

Press release: Digital comparison tools could offer even greater benefits – CMA

The Competition and Markets Authority (CMA) has today published an [update paper](#) on its market study into digital comparison tools (DCTs).

DCTs enable consumers to compare products and services on quality as well as price, and help them switch between suppliers. These range from price comparison websites to smartphone apps.

The [paper](#) unveils a comprehensive consumer survey into DCTs. This shows that overall DCT users think these tools work well, making it easier to make informed choices and save money. Although DCTs are still a relatively new way of purchasing, the survey indicates that consumers are generally confident in the way they use them, and many use more than one site. The majority consider that individual DCTs do not feature all of the suppliers in each market.

DCTs have become an important way for many people to buy services such as insurance and utilities. For example the [CMA's survey](#) showed that in the past year 84% of people looking for car insurance used a comparison site, 67% looking for energy, and 52% for broadband.

The survey found that only 11% of recent users believed that sites covered all suppliers, and that almost two-thirds (64%) of people using a DCT visited more than one site. Many consumers appear to use DCTs for research, with 44% of those who didn't buy directly through a DCT saying that they used the information they had gathered from a DCT to help them negotiate a better deal with a provider.

Users explain they use DCTs to find a good deal, save time, and research available options, and more than 9 out of 10 say they are satisfied with the service they receive.

The CMA's update, however, identifies 4 areas of possible concern, which will form the focus for the second phase of the market study.

These are:

- whether sites could be more transparent – for instance in their market coverage and business models, and in their treatment of personal data
- whether the benefits that DCTs can offer could be further improved if suppliers made more information available
- certain practices and contractual arrangements that could limit healthy competition between DCTs
- the way DCTs are regulated

The CMA is seeking further views on these as it continues the study.

Andrea Coscelli, CMA Acting Chief Executive, said:

Our work so far suggests that digital tools like price comparison websites generally work well for consumers, who really value the service they provide. However, our report suggests that improvements may be necessary to help more people get even better deals.

Among the areas we wish to consider further are what can be done to increase confidence among consumers and how to improve competition, regulation and transparency in the sector. We are now seeking further views on these issues as part of our wide-ranging market study.

The final report will be published by 28 September 2017.

Market studies may lead to a range of outcomes including giving a market a clean bill of health; taking action to improve the quality and accessibility of information to consumers; encouraging businesses to self-regulate; making recommendations to the government to change regulations or public policy, and taking competition or consumer law enforcement action. They can also lead to a reference for a more in-depth market investigation – which the CMA is ruling out in this case as the remaining options are sufficient to remedy any issues that may be found.

Please send comments by 24 April, by email to comparisontools@cma.gsi.gov.uk or by post to:

Digital Comparison Tools Market Study
Competition and Markets Authority
Victoria House
37 Southampton Row
London
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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 [@CMAgovuk](#), [Flickr](#), [LinkedIn](#) and [Facebook](#).
2. The CMA launched its [market study](#) into digital comparison tools (DCTs) in September 2016.
3. The CMA's working definition of a DCT is: web-based, app-based or other digital intermediary services used by consumers to compare and/or switch between a range of products or services from a range of businesses.
4. For further information on this market study and to view the update paper, visit the [case page](#).

5. The results of the consumer survey can be found on the [case page](#).
6. 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.
7. Enquiries should be directed to Simon Belgard (simon.belgard@cma.gsi.gov.uk, 020 3738 6472).