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Dear Paul

I welcome the CMA's market study on digital comparison tools.

Digital comparison tools (DCTs) can be a useful tool for consumers which allows consumers to compare products, services and prices in what can be confusing and complex markets. This allows consumers to make informed decisions about what is the best product or service for them. By providing consumers with the information to make good decisions, DCTs also encourage more competition between businesses. DCTs also reduce the search costs and therefore make switching more appealing to consumers.

While DCTs are a useful tool for most, some consumers may not be able to engage with them if they are unable to access the internet, find it difficult understand the information or range of options or lack the confidence to engage with the market. This was highlighted in the recent report by the UK Regulators Network on price comparison websites. It is important to consider how these consumers, many of whom may be vulnerable, can be encouraged to engage with the market. The CMA in its work should consider other methods of encouraging engagement that can specifically target these vulnerable consumer groups.

The Scottish Government is very interested in considering tools for increasing consumer engagement in the regulated sectors. The key principle of our work on consumer switching is that different consumer characteristics lead to different switching behaviour and, therefore, a different policy response will be needed for different types of consumers. We will commission a survey of Scottish consumers during 2017 in order to gain a better understanding of the barriers that consumers in Scotland face when switching. We will use the results from this survey to identify the characteristics of different types of switchers with the aim of developing targeted policy interventions.



The Scottish Government is keen to work closely with the CMA as you develop your market study further.

**Keith Brown**