



News Release

For Immediate Release

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More Consumer Protection Needed in Ontario's Bereavement Industry: Auditor General

(TORONTO) Consumers need more transparency on pricing and protection from potential sales pressures when purchasing funeral products and services, Ontario Auditor General Bonnie Lysyk says in her *2020 Annual Report* released today.

"Families often make bereavement-related purchases during vulnerable and emotional times," Lysyk said. "They may not be in the best state of mind to educate themselves on the full details of certain products or services offered by funeral homes, transfer services, cemeteries and crematoriums, or which products and services are optional or required by law."

To provide an inside look at how the bereavement industry operates and to better understand the challenges that may be faced by families, the Auditor General hired a firm to "mystery shop" at 100 licensed funeral homes, transfer services, cemeteries and crematoriums.

The Report states that for half the operators the audit sampled, the mystery shoppers experienced sales pressure and/or were given misleading information. Also, when they inquired about the cost of a basic cremation at 70 operators, the quotes ranged from \$512 in Windsor to a high of \$8,000 in Toronto.

"Our audit found there are no industry standards on packages, fees, deposits and cancellation policies. This makes it difficult for families to compare prices and make informed decisions quickly when a loved one has passed away," said Lysyk.

The Report states that key purchasing information, such as price lists of funeral services and products, are not easily accessible by the public. For example, based on the audit's sample of 100 licensed funeral homes, transfer services, cemeteries and crematoriums in Ontario, the report found that only 26% of them disclosed a price list on their websites. Unlike California, Ontario does not require funeral homes and other operators to disclose their prices online.

The audit concluded the Bereavement Authority of Ontario (Bereavement Authority) needs to do more to protect consumers purchasing these essential services.

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Read the report at www.auditor.on.ca

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Background and Other Findings:

- The audit analyzed a total of 125 price lists and found that the highest price for similar services or products ranged between 51 per cent and 662 per cent higher than the lowest price. For example, from \$65 to \$495 was priced for completing death-related documentation and from \$475 to \$1,180 was priced for the least expensive casket made of similar wood materials.
- All cemeteries are required by regulation to renew their licences annually with the Bereavement Authority, but not all do. The audit found, as of August 2020, out of a total of 2,368 cemetery operators in Ontario, 277 were operating without their licences renewed, and 207 of these operators had not renewed their licences nor filed any other reports with the Bereavement Authority since its inception in 2016.
- The Bereavement Authority requires funeral homes to file an annual report on prepaid funds within 90 days after their fiscal year end. The audit found that in 2019, 347, or 59 per cent, of the 591 funeral homes in Ontario filed their reports within 90 days. The other 244, or 41 per cent, filed their reports late, and 23, or 9 per cent of 244, filed more than 90 days and up to one year after the due date. These 23 funeral homes held a total of \$38.5 million of consumers' monies in their prepaid trust accounts.
- Between 2016/17 and 2019/20, the Bereavement Authority inspected only 3.4 per cent of all licensed funeral homes, cemeteries, crematoriums and other operators. Inspections are not conducted on a proactive and/or cyclical basis but instead are generally reactive in nature.
- The Bereavement Authority has not developed a framework to identify which licensed or unlicensed operators are the highest risks based on a history of complaints, inspection results and other factors, and then use this information to plan and conduct proactive inspections. It needs to follow up on any significant issues in a timely manner.
- The audit report says there is a need to raise consumer awareness and understanding, provide greater transparency and improve protection for consumers who, unless changes are made, will continue to incur unreasonable costs and pressures when making arrangements after the passing of a loved one.
- The audit also noted that the Ministry of Environment, Conservation and Parks has not sufficiently monitored air emissions from crematoriums to confirm these operations are not negatively impacting public health and the environment. A matter of growing concern as the percentage of deceased who were cremated has steadily increased from 60% in 2011 to between 65% and 70% in 2019.