrangements (68%) stated that they have switched FSPs or have considered doing so.

57. The above findings suggest that consumers who purchase funeral arrangements when death is imminent or when death has already occurred are more likely to be in a vulnerable position where their ability to make informed decisions may be impaired due to their state of mind in view of the death of a loved one and the time pressure of conducting a funeral.

b. Consumers do not have a good sense of how much funeral products cost and may not know the final price at the time of engaging the FSPs.

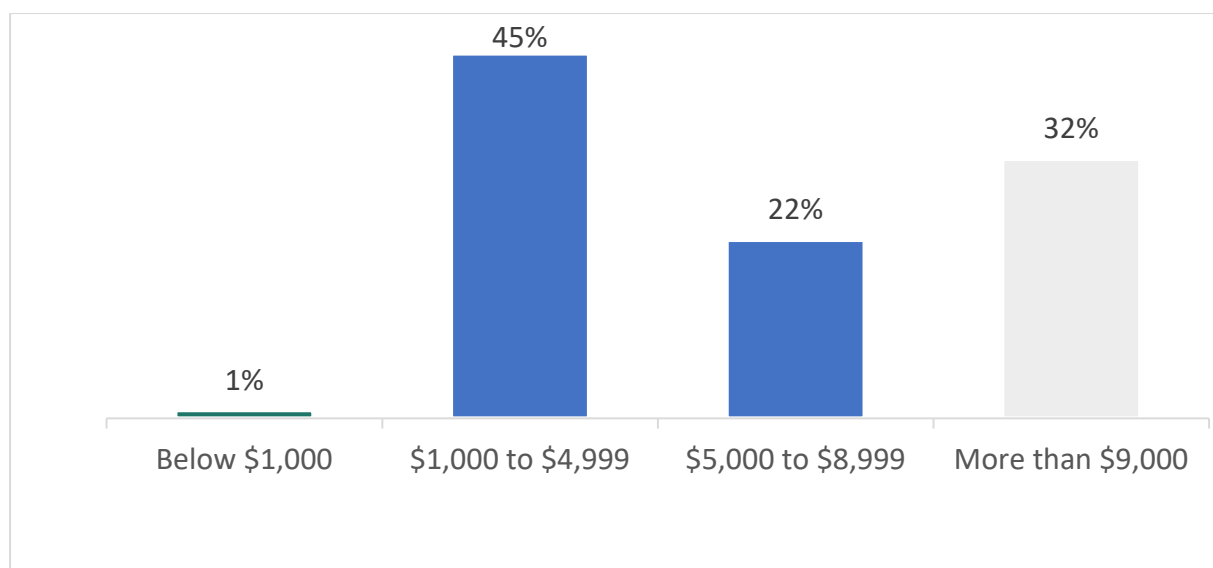
58. Most consumers do not have a good sense of how much funeral products may cost. More than a quarter of respondents expect a funeral arrangement that includes a wake to cost less than \$1,000, even though very few respondents who had experience planning a funeral actually paid less than \$1,000 (~1%). Instead, the final price of funeral products, according to respondents who had experience making at-need funeral arrangements in the three years from 2018 to 2020, can range considerably between \$1,000 to over \$9,000, with the median respondent paying between \$5,000 and \$8,999.

Table 2: Final prices paid by consumers for at-need funeral arrangements made in the 3 years from 2018 to 2020

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<sup>25</sup> Other options for not considering to switch are not wanting to move deceased remains again (7%), incurring of additional costs (8%) and being satisfied with the products provided by the FSP (33%).

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59. The range of final prices paid by consumers set out in Table 2 above is consistent with the prices listed on FSPs' websites which show that the price of funeral packages generally exceed \$1,000. CCCS notes that the price variations can be due to a number of factors including the religious requirements for the funeral, number of days of the wake, and the venue of the wake (be it at a funeral parlour or the void deck of a Housing Development Board flat).

60. There are several reasons why consumers may not have a good sense of how much funeral products may cost.

61. First, the nature of funeral products is such that unless there is a need for consumers to arrange a funeral, they are unlikely to be familiar or have knowledge of how to arrange one and the associated cost, especially in the context of today's smaller families. As mentioned in paragraph 45 above, consumer confidence to arrange a funeral especially for those without experience tends to be low. The quantitative survey also found that these consumers tend to underestimate the cost of a funeral.

62. Second, FSPs do not generally make price information readily available to consumers until they are approached by consumers. The quantitative survey found that for consumers who are interested to find out more about prices that FSPs charge, they can face some difficulty as not all FSPs publish their prices online. Only a quarter of the respondents who had experience making at-need funeral arrangements in the three years prior to the survey (25%) relied on the prices found on FSPs' websites. From desktop research, CCCS notes that there are online articles that purport to provide a summary of the range of prices of funeral

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packages by FSPs based on FSPs' websites.<sup>26</sup> These are available resources for consumers to apprise themselves of the prices of FSPs' packages. However, consumers should also take note that there can nevertheless be a gap between the price quoted by the FSPs and the final price billed by FSPs due to the heterogenous nature of funeral packages, as elaborated below.

63. Third, funeral packages are heterogenous and the price can vary widely depending on what a package covers. Based on responses from the FSPs, they commonly described arranging a funeral as highly customisable and may involve various add-ons. Every component of a funeral can be tailored to the deceased's or the bereaved's wishes, such as whether to embalm the deceased's body, what type of casket to purchase for the deceased, whether to hold a wake, the duration of the wake, the location of the wake, what amenities to offer to visitors at the wake (e.g. catering of food and drinks and refrigerator), what religious rites to be carried out at the wake, whether the deceased is to be buried or cremated, what type of tombstone or niche plaque to purchase, and so on. This is also reflected in the lack of consensus from the quantitative survey as to what components of a funeral are considered essential. Therefore, it may be difficult for consumers to compare across different FSPs given that FSPs may offer different packages or may not provide a full itemised breakdown of their packages to the relevant products.

64. Another separate but related issue is that consumers may not, at the point of purchase, be able to determine the final price for the funeral arrangements, which could be higher or lower than initially quoted by the FSP due to variations, add-ons or cancellations requested during the course of the funeral. In this regard, the quantitative survey found that instances where the final price paid by consumers was higher than the initial price quoted by the FSP were not uncommon – 31% of the respondents with experience making at-need funeral arrangements in the three years prior to the survey faced higher final prices due to expenses incurred for items which were not originally included in the funeral package at the point when the FSP was first engaged.

65. CCCS also found that FSPs commonly bill consumers only on the day of the burial or cremation. This means that at any point from the engagement of the FSP to the day of the burial or cremation, the consumer tend to have the flexibility to request additional items (e.g. additional drinks for visitors attending the wake) or cancel certain items even if the consumer had initially purchased a standardised funeral package. Further, if the consumer engaged an FSP that only acted as an intermediary between the consumer and various suppliers of funeral products (as opposed to one that provides one-stop shop products), the

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<sup>26</sup> <https://www.singsaver.com.sg/blog/funeral-services>; <https://blog.seedly.sg/cost-guide-funeral-services-singapore/>; <https://blog.moneysmart.sg/budgeting/funeral-services-singapore/>; <https://www.valuechampion.sg/average-cost-funeral-singapore>

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consumer would likely have to separately pay other vendors for their products on top of the FSP's charges.

66. Even though it is not uncommon for the final price of the funeral to be higher than initially quoted, it does not appear to be a common practice for FSPs to inform the consumer of this potential outcome at the point of engagement. The quantitative survey found that only 40% of the respondents who had experience making at-need funeral arrangements in the three years prior to the survey were told upfront by FSPs that the final price of the funeral may be different. A majority of respondents, had to either ask the FSPs before being informed about it (36%) or were not informed by FSPs at all (17%).<sup>27</sup>

67. The above suggests that there is scope for price transparency to be improved for the funeral services industry.

### **c. Consumers may face unfair practices by some FSPs**

68. Whilst CCCS has not received many complaints against FSPs, anecdotal feedback from consumers suggests that some consumers may have faced potential unfair practices by FSPs, although it is unclear how common such practices may be. The feedback relates to (a) the use of terms such as 'one-stop service' or 'full package' when the consumer has to deal with and pay different vendors or when the package does not include certain items, (b) a failure to inform consumers that the final price of the funeral may be different, as well as the costs involved for additional products, and (c) the asking for payment for the supply of unsolicited products. These are described in greater detail below after an explanation of what are unfair practices, and the consequences of engaging in them.

69. Under section 4 of the CPFTA, it is an unfair practice for a supplier, in relation to a consumer transaction:

- a. to do or say anything, or omit to do or say anything, if as a result a consumer might reasonably be deceived or misled;
- b. to make a false claim; or
- c. to take advantage of a consumer if the supplier knows or ought reasonably to know that the consumer is not in a position to protect his or her own interests, or is not reasonably able to understand the transaction or any matter related to it.

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<sup>27</sup> The remaining 7% of the respondents was not able to answer the question (e.g. did not know or could not remember).



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A list of 27 specific unfair practices is set out in the Second Schedule to the CPFTA.

70. As an enforcement agency of the CPFTA, CCCS can also investigate and take action in the form of applying to the Court for declarations or injunctions against a supplier who has engaged in an unfair practice. CCCS also ensures that suppliers comply with their injunction orders, a breach of which could amount to a contempt of court that could result in a fine or imprisonment.

### *Misleading, deceptive or false claims*

71. Under section 4(a) and (b) of the CPFTA, it is an unfair practice for a supplier to deceive or mislead a consumer, or make a false claim, in relation to a consumer transaction.

72. Feedback from the focus group discussions suggests that FSPs may have described their funeral products as 'one-stop service' or 'full package' which conveys an impression to the consumer that the FSPs will be providing all the required products associated with a funeral. However, this may not be the case if the FSP simply acts as an intermediary between the consumer and various suppliers of funeral products. In such a situation, the consumer may end up contracting with and having to deal with multiple vendors other than the FSP (e.g. having to give instructions directly to the vendor, accept delivery of products from the vendor and make payment to the vendor). This may also not be the case if the consumer finds that he or she has to separately pay for or to purchase add-on products which were originally conveyed to be included in the 'full package'. The following accounts were shared by consumers in the focus group discussions (emphasis ours):

- a. *"In the first part, it is like they just give us a package to sign saying that they will do everything nicely for us, so I thought that they would really do everything nicely for us. During the wake, some of my relatives ask me but I still reassure them: don't worry everything is included in the package. But at the end of the day, when the bill come it is not like what they stated. When they explain to us that the package only includes this but at that point of time, my state of mind, I did not know. I just thought that everything is included."*
- b. *"Every day, we receive many invoices from different companies. So, they will send the invoice like the buffet from another company. After that, the setting of the place, the coffin, the tentages is by the undertaker and then the rest of the things like the fridge, the toilet, the peanuts, sweets, packet drinks, mineral water are provided by another different company. I do not know whether they are linked. So, I think it caused a lot of confusion. At the beginning, I thought it is one stop service because the way he says it is one stop service."*

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73. In this regard, FSPs should ensure that what they communicate to consumers before consumers make the purchase is true, accurate and clear, so that consumers can make informed decisions and are not misled or deceived. For instance, FSPs should make clear to their customers whether they are acting as intermediaries for coordination purposes such that the customers would have to deal with other vendors when payment (and other specified matters) are concerned, what the funeral package does or does not include, and the costs of potential add-ons which are not part of the initial funeral package.

### *Omission of material information*

74. Section 4(d) of the CPFTA read with paragraph 23 of the Second Schedule makes it an unfair practice for a supplier to omit to provide a material fact<sup>28</sup> to a consumer, use small print to conceal a material fact from the consumer or mislead a consumer as to a material fact, in connection with the supply of goods or services.

75. The feedback from focus group discussions suggests that some FSPs did not inform consumers of all the costs involved for funeral products, e.g. floor area for wake area and consequently, additional floorboards and tentages to extend the wake area, incense sticks and oil, charges for drinks and cleaners for toilets. As seen in the quantitative survey, such situations are not uncommon. As noted above at paragraph 67, 53% of the respondents who had experience making at-need funeral arrangements in the three years prior to the survey were not informed upfront by FSPs that the final price of the funeral may be different.

76. Specifically, the feedback suggests that some FSPs may engage in the practice of drip pricing. Drip pricing occurs where a supplier advertises a product or service at a lower headline price (i.e. displayed/advertised) than the final price that a consumer would pay. The increase in total price is usually a result of additional unavoidable or optional fees and charges which are only disclosed subsequently during the transaction or payment process. An example was given where the consumer agreed with the FSP to engage more monks to carry out a religious ritual, and was only informed at a later stage that engaging more monks would entail additional cost for extra and unavoidable tentages and fans.

77. As set out in CCCS Guidelines on Price Transparency, FSPs should ensure that any unavoidable or mandatory fees or charges (e.g. taxes, surcharges, service fees) are included in the total headline price. Where any mandatory<sup>29</sup> fees or charges cannot be reasonably calculated in advance, suppliers should disclose the existence of such fees or charges in a

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<sup>28</sup> "Material fact" refers to any information that the supplier knows or ought reasonably to know would affect the decision of a consumer to enter a consumer transaction.

<sup>29</sup> Mandatory costs refer to items that must be purchased in order to carry out your preferred funeral arrangement. For example, if your preferred funeral arrangement is cremation, an unavoidable cost would be cremation fees which the FSP may or may not include as part of the package.

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clear and prominent manner together with the headline price. Any optional fees or charges should also be set out clearly to enable the consumer to make an informed decision.

### *Unsolicited products*

78. Section 4(d) of the CPFTA read with paragraph 25 of the Second Schedule makes it an unfair practice for a supplier to purport to assert a right to payment for the supply of unsolicited goods or services.

79. The feedback from the focus group discussions suggests that some consumers have encountered situations where the FSPs did not seek consent for the purchase of add-on products from the appointed decision maker but instead sought consent from a relative (who is not an appointed decision maker). An account shared by a consumer is as follows:

*“We are in an emotional state, then the funeral staff will look for one of the relatives and ask them if they want a coffee machine. My relative said yes. Then the staff would come only to me [who is also not the decision maker]. They never even say that the coffee machine has to be charged. The staff just showed me to the machine, teach me how to clean the machine, top up the powder inside and charge it.”*

80. Such unsolicited products can substantially add to the eventual funeral cost for consumers. One consumer shared his experience where he felt that he had no choice but to pay 40% more than expected as the products seemed to have already been provided by the FSP, even though nobody checked during the wake if that was indeed the case.

81. In this regard, FSPs should check whether there is an appointed decision maker to reduce misunderstandings involving unsolicited products and obtain agreement from the appointed decision maker for the inclusion of products (and add-ons), and not assert a right to payment for products that are unsolicited.

82. FSPs should avoid engaging in unfair practices, such as those described above, as such unfair practices harm consumers and have the potential to distort competition between FSPs by obscuring their pricing or quality of service.

## **4. Recommendations**

83. Taking into consideration the findings from the market study, CCCS sets out three key recommendations in this section to address concerns associated with the vulnerability of consumers in their purchase of funeral products.

**a. To encourage and facilitate funeral pre-planning by consumers by making such information more accessible to consumers**

84. The first key issue is that consumers who purchase funeral products only when the need arises may be in a vulnerable emotional state which impairs their ability to make informed decisions. Much of the difficulty faced by such consumers comes from the confluence of events that take place within a short time, i.e. death of their loved ones and the corresponding emotional state of stress and loss, the time sensitivity of holding the funeral and the pressure of meeting family and social expectations when conducting the funeral. Thus, consumers along with their family and friends would benefit from pre-planning in respect of the purchase of funeral products. This is so that when death occurs, their family and friends will be in a better position to make informed decisions on funeral arrangements.

85. In Singapore, end-of-life conversations are becoming less of a taboo subject.<sup>30</sup> Anyone can start pre-planning his or her funeral, whether death appears to be imminent or not. This can begin simply through informal conversations with family and friends about how one would want his or her funeral to be organised and conducted. Doing so would already go some way to help to facilitate the decision process for family members and loved ones when the time comes. Consumers may also pre-plan their own funerals in greater detail, including doing a comparison between FSPs based on the potential needs for the funeral, shortlisting preferred FSPs and specifying the details of the funeral arrangements. If desired, one's wishes can also be formalised in writing to provide certainty to family and friends.

86. Pre-planning a funeral need not involve pre-payment towards a funeral plan. Pre-planning for funerals involves the timely sharing of a person's funeral wishes with his or her loved ones, which will allow one's preference to be taken into account when the time comes. This also facilitates the decision-making process and assists to reduce pressure that loved ones have to face during a time of grief. The making of such plans in and of itself should not require any money to be paid in advance before the products are needed. When prepaying for funeral products or packages, consumers should consider their own financial circumstances, the expected length of time between purchasing and when the funeral products or packages bought may be required, and whether the FSP is likely to be able to provide the products or packages when the time comes. In this regard, CASE has issued infographics on what consumers should look out for when making pre-payment in general.<sup>31</sup>

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<sup>30</sup> As set out in paragraph 42 above, 72% of the respondents to CCCS's consumer survey conducted in early 2021 felt comfortable talking about death and funeral arrangements. This is corroborated by the finding from Lien Foundation Survey on Death Attitudes that the proportion of Singaporeans who felt comfortable about talking about their own death was 36% in 2014. This proportion had increased to 53% in 2019 based on another study conducted by the Singapore Management University.

<sup>31</sup> [https://www.case.org.sg/consumer-guides/prepayment\\_protection\\_infographic-pdf/](https://www.case.org.sg/consumer-guides/prepayment_protection_infographic-pdf/)

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87. As set out above at paragraphs 42 and 43 above, although most consumers (72%) are comfortable talking about death and funeral arrangements, the topic is usually not top-of-mind for consumers. A similarly high proportion of consumers (75%) do not think to make plans for their own funeral ahead of time. However, close to half of the respondents (43%) expressed that they are open to pre-plan their funeral arrangements. Thus, CCCS considers that there is scope to increase awareness and encourage consumers to pre-plan funeral arrangements.

88. CCCS notes that there are ongoing efforts by the Ministry of Health, PSD, Government Technology Agency and the Smart Nation & Digital Government Office to develop the “My Legacy” website<sup>32</sup> under the ‘LifeSG’ initiative which helps the public to explore, store and share their end-of-life plans, including planning for funerals. In relation to funeral planning, the website provides information on how to choose an FSP, and the decisions that have to be made such as the type of funeral service based on the deceased’s religion and location of the wake. The website also provides a digital vault for consumers to plan, store and share their legal, healthcare and estate matters. Based on the findings from this market study, CCCS has made suggestions on further information that can be incorporated to enable information on pre-planning of funeral arrangements to be more easily accessible by consumers. For example, it will be useful for consumers to identify their own list of preferred FSPs and funeral products. A note can also be included to remind consumers on the relevant considerations in making any pre-payment for funeral products.

89. CCCS recognises that pre-planning of one’s funeral is ultimately a personal choice and may not be done in every case. Therefore, for consumers who face the prospect of arranging an at-need funeral (e.g. those who face unexpected deaths or those who have to arrange a funeral for a deceased who had not pre-planned a funeral), it will be helpful for consumers to have access to just-in-time information at important touchpoints such as care facilities which can enable consumers of at-need funerals to make more informed decisions when planning a funeral.

90. In considering what types of information would be useful to consumers to enable consumers to make informed choices when purchasing funeral products, CCCS took into account the other key issues found in the market study which will be elaborated on in the next section. CCCS considers that providing information in a bite-sized manner would be useful to consumers. Important reminders can be provided when making funeral arrangements, such as obtaining a clear picture of the products that are included in the packages offered by FSPs, knowing how the package can be customised, and being aware that additional costs may need to be incurred to fulfil specific wishes for the funeral. To that

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<sup>32</sup> <https://mylegacy.life.gov.sg>

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end, a checklist annexed to this report has been developed to assist consumers in the following ways:

- ✓ Ascertain the wishes of the deceased and the deceased's family before one approaches an FSP;
- ✓ Seek important answers from FSPs; and
- ✓ Know useful sources of information one can refer to.

91. In addition to CCCS's and NEA's website, CCCS will also distribute the checklist at important touchpoints such as care facilities, and other suitable avenues such as the My Legacy portal.

**b. To raise price transparency in the funeral services industry by increasing awareness amongst consumers and suppliers**

92. The second key issue is that consumers do not have a good sense of how much funeral products cost and may not know the final price at the point of engaging the FSP. As explained above at paragraphs 60 to 66, consumers may face difficulty in getting a good sense of how much funeral products cost because (a) the nature of funeral products is such that consumers are unlikely to be familiar or have knowledge of how to arrange a funeral and the associated costs; (b) FSPs do not generally make price information readily available to consumers until they are separately approached by consumers; and (c) funeral packages are heterogenous and can vary significantly in price depending on what a package covers. As for why consumers may not know the final price at the time of engaging the FSP, the market study found that this is because consumers typically have the option to purchase add-ons or cancel certain purchases during the course of the wake. These features in the funeral services industry can cause the degree of price transparency in the industry to be low.

93. In relation to consumers, CCCS considers that there is scope to increase consumer awareness on the pricing aspects of funeral products and to enable consumers to go about getting relevant information to assist their planning process. In this regard, CCCS recommends to:

- a. Identify sources of information that consumers can refer to in order to obtain more detailed information on prices of funeral packages. For example, in addition to relying on word-of-mouth and online searches, FSPs can be a useful source of information as they are generally open to provide free consultations to enquiring

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consumers who wish to obtain more detailed information on the products that FSPs offer.

- b. Raise consumer awareness that funeral products are heterogeneous and can vary significantly in price depending on what a package covers and may involve various add-ons. Thus, consumers are encouraged to consult FSPs in advance to obtain a clearer picture of the items that are included in each package and what potential add-ons may need to be incurred in order to meet their expectations. A checklist annexed to this report has been developed to assist consumers in this regard.

94. CCCS notes that funeral packages may be customised which may make the final price higher from the price initially quoted. CCCS considers that there is scope for FSPs to provide greater transparency to consumers on their pricing and other terms, and encourages FSPs to adopt best practices such as:

- a. In respect of funeral packages, providing clearer itemisation of key products included in the package to the extent that it is both practical for the FSP and meaningful for the consumer;
- b. Seeking confirmation from consumers on the itemised key products, including customised items, that will be supplied as part of the funeral package before the FSP's engagement is confirmed;
- c. Highlighting to consumers at the point of sale that the package price is subject to change, depending on whether additional chargeable products are procured for the funeral, and providing a clear list of optional items not included in the package and their prices which the consumer can refer to should they wish to make additional purchases subsequently;
- d. Providing a written copy of FSPs' terms and conditions to consumers regardless of whether the consumer requests for the same, including those that relate to 'no refund' or 'no cancellation' policies;
- e. Checking with the deceased's family or friends on the appointed decision maker in relation to the supply of products, and always seeking confirmation with that appointed decision maker regarding any (i) inclusion of additional products before providing such products and (ii) variations to the initially agreed products to be delivered even if no additional costs are involved; and
- f. Providing an invoice with sufficient details about the items provided when the consumer makes payment for the products purchased.

**c. To take necessary enforcement actions against any egregious FSPs who persistently engage in unfair practices**

95. The third key issue is that consumers may possibly face unfair practices in their purchase of funeral products in Singapore, including misleading, deceptive or false claims, omission of material information and charging for unsolicited products. The CPFTA was enacted to protect consumers against unfair practices and to enable consumers to buy with confidence and make informed purchasing decisions.

96. Whilst CCCS has not received many complaints against FSPs, anecdotal feedback suggests that there may be a small number of FSPs who engage in unfair practices that harm consumers.

97. Under the consumer protection framework in Singapore, CASE is the first point-of-contact for consumers with consumer-to-business disputes. Consumers are encouraged to approach CASE if they encounter disputes with FSPs or face unfair practices. CASE can assist consumers in seeking redress or compensation through negotiation or mediation. CASE also engages suppliers to promote ethical and good business practices, including to offer errant retailers to enter into a voluntary compliance agreement with CASE to stop the unfair practice, and in some cases, compensate affected consumers. To protect consumers, CASE educates consumers and facilitates consumers in making informed purchases for example through naming persistently errant FSPs through CASE's Consumer Advisories and Company Alerts.

98. As the enforcement agency for CPFTA, CCCS can investigate and take enforcement action under the CPFTA against any errant FSPs who persistently engage in unfair practices.

**5. Conclusion**

99. When decisions pertaining to funeral products are made when the need arises, consumers can be in a vulnerable position where their ability to make informed decisions may be impaired. By encouraging the pre-planning of funeral arrangements, providing bite-sized just-in-time information to consumers on important factors to consider when purchasing funeral products, and encouraging FSPs to adopt best practices to enhance transparency on their products, CCCS aims to better protect consumers and put them in a better position to make informed purchasing decisions for funeral products.