

[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 and 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, or 020 3738 6460