

# [Press release: ComparetheMarket home insurance deals could deny people better prices](#)

The Competition and Markets Authority (CMA) has investigated clauses used by the comparison site in its contracts which stop home insurers from quoting lower prices on rival sites and other channels.

After reviewing the evidence, the CMA has provisionally found that these so-called “most favoured nation” clauses could be causing customers to miss out on better home insurance deals.

This is because the clauses prevent rival comparison sites and other channels from trying to win home insurance customers by offering cheaper prices than ComparetheMarket. It also means home insurance companies are more likely to pay higher commission rates to comparison sites with the extra costs potentially being passed on to customers.

As a result, people buying home insurance could be missing out on cheaper premiums.

Today, the CMA has issued ComparetheMarket a “statement of objections”, which sets out its provisional view that the contracts break competition law. The company will now have an opportunity to respond in detail and the CMA will consider the response and any further evidence before reaching a final decision.

CMA Chief Executive, Andrea Coscelli, said:

Over 20 million UK households have home insurance and more than 60% of new policies are found on price comparison sites. Therefore it’s crucial that these companies are able to offer customers their best possible deals.

Our investigation has provisionally found that ComparetheMarket has broken the law by preventing home insurers from offering lower prices elsewhere. This could result in people paying higher premiums than they need to.

This current investigation continues the CMA’s work in the sector following a market study into digital comparison tools. The study, which concluded in September 2017, showed that many people visit more than one comparison site as they shop around for the best deals. It also laid out clear guidelines for price comparison sites on how to use people’s personal data and how to display important information such as price and product description.

Further information can be found on the [price comparison website page](#).

## Notes to editors

1. Whilst the CMA understands that, during its investigation, ComparetheMarket contacted home insurers in late 2017 with regards to non-enforcement of the clauses, it remains concerned that the effects of the clauses could continue.
2. Chapter I of the Competition Act 1998 prohibits agreements and concerted practices between businesses which have as their object or effect the prevention, restriction or distortion of competition within the UK. Article 101(1) of the Treaty on the Functioning of the European Union (TFEU) covers equivalent anti-competitive agreements and concerted practices which may affect trade between EU member states.
3. Any business found to have infringed these prohibitions can be fined up to 10% of its annual worldwide group turnover, taking into account a range of factors including the seriousness of the infringement and any mitigating or aggravating factors.
4. The CMA is addressing the statement of Objections to BGL (Holdings) Limited, BGL Group Limited, BISL Limited (BISL), and Compare The Market Limited (together BGL). BGL operates a price comparison website under the domain names [comparethemarket.com](http://comparethemarket.com) and [comparethemeerkat.com](http://comparethemeerkat.com).
5. A statement of Objections gives addressees notice of a proposed infringement decision under the Competition Act 1998 and the equivalent EU law prohibitions. It is a provisional decision only and does not necessarily lead to an infringement decision. Addressees have the opportunity to make written and oral representations on the matters covered. Any such representations will be considered by the CMA before any final decision is made.
6. The statement of objections will not be published. In accordance with the Guidance on the CMA's investigation procedures in Competition Act 1998 cases: [CMA8](#), third parties who may be able to materially assist the CMA's assessment of the case have an opportunity to submit written representations and may request a non-confidential version of the statement of objections by contacting the CMA no later than 16 November 2018.
7. More information on how to comply with competition law can be found on the [competition law guidance page](#). The CMA currently has 15 open competition act investigations.
8. Media queries should be directed to [press@cma.gov.uk](mailto:press@cma.gov.uk), or 020 3738 6460

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## [Press release: Investigation shuts down multi-million 'Ponzi' property scheme](#)

Essex and London Properties Limited (ELP), was incorporated on 15 April 2005, with a registered office in Sidcup, Kent.

The company claimed to purchase properties with the intention of selling them on at a profit or getting rental income for investors.

Potential investors were approached directly or via intermediary platforms, who received 35% of the invested amounts and offered partnerships in a Limited Partnership scheme.

Investors were enticed to invest by offers of an 8% annual return paid quarterly if the money was held for three years or 12% if the money was held for one year.

Over an 18-month period, more than 800 people invested in the company anywhere between £5,000 to over £100,000. Essex Police, which has an ongoing investigation, calculates that to date, £18.9m has been obtained from creditors and investors.

The reality was that ELP only purchased a single property; a house in Harwich for £147,000 which is less than 1% of the overall amount of money collected from investors.

Despite this insignificant 'property investment', the company gave information to investors claiming it had purchased numerous properties that had rapidly increased in value and falsified Land Registry documents showing the company owned more property than it did.

Investors made payments through a number of escrow agencies. Insolvency Service investigators examined the income and expenditure of statements made by one of these agencies and found that existing investors received their interest payments, not from any meaningful return on their investment but from payments made by new investors. The company was in essence operating a Ponzi scheme.

As a result of the investigation by Company Investigations of the Insolvency

Service, the Secretary of State for Business Energy and Industrial Strategy issued the petition to wind up the company.

On 27 September 2018, the High Court heard the petition against the company which was unopposed and ordered the company into liquidation.

During the investigation, investors were approached by various recovery room businesses offering to recover the amounts, possibly in excess of the initial sums invested, in exchange of an advance fee. One business falsely claimed to be authorised by the Chief Executive of the Insolvency Service.

Any approach in this way to investors should be ignored. Only communications from the Official Receiver, whose details are listed below, should be responded to. The Official Receiver has not authorised any third party to act on his behalf, especially in regards to recovering investor's losses.

In January 2018, the company placed itself into voluntary liquidation, claiming to have debts of over £11 million. The creditors, comprised mainly of the investors in the company, initially approved of the liquidation but later supported the Secretary of State's petition.

Judge Barber as part of her judgement said that on the evidence, this was a case "crying out for a public interest winding up".

David Hill, Chief Investigator for the Insolvency Service said:

The company persuaded members of the public to part with substantial sums of money to invest in property. Only one property was purchased and the money raised from the public in reality was used to benefit those running the company.

As so often is the case, if an investment scheme appears to be too good to be true, it probably is.

There is an ongoing investigation into those individuals controlling Essex and London Properties Limited by Essex Police, who are liaising with the Crown Prosecution Service with a view to prosecuting a number of suspects.

All public enquiries concerning the affairs of the company should be made to: Paul Warner, Public Interest Unit, 4 Abbey Orchard Street, London SW1P 2HT or [PIU.OR@insolvency.gsi.gov.uk](mailto:PIU.OR@insolvency.gsi.gov.uk).

All criminal enquiries concerning the company should be addressed to Essex Police at Essex Police Headquarters, Chelmsford, Essex CM2 6DA or [operation.grapevine.essex.and.london@essex.pnn.police.uk](mailto:operation.grapevine.essex.and.london@essex.pnn.police.uk)

## Notes to editors

The registered office of Essex and London Properties Limited is 142-148 Main Road, Sidcup, Kent, DA14 6NZ. It was incorporated on 15 April 2005.

The petition was presented under s124A of the Insolvency Act 1986.

Company Investigations, part of the Insolvency Service, uses powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK on behalf of the Secretary of State for Business, Energy & Industrial Strategy (BEIS).

Further information about live company investigations is available [here](#).

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

## Contact Press Office

Media enquiries for this press release – 020 7674 6910 or 020 7596 6187

### Press Office

The Insolvency Service

4 Abbey Orchard Street  
London  
SW1P 2HT

Email

[press.office@insolvency.gsi.gov.uk](mailto:press.office@insolvency.gsi.gov.uk)

Media Manager

020 7596 6187

This service is for journalists only. For any other queries, please contact the Insolvency Enquiry line on 0300 678 0015.

For all media enquiries outside normal working hours, please contact the Department for Business, Energy and Industrial Strategy Press Office on 020 7215 1000.

You can also follow the Insolvency Service on:

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- [LinkedIn](#)
- [YouTube](#)

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## **Press release: 11-year ban for road haulage boss driven to commit fraud**

David Cooper, 55, from Blyth, Northumberland, was a director of CFM Transport Ltd (CFMT), based in Chester Le Street, Tyne and Wear.

Mr Cooper was a Heavy Goods Vehicle (HGV) mechanic and driver for around 30 years before seeing an opportunity to move into the road haulage business, incorporated CFMT and began trading in 2011.

The business grew and expanded into European markets and on advice, set up two further companies, CFM Cargo Logistics Ltd and CFM Continental Ltd.

In early 2015, however, one of the company's vehicles was involved in an accident abroad and while waiting for the insurance claim to be settled and the companies' petroleum tax refund entitlements, Mr Cooper submitted false VAT claims in order to keep the companies afloat.

Mr Cooper's wrongdoing was discovered and with the prospect of criminal proceedings for tax-related fraud, he opted to cease trading.

Following the end of the liquidation process, the Insolvency Service looked in to Mr Cooper's role in the collapse of the companies. Those investigations revealed that Mr Cooper had knowingly created and submitted false returns in order to claim VAT to which the company was not entitled.

On 8 October, the Secretary of State accepted a disqualification undertaking from David Cooper, after he admitted knowingly creating and submitting false returns to reclaim Value Added Tax to which the company was not entitled. His ban is effective from 29 October 2018 and lasts for 11 years.

Robert Clarke, Chief Investigator for the Insolvency Service, commented:

The public can be assured that where there have been abuses of public finance provisions which result in losses of this type, the



Insolvency Service will investigate the conduct of the parties involved and take action to remove the privilege of limited liability trading for a lengthy period.

Directors have a firm duty to ensure they deal properly with tax matters and pay what is due. Mr Cooper has paid the price for failing to do that, as he cannot now carry on in business other than at his own risk.

In a separate investigation, Mr Cooper was convicted of “being knowingly concerned in fraudulent evasion of VAT”, totalling £148,228 and on 15 June 2017 he was sentenced to 16 months imprisonment, suspended for 24 months.

## Notes to editors

David Cooper is of Blyth, Northumberland and his date of birth is June 1963.

CFM Transport (Company Reg no: 07828520)

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company's property

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of other restrictions](#).

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency authorises and regulates the insolvency profession, deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

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