

Press release: Merger of credit score firms could reduce competition in sector

The Competition and Markets Authority's (CMA) Phase 2 investigation has provisionally found that Experian's takeover of ClearScore is likely to result in less intense competition, potentially harming the continued development of digital products which help people understand their personal finances.

The CMA referred the proposed merger between credit score checking firms Experian and ClearScore for an in-depth Phase 2 investigation in July 2018, following initial concerns that the deal could have a negative impact on the services provided to customers.

Experian and ClearScore are the 2 largest credit checking firms in the UK. Experian offers both free and paid-for credit checking services, while ClearScore, which entered the market in 2015, quickly became market leader in free credit checking tools for customers. Both companies also provide people using these services with comparisons of third party lenders such as credit card providers and banks.

Currently, competition between the 2 firms is helping to drive quality and innovation in both free and paid-for credit checking services as they develop their products to vie for customers. By taking one of the firms out of the market, the CMA's provisional finding is that the merger would substantially reduce the pressure to continue to develop innovative offers and to make other improvements in services.

Roland Green, the Inquiry Chair, said:

Our investigation has shown that this is a fast-paced and evolving market, and that both Experian and ClearScore are an important part of that.

The provisional findings in our investigation show that Experian's proposed takeover of ClearScore is likely to weaken competition in the sector and have a negative effect on the services offered to customers.

The CMA is now asking for views on these provisional findings by 19 December 2018 and will assess all the evidence before making a final decision. The statutory deadline for the CMA's final report is 11 March 2019.

Further details are available on the [Experian / ClearScore case page](#).

Notes to editors

1. Experian provides a variety of services to businesses and individuals. It is a credit reference bureau, supplying credit providers (e.g. banks) with information which helps them to assess the risk of lending. It also provides a free credit scores that generate leads for financial products (e.g. credit cards and personal loans) from which it receives commission from financial product providers. It also provides a detailed credit report and features such as a dedicated call centre, fraud alerts, support for victims of identity fraud and dark web monitoring via its 'CreditExpert' service. Finally, Experian provides 'pre-qualification services' to comparison websites which allows users of those sites to see whether they are eligible for a particular credit product in real time.
2. ClearScore offers people free credit scores and reports and matches them with personal financial products (e.g. credit cards and personal loans) via its website and mobile app. ClearScore earns commission from the providers of the financial products.
3. 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.
4. The CMA's functions in phase 2 merger investigations are performed by inquiry groups chosen from the CMA's panel members. The appointed inquiry group are the decision-makers on phase 2 investigations.
5. The CMA's panel members come from a variety of backgrounds, including economics, law, accountancy and/or business; the membership of an inquiry group usually reflects a mix of expertise and experience.
6. Media enquiries to the CMA should be directed to press@cma.gov.uk or 020 3738 6460.