

# Press release: Government and CMA to research targeting of consumers through personalised pricing

- New research commissioned to explore how widespread the practice of targeting consumers through personalised pricing and search results is
- Companies can use customer data and technology to offer different prices to consumers based on factors which may include geography and marital status
- Research comes as government held the first meeting of the Consumer Forum with government and regulators this week to discuss what more the government and regulators can do to protect vulnerable consumers

The government and the Competitions and Markets Authority (CMA) are to undertake pioneering new research into the practice of retailers targeting online shoppers and charging people different prices for the same items through personalised pricing, such as holidays, cars and household goods, it has been confirmed today (4 November 2018).

Personalised pricing involves customers spending different amounts when searching for the same products, tailored to the specific customer journey they have taken. The research will explore whether and how personalised pricing makes use of personal data points such as a consumers address, marital status, birthday and travel history.

The government-commissioned research, supported by the CMA, will explore how widespread this practice is, how businesses are applying it through different mediums like search engines, apps or comparison tools and the extent to which personalised pricing is preventing shoppers getting the best deals.

This week the Financial Conduct Authority also announced it will be investigating the issue of personalised pricing for car and home insurance policies after finding hidden discrimination between customers. The regulator's study will assess the scale of the issue, whom it affects, and possible solutions.

Business Secretary Greg Clark said:

Ensuring markets work fairly and in the interests of consumers is a cornerstone of our modern Industrial Strategy, and I am proud to say that our consumer protection regime is among the strongest in the world.

UK businesses are leading the way in harnessing the power of new technologies and new ways of doing business, benefitting consumers and helping them save money. But we are clear that companies should

not be abusing this technology and customer data to treat consumers, particularly vulnerable ones, unfairly.

The research we are undertaking will help us better understand how we can ensure businesses work in a way that is fair to consumers.

Andrea Coscelli, Chief Executive of the Competition and Markets Authority added:

With more of us shopping online, it's important that we understand how advances in technology impact consumers. This personalised pricing research will help us stay at the forefront of emerging technology, so we can understand how best to protect people from unfair practices where they exist.

We will also use the results of the research as part of our ongoing efforts to help vulnerable consumers.

It comes as the Consumer Forum, comprised of CEOs from sector regulators and Ministers from across government, met for the first time this week to discuss how to best work together to protect vulnerable consumers, including addressing Citizen's Advice recent super-complaint on the 'loyalty penalty', and how to ensure consumers can use their own data to get the best deals.

It will play an essential role coordinating action to help consumers and address recommendations made by the National Audit Office in its report on vulnerable consumers in regulated markets last year. The Consumer Forum is one of the commitments from the Consumer Green Paper and its areas of focus reflects the Government's commitment to ensuring vulnerable consumers are not exploited.

The Forum, chaired by Consumer Minister Kelly Tolhurst, is made up of representatives from the CMA, Ofcom, Ofgem, Ofwat, the Financial Conduct Authority (FCA), the Civil Aviation Authority (CAA) and the Office for Rail and Road (ORR) who will sit alongside Ministers and senior representatives from BEIS, HMT, DCMS, Defra and DfT. It will meet regularly and involve consumer organisations with a particular interest in regulated markets to inform its ambitious work.

Delivering on a commitment from the Consumer Green Paper and in an effort to better support vulnerable consumers, the UK Regulators Network also this week published a report into data sharing between energy and water companies.

The report highlights the significant benefits that can be delivered to vulnerable customers from cross-sector regulatory and industry collaboration and challenges industry to go further in their collaboration, with a

continued focus to overcome challenges around customer consent, staff training and data quality.