Press release: CMA steps in to give people a better deal on comparison sites

The Competition and Markets Authority (CMA) has published its final report following a market study into the use of price comparison sites and other apps.

The year-long examination found that these sites offer a range of benefits, including helping people shop around by making it easier to compare prices and forcing businesses to up their game.

But where sites are not working in people's best interests, the CMA is taking action. As part of this, it is opening a competition law investigation into how one site has set up its contracts with insurers, because it suspects this may result in higher home insurance prices.

The CMA has also laid down clear ground rules for all sites on issues such as communicating how they plan to use people's personal data and clearly displaying important information like price and product description.

Andrea Coscelli, CMA Chief Executive, said:

Our study has found that most people in the UK have used a comparison site at least once so it is vital that everyone gets the benefits they deserve.

The good news is that more than 90% of the people we surveyed were very or fairly satisfied with the sites they used.

But we have also found that improvements are needed to help people get even better deals. We have set out ground rules for how sites should behave, as well as being clear on how regulators can ensure people have a better experience online.

We are also taking enforcement action where we suspect the law may have been broken.

The main recommendations from CMA's final report include:

- All sites should follow our ground rules. They should be Clear, Accurate, Responsible and Easy to use (CARE).
- All sites should be clear about how they make money; how many deals they're displaying and how they are ordering the results.
- Sites should be clear on how they protect personal information and how people can control its use.
- It should be made as easy as possible for people to make effective

- comparisons or use different sites, for example through better information about products.
- All regulators with a stake in this area should work together to ensure people are well protected.

The report also reveals that nearly two-thirds of people using a price comparison site visited more than one when shopping around. This is something the CMA is advising everyone to do if they want to get the best deal.

The CMA will now continue to work with the sector, regulators, and other bodies to ensure its recommendations are understood and taken on board.

Following this report, it will also soon be announcing next steps on consumer protection work in car hire and hotels.

Notes for editors

- 1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter CCMAgovuk, Flickr, LinkedIn and Facebook.
- 2. The CMA launched its market study into digital comparison tools (DCTs) in September 2016 and published an update on 28 March 2017.
- 3. The CMA's definition of a DCT is: digital intermediary services used by consumers to compare and potentially to switch or purchase products or services from a range of businesses.
- 4. For further information on this market study and to view the report, visit the <u>market study case page</u>.
- 5. Market studies are carried out using powers under section 5 of the Enterprise Act 2002 (EA02) which allows the CMA to obtain information and conduct research. They allow a market-wide consideration of both competition and consumer issues. Market studies take an overview of regulatory and other economic drivers in the market and consumer and business behaviour.
- 6. For further information on the CMA's competition law investigation into one comparison site visit the investigation case page.
- 7. The CMA's competition law investigation is being carried out under the CMA's powers under Part I of the Competition Act 1998.
- 8. Media queries should be directed to press@cma.gsi.gov.uk, on 020 3738 6337.