

## 2018 FLP Annual Results article from Matt Howells – April 2019

This morning we published our Annual Results for 2018. This is our opportunity to tell our 4.6 million members how their Co-op is doing as a business, how we're supporting their communities and how we're campaigning on the issues important to them.

Here's how we're doing in Funeral and Life Planning:

### Stronger Co-op

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**£317m** ↓

sales down 1%

**£25m** ↓

Underlying profit  
(2017: restated £42m)

**15.7%** ↓

at need market share  
down 0.5% yoy

**24,804\*** ↑

number of legal cases opened  
up 27.2% YoY from 2017. Probate cases  
have increased 45.6% YoY

**95,363\*** ↓

funerals conducted  
down 5% YoY

**55,593\*** ↓

funeral plans sold  
down 19.4% YoY

\*2017 was a 53 week accounting year

### Stronger Communities

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#### Bereavement clubs

Our work in supporting customers following bereavement continued and over 360 activities, such as coffee mornings, were carried out through our 90 bereavement groups in 2018.

#### Improving our technology

We launched Guardian, enabling easier funeral planning and launched the Estate Planning Assistant (EPA) to support our legal teams

#### Expanding our Probate and Estate Planning business

We finalised our acquisition of Simplify Probate, making us the largest single provider of probate services in the UK and the only national provider of Estate Planning.

#### Cremation Without Ceremony

We launched a direct cremation service across England, Scotland and Wales called Cremation Without Ceremony, which went online later in the year.



## **An overview**

It's been a challenging year for our Funeral business, but we've seen our Life Planning and Legal business go from strength to strength. The number of legal cases opened was up 27% and probate cases up 45%.

In 2018 we focused on how we provide more support to our families through our combined Funeral and Life Planning business. Choice and price are really important to our clients, so last year we responded by introducing new ways to commemorate the life of a loved one and a continued commitment to improve funeral affordability.

Our national survey into death and bereavement, the biggest ever carried out in the UK, suggested that four million people suffered financial hardship after bereavement. In September, as a response to these findings, we made further changes to our funeral prices in particular for our members. In addition, the growth of our probate work is making it easier for families to pay for a funeral from the estate of the deceased.

We also introduced a direct cremation service to clients and communities around the country. We know that there's a big market for cremation services, and we've made our offer really simple and easy to understand with our Cremation without Ceremony service. We've also launched this online, allowing clients to easily make arrangements wherever they are.

Despite these investments, we saw a sharp drop in underlying operating profit and a reduction in the number of funerals we carried out. The reduction in profit was in part caused by the growth in sales of our most affordable funerals. The sale of funeral plans was also down reflecting a drop in the funeral plan market as a whole. This was driven largely by negative media commentary on the value and transparency of such products, even though our own plans have received outstanding recognition from industry experts.

## **Investing in our business**

We invested heavily in infrastructure, technology and standards and put in place changes to roles and responsibilities for our colleagues working in funeral operational teams.

We completed the national roll-out of our industry-leading Guardian funeral arrangement software, which allows us to arrange funerals more easily than ever before. Guardian allows colleagues to plan all stages of a funeral, from bringing the deceased into our care right through to planning the post care we provide for our clients. Everything in Guardian is secure, safe and gives us an up to date view of each individual funeral. It helps our colleagues manage their time more effectively and, most importantly, it gives our colleagues more time to serve the needs of bereaved families.

We've opened 16 new funeral homes and refitted another 55, which now sees our estate at 1,049 funeral homes. We finished re-branding to Co-op our private named funeral homes in England, Scotland and Wales.. This is important to us as part of our commitment to transparency and to maximise the value of our national brand. We also opened two new state-of-the-art mortuaries at Fareham and Reading and installed refrigeration at 237 funeral homes.

In Life Planning and Legal Services, we acquired and successfully integrated Simplify Probate, making us the largest provider of probate in the UK. We're able to provide our

clients with excellent legal advice and support as well as will writing, lasting power of attorney and funeral plans to the services we provide. It's also allowed us to expand free services like our Bereavement Notification Service which, offers a wide range of free legal advice and support.

### **Looking ahead**

The industry is changing, and we need to focus on the needs of our clients and their communities. We're looking forward to growing our probate services and estate planning by integrating them into our funeral provision. We're also looking for new ways to help clients cope with funeral costs by integrating our probate work with our funeral services and offering alternative payment options.

We've started on our journey to total price transparency – all services and prices are available in each funeral home for clients to see as soon as they walk in the door. We plan to have all prices and services available to view and buy through our website in 2019.

The CMA (Competition and Markets Authority) have also recently announced a full investigation into the funeral sector, which we hope will lead to improved protection for families through access to consistently high standards of funeral care and a range of services that offer value at an affordable price. We'll continue to work with the CMA as they progress with the market investigation.

We need to take stock of the changes we've made over the last few years and understand in more depth the market dynamics in play. In particular we need to see how our Co-op values and way of working can be made clearer to our clients and ensure that our offer remains attractive and relevant.

### **Care and support**

It's really important for us to emphasise the nature of our business – we're all about care and support. Helping families and clients through the most complex legal issues and bereavement isn't always easy, but I'm so incredibly proud of the work you do and the amazing service and care you give our clients on a daily basis.

### **Thank you**

**Matt**