



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

# Qualitative research to inform the development of a pilot for an Incentivised Funeral Savings Scheme



**EQUALITY AND WELFARE**



# Contents

<b>Contents</b> .....	<b>1</b>
<b>Executive Summary</b> .....	<b>3</b>
Background and context .....	3
Research methods.....	3
Results summary .....	4
Funeral savings .....	4
The proposed incentivised funeral savings scheme.....	4
Proposed delivery partners.....	5
Methods for promoting the scheme .....	5
Recommendations.....	5
<b>Background and context</b> .....	<b>6</b>
Policy background .....	6
Policy context.....	6
Research aims and objectives.....	7
<b>Research methods</b> .....	<b>9</b>
Methods overview.....	9
Fieldwork .....	9
Sample.....	10
<b>Results</b> .....	<b>12</b>
Funeral savings .....	12
Knowledge of costs.....	12
Extent of funeral savings .....	14
Motivations for saving .....	15
Barriers to saving.....	16
The incentivised funeral savings scheme.....	16
The proposition .....	16
Key features.....	17
Eligibility criteria .....	18
Attitudes to the proposed Scottish Government contribution to the IFSS .....	20
Willingness to join .....	21
An alternative proposition based on an insurance model.....	21
Delivery partners.....	22
Awareness of credit unions.....	22
Use of credit unions and alternative providers .....	23

Access to accounts.....	24
Promotion of the incentivised funeral savings scheme.....	25
Awareness of advertising for funeral products .....	25
Views on such advertising .....	25
Preferred communication channels for an incentivised funeral savings scheme.....	26
<b>Conclusions and recommendations.....</b>	<b>27</b>
Conclusions .....	27
Recommendations.....	27
<b>Appendix A: Technical Appendix .....</b>	<b>29</b>
<b>Appendix B: Topic Guide.....</b>	<b>30</b>

# Executive Summary

## Background and context

This commissioned research was conducted on behalf of the Scottish Government by *Progressive Partnership* in order to inform the design and development of a pilot scheme to encourage funeral savings.

The Scottish Government's *Funeral Costs Plan* is an action plan to tackle funeral poverty and make more affordable funeral options available. It was produced in response to research that indicated many people are unprepared for the high and rising cost of their funeral. The action plan sets out proposals to pilot a government-supported incentivised funeral savings scheme (IFSS).

The IFSS is designed to encourage and incentivise people who have not made financial provision for their funeral to start saving, reducing the debt that their family may face when the time comes to arrange their funeral. It is proposed that the scheme is targeted at people with low-to-middle incomes, who are 40 years old and over, and who have not made financial provision for their funeral. It is envisaged both savers and the government will contribute to the scheme, though the government contribution will be capped (at a yet unspecified amount) and available only for funeral expenses. It is proposed that the pilot be delivered through credit unions.

## Research methods

The aim was to strengthen the Scottish Government's understanding of the best target demographic, format, delivery partners, and promotion mechanism for the IFSS.

The study adopted a qualitative approach, using focus group discussions with Scottish adults that fit the characteristics of the proposed target population for the IFSS. In total, twelve focus groups (each with 5 or 6 participants) were held in urban and rural localities across Scotland.

The objectives of the study were to explore participant attitudes in four key areas:

- Funeral savings – knowledge of costs, current savings, motivators and barriers to saving
- Incentivised savings schemes - attitudes towards savings schemes generally and the IFSS proposed more specifically
- Delivery partners - knowledge and use of credit unions and opinions on other potential partners
- Promotional mechanisms - opinions on successful ways of promoting financial products linked to funerals

## **Results summary**

### **Funeral savings**

Most participants had no dedicated funeral savings, although many had other resources such as pensions, life insurance, general savings and ISAs. A significant minority of participants lacked such savings but believed they were not in a position to start saving towards a funeral.

Participants had a clear understanding of the cost of a funeral. Many were concerned at these costs, and the extent to which they had been increasing in recent years.

Participants were motivated to save when they had something specific to save for, when it was easy to do and when they had enough money to do so. Participants also preferred methods of saving that involved funds coming straight from their salary or income source.

The principal barriers to savings were identified as insufficient income and competing demands for resources. Many of the participants had limited additional funds and these were often required to cover day-to-day expenses, emergencies or other necessities.

In this context it will be difficult to persuade potential scheme users that saving for a funeral is something they must and can do.

### **The proposed incentivised funeral savings scheme**

Participants were initially enthused by the proposal of an IFSS. This was, however, based on the spontaneous assumption that the Government would match-fund or provide a contribution equivalent to at least 50% of the savers' deposits. The proposed incentives (of £125, £250 and £400) were viewed by most participants as inadequate to act as a sufficient incentive to start saving for their funerals.

There were also concerns that those who would most benefit from this type of scheme – that is, people who had little disposable income - would be excluded.

Participants were strongly of the view that the IFSS should be open to everyone, that it should not be means tested, and that resources should not be targeted exclusively at low income groups. They were especially clear that there should not be an age bar for joining the scheme and that the scheme should be open to people who already had, or who might purchase, another funeral finance product.

Though the eligibility criteria has not yet been defined there is a risk that the scheme will be attractive to very few people: those on very low incomes will be unable to afford to participate while those on higher incomes will be excluded because they have pre-existing funeral plans, life insurance policies and/or savings.

Many of the groups suggested an alternative approach would be to increase their National Insurance contributions to fund a basic funeral. However, it is noted that

powers relating to National Insurance contributions are reserved to the UK Government.

### **Proposed delivery partners**

Credit unions emerged as a credible potential delivery partner, despite most participants not being members and having very limited knowledge of them. Current and past members, however, regarded them as trustworthy and responsible organisations.

The most popular ways to access accounts were online (generally popular with younger people) and visiting the branch (generally more popular with older people and people without easy access to IT services). This would suggest that good branch access should be an ambition, at least for the duration of the pilot.

There may be potential to expand credit union services to rural areas. There was a high degree of interest in the type and range of services offered by credit unions, the ethos of the organisations, and the role they play in local communities.

### **Methods for promoting the scheme**

There was high awareness of private funeral plans and the types of funeral finance available. However, participants had mixed views on how transparent the advertised costs associated with such schemes were.

There may, therefore, be an opportunity to provide information on the types of plans and policies available, what they offer, potential pitfalls, and what to take into account when selecting one.

The main preferences amongst participants for receiving material on the new scheme were TV, radio, leaflets and social media.

### **Recommendations**

A small set of recommendations are set out below and expanded on later in the report:

- Increase awareness of funeral costs and of savings and insurance options available to help meet these costs
- Initiate measures to contain the increase in funeral costs and facilitate improved information and transparency around private funeral finance
- Modify the proposed IFSS model to reduce barriers to participation and respond to negative perceptions of the contribution levels
- Assess the demand for credit unions in areas currently without access
- Consider piloting alternative approaches to the proposed IFSS

# Background and context

## Policy background

In 2016, *Citizens Advice Scotland* undertook a *Review for Scottish Government on Funeral Poverty in Scotland*<sup>1</sup>. The report offered a number of recommendations on how funeral costs could be controlled, and families given more ability to arrange a respectful funeral at an affordable price. One recommendation was that the Scottish Government (SG), “explore the possibility of developing a Scottish Funeral Bond Scheme”.

Following this, in August 2017, the SG published the *Funeral Costs Plan*<sup>2</sup>, an action plan to tackle funeral poverty and make more affordable funeral options available. This included, “options to help people save for their funeral by piloting a Scottish funeral bond”. In delivering this commitment, SG is moving towards an incentivised funeral savings scheme, rather than a traditional bond. In part this is because the government’s capacity to create such bonds is restricted, but mainly because the government recognises there are already a number of insurance products and pre-payment funeral plans on the market and does not wish to duplicate existing provision.

The incentivised funeral savings scheme (IFSS) is designed to encourage and incentivise people who have not made financial provision for their funeral to start to make long-term savings for it, reducing the debt that their family may face when the time comes to arrange their funeral. It is also envisioned that the scheme encourages long-term behavioral change to make saving for a funeral a habit. While the scheme is still at an early stage of development, a number of features have been proposed:

- Targeted at people with low-to-middle incomes
- Targeted at people 40 years old and over
- Targeted at people who have not made financial provision for their funeral
- SG will match the amount saved by participants up to a specified amount. However, it is envisaged that the amount saved by participants in the long-term exceeds this figure
- Participants will be able to withdraw their savings at any time, and for any reason, though the SG contribution will be ring-fenced for funeral costs
- The pilot will be delivered through credit unions

## Policy context

Research indicates that many people are unprepared for the high and rising cost of their funeral. According to the latest *Cost of Dying Report* from *SunLife*, the

---

<sup>1</sup> Citizens Advice Scotland (2016) [Funeral Poverty in Scotland](#)

<sup>2</sup> Scottish Government (2017) [Funeral Costs Plan](#)

average total funeral cost in Scotland is £4,085, which is an increase of 13.4% from 2017<sup>3</sup>. Increases in funeral costs are above inflation and are expected to continue to rise for the foreseeable future. On average, burial charges in Scotland increased by 5.5% and cremation charges increased by 3% between 2016 and 2017. As these charges are determined by individual local authorities they vary widely across the country. For example, in 2017, a burial in Edinburgh cost on average £2,340, compared to £705 in the Western Isles.

According to *SunLife*, 62% of people in the UK had put money aside to pay for their funeral before they died, 50% had savings and investments for this purpose, 30% had a funeral plan, 17% had a life insurance plan and 16% had an over 50s Life Insurance plan. In 33% of cases, however, there was no financial provision for the funeral, meaning those responsible for it, had to make their own arrangements to pay. Of those who had made financial provision, not all had enough money to cover the full costs of their funeral.

Many families of those who have not made adequate provision to cover the costs of their funeral may struggle with funeral costs. Since 1998 the Social Fund Funeral Payment (now the Funeral Expenses Payment) has been in place to help those that cannot afford to pay. It covers costs such as burial or cremation fees and provides up to £700 for any other funeral expenses. It is only awarded to those on qualifying social security support and in cases where there are no other funds available. As levels of financial support have not increased, while funeral costs have risen steeply, even those eligible for help are likely to be left facing costs.

In the UK, in 2018, 23% of those who struggled to pay for a funeral used a credit card, 21% borrowed from a friend or relative, 17% got a loan and 16% had sold belongings in order to cover costs<sup>4</sup>. As well as debts, additional emotional costs are also reported, with anxiety over payment adding to the difficulty of the grieving process<sup>5</sup>.

## Research aims and objectives

This commissioned research was conducted on behalf of the SG by *Progressive Partnership* in order to inform the design and development of a pilot scheme to encourage funeral savings.

The overall aim was to strengthen understanding of the best format, delivery partners, and promotion mechanism for the IFSS. As the IFSS is targeted at adults over the age of 40 years with low-to-middle incomes, the objectives of this research were to explore the attitudes of individuals with those characteristics in the following areas:

- Funeral savings – knowledge of costs, current savings, motivators and barriers to saving

---

<sup>3</sup> SunLife (2018) [Cost of Dying](#)

<sup>4</sup> SunLife (2018) [Cost of Dying](#)

<sup>5</sup> Citizens Advice Scotland (2017) [Cost of Saying Goodbye](#)



- Incentivised savings schemes - attitudes towards savings schemes generally and the IFSS proposed more specifically
- Delivery partners - knowledge and use of credit unions and opinions on other potential partners
- Promotional mechanisms - opinions on successful ways of promoting financial products linked to funerals

The specific objectives are set out in Table 1 below. In addition, the research intended to draw out any variations in attitudes between research participants, such as any differences according to age, gender or location.

Table 1: Project objectives

<b>Funeral Savings</b>	<b>Savings Schemes</b>	<b>Delivery Partners</b>	<b>Promotion</b>
Knowledge of costs	Would an incentivised savings scheme encourage saving	Awareness of credit unions	Awareness of advertising for funeral products
Extent of savings	Would the IFSS encourage saving	Awareness of local credit unions	Views on such advertising
Methods used for saving	Would participants join	Use/potential use of credit unions	Preferred channels of communication for the IFSS
Reasons for/not saving	How should the government contribute	Alternative providers	
What would incentivise saving			

# Research methods

## Methods overview

The study adopted a qualitative approach, using focus group discussions. This enabled the study to obtain rich and insightful feedback on participant experiences, attitudes, and demand for the IFSS proposed. The interactive dynamic between participants enabled them to think deeply about the issues and to consider imaginative solutions to design and delivery issues. The Technical Appendix is attached as Appendix A.

A topic guide was developed to structure the discussion, ensuring consistency across focus groups. It covered the following sections:

- Warm up
- Attitudes towards saving
- Preparedness for funeral – general and financial
- Response to the IFSS proposition
- Views on the SG contribution
- Attitudes towards credit unions and alternative delivery partners
- Attitudes and capacity to save – generally and for a funeral
- Likelihood to participate in the IFSS proposed

The topic guide was developed in consultation with the SG team. A copy of the topic guide is included as Appendix B.

## Fieldwork

Each group was attended by facilitators. One executive acted as the lead moderator, taking overall control of group discussion while the other took notes and paid close attention to unspoken language.

Given the sensitive nature of the topic, the groups were split into two 'sessions'. The first two-thirds of the discussion was conducted as a full group discussion. The second part of the discussion (covering the final two topics on the guide) was conducted in pairs or trios in order to discuss more sensitive issues. The group was divided according to those who had close affinity with each other, for example, in terms of views, experience or attitudes.

All group discussions were recorded and transcriptions were produced for the purpose of analysis. The fieldwork took place between 27 February and 13 March 2019.

## Sample

Twelve focus groups (each with 5 or 6 participants) were held with Scottish adults who fit the characteristics of the IFSS target demographic. *Progressive Partnership* recruited those who were over 40 years old and fell into the C2DE social group (according to the National Readership Survey classification system).

The National Readership Survey (NRS) classification system is based on occupation and enables a household and all its members to be classified according to the occupation of the Chief Income Earner. C2DE is a combination of the following groups:

- C2: Skilled manual workers
- D: Semi-skilled and unskilled manual workers
- E: State pensioners, casual and lowest grade workers, unemployed people with access to state benefits only

Groups were recruited using 'free find' strategies across Scotland. Recruiters used a screening questionnaire, designed by *Progressive Partnership*, based on the criteria and sample plan agreed with SG at the project inception meeting. Key recruitment criteria comprised of the following:

- Aged over 40
- Mix of genders
- Belonging to NRS social group C2DE
- Located in the 20% most deprived data zones in Scotland, with a mix of urban and rural localities
- Mix of those currently saving for a funeral and those not saving for a funeral
- Excluded people who had recently experienced a bereavement, owing to the sensitivity of the subject matter under discussion

The sampling strategy is set out on Table 2 on page 11. The focus groups took place at local venues such as community centres that participants were likely to have visited before. This was designed to be convenient for participants, encourage open and honest dialogue in familiar surroundings, and minimise the cost and duration of travel. A £40 incentive was paid to encourage attendance.

Table 2: Sample Strategy

<b>Group 1: Edinburgh</b>	<b>Group 2: Edinburgh</b>	<b>Group 3: Highland</b>	<b>Group 4: Highland</b>
Urban authority Age 40-60 Social group C2	Urban authority Age 60+ Social group DE	Rural authority Age 60+ Social group C2DE	Rural authority Age 40-60 Social group C2DE
<b>Group 5: Glasgow</b>	<b>Group 6: Glasgow</b>	<b>Group 7: Scottish Borders</b>	<b>Group 8: Scottish Borders</b>
Urban authority Age 40-60 Social group DE	Urban authority Age 60+ Social group C2	Rural authority Age 40-60 Social group C2DE	Rural authority Age 60+ Social group C2DE
<b>Group 9: Dundee</b>	<b>Group 10: Dundee</b>	<b>Group 11: Aberdeenshire</b>	<b>Group 12: Aberdeenshire</b>
Urban authority Age 60+ Social group C2DE	Urban authority Age 40-60 Social group C2DE	Rural authority Age 60+ Social group DE	Rural authority Age 40-60 Social group C2

# Results

## Funeral savings

### Knowledge of costs

Almost all participants had a view on the cost of a funeral in Scotland and knowledge of costs was typically based on personal experience. This included having arranged the funeral of a close family member, helping a family member purchase a funeral plan or from assisting with the arrangements of a funeral for a friend or family member.

Participants typically assessed funeral costs to be around £3,000 to £4,000, with some placing the costs substantially above this (upwards of £6,000) once cars, flowers and other costs had been taken into account. Some thought costs could be less, especially if a burial plot had already been purchased, and if the service and refreshments were basic and provided locally. Cost expectations varied a little between age, location and NRS social grade.

Those in remote rural areas, in some cases, appeared to have additional costs. Typically, participants in rural areas would opt for burial and noted that the cost of plots was high, and had been rising significantly over recent years. In one case, for example, a participant had bought a plot for around £400 in 2007, but when used, in 2017, after a family bereavement, plots cost around £1,200. Cremation was a limited option, with crematoriums often considerable distances away, which could increase mortuary costs and require long journeys for the funeral party. Participants also noted the limited 'choice' of funeral directors in rural areas, potentially impacting on price, although none had complaints about the quality of service they had personally received.

Typically, older people, and those who were recently bereaved, felt that a 'decent funeral' was important. Descriptions of a 'decent funeral' varied, from a burial with a few friends, refreshments at a local community centre, or a full funeral reception to accommodate friends visiting from further afield. The estimated price of decent funeral varied accordingly, ranging from £2,000-£3,000 to around £6,000-£8,000.

Many participants were angry at the cost of funerals in Scotland. Participants, especially younger people, and some of those with lower incomes, felt that funerals should cost less. They considered the price of funerals to be rising ahead of general inflation and that societal pressure, as with weddings, was sometimes exerted on those arranging funerals to include unnecessary components, such as flowers, cards or cars, which increased costs.

“When I buried my father 20 years ago, the bill was £1,600-£1,700, and I had to cough that up. My mum died ten years ago, in 2011, and the cost then came to just over £3,500.” (Urban C2DE Male 60+)

Several participants referenced minimalist approaches, for example, cremations, or cardboard coffins, which could minimise costs. Indeed, participants often indicated

that they would be content for a basic, or minimalist, approach to their own funeral, and would prefer the money saved to be spent on more enjoyable or useful things.

“The old fashioned way was you wanted the best coffin and all the rest of it. But now, a lot of people are quite eco-friendly, and ‘it doesn’t matter, I’m just going in the ground, you know’.” (Rural C2DE Female 40-60)

Related to this, was a concern that £4,000 - £6,000 was a sizable amount of money to expect people to have saved throughout their retirement, especially as emergencies might occur, or investments or pensions could reduce in value.

Participants also highlighted that funerals were not something people typically “shopped around for”. Indeed, families may feel under societal pressure to select expensive options (or not select the inexpensive options) to give their relative the “send-off they deserve”. It was stressed that relatives are rarely in a position to browse different funeral directors or funeral services in order to save money. The quotes below are lengthy, but illustrate this point starkly.

“The way I look at it, when my missus passed away during the night I got up and thought ‘What do I do’? Panic stations. The police ended up coming because she died in the house. The boy said, ‘Do you want us to get the undertaker’? I thought ‘What are you going to do, leave her lying there? She will have to go somewhere’. I wasn’t going to phone up X Funeral Directors and say ‘How much is it going to cost?’ If it was three and a half grand I wouldn’t phone up y Funeral Directors and ask how much they were. If they were too dear I wouldn’t phone up Z... You have a body lying there of someone you have loved all your life. How can I explain? All you want is them to be put to rest and all the best done for them [The cost] is the last thing on your mind.” (Rural C2DE Male 40-60)

“I had a friend – I won’t say who. His wife was in a care home. He went to X Funeral Directors and priced everything. He wanted his wife cremated. And he saw what X Funeral Directors were charging, so he went to the crematorium and got a price from. Then he says, ‘I want my wife to lie in the house, not in here, so you can take that out of the equation’. And he got the price knocked down - phenomenal!” (Rural C2DE Female 60+)

Notably, while participants generally felt they had a fairly good understanding of what a funeral costs now, many mentioned having been surprised at the cost the first time they had arranged a funeral. In particular, participants mentioned there had been items they had to pay for that had been unexpected (for example, mortuary time), and that the cost of some individual items had been a surprise.

“I was absolutely devastated five years ago when I saw the cost of my husband’s funeral. Total rip off. But at the time you’re so distressed and you go with your arrangements, and then you get the bill and you think, how could that have come [about]?” (Urban C2DE Female 60+)

## Extent of funeral savings

Very few participants had made specific provision for the cost of their funeral, although some knew they had sufficient assets. On reflection many others realised they did have savings or insurance policies which could cover the cost, although there was concern that these might decline in value over time.

Those who had indicated they had higher disposable incomes - typically, but not always, those in NRS social group C2 or in work – were most likely to indicate they were confident the savings they had in place would cover the cost of a funeral. Most had life insurance policies and other smaller policies that they had acquired over the years and expected to pay out moderate sums in the future.

Those on moderate incomes and with a degree of disposable income – typically older people and people in NRS social groups C2 – often initially thought they had insufficient savings for their funeral. However, as the discussion progressed, many remembered they had small life insurance policies or savings accounts that, accumulatively, would be sufficient to meet the cost of a basic funeral.

Those on lower incomes - typically those on state benefits, pensioners with low incomes and those in precarious work - generally had very little disposable income, had not made specific provision for their funeral, and did not have substantial savings or assets that their family would be able to use to pay the costs. They often spoke of saving small amounts of money either at home (in envelopes or jars) or through local savings clubs (such as stamps with local shops, credit unions or menages). These participants thought of such savings as being essential to manage expenditures such as Christmas or birthdays or for paying their insurance policies. However, they frequently found themselves “dipping in” to such funds, if accessible, to pay for living costs.

Most participants had given thought to their own funeral and the costs associated. Often the main reason for funeral planning was the death of a close relative. Indeed, many participants had developed their plans with other family members also been affected by a death. They indicated that the prime motivator for making provisions was to ensure their family did not have to worry about funeral costs at a stressful time.

“I have to think about it because what I don't want is my family to be saddled with the debt, because they're a young family, they've got young kids, and the last thing I want is them to say, “how are we going to find the money...?”  
(Urban DE Male 60+)

There were clear differences by age and location. Older participants (those aged 60 and over) were, perhaps unsurprisingly, most likely to have started to actively plan for their funeral, while younger participants (those aged between 40-60) were often prompted into action after assisting a parent purchase a funeral plan or making arrangements for a parent's funeral.

“On funeral plans, it's just something that's a bit close to the heart at the moment because we've got parents in palliative care. My mum and dad have

paid for the funeral, all done and dusted. We used to joke about that, but now that my other in-laws haven't, it makes you stop and think." (Urban DE Female 60+)

One key aspect of funeral planning in rural areas – rarely mentioned by participants in urban areas – was to have purchased a burial plot. A number of participants living in rural areas had already done so, or had been gifted their plot by a parent or sibling. The primary driver had been to enable families to remain together in the cemetery. However, as the price of plots rose, many considered plots bought previously as a “sound investment”.

“I lost my brother fifteen years ago, and to placate my father, I bought my plot...so I'm halfway there. That's the only land I own!” (Rural C2DE Female 40-60)

### **Motivations for saving**

Participants were motivated to save by a number of factors:

**Ease of saving:** Almost all participants indicated they find it easiest to save when funds come straight from their salary or income at source (by standing order, direct debit or by their partner organising it). Participants found it much harder to actively put money aside and were nearly unanimous that the best way to ensure they saved for something was when they had no access to the savings. Those who use credit unions mentioned they particularly liked having savings deducted directly from their income sources, while others mentioned giving money to friends or partners to ensure it was not spent.

**Short-term goals:** Participants tended to have short-term saving goals such as for events like Christmas, family birthdays, decorating their home, holidays and, in some cases, maintaining or replacing their car. Longer-term goals (such as insurance policies or mortgages) were rarely accommodated through personal savings.

**Sufficient funds:** A key factor in being motivated to save was having enough disposable income to do so. Those most likely to have savings, pensions and life insurance policies were those on higher incomes.

**Personal experience:** A key motivator for putting funeral plans in place, (such as purchasing a funeral plot), was personal experience. Linked to this was an intent that those responsible for their funeral would not experience any financial or emotional burdens associated with arranging it.

Those on lower incomes were often motivated to save using savings plans, especially in contexts where savings could be built gradually, where the product was trustworthy, and where there were clear benefits to the savings plan.



## Barriers to saving

Many participants identified a number of barriers to achieving their savings ambitions. Indeed, for many, saving was seen as an aspiration rather than a reality. Those who did put money aside on a weekly, bi-weekly, or monthly basis often ended up “tapping into” that money out of necessity.

Participants identified a number of barriers to funeral saving:

**Insufficient income:** Many participants lacked the resources and/or the security of income to commit to saving towards a funeral. These tended to be those with lower incomes, often in urban areas, and sometimes in younger age groups. Some participants simply had no spare income, so saving for anything beyond emergencies was unthinkable. Some had limited amounts of money that could be saved, but this tended to be used for items such as Christmas, birthdays, household goods and decoration, insurance and, less commonly, a holiday or car.

Some of these participants voiced fears about how their funeral would be funded, asking for reassurance that there were benefits to help cover the costs. Participants across all groups believed that everyone has the right to a funeral and most agreed the SG should guarantee a funeral for those without the funds available.

“I think if you don’t have a property and you don’t have any money, the government should pay for your funeral. Not for a ‘pauper’s funeral’, just a basic, nice funeral.” (Rural C2DE Female 40-60)

**Lack of trust in the funeral plans available:** This is covered this in more depth below. However, in summary, participants mentioned being unable to afford to pay for many private plans upfront, being unclear as to the total cost of plans, having a lack of clarity around what the plan includes (and linked to that, being concerned that relatives would have to pay for additional items at a later date). There was also concern that plan owners might overpay into the plan.

**Other savings in place:** Younger participants tended to express confidence that their funeral could be covered through existing insurance policies, general savings and ISAs, or by selling assets. These funds were designed to cover more than funeral costs, but participants were confident that these funds would be sufficient to cover associated expenses. Many older participants also held these assets but some were concerned that their value could or would decline, necessitating a need for additional funds to meet full funeral costs.

**Not got round to it yet:** One of the main reasons participants did not have funeral savings was that they simply had not yet started and did not currently consider it a priority.

## The incentivised funeral savings scheme

### The proposition

The core proposition for an incentivised funeral savings scheme is as follows:

- A savings scheme to help people with their funeral costs
- Designed to encourage people to save for their funeral and support them in doing so
- Scottish Government will contribute to the savings that account holders make, up to a specified limit

Participants were overwhelmingly positive when presented with the core proposition for the IFSS. Most participants thought the core proposition was very promising and some likened the government contributions to assistance to first time buyers and tax relief on pensions or mortgages.

“I’d like to have something in place, like if the government was wanting to contribute, at least there’s peace of mind.” (Rural C2DE Female 60+)

There was concern, however, that those most in need of the scheme, may have insufficient income, to be able to save into the scheme.

“There’s people that can’t afford that. There are people going to food banks. These people genuinely couldn’t probably afford even two pound a week. To them, that’s a lot of money” (Urban DE Female 60+)

### **Key features**

The key features are still in an early stage of development. The participants discussed three potential features of the scheme:

- The account holder’s contribution may or may not be accessible
- The government contribution may only be used for the purpose of the account holder’s funeral
- It would be run through Credit Unions

### **Participants may or may not withdraw their contribution**

Participants overwhelmingly agreed that their contributions should be locked into the IFSS, and only used for the purpose of their funeral. Most found it both difficult to save, and necessary to dip back into any savings they had for day-to-day essentials, one-off emergencies, major purchases or the occasional treat. They were clear that, if they could withdraw the money from the IFSS, they would.

“It’s tempting as a wee savings thing, just to say ‘do you know what I’m going to go on holiday’ and just use that money this year. You know what I mean, then you’re back to square one again.” (Urban C2 Female 40-60)

A small number of participants suggested additional conditions:

- Option to withdraw some or all of the money in extreme circumstances, for example, to prevent eviction or bankruptcy or in case of redundancy

- Provision to pay the sums directly to a funeral director if there are concerns that the next of kin may not use the money appropriately
- Where savings exceed the cost of the funeral, savings are returned to the estate

### **Scottish Government contribution used for the purpose of a funeral**

All participants agreed that the government's contribution should be ring-fenced to pay for funeral costs. Some raised questions as to what would happen to the government's contribution should the contributor withdraw their savings for any reason, however, most were confident the government would reclaim its share accordingly.

### **Run through a credit union**

Most participants were unfamiliar with credit unions. Some of those in urban areas were members, while others knew of them through friends, family or their housing association. More generally, participants had seen a TV programme about credit unions, so broadly understood their role and function in local communities (but tended to think they only operated in England).

That said, in principle, participants were generally warm to the proposal that credit unions, and in particular, those that could be accessed locally, would run the IFSS (and this is discussed in detail on pages 23-24).

### **Eligibility criteria**

Eligibility criteria included:

- Be aged over 40
- Have no existing financial provision for a funeral (for example a funeral plan or over 50's life insurance)
- Be resident in Scotland

The majority of participants felt that the scheme must be open to everyone and that resources should not be targeted towards any one group as it would be unfair for some to benefit from a government contribution while others did not.

Participants were asked whether everyone, regardless of their income or wealth status, should be able to access an IFSS. Participants tended to suggest that everybody should have access, but there was an assumption that those with the means to pay for their own funeral would not sign up. The scheme is considering eligibility criteria around age, existing financial provision and residence.

### **Age**

There were mixed views across the groups on the eligible age bracket. It was suggested by many participants that people may not start thinking about saving for their funeral until they are 40 years old (or much older), and it may be difficult to achieve buy-in from those who are younger. However, many people thought that

limiting the scheme to people aged over 40 was too late. Allowing people to start saving earlier could give reassurance that savings were started and enable the saving of smaller amounts of money over a longer period of time. It could also provide protection in the case of reduced earnings due to illness or unemployment in later life. Participants in one group also commented that some living in Glasgow's poorest areas die younger than in other areas of Scotland.

“My younger brother had a good working life for a number of years, but he became an alcoholic and he died. At the end my brother and I had to pay for his funeral. And me and my brother had to pick up the pieces, rather than him have a pauper's funeral... I just think there must be 100s like that.” (Rural C2DE Male 60+)

### **Existing financial provision**

Most participants disagreed with the proposed idea that the scheme should only be available to people who had no existing financial provision and felt, to be equitable, the scheme should be open to all.

A number of concerns and issues about this aspect of the IFSS were raised:

**Definitions:** Participants asked for further details on what constituted financial provision for a funeral.

**Impact of inflation:** There were concerns that savings within the scheme, if not indexed to the cost of funerals, would be insufficient to cover the cost of a funeral. Participants thought it may be helpful to have a number of different products so that they could ensure the cost of their funeral was covered.

**Rules on private provision:** Some participants asked if they would be allowed to take out private provision after they had started or completed savings in an IFSS (in this case 'completed' tended to mean saving around £4,000-6,000). Most thought they should be allowed to, but there was a strong view that it would be unfair to allow people to take out private provision after an IFSS, but not before.

**Effect of private provision on SG contribution:** Several participants asked what would happen if they were to take out private provision after they had started or completed an IFSS. How would the government know? Would they lose the government's IFSS contribution? Would this act as a disincentive to people making additional private provision?

### **Residence in Scotland**

On the whole, participants were content that the scheme should be restricted to people who are resident in Scotland. A small number of participants questioned how this would be defined (for example, how long someone would need to have been resident in Scotland in order to participate). However, most participants were firmly of the view that requiring people to be living in Scotland while they contributed was perfectly appropriate.

## Other issues

Participants raised a number of other issues with respect to the scheme:

**Compulsory or voluntary:** There were mixed views across focus groups as to whether the IFSS should be voluntary or compulsory. Several participants thought everyone should be required to save a small amount towards their funeral once they started work.

**Direct deductions from income source:** Many of the participants found it difficult to actively save, and suggested contributions should be deducted directly from earnings, benefits or other income sources.

**Payment holidays:** Several participants, especially those on low or insecure incomes, were concerned that by joining the IFSS they would have to make regular payments, regardless of personal circumstances. They suggested that to be appealing the scheme would have to be flexible and allow them to suspend their savings for a period if times were difficult.

“I think they should take it off your wages automatically. The reason for that is because it [death] is going to happen to the folk who have nothing to pay in. How are they going to get buried? If everybody had to pay in, there is no excuse for anyone not to have a burial.” (Rural DE Male 60+)

## Attitudes to the proposed Scottish Government contribution to the IFSS

### Expectations of the government contribution

On the whole, participants thought that a fairly significant government contribution to the IFSS would incentivise savings and assist those on low incomes to pay for their funeral. Typically, participants assumed the government would match fund participant savings, or “at the very least”, contribute the equivalent of 50% of participant savings. However, some thought the contribution would be much smaller than that, possibly as low as 25% or 10% of participant savings.

“That sounds not bad because if you were paying £20 a week and the Scottish Government had to pay £5 or £10 then that is £30 you are getting in. It only has to take £4,000, so it does not have to take forever. So, once you had enough money you would have your insurance.” (Rural C2DE Male 40-60)

“It seems too good to be true. I couldn’t see them putting in anything much, no way. I couldn’t go to 10%.” (Rural C2 Female 40-60)

Typically, the expectation was that the cap set on the government’s contribution would be in line with the total cost of an average funeral. For example, those who expected match-funding assumed the government would contribute £2,000-3,000 (to fund a funeral of £4,000-6,000) if savers saved £2,000-£3,000 themselves. Those who expected a government contribution capped at 10% of the total cost of an average funeral, assumed the maximum contribution would be £400-600 (10% of £4,000-6,000) if savers saved £400-£600 themselves.

A small number of participants assumed the government would continue to make contributions in line with those of savers and there was some discussion as to how high this could go.

### **Views on proposed value of contribution to the IFSS**

Perhaps not surprisingly therefore, participants were universally underwhelmed by the proposed government contributions. Proposed contributions of £125 and £250 were met with disbelief, laughter and derision in all groups. Participants tended to suggest they would not join a scheme offering these amounts because “what is the point”? Indeed, across all the groups, participants spontaneously listed funeral expenses that would be (barely met) by the government contribution.

The reaction was similar when the proposed contribution of £400 was introduced to the groups. Most participants remained surprised and disappointed with the level of contribution. Even those who had guessed the contribution may be around this level were indifferent. However, all were clear that £400 was not an adequate incentive to save for their funeral and there was no difference across location or social group.

### **Willingness to join**

The discussion prompted all groups to think seriously about funeral planning and making financial provision for their funeral. However, views were mixed about whether they would join an IFSS.

Many were withholding judgement until they found out more. They could be interested in joining if they were able to hold additional savings, life insurance policies and private pensions at the same time. However, if they were limited to this as their only financial product, they would be very unlikely to join. These participants tended to be in higher income groups, be younger and in work, older with private pensions, and have some financial products or savings already.

Some thought the scheme might be of interest, as they had limited savings as yet and were distrustful of private funeral plans.

Some were not interested. They considered the scheme restrictive, the government contribution minimal, and were concerned that by the time they died, their savings would not cover a decent funeral. On reflection they preferred schemes that would guarantee savings to cover the cost of the funeral and enable them to influence the other aspects of their funeral, so that their family were not pressured into spending more money than they needed to.

Some had insufficient funds to contribute to a savings scheme as any disposable income was needed to cover day-to-day living costs or emergency expenses.

### **An alternative proposition based on an insurance model**

Many of the groups suggested an alternative approach would be to increase their National Insurance contributions to fund a basic funeral. It is noted that powers relating to National Insurance contributions are reserved to the UK Government,

and could not be adjusted by the Scottish Government under current powers. However, many participants assumed that the tax and welfare system could be used to administer such a scheme, with payments similar to national insurance contributions.

This alternative model was felt to offer many advantages, such as contributions being linked to age and income with the government contributing in certain circumstances (such as during periods of unemployment and maternity leave). However, there were different assumptions as to how this model would work in reality, with some assuming everyone who was a member of the scheme would benefit, regardless of the amount paid in, and others assuming the scheme would protect the value of contributions made.

In summary, the key features of an alternative model were thought to be:

- Entry into the scheme would be compulsory once economically active
- Payments would be taken directly from income source and contributions of those not in work or on low wages could be supplemented through the benefit system
- The contribution required would be very small
- The scheme would cover basic costs such as death certificates, mortuary costs and crematorium or burial fees while any extra costs (such as flowers) would be covered by the individual or their family

“You leave school as a 16-year-old. You might die at 17 years old but if they offer you 20p or 50p a week they should just take that like national insurance. If you are on benefits you get the basic but surely you are getting a national insurance stamp anyway, so why not take 30p or 50p off them as well?” (Rural C2DE Male 40-60)

## **Delivery partners**

### **Awareness of credit unions**

Awareness of credit unions varied by levels of rurality. Participants who lived in large, urban areas like Edinburgh, Glasgow, and to a lesser extent Dundee, were much more likely to be aware and engaged with credit unions than participants living in more rural locations. Participants who were aware of, or who had experience of, credit unions tended to be extremely positive of them.

Credit unions were widely viewed as being trustworthy, especially when compared to traditional financial institutions like banks. Several participants understood credit unions to be community-based, which they viewed as a positive feature.

“I think I would definitely look into it. I do have some credit unions [nearby]. I think my son is in one right now, and I think they’re pretty trustworthy. It’s like the people’s bank.” (Urban C2 Male 40-60)

Most of those who lived in remote or rural locations, like the Scottish Borders or Aberdeenshire, knew little of credit unions apart from, in some cases, generalities and none currently used a credit union. Several participants who had a general understanding of credit unions attributed this to a recent BBC documentary series called *A Matter of Life and Debt*.

“I’ve seen a programme on TV in the mornings recently, about credit unions. It just seems like a local lending establishment who offer variable, favourable rates to people maybe with bad credit ratings.” (Rural C2 Male 40-60)

“I watched something on the TV about credit unions. If you save into them, people can borrow money, or people who haven’t got money and need it, they go in and ask for a loan, and then they just pay it back at a certain amount, and it’s not high interest.” (Rural C2DE Female 60+)

Despite the limited general awareness of credit unions, participants tended to be positive about the services they provided and the prospect of them partnering with SG to deliver the IFSS. Notably, many of those who did not have prior awareness of credit unions generally assessed them to be acceptable delivery partners once their features were discussed within the groups. Across all groups, those discussions were spontaneously led by other participants who had an awareness of what credit unions do.

Interestingly, one group raised concerns with the word “credit” as this was associated with debt. This negative association would make those participants sceptical and nervous about engaging with credit unions.

“The word credit worries me. It’s the word credit. You see, I have been in the situation years ago where I had to live off credit, and credit is something you’ve got to pay back. And I don’t want to be in that position again unless I really have to, which I don’t.” (Rural DE Female 60+)

There is potential to expand awareness of credit unions, particularly in rural areas, to support savings and low cost borrowing.

### **Use of credit unions and alternative providers**

Credit unions were identified as the preferred provider for the IFSS across all groups. Banks and the Post Office were spontaneously mentioned as potential alternatives but were generally viewed as being less appealing than credit unions.

Many of the concerns with using traditional banks centred around a perceived instability, with a number of participants referencing bank closures in their local area. Rural participants spoke of ‘bank busses’ that now serve their communities as a result of branch closures. There was also a general distrust of banks, with several participants highlighting their reluctance to allow banks to make larger profits from savings for funeral costs.

“So many banks are shutting. They are all online, and I don’t trust anything like that. I wouldn’t trust the banks anymore.” (Urban DE Female 60+)



“We’ve got bank vans now instead of actual banks, which is going back years... one broke down the other day... I seen (sic) it on a pickup lorry getting towed away.” (Rural C2DE Female 40-60)

The Post Office was viewed by many, typically older participants, as a potential alternative delivery partner for the IFSS, and a few used the Post Office for their daily banking. Like credit unions, the Post Office was viewed as more trustworthy than traditional banks. However, concerns were raised about the closure of Post Offices in urban and rural areas and credit unions emerged as the preferred provider.

“If the government go with the Post Office, great. I’ve got one two minutes from here.” (Urban C2 Male 40-60)

“It would be great but... Post Offices have all shut down.” (Urban DE Male 60+)

### **Access to accounts**

Across all groups, the preferred ways to access financial accounts were either online or visiting a branch.

Online access tended to be popular amongst younger participants who valued the convenience of having 24-hour access to their accounts. Many older participants also used online services to access their accounts, though a number had reservations about relying solely on internet-based banking and others simply did not have access to the internet to use such services.

“[Online] is convenient...24 hours a day.” (Urban C2DE Male 60+)

“I’d say I mostly [do] stuff online, but occasionally I have to go in...most of the stuff to be done is better online.” (Rural C2DE Female 60+)

“I don’t [use online banking], because I had a bad experience once. Money came out of my account, and I stopped it after that.” (Urban C2 Male 40-60)

Almost all participants, across all ages and socio-economic groups, still visited local branches to deal with complex issues such as opening or closing an account, dealing with queries about an account, or making a complaint. Older participants, perhaps unsurprisingly, were more likely than younger participants to visit branches as the primary way of accessing their accounts.

“I am an ex-bank worker and I would never, never bank online.” (Rural C2DE Female 40-60)

“Me, myself, I’d go into the branch, because I can’t do this online thing.” (Rural C2DE Female 60+)

Despite the majority of participants choosing to access their accounts through online banking or visiting branches in person, there were a couple of participants, typically older, who still use telephone banking on a regular basis. Those who use telephone banking highlighted the convenience, and ability to deal with a customer service advisor, without having to leave their home.

“[Telephone banking] is convenient for me as well, because you can call them when it suits you rather than thinking well I’ve got to make an appointment between nine and five.” (Urban DE Male 60+)

Flexibility was the consistent theme, across all groups, when discussing methods of accessing account. There was a view that the IFSS should not discount any methods of accessing accounts because there were those who still tended to use the more ‘traditional methods’ like telephone banking.

## **Promotion of the incentivised funeral savings scheme**

### **Awareness of advertising for funeral products**

Most participants were familiar with private funeral plans and had witnessed an increase in TV, radio and social media advertisement around funeral products which had increased awareness of the costs of funerals.

“I have to say I’ve noticed a lot more advertising. The companies with the funeral plans, they’re on all the time on the television” (Urban DE Male 60+)

Several participants were able to recall specific features of this type of advertisement, for example, free gifts as incentives for inquiring about, or taking out, a funeral plan.

“It was on the television...The average cost is £3,781.” (Rural C2DE Female 40-60)

“You see all the ads on TV, it’s like ‘call us now you’ve got a free pen’.” (Urban DE Male 60+)

“I think it’s the funeral plans where if you get one before a certain date you get a hundred pounds Marks and Spencer voucher.” (Urban C2 Female 40-60)

Notably, a number of participants, typically those who were older or with higher disposable income, had considered purchasing or had purchased a private funeral plan as a result of advertisement.

### **Views on such advertising**

Advertisements around funeral products were generally viewed positively across all groups and there were a number of participants who had been encouraged to arrange their own funerals as a result of seeing such advertisements.

Despite a general positivity around advertising, participants identified four principal concerns around private funeral plans:

**Policy would not pay out for a period of time:** Participants were concerned that many private schemes require an extended period of payment before cover is available.

**Advertised benefit would not cover the cost of the funeral:** There was a general awareness that the cost of funerals in Scotland continues to rise year-on-year. Many participants, especially younger ones, were concerned that the amount paid out would not cover the full cost of their funeral in the future. A couple of participants had experiences of family members having funeral plans that did not cover the full costs of their funerals

**Potential to overpay:** Participants, typically younger or those with low incomes, raised concerns around overpayment. Some feared paying in more than a private scheme policy would return if they began saving at a young age. This concern was borne out of similar experiences of family members.

**Lack of affordability:** Participants who had mentioned that they had little disposable income tended to dismiss private funeral plans outright because they simply could not afford the costs associated with these types of products. Many highlighted the common requirement for a one-off payment on purchase as something that would be impossible to afford.

“There’s a lot of people [who] can’t save. They’re going to food banks, so how can they save.” (Urban C2DE Female 40-60)

### **Preferred communication channels for an incentivised funeral savings scheme**

When asked about their preferred communication channels for finding out about a potential IFSS, all groups mentioned leaflets in public spaces, such as community centres, health centres, council buildings, and GP practices. Most participants tended to visit these locations often and viewed the leaflets available as reliable sources of information.

Social media was a focus for younger participants and Facebook, Twitter, and Instagram were all mentioned as appropriate communication channels. However, many older participants held particularly negative views of these platforms and would not be reached through these channels.

TV and radio were viewed as being trustworthy, convenient, and visible across all locations, age groups, and socio-economic groups and would be effective mechanisms of promotion.

# Conclusions and recommendations

## Conclusions

Most research participants had made limited financial provision for their funeral, although some had assets which could be used to fund their funeral. As a consequence of the focus group discussion, most of those in a financial position to save for their funeral felt motivated to do so.

Participants viewed the IFSS proposed positively and were initially enthused. However, this enthusiasm was based on their assumption that the government contribution would match participant savings (or match participant savings at a level of 10%, 25% or 50%).

The proposed limit on government contributions (£120, £250 and £400) were not perceived to be an adequate incentive to encourage participants to save for their funeral.

In addition, there were concerns about the proposed eligibility criteria (such as restricting the scheme to those over 40 years old and without existing financial provisions for their funeral). As a result, few participants felt the proposed IFSS would be a suitable product:

- Those on moderate incomes, but also some on lower incomes, suspected they would be ineligible because they had a pension, life insurance policy or funeral plan
- Those struggling on a low income feared they would be unable to participate because they would not be able to afford to save into the scheme.

Participants did, however, view credit unions positively and as a credible delivery partner, despite not being members and having limited knowledge of them.

## Recommendations

A small set of recommendations are set out below. These are in four groups. The first are general; the second relates to developing the IFSS as currently formulated; the third relates to the intended delivery partners and the fourth relates to developing an alternative approach that emerged from the discussions with participants.

### **General: encouraging and enabling funeral savings**

Increase awareness of funeral costs, and of savings and insurance options, so that people are encouraged and motivated to make provision for their funeral costs.

Facilitate improved information and advice about the wide range of private sector options, to enable those who are able to afford independent provision to make adequate provision with confidence.

Support or initiate measures in Scotland to contain growth in funeral costs, (and where possible reverse this growth), and improve transparency around the costs of funeral services and plans.

### **IFSS: reducing barriers to entry and increasing incentives**

Modify the proposed IFSS to reduce barriers to participation by reconsidering the age restriction, reconsidering the restriction on existing funeral provision, accommodating small regular savings, and introducing provisions to ring-fence savers' contributions, except for specified emergencies.

Respond to negative perceptions of the government contribution by increasing it, targetting it, or developing an alternative presentation of the government incentive. One example could be in the form of a one-off or annual payment after sustained savings or stipulated level of savings, up to a final cap.

### **Delivery partners: credit unions**

Assess the need and demand for credit unions in areas currently without access (more than 20 miles from a credit union, for instance).

### **An alternative approach: an insurance model**

While it is noted that powers relating to National Insurance contributions are reserved to the UK Government, participants did suggest an alternative scheme based along an insurance model. Such a scheme was popular because it encompassed the following features:

- Entry into the scheme would be compulsory once economically active
- Payments would be taken directly from income source with contributions from the government for those in specific circumstances (such as unemployment)
- The personal contribution required would be small across a long period of time
- The payment would cover key costs such as death certificates, mortuary expenses and burial or crematorium fees with the individual or family covering additional expenses such as refreshments or flowers

## Appendix A: Technical Appendix

1. The data was collected by Focus Discussion Groups
2. The target group for this research study was people aged 40+ in social groups C2DE in Scotland.
3. In total, 12 group discussions were undertaken. The groups were held at six locations across the country: Edinburgh, Hawick, Glasgow, Dundee, Dingwall and Peterhead.
4. Each group contained 5 – 6 participants.
5. Fieldwork was undertaken between 27 February 2019 and 13 March 2019.
6. Participants were recruited face-to-face by *Progressive Partnership's* recruitment team. These recruiters work to predetermined quota controls to ensure that the final sample reflects the requirements of the project. All participants are screened to ensure that they have not participated in a group discussion or depth interview relating to a similar subject in the last 6 months prior to recruitment.
7. An incentive of £40 compensated participants for their time and encouraged a positive response.
8. In total, 4 moderators were involved in the fieldwork for this project.
9. Stimulus materials were used during the group discussions/depth interviews. These included descriptions of the IFSS.
10. Each recruiter's work is validated as per the requirements of the international standard ISO 20252. Therefore, all participants were subject to validation, either between recruitment and the date of the group discussion/depth interview, or on the day of the group discussion/depth interview. Validation involves participants completing a short questionnaire asking pertinent profiling questions and checking that they have not participated in similar research in the past 6 months.
11. All research projects undertaken by *Progressive Partnership* comply fully with the requirements of ISO 20252, the GDPR and the MRS Code of Conduct.

# Appendix B: Topic Guide

## Introduction

Introduction by interviewer to participant and an explanation of MRS Code of Conduct.

Explanation of rules of engagement of discussion: take part; not a test; no right or wrong answers; relax!

This research is being conducted on behalf of the Scottish Government The aim of this research is to understand better how people approach to saving for funerals.

## Warm up (5 minutes)

Name?

Where they live?

What is your general approach to planning for the future?

(p) The future will take care of itself

(p) Like to have every eventuality covered

(p) Take some care about planning but not obsessed

Give me an example of things you have planned/prepared for the future?

## Attitudes towards saving (5 minutes)

Given the choice, what would you save for?

(p) Why?

Why wouldn't you save even if you had funds available?

(p) Why?

## Preparedness for funeral (10 minutes)

Have you ever given thought to your own funeral?

(p) If not, why not?

What are the key things you have taken into consideration?

(p) Not just the music

Have you ever given thought to the cost of a funeral?

What do you imagine to be the cost of an average funeral?

What if I told you the average cost of a funeral in Scotland is £4,000. This doesn't include additional items like flowers, wake, etc., which are estimated to add another £2,000 to the total cost?

(p) More/less than you thought?

(p) Are you surprised?

With this in mind what might the benefits be of saving for your own funeral in advance?

(p) Why/why not?

What do you imagine to be the disadvantages of doing nothing/not saving?

What might prompt or persuade you to create a fund specifically for your funeral?

### **Response to proposition (25 minutes)**

I would like to share some ideas about an incentivised saving scheme that the government is considering to help people meet funeral costs.

Show core proposition:

- This would be a savings scheme designed to help people with funeral costs
- The idea behind it is to encourage people to save for their funeral and support them in doing so
- Scottish Government will contribute to the savings that account holders make, up to a specified amount

What are your initial thoughts on this?

(p) Is it clear what this is?

(p) Are there any elements that you don't understand?

How appealing is this idea to you?

How could this be of benefit to you?

Who would it appeal to?

Show key features:

- The account holder's contribution may or may not be accessible and may be withdrawn



- Scottish Government contribution may only be used for the purpose of their funeral
- It would be run through Credit Unions

What are your reactions to the key features?

(p) Is it clear what this is?

(p) Are there any elements that you don't understand?

How would you feel if the funds could not be withdrawn by the account holder?

(P) advantages/disadvantages

Show eligibility

- Be aged over 40 years old
- Have no existing financial provision for a funeral (funeral plan or over 50s insurance)
- Be resident in Scotland

What are your reactions to eligibility?

(p) Who else should be eligible?

(p) Who should be excluded, if anyone?

Interviewer note as with current funeral expense assistance all funds or financial products that could deliver a lump sum would be taken into account when means testing.

Would any of you take this up based on what you have heard so far?

(p) Who would and why?

(p) Who wouldn't and why?

What else do you want to know about this?

### **Scottish Government contribution (10 minutes)**

What would be the maximum amount, in terms of actual money, that you would expect the government to contribute to each individual?

(p) Why do you say that?

What is the amount you would want the government to contribute for you to take part in his scheme?

(p) Why do you say that?

What if I said the government would contribute up to £120 in total?

(p) Levels of interest/resistance?

What if I said the government would contribute up to £250 in total?

(p) Levels of interest/resistance?

What if I said the government would contribute up to £400 in total?

(p) Levels of interest/resistance?

I'm also interested to know what proportion of savings the government should support; for example 50% or 100%. If it were 50% for every £100 you saved the government would give you £50

(p) What are your feelings about that?

(p) How attractive is that to you?

What if it were 100% for every £100 you saved the government would give you £100

(p) What are your feelings about that?

(p) How attractive is that to you?

How often should the government make a contribution?

(p) At the same time you do?

(p) Monthly basis?

(p) Quarterly basis?

(p) Every six months?

(p) Annually?

Why do you say that?

Should the government give a lower proportion of overall savings to more people or a higher proportion to fewer? Which approach would work best?

(p) Why do you say that?

If a larger amount of money spread over smaller number of people; what should the eligibility criteria be?

### **Attitudes towards Credit Unions (10 minutes)**

What do you know about credit unions?

(p) Where did you get this information?

Have you heard of any of these credit unions?

(p) [Insert local credit unions here]

What do you know about them?

(p) Positive?

(p) Negative?

Would you know how to contact your local credit union?

Who has had dealings with a credit union?

(p) What were the dealings?

(p) When were the dealings?

(p) Name of credit unions?

What do you like about credit unions?

What do you dislike?

Would you trust a credit union?

(p) Why/why not?

Would you prefer other financial providers to deliver a scheme like this?

(P) Who, e.g. Bank, Building Society, or Post Office?

Accessing and managing the account (5 minutes)

What would be the best way to make you aware of a scheme like this?

(p) Channels

What do you think would be the best way to access this account?

(p) Online

(p) At branch

(p) Telephone

What are the benefits and draw backs of accessing the account in these ways?

(p) Online

(p) At branch

(p) Telephone

How do you currently access your bank accounts?

**Post group paired interview (20 minutes)**

Do you save on a regular basis?

How do you save, i.e. formal savings account, extra money in current account, etc.?

Do you take part in any saving schemes at the moment?

(p) What for?

(p) Who with?

How prepared are you to meet the costs of your funeral?

(p) In what ways have you prepared?

(p) What prompted you to do so?

Are you currently setting aside money for your funeral specifically?

(p) Why/why not?

Do you think you would be eligible for this savings scheme?

Would you be likely to take up the scheme we have been discussing?

(p) If yes, why?

(p) If no, why not?

How would it benefit you?

How often would you be prepared to make a deposit?

(p) Weekly?

(p) Monthly?

(p) Any other frequency?

How much would you be prepared to save each month on average?

Would you commit to an account via standing order?

What, if anything, worries you about the scheme we have been discussing?

**Summary (5 minutes)**

Of all the things we have chatted about tonight, what has been of most interest?

Has anything we have discussed made you think differently about planning for your funeral?

(p) What and why?

What, if anything, would you like more information about?

Now we have had time to really consider this can I ask you again, what might motivate you to create a fund specifically for your funeral?

Any other comments?

Thank you and close

### **How to access background or source data**

The data collected for this social research publication:

- are available in more detail through Scottish Neighbourhood Statistics
- are available via an alternative route
- may be made available on request, subject to consideration of legal and ethical factors. Please contact [socialresearch@gov.scot](mailto:socialresearch@gov.scot) for further information.
- cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller.



© Crown copyright 2019

You may re-use this information (excluding logos and images) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

This document is also available from our website at [www.gov.scot](http://www.gov.scot).

ISBN: 978-1-78781-883-5

The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

Produced for  
the Scottish Government  
by APS Group Scotland  
PPDAS592830 (06/19)  
Published by  
the Scottish Government,  
June 2019



Social Research series  
ISSN 2045-6964  
ISBN 978-1-78781-883-5

Web and Print Publication  
[www.gov.scot/socialresearch](http://www.gov.scot/socialresearch)

PPDAS592830 (06/19)