

Digital Comparison Tools Market Study:

Response form

1. Thank you for taking the time to respond to the questions in the Statement of Scope for our Market Study of Digital Comparison Tools (DCTs), published on our [website](#) on 29 September 2016.
2. Please download and save this form before completing it. Please submit your response by **5pm on Monday, 24 October 2016**, either by:
 - Email to: comparisontools@cma.gsi.gov.uk.
 - Or by post to: Digital Comparison Tools Market Study
Competition and Markets Authority
7th floor
Victoria House
37 Southampton Row
London WC1B 4AD
3. Please note:
 - You can choose which questions to respond to, but we ask all respondents to provide a small amount of background information at the start of this form. The boxes will 'expand' to accommodate long responses if required.
 - We are particularly keen to receive evidence in support of responses. If you are able to supply evidence please attach this with your response.
 - We intend to publish responses to our Statement of Scope in full. If you wish to submit information that you consider to be confidential, this should be indicated to us clearly and an explanation given as to why you consider it to be confidential.
 - The CMA may use the information you provide for the purposes of facilitating the exercise of any of its statutory functions. This may include the publication or disclosure of the information. Prior to publication or disclosure, in accordance with its statutory duties under Part 9 of the Enterprise Act 2002, the CMA will have regard to (among other considerations) the need to exclude, so far as is practicable, any information relating to the private affairs of an individual or any commercial information relating to a business which, if disclosed, would or might, in our opinion, significantly harm the individual's

interests or, as the case may be, the legitimate business interests of that business (confidential information). Further information about how the CMA will use information submitted during the Market Study can be found on our [website](#).

4. If you have any questions about our Market Study or this online form please contact the team at comparisontools@cma.gsi.gov.uk.

Your details

(Fields marked * are required)

Title*	Mr
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Forename	Marc
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Surname*	Ferguson
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Email*	[✂]
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What is your role / profession*	Digital Director
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Are you representing yourself or an organisation?*	An organisation <i>(please delete as appropriate)</i>
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If you are representing yourself rather than an organisation would you be content for us to include your name when we publish your response?*	Yes / No <i>(please delete as appropriate)</i>
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If you are representing an organisation:

(a) What is the organisation's name?*	www.Quiddicompare.com
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(b) Please could you briefly explain the role of your organisation, including the sectors in which it operates or has most interest?*
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We operate a price comparison site primarily focused in the lending space

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

We will analyse consumers' awareness, understanding and perceptions of DCTs – for instance, how well consumers understand and/or trust DCTs, and what this means for whether they use them.

We also want to understand consumers' behaviour and experiences with DCTs, including what consumers expect to get from DCTs compared with what they actually receive. We will also look at whether they use DCTs just to compare products and suppliers or also to switch; how many DCTs they use; how successfully they use them; and the benefits they derive from doing so. We will also want to understand what happens when something goes wrong and consumers' expectations are not met (knowingly or otherwise). We also plan to understand whether increased use of DCTs results in excessive focus on price, to the exclusion of other factors and to the detriment of consumers' overall decision-making.

1. When and why do consumers use DCTs? To what extent do they trust them?

To compare the whole market on a like for like basis when they want to research a product they intend to buy now or in the future

2. How do consumers choose which and how many DCTs to use?

Generally by brand awareness and search engine positioning. Rarely based on 'how good or relevant' the DCT actually is.

3. What are consumers' expectations of DCTs – for instance in terms of market coverage and the relationships between DCTs and the suppliers they list?

A consumer may expect a DCT to have total market coverage and this may simply not be possible for a whole range of reasons both technically and commercially. There is a total misconception that a DCT should have total market coverage and list suppliers based on some perceived best comparison for the customer. In the end the DCT unless it is a charity is a business that has to make money in order to operate and so there is a balance between being earning revenues and customer outcome that has to be managed.

4. What are consumers' experiences of using DCTs? Do they benefit from using them and, if so, how? What works well and what could be improved?

Generally consumers have a good experience but over the last few years the sheer amount of information (both regulatory and factual) that is displayed on DCT's has started to overwhelm any consumer and make decisions harder rather than easier.

The lack of 'real time' information passed back by various suppliers and the fact that rates advertised do not reflect the rate a consumer will actually get have also led to a feeling of being mis-guided by DCT's. However this is not the fault of the DCT's themselves but often the antiquated supplier systems they connect to and the resistance on suppliers parts to share their decisioning IP.

Theme 2: Impact of DCTs on competition between suppliers of the services they compare

A critical test of DCTs' impact is whether they are improving or hindering competition between suppliers. A major way of improving competition is increasing engagement through reducing search costs. We plan to understand this effect and whether anything may be hindering it.

We also want to explore the relationships between DCTs and suppliers and to know whether DCTs are having effects on supplier behaviour. For example, we want to explore the impact of DCTs on the range, quality and pricing of their services, and the extent to which this leads to better or worse outcomes for consumers. We also want to understand the extent to which DCTs facilitate supplier entry or expansion.

5. What factors influence suppliers' use and choice of DCTs and why?

Search engine choice (google dominant), Mobile vs desktop viewability of the DCT website. Brand awareness and TV advertising.

6. To what extent do DCTs make it easier for suppliers to enter the market, attract more consumers and engage more effectively with them?

Moderate. DCT's have become a more expensive way to enter the market than 10yrs ago.

7. How have DCTs affected competition between suppliers? What impact has this had on the price, quality and range of products offered by suppliers?

It has certainly made more products visible to customers and so given customers an understanding of 'choice'. But financial services is a complex market and displaying 'averages' I believe has not been helpful as more sophisticated risk based price has developed. Very much like insurance where pricing is 'bespoke' based on risk profile...all financial services are moving in this direction so DCT's will only ever be able to give 'indicatives' which often lead customers to assume (wrongly) that is what they will get.

8. What are the barriers, if any, to DCTs increasing competition between suppliers, and how can these be overcome?

[✂]

9. In what ways, if any, have DCTs changed suppliers' approach to consumers - for instance in terms of whether they treat consumers who use DCTs differently to those who do not?

I think it has made suppliers supply more information and give the customer greater insights into products. I don't think customers who use DCT's are treated differently.

Theme 3: Competition between DCTs

We will aim to establish whether DCTs are competing effectively with each other, as well as facilitating competition between suppliers of the services they compare. If not, we will explore what may be holding back competition in any particular market.

We will explore how DCTs compete both for consumers and for suppliers. We will assess what well-functioning DCT competition looks like, and the potential for DCTs or suppliers to engage in practices that limit this.

10. In what ways do DCTs compete with each other – for instance in terms of coverage, the savings consumers can make, the services they provide, their ease of use, transparency and how they protect consumers' data?

They compete in 'brand value' and ability to give customers in some cases a more realistic idea on whether they will be accepted for a product.

11. What factors influence how effectively DCTs can compete – for example, whether they can secure the necessary consumer data, supplier information or other data?

[✂]

12. If there are barriers to competition between DCTs, how significant are these and how can they be overcome?

The barriers are simply 'money'. Those that had the biggest budgets and built the biggest brands are those that can aggressively take market share to the detriment of new entrants. It is hard to displace dominant players.

Theme 4: The regulatory environment

There is a range of regulation of DCTs in place across our sectors of interest, from full regulation in financial services to voluntary accreditation in the telecoms and energy sectors. We will provide an overview of the different approaches to regulation being adopted and assess whether there are lessons to be learnt from comparing approaches.

13. Are there any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency, or enforcement?

The requirement of DCT's to make a 'like for like' comparison does not make 'any' sense in a world where products are bespoke.
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14. Do there appear to be any areas where DCTs may not be meeting competition or consumer protection requirements?

No

15. Do any aspects of regulatory approaches to DCTs need to change and, if so, why?
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As point 13

In relation to all of the themes and issues set out earlier, we will look at both the current situation and the effect of likely future developments in the DCT sector.

16. Finally and in relation to all of the issues above, what likely developments over the next three years should we take into account and why?

[✂]

Other comments and further contact

Do you have any other comments you would like to add?

Would you be willing for us to contact you to discuss your response?*

Yes / (please delete as appropriate)

Thank you for taking the time to complete this form.

Please email it to: comparisontools@cma.gsi.gov.uk.

Or post it to:

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7th floor
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