



11 January 2013

Inquiry Manager  
Private Motor Insurance Market Investigation  
Competition Commission  
Victoria House  
Southampton Row  
LONDON  
WC1B 4AD

Dear Sirs

**BIBA response to the Private Motor Investigation Statement of Issues**

The British Insurance Brokers' Association (**BIBA**) welcomes the opportunity to respond to the Competition Commission (**CC**) in the context of its investigation into the market for private motor insurance.

In addition to providing comments on the Statement of Issues, BIBA would like to draw the attention of the CC to an earlier submission in this context to the Office of Fair Trading (**OFT**), the relevant parts of which have been appended to this document as **Annex 1**. BIBA also highlights extracts from its correspondence with the European Insurance and Occupational Pensions Authority (**EIOPA**), which have been appended to this document as **Annex 2** and which will be referred to where appropriate. BIBA encloses its full EIOPA submission as an separate and additional document to this response.

**Theories of Harm (ToH)- General observations**

**Paragraph 17:** BIBA believes that the Financial Services Authority (**FSA**) already has sufficient rules in place regarding the disclosure of information to customers and therefore agrees with the CC's decision not to consider more generally the issue of the

complexity of Private Motor Insurance ( **PMI** ) and the transparency of information supplied at the point of sale by providers of PMI to consumers.

However, BIBA does express its concerns about whether certain price-comparison sites provide sufficient information to the customer and has raised this elsewhere in this submission.

### **ToH 1: Harm arising from the separation of cost liability and cost control**

**Paragraph 20:** Post-accident claims services offer valuable support for customers, but of course cannot be offered at zero cost. The CC should recognise the value they provide to a customer and that a broker is acting as agent of the customer when offering them post accident claim services.

**Paragraph 23:** BIBA agrees that the reduction of the success fee to no more than 25% should help with reducing the overall cost of motor insurance.

**Paragraph 24:** The measures taken by the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (**LASPO**), making After the Event (**ATE**) premiums non-recoverable from April 2013 onwards, will also reduce the overall cost of motor insurance in England and South Wales.

**Paragraph 27a:** BIBA observes that the 'at fault'-insurer will not be required to pay claims that are more expensive than they need to be. Such insurers will have the right to challenge any inappropriate costs.

**Paragraph 27b:** Higher value replacement cars should be challenged per paragraph 20, being 'like for like, subject to need'. The General Terms of Agreement (**GTA**) on credit hire should also mitigate this problem.

**Paragraphs 35 and 36:** BIBA believes the measures mentioned in these paragraphs, particularly those creating an independent panel of medical experts to support better diagnosis of whiplash claims, will have a significant effect on motor claims. Although BIBA agrees with the CC that it is too early to predict the affect, it believes this is a key development in the move to reduce the cost of motor insurance.

## **ToH 2: Harm arising from the beneficiary of post-accident services being different from and possibly less well informed than the procurer of those services**

**Paragraphs 39 and 40:** The insurance broker is the agent of the customer and has a duty of care under agency law, which could be compromised if there is a failure to make clients aware of the post-accident service that may be available. BIBA sees no harm arising from brokers offering services and believes it is broker who are the most appropriate parties to be informing their clients of these services.

The effect of the broker procuring the post accident service is that a seamless claims service is ensured for the customer, by a party representing their interests in law.

The conflict of interest raised by paragraph 40 is an existing concern to BIBA. As the CC already points out, an 'at fault'- insurer that is under an obligation to repair the vehicle, which is outside of the customer's insurance contract, will be incentivized to repair the car at the lowest possible cost or possibly accept a lower quality of repairs.

**Paragraph 42:** BIBA understands that insurers negotiate their own specific terms with their approved repairers, to pre-agree standards and prices, with a view to reducing costs and speeding up repairs. If, however, the customer presents the insurers with alternative repairer details, which may offer competitive terms, BIBA feels it is unfair to penalise the customer by disallowing repair guarantees and insisting on higher excesses.

**ToH2 Summary:** In general terms, BIBA agrees with the CC that there is a concern that consumers may be put at a disadvantage if the 'at fault'-fault insurer repairs the vehicle, or the clients insurer applies a higher excess for not using their approved repairers.

## **ToH 3: Harm due to horizontal effects (market concentration)**

**Paragraph 47:** The report of the Consumer Council of Northern Ireland (2009) did not accurately reflect the true state of the Northern Ireland PMI market as explained in BIBA's submission to the OFT of 12 October 2011. BIBA has conducted its own similar PMI research in Northern Ireland and refers the CC to Annex 1, which contains an extract from its submission to the OFT detailing such research.

As the extract in Annex 1 indicates, BIBA ultimately believes it is the higher cost of personal injury awards in Northern Ireland that deter some insurers from entering that market.

**Paragraph 49:** BIBA notes the points the CC makes about the market position of the main comparison sites. BIBA believes that these sites clearly exert a lot of power over PMI providers, including brokers.

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**Paragraph 51:** The point raised about price comparison websites from the OFT market study “Intensified Price Competition” also went on to say:

*“some producers that sell private motor insurance through price comparison websites have voiced concerns about practices that may have the potential to compromise how well the sale of private motor insurance policies through price comparison websites works for consumers”.*

That same OFT report also stated: *“It may NOT be possible to compare private motor insurance policies effectively when using price comparison sites because the policy features and level of cover varies”.* \*\*\*

**Paragraph 52:** BIBA strongly disagrees with the statement that few concerns have been expressed by parties regarding the price comparison site power and potential customer harm. Both BIBA and consumer body Which? have raised major issues about this. EIOPA has also approached BIBA about this issue. \*\*\*

**Paragraph 53:** BIBA agrees with the CC's decision to consider these issues.

#### **ToH 4: Harm arising from providers' strategies to soften competition**

**Paragraph 55:** BIBA disagrees with this statement. The degree of product differentiation is a healthy competitive issue and provides different levels of cover to a variety of different customers with different demands and needs. Ultimately, however, all motor policies cover the same basic Road Traffic Accident (RTA) risk, which is still the fundamental cost of the policy (third party claims), not the level of personal accident cover or legal expenses option. Search costs will not be high, as an insurance broker will search the market for free and price comparison websites are also free.

Provided FSA rules on "demand and needs" and further disclosure obligations are followed, it should be clear to the customer what they are buying. This is why it is very important for the FSA to ensure price comparison websites are fully compliant with FSA regulations.

**Paragraph 57:** BIBA agrees with this point about customers yielding benefits from “product differentiation”. However, this is only the case provided that direct insurers and price comparison websites are actually following FSA regulations, that the “differentiation” is clear and that it meets customer demands and needs.

BIBA does not believe this is always the case and refers to a recent situation where a customer wanted to buy an car insurance policy from a comparison website. Neither the site nor the listed insurer would advise what the additional cost would be for “foreign use cover” for one week in Europe in June. BIBA felt this breached contract certainty and “demands and needs”-requirements. The insurer stated it could only advise the price for foreign use after the policy was sold, which would prevent any customer from making an accurate comparison.

**Paragraphs 61 and 62:** Insurance brokers make prices available to customers at the point of sale and will include a terms and conditions statement outlining their own costs.

BIBA has experienced issues with direct insurers on price comparison websites. An example of this is the insurer quoting a price on a comparison site but, when finalising the policy, a customer will be presented with an automatic “opt-in” to buy legal expenses insurance and personal effects cover. The customer will thus be presented with a higher price than originally quoted by the comparison site.

Customers may not identify this cost and may accept the quote at a higher cost than initially realised. BIBA believes that “add-ons” that are not part of the all inclusive comprehensive package that is quoted and have an additional cost should be given the opportunity to “opt in” but they should not be opted in automatically and not be required to “opt out” and full prices must be clearly displayed.

**Paragraph 67:** BIBA agrees that it is in the remit of the FSA/Financial Conduct Authority to consider issues regarding “sufficient information”.

**Paragraph 68:** BIBA believes the CC should consider how “add-ons” are sold, e.g. the Axa example mentioned in comments on paragraphs 61 and 62 above, but does not see how these products cause “harm” in themselves and does not consider their cover is overcomplicated.

**Paragraph 70:** BIBA observes that customers benefit from automatic renewal. Automatic renewal with motor insurance, paid by direct debit, is very relevant in ensuring that clients comply with Continuous Insurance Enforcement Regulations and preventing

uninsured driving. Insurance providers should make it clear to customers that the policy will be renewed automatically, send a pre-renewal letter saying as such and do not impose unfair cancellation charges. Customers will still have the opportunity to switch if they wish.

**Paragraph 73:** In this scenario prices rise for two reasons, one for No Claims Bonus (NCB) reduction if not protected, the other for an impaired claims history. With protected NCB, the increase will be mitigated.

**Paragraph 75:** BIBA does not consider protecting an NCB is a barrier to switching; it is in fact a benefit for staying with an insurer who will not reduce the NCB. If customers did not protect their NCB, other insurers would likely have reduced the discount. The consequence of this would be that customers would be paying a higher rate with them had it not been protected.

#### **ToH 5: Harm arising from vertical relationships (vertical integration)**

**Paragraph 87:** BIBA has never heard of price comparison website-integrated brokers engaging in this way and believes it is extremely unlikely they would take this step, for the reasons outlined in your summary.

**Paragraphs 90 and 91:** BIBA members have brought these price comparison website Most Favoured Nation (MFN) clauses to our attention and are concerned about the insistence on the part of the comparison website that the same price must be given to the online price comparison and for sales through other on-line distribution channels. As the CC has pointed out, the price on the comparison website should be higher.

**Paragraph 93:** BIBA does not agree that the removal of MFN clauses could cause consumers to face higher search costs. The removal of MFN clauses would free up competition and allow brokers and insurers to tailor different pricing strategies to benefit other particular customer groups. Price comparison websites are powerful but should not be permitted to dictate the pricing utilised by their providers.

**Paragraph 95:** BIBA is surprised and disappointed that the CC intends to let MFN clauses continue. BIBA believes these suppress competition and are unfair on insurers and brokers and accordingly urges the CC to reconsider this position.

**Paragraph 96:** The CC observes that harm to customers would only be likely to arise if a large share of consumers of P MI only considered policies available on price comparison websites. BIBA appreciates, however, that it is the case that large numbers of customers only use price comparison sites. The disadvantaged smaller brokers will, therefore, be unable to offer their lower quotes to the customer, as they are prevented from utilising the price comparison website by either the insurer or the price comparison website.

**Paragraph 99:** BIBA agrees with the CC decision not to consider these vertical relationships further as it does not see any detriment.

**Paragraph 100:** BIBA agrees with the CC on this point; it is normal for repairers to have relationships with more than one insurer.

**Paragraph 101:** BIBA confirms that none of its members have raised any concerns about specific repairers with market power in a local area, which are integrated with an insurer, increasing the price of repairs to rival insurers.

## SUMMARY

BIBA submits that:

- there is an inherent conflict of interest if the fault insurer manages a non fault drivers claim;
- measures to discourage personal injury fraud and reduce the cost of whiplash claims should have a positive effect on premiums;
- the Consumer Council of Northern Ireland evidence was flawed and it is the personal injury award system that should be reviewed;
- price comparison websites do NOT always compare private motor insurance policies effectively;
- the LASPO effect should have a positive effect on pricing;

- product differentiation is healthy and improves competition, ultimately benefiting the consumer but the differentiation should be made clear to the customer and "demand and needs"-statements ought to be issued by all insurance providers, including comparison sites;
- search costs are NOT high, obtaining quotes from a broker an insurer or a comparison site is free;
- post-accident claims services offer valuable support for customers, but of course cannot be offered at zero cost. The CC should recognise the value they provide to a customer and that a broker is acting as agent of the customer when offering them post accident claim services;
- customers should not be penalised with a higher excess if not using the insurers recommended repair;
- there are in fact various concerns regarding price comparison site 'power' and potential customer harm;
- insurance "add-ons" can be important to many customers and their value must be fairly elevated by the CC;
- automatic renewal offers important continuity of cover and ensures compliance with continuous insurance enforcement. The process must be clearly communicated to the customer and opt outs must be easily accessible;
- NCB protection does offer real benefits to policyholders; and
- MFN clauses are fundamentally unfair and the CC should act to remove them.

BIBA expresses its gratitude to the CC for taking the time to consider the above response to the Statement of Issues. Should the CC wish to discuss in further detail any of the points have raised, BIBA would be more than happy to attend a meeting with the CC and invite key stakeholders from its membership.

Yours faithfully

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enc BIBA submission to EIOPA



## **ANNEX 1**

### **EXTRACT FROM BIBA'S SUBMISSION TO THE OFT dd. 12 OCTOBER 2011**

*BIBA answer: BIBA disagrees with the Consumer Council statistic that NI consumer paid an average of 84% more for car insurance than a comparable consumer in Great Britain.*

*However, BIBA acknowledged the Consumer Council's concerns and took the issue forward.*

*Our aim was to fully investigate the issues highlighted in the Consumer Council's report and to establish if the Consumer Council's cause for concern lies with the legal framework which the market operates in or with product availability and pricing in the market.*

*BIBA did not agree with the way the Consumer Council averaged out the premiums using the median between highest and lowest premium as this is simply not reflective of real life buying habits and would include very high sums where insurers had priced themselves out of the market for quotes where they do not specialise or have the necessary experience and rating data.*

*Following the 2009 Consumer Council research BIBA took this subject matter very seriously and conducted a review of the market on the 15<sup>th</sup> July 2010. This provided a snapshot of the market including pricing and product availability.*

*BIBA used the same comparison site website that the Consumer Council used to source a range of quotations in order to be consistent with their previous research (which had not used insurance brokers and this in our view led to a flawed report as it was not representative of the broker led NI motor insurance market).*

*BIBA used the same ten UK postcodes – two Northern Ireland (NI) and eight GB. The two NI postcodes BT14 and BT48 were recognised as two of the highest insurance risk urban areas in NI. We used the profile of the same standard risk - third party only, for a 1994 Peugeot 106 1.4 XTD, married male, date of birth: 02.01.1968.*

*Ultimately insurance works on a system of **risk based pricing**, so urban areas with more crime, traffic and ultimately incidence of claims will consequently cost more to insure, than a rural area. In our research the order of cheapest is as follows:*

<b>Money Super Market - Thursday 15 July 2010 Motor Insurance</b>				
	<b>Town</b>	<b>Address</b>	<b>Number of companies offering quotation</b>	<b>The Cheapest Quote</b>
1	East Anglia, Norwich	Lefroy Road, Mile Cross, <b>NORWICH</b> , NR3 2NN	53	£460.06
2	Scotland, Glasgow	Loch Achray Street, Shettleston, <b>GLASGOW</b> , G32 9DY	52	£575.75
3	Derry (Urban)	Bracken Park, Shantallow, <b>LONDONDERRY</b> , BT48 8AY	42	£634.24
4	South-West England	Lena Street, Easton, <b>BRISTOL</b> , BS5 6DB	52	£641.36
5	Belfast (Urban)	Etna Drive, Ardoyne, <b>BELFAST</b> , BT14 7LH	42	£682.73
6	Wales, Cardiff (Urban)	Elford Road, Ely, <b>CARDIFF</b> , CF5 4HZ	52	£728.04
7	Newcastle Upon Tyne	Wilton Avenue, Monkchester, <b>NEWCASTLE UPON TYNE</b> , NE6 2TS	52	£807.50
8	England, London	Menon Drive, Edmunton Green, <b>LONDON</b> , N9 0GD	50	£905.35
9	Midlands, Birmingham	Willis Street, Aston, <b>BIRMINGHAM</b> , B19 1PP	50	£1,151.52
10	North-West England	Polygon Avenue, Ardwick, <b>MANCHESTER</b> , M13 9FX	49	£1,171.26

*BIBA was pleased to see that the two Northern Ireland postcodes featured competitively in 3<sup>rd</sup> and 5<sup>th</sup> place out of ten GB postcodes.*

*Londonderry was more expensive than Norwich and Glasgow but was cheaper than Bristol, Belfast - Ardoyne, Cardiff, Newcastle Upon Tyne, London, Birmingham and Manchester.*

*It is important to note that the two NI postcode costs of £634.24 and £682.73 were **significantly cheaper** than Birmingham £1,151.52 and Manchester £1,171.26.*

*We were also encouraged to find 42 quotes for both postcodes in NI, this is nearly triple what the Consumer Council research found when they conducted their fieldwork in 2009. We believe this demonstrates that the market has moved forward since the original research was conducted and this has been supported by brokers in NI.*

*BIBA thought it would be helpful to conduct wider research as the comparison site search only represented a specific distribution channel and we believe the whole market should be considered. Insurance brokers would have additional products available that are not sold on comparison sites.*

*BIBA spoke to a broker software house 'Open GI' to ask them how many broker motor insurance products were available in NI. Their answer was **96 motor products** (and 52 household).*

*A BIBA broker from insurance broker Marsh Ltd in Belfast, has a good working knowledge of the Northern Ireland insurance market and is able to offer further insight. He has advised "There is a great deal of competition in the Northern Ireland insurance market. Average premiums are low and the market is extremely aggressive. This was evidenced when a major supermarket chain, well known for selling insurance in GB, actually found that the NI market was so competitive that it was difficult to compete with the premiums brokers provided."*

*BIBA believes that if any inquiry into the Northern Insurance market were to include traditional Northern Ireland insurance brokers, they would be satisfied by the competitiveness of products available.*

*BIBA believes a helpful system of **signposting** would direct people to more suitable and more competitive products. This is particularly relevant for young motorists as the Northern Ireland Police district represents the 6<sup>th</sup> worst uninsured driving rate in the UK. Young drivers have a poor insurance record and research suggests that 20% of drivers aged 17-20 have no motor insurance.*

*These drivers are often rejected by comparison sites, banks or supermarkets due to their higher risk profile but they are often unaware that there are specialist insurance brokers who would be able to cater for them.*

*To resolve this problem we need to signpost young, inexperienced drivers to suitable insurance providers.*

*This important new signposting system was introduced in GB in 2012 following the Equality Act and we would welcome its introduction in NI.*

*BIBA believes that signposting drivers, and particularly signposting uninsured drivers to a suitable insurance broker who can offer cover and an installment facility will have a very positive affect on the rate of uninsured driving and young drivers.*

*BIBA defines signposting as 'a way of helping consumers who are refused insurance cover at the point of sale' e.g. on the basis of their age, (this would be via telephone, internet or face to face from a financial services provider). Consumers would be 'signposted' by the declining company to a relevant source of information (e.g. BIBA) who can help locate providers that do offer the relevant product.*

*BIBA now receives upwards of 400,000 enquiries a year from UK consumers and can accommodate NI consumers.*

*More than 200 different UK organisations already signpost to BIBA – Government departments, national media, direct insurers, comparison sites, consumer bodies, business bodies, even competitors. These 400,000 enquiries have helped customers find cover when otherwise they may have gone uninsured.*

*We agree with the point made by the Consumer Council regarding the legal process, if claims were dealt with by a small claims Court as opposed to a county Court significant savings could be made.*

*BIBA also believe that the problem of twelve times more cases ending up in Court in NI compared to England and Wales is a key contributor to any price differentiated. BIBA believes reform is necessary.*

*There is also the issue that the amount claimed on car insurance in Northern Ireland represents 5.4% of UK total claims, whereas Northern Ireland only has 2.6% of the total number of cars\*.*

*Reform of the Northern Ireland legal system also seems an integral part of the push to encourage more insurance providers to Northern Ireland with costs of claims being so much higher than in GB. Improvement to this costly system would ultimately make the market more appealing to new entrants.*

*For absolute transparency BIBA discussed this issue with one of the largest insurance brokers in the UK, the AA in October 2011. They also conducted research on the same 10 postcodes to see how an identical risk would compare across the regions. The results also concluded that Northern Ireland postcodes were not 84% more expensive than GB postcodes. Please see the table below where you can see that the postcodes were 5<sup>th</sup> and 7<sup>th</sup> in the table of 10 different areas.*

<b>Postcodes</b>	<b>AA Average Premium</b>
<i>r3 2nn</i>	<i>874.05</i>
<i>g32 9dy</i>	<i>1144.65</i>
<i>bs5 6db</i>	<i>1366.69</i>
<i>cf5 4hz</i>	<i>1378.44</i>
<i>bt14 7lh</i>	<i>1592.90</i>
<i>ne6 2ts</i>	<i>1704.78</i>
<i>bt48 8ay</i>	<i>1711.30</i>
<i>n9 0gd</i>	<i>1826.97</i>
<i>m13 9fx</i>	<i>2166.05</i>
<i>b19 1pp</i>	<i>2459.36</i>

*7.31 BIBA undertook a comparison of the personal injury awards paid out between GB and NI using the appropriate guide books. \*\**

*\*\* Guidelines for the Assessment of general damages in personal injury cases (GB)  
Guidelines for the Assessment of general damages in personal injury cases (NI)*

*\* It is estimated that the cost of private car insurance claims in the UK amounted to £8,245 million in the year 2005 – Ireland, 2006, Total net incurred claims, NI 2001-05, Mintel). In contrast, the number of cars registered in Northern Ireland accounts for only 2.6 per cent of the number of the UK total (Northern Ireland Annual Transport Statistics 2005-06, Department of Regional Development).*

<b>BIBA 2011 Comparison of the Judicial Studies Board in GB and NI</b>				
<b>Injury</b>	<b>GB - Cost</b>	<b>NI - Cost</b>	<b>Average % Lowest Claim, difference between GB and NI</b>	<b>Average % Highest Claim, difference between GB and NI</b>
Total loss of one eye	£36,000 - £43,000	£60,000 - £95,000	60	45
Total Deafness	£59,500 - £72,000	£150,000 - £225,000	40	32
Loss of taste	£12,600 - £16,400	£18,000 - £30,000	70	55
Loss of one arm (amputation at the shoulder)	Not less than £90,000	£110,000 - £150,000	82	60
Total loss of index finger	In the region of £12,250	£24,000 - £36,000	51	34
Loss of thumb	£23,250 - £36,000	£30,000 - £55,000	78	65
Amputation of one foot	£55,000 - £72,000	£100,000 - £180,000	55	40
Amputation of the great toe	£20,500	£22,000 - £36,000	93	57
Loss of or serious damage to two front teeth	£2,850 - £5,000	To £15,000	19	33

**It appears to BIBA that the true benefit to NI consumers would be to look at the following:**

1. **To investigate and reform the legal system**
2. **To increase consumer knowledge around insurance products** and increase product uptake - referring to our **system of signposting** those consumers finding it difficult to access insurance.  
The statistics used on page 5 of the September 2011 Consumer Council briefing should NOT be considered as admissible as the price of a "newly qualified driver" (age not given) cannot be scientifically compared with an AA average shop around figure of 17-22.
3. Introduce a **system of Continuous Insurance Enforcement** in Northern Ireland as we are doing in GB to reduce the high levels of uninsured driving.
4. It would be prudent to look at the costs around the use of **Accident Management Companies** in NI, as our members have seen instances where solicitors have been instructed by the Accident Management Company when there is clearly no requirement for legal representation. This obviously adds to the costs of settling motor insurance claims.

#### **NI - Conclusion**

*BIBA strongly believes there is a healthy insurance broking community in Northern Ireland, BIBA itself has 63 **Northern Ireland based insurance broker firms.***

*BIBA believes things have moved on since the original 2009 Consumer Council report and **we believe there is a vibrant insurance market for consumers in NI.***

*Despite the higher legal costs in NI, BIBA believe that the market is still providing competitive costs which could only be improved by reducing legal overheads where appropriate.*

## ANNEX 2

### EXTRACT FROM BIBA'S SUBMISSION TO THE EIOPA dd. 16 NOVEMBER 2012

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#### Comparison Site agreements

*Anti competition – Our members advise that the majority of comparison site agreements now include a clause stating that the rate displayed on their site must be the same as, or lower than that being displayed on other comparison sites. However, not all comparison sites are equal and neither do they all charge the same amount for their commissions so there would be a valid financial reason for introducing price differentials.*

*Cross selling - The cross selling of additional products by brokers is prohibited within the terms of most agreements. BIBA believes this to be anti competitive.*

*Conversion rate penalties – BIBA members have advised that some comparison sites are introducing financial penalties for brokers who fail to convert at a sufficiently high rate. There are several ways for this to be achieved, some will charge a higher rate per sale made if the required level of sales is not achieved, others will set a minimum conversion level of 10% so that if the brokers convert at 6% they are charged the commission rate + 10% on the number of times their rate appeared at the top of the screen regardless of how many cases were sold.*

*More of a concern to BIBA is the practice of filtering rates where the best rate being delivered comes from a partner who is not converting at what the comparison sites consider to be an acceptable level. In some instances schemes which have been developed to target a specific risk profile are not displayed as the comparison site will filter risks presented with that risk profile for the broker holding the scheme. This is because the scheme rate will be extremely competitive thereby driving leads to a broker who may not adopt such an aggressive stance to converting that business.*

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*Charging - Many comparison sites are now looking to gain income from policies renewing with the broker after an initial introduction from the comparison site in the first year. The claim is made that the customer is remaining loyal to the comparison site brand. In practice, it is the continued high levels of advertising that keep customers coming back to these sites. If brokers are forced to accept these terms then the upshot will be a substantial increase in the cost of retaining renewal business, which will ultimately impact on customers.*