

24 October 2016

Competition and Markets Authority
Victoria House
Southampton Row
London WC1B 4AD

Submitted via email to comparisontools@cma.gsi.gov.uk

Dear Sir/Madam

BSI's response to CMA Market Study on Digital Comparison Tools

BSI (British Standards Institution) has read with interest the CMA market study documentation and invitation to comment on Digital Comparison Tools. We are submitting our response as a letter of comment on two of the themes. As BSI is neither a DCT provider or a consumer body, it was not possible to answer the specific questions in the response form.

Standards provide an important role in helping to promote competition, safety and confidence in both established and emerging markets. As a form of self-regulation, standards can provide a key policy instrument. More information on BSI is included at the end of this letter.

Our response to this CMA Market Study and its Statement of Scope addresses Theme 1: Consumers' experience of DCTs and Theme 4: The regulatory environment, although it should also be considered as a more general response regarding the role of standards in promoting aspects including quality and accessibility of consumer information, consistent and common good practices and market confidence.

Theme 1: Consumers' perceptions, use and experience of DCTs

Various industry consultations have previously highlighted issues where digital comparison sites and services are failing to meet the needs and expectations of consumers and occasionally regulators. Common problems have included issues of transparency (around the process and consumers' expectation of it), the perceived independence or impartiality of the DCT; and the reliability of the information provided i.e. is it accurate, up to date, relevant.

Although a number of industry-specific codes exist, there is no single standard covering good practice for DCTs; such a standard could address some of the above. Additionally, many industry sectors do not have their own codes, so for consumers comparability across different sectors may be affected along with consistency both in terms of outcomes and quality of information.

Standards could help in a number of ways:

- Promoting good practice – a set of principles covering the management of digital comparison tools – developed with industry and consumer bodies – could help deliver minimum levels of good practice across DCT providers and help promote awareness and confidence.
- In BSI's limited engagement with DCT industry and consumers to date on the topic of standards, our conversations have highlighted the need for standards of good practice. These have included

standards used between the DCTs and hosted companies/suppliers, to help improve levels of transparency, disclosure and confidence for end-customers.

- Added to this, there may be opportunities for standards to provide confidence that DCTs follow a consistent approach and that issues such as data security are being adequately managed.
- Considering the breadth of industry sectors using DCTs (finance, travel, tourism, broadband) and the different potential impacts in terms of areas of consumer detriment, standards can be developed both to look at common issues across DCTs but also where specific industry guidance might be required.

Theme 4: The regulatory environment

Standards can provide an alternative to regulation in both established and emerging areas, where achieving a balance between supporting innovation and consumer protection is essential. See BSI's [report on adaptive governance of innovative technologies](#)¹ from 2016.

A high-level standard developed with comparison tool providers, suppliers and consumer bodies could provide an effective form of self-regulation of DCTs – setting out expectations as to quality of information, how information is collected, displayed and indicate the responsibilities of relevant stakeholders.

Standards can address specific issues; taking for instance the recent CMA call for information in relation to online review sites which found a number of areas of concern for consumers. An international (ISO) standard is currently being developed, with the involvement of leading UK industry providers via BSI, that will help provide more detailed guidance for review administrators to help reduce poor practices such as publication of misleading information. This demonstrates how standards embody an industry-led approach.

Equally standards are able to support and complement regulation of an individual sector or technology by providing the type of guidance often required alongside principles-based regulation. In the event that DCTs were to be regulated by industry sector with basic rules, then these might be underpinned by standards offering detailed guidance on good practice.

Conversely, a generic approach to regulation of DCTs could be supplemented by the development of industry-specific standards to help define expectations in terms of processes, behaviours and minimum consumer outcomes that would be needed to enable effective enforcement and redress.

Unlike regulation, standards are developed and applied voluntarily. Standards development is typically industry-led and would need the support and commitment of major DCTs and suppliers to be a success. BSI's role, as the UK's National Standards Body, would be to facilitate and maintain any standards through our open, independent and consensus-based process.

Next steps

BSI would welcome the opportunity to assist in a meeting of DCT providers, suppliers (product providers), existing code operators and consumer bodies and regulators to investigate how voluntary standards might best contribute towards the effective governance of DCTs and in achieving better

¹ Joyce Tait and Geoffrey Banda (Innogen Institute, University of Edinburgh): *Proportionate and adaptive governance of innovative technologies The role of regulations, guidelines and standards*. BSI. 2016. See <http://www.bsigroup.com/LocalFiles/en-GB/BIS/Innovate%20UK%20and%20emerging%20technologies/Summary%20Report%20-%20Adaptive%20governance%20-%20WEB.pdf>

consumer outcomes, levels of trust and transparency. A stakeholder event of this type would enable us to explore further the main issues, challenges and opportunities for standards. We would welcome a conversation with the CMA to discuss options for taking forward any new standards development.

About BSI

BSI is the UK's National Standards Body, incorporated by Royal Charter and responsible independently for preparing British Standards and related publications and for coordinating the input of UK experts to European and international standards committees. BSI has 115 years of experience in serving the interest of a wide range of stakeholders including government, business and society.

BSI also presents the UK view on standards in Europe (via the European Standards Organizations CEN and CENELEC) and internationally (via ISO and IEC). BSI has a globally recognized reputation for independence, integrity and innovation ensuring standards are useful, relevant and authoritative.

BSI, as the UK's NSB, is responsible for maintaining the integrity of the national standards-making system not only for the benefit of UK industry and society but also to ensure that standards developed by UK experts meet international expectations of open consultation, stakeholder involvement and market relevance.

British Standards and UK implementations of CEN/CENELEC or ISO/IEC standards are all documents defining best practice, established by consensus. Each standard is kept current through a process of maintenance and review whereby it is updated, revised or withdrawn as necessary.

Standards are designed to set out clear and unambiguous provisions and objectives. Although standards are voluntary and separate from legal and regulatory systems, they can be used to support or complement legislation.

Standards are developed when there is a defined market need through consultation with stakeholders and a rigorous development process. National committee members represent their communities in order to develop standards and related documents. They include representatives from a range of bodies, including government, business, consumers, academic institutions, social interests, regulators and trade unions.

Yours faithfully

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