



# uSwitch response to the CMA's DCT market study – statement of scope

Non-confidential version

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## **Contact**

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# 1 Executive summary

## 1.1 CMA's statement of scope

uSwitch welcomes the CMA's market study into digital comparison tools (DCTs).

The CMA's purpose in conducting the market study is *'to maximise the benefits that DCTs can deliver, as well as minimising any problems that they might raise'*. This submission sets out our initial views on how the CMA can secure that objective, drawing on our experience as the operator of one of the UK's best-known DCTs, and a business that has grown from a small base in 2000 to serving millions of UK customers today.

As DCTs operate in a range of sectors but have common characteristics, we think the CMA is better-placed than any other UK agency to coordinate competition policy in this area, and to offer an assessment of DCTs that can inform other regulators and policy-makers. This is an important contribution, given the scope for differences in regulatory treatment of DCTs in different sectors, and the risk of unintended consequences of sector-specific regulation, which can dilute the benefits that DCTs bring to consumers and competition.

A useful output of this work could be best practice guidelines to the sector regulators on how to foster the benefits to consumers flowing from DCTs, and how to avoid regulation that inadvertently reduces or eliminates those benefits.

While we agree with the CMA's aims with respect to this market study, we consider it is important not to lose sight of the wider benefits DCTs can provide (for example, by promoting competition between suppliers). DCTs can be considered a discrete market in and of themselves as the CMA intends to do in this market study. [X] However, keeping clear the distinctions between the different sectors within which DCTs operate (and their two-sided nature, bringing together consumers and suppliers) and considering each of them on their merits will be critical to the success of the CMA's market study. In practice, DCTs cannot just be considered as one market - they are a small but fundamentally beneficial part of the value chain in a range of substantial (and in some cases overlapping) essential consumer sectors.

In addition, the CMA should keep in mind the wider online environment in which DCTs operate. [X] Although we help consumers conclude agreements with (and sometimes, in law, are representatives of) the suppliers on our platform, we operate in the margins of those suppliers' activities, many of them are companies significantly larger than our size. [X] And although much of our business is as a digital comparison tool, we must also take into account the competition we face from offline comparison services and intermediaries.

At the same time, our sector is rapidly-growing, fast-moving and characterised by significant innovations that re-write the rules of the game with much greater frequency than many non-digital markets. [X]

In this document, we offer our initial thoughts in response to the CMA’s early questions. We will also be providing a response to the CMA’s initial information request, and we have tried to avoid duplicating that material here.

We have also highlighted a framework for consideration where there are opportunities to unlock further consumer benefit generated through DCTs by improving consumers’ ‘cost/benefit’ judgement on market engagement.

We look forward to engaging with the CMA throughout this market study.

## 1.2 Nature of the digital sector

As with other digital markets, DCTs operate in a highly fluid and dynamic market, in which technological change affects all aspects of the way we deal with consumers and suppliers. Taken in the round, the DCT market has many characteristics that competition authorities have associated with nascent markets, such as rapid growth and high rates of innovation.

uSwitch, and other multi-sector DCTs have an additional challenge, which is that the pace of change varies across a range of different sectors. Each of the regulated sectors is facing, to a greater or lesser extent, transformative change reflecting the impact of digital technology. As well as being ourselves a technological innovation, we must also ensure that our systems and processes are sufficiently adaptable and flexible so as to remain current in the face of change related to, for example, smart meters in energy or the Open Banking Initiative in financial services.

## 1.3 DCTs position in and effect on markets

DCTs operate as an intermediary between consumers and service providers, offering significant efficiency gains to both, saving time, reducing complexity and enabling greater simplicity. Consumers can significantly reduce their search and transaction costs by using DCTs. This increases the likelihood they engage in markets in the first place, and means that they are more likely to find services that better meet their needs. For suppliers, DCTs represent a highly efficient marketing channel, in that fees are generally only paid when a new customer is acquired. In aggregate, this allows DCTs to advertise to consumers on a far more efficient basis than if all suppliers focused on traditional above-the-line advertising. Overall, the impact of DCTs extends beyond the immediate efficiency gains to individual consumers and suppliers. By encouraging further participation and competition, DCTs generate positive externalities, having a beneficial effect on consumers throughout the relevant sectors by opening more choice and better value, and improving productivity.

We believe the DCT sector itself is highly competitive. In principle, the barriers to entry are low [X]. This is consistent with the observation that there are many DCTs in the UK market (and far more when looking across Europe) – some that choose to focus on one sector, some that offer a broader set of DCTs. As a result, it is a fiercely competitive market, in which it can be difficult to attract an audience unless there is an offer that is genuinely innovative. We also observe some entrants using

new approaches in this space, such as semi-automated switching services, app led comparison and collective switches. This diversity is direct evidence of the healthy state of competition between DCTs for new opportunities.

There are barriers to switching in the utility sectors where DCTs operate [X]. But there certainly are no barriers to switching between DCTs (indeed, the UKRN evidence was that most consumers use more than one DCT when they search), nor is there an absence of choice. But do DCTs have the scope to compete as broadly as they might? And is the scope for vibrant competition between DCTs being fully utilised to maximise consumer benefit? These are obviously issues that the CMA has flagged it wishes to explore, and we think that they are important questions.

[X]DCTs have a very strong incentive to minimise a consumer's search costs and make the transaction process as easy as possible while maintaining consumer confidence in that journey. This incentive to minimise search and transaction costs for consumers mean that DCT operators work extremely hard to optimise all parts of the consumer's engagement and switching journey that is within their control.

Finally, we note that from a consumer's perspective many markets are becoming more complex, making it harder for a consumer to choose. In some cases, this is because commercial practices are changing (for example, bundling across previously distinct services). In other cases, specific characteristics of the service (such as geographic coverage or broadband speed) are becoming increasingly important to the consumer. To make an informed choice, consumers need to be able to compare these characteristics on a like-for-like basis, alongside price and other contract terms. However, the data regarding these characteristics is often only made available from each individual supplier, making it difficult (or impossible given differences in the format of information provided by different suppliers) to make this comparison. Given access to the appropriate sets of data, this is precisely the kind of collation and comparison service that DCTs would like to be able to provide to ensure that consumers continue to be able to make informed choices. As barriers to DCTs having a deeper role are removed (often, by removing regulatory barriers), greater consumer benefits become available as the DCT can help in more of the customer's switching journey, reducing the concern about complexity. This benefit accrues to consumers even if they only use the DCT for part of the journey (e.g. search), since the benefit of free access to information remains available to them.

## 1.4 Next generation of DCTs

We suggest there is substantial scope for the CMA to lay the groundwork for the further development of DCTs, particularly as the amount of data available to be used by consumers to help them search and switch grows deeper and more sophisticated.

Future developments already in progress that are likely to be transformative for the use of DCTs include:

- Smart meters in electricity and gas (and, in time perhaps, in water);

- The Open Banking Initiative, allowing consumers to provide access to third-party providers seeking to use their bank account information securely and safely to offer them a range of financial and other services; and
- New services becoming available for competition (such as water).

Equally, some other sectors (such as fixed and mobile communications) are relatively ‘behind’ on these issues, with consumer relationships constituted on a conventional basis and consumption, coverage and quality information not as easily used to support choice and switching.

In addition, we are seeing more complex products available to consumers where a simple price output is not possible, for example in energy on ‘time of use’ tariffs. We also note the idea of an over-focus on price (along with the perverse effects of hollowing-out of products) has also been reinforced by the UK Regulators Network (UKRN) open submission to the CMA.<sup>1</sup> DCTs ensuring that comparison covers broader products features as well as price opens up additional requirements for further data but is essential to ensure consumers continue to make informed decisions in an efficient way. This broader comparison offers scope to unlock further benefits for consumers in offering richer and more successful choices.

The ability of the DCT market (and the various sector regimes with which DCTs intersect) to adapt to this flood of new, hugely useful but complex data is the challenge of the coming decade. The CMA’s market study can usefully serve to signal the direction of travel and provide signposts to the earliest issues, particularly about removing regulatory barriers to the innovative use of new data to give consumers richer and better options, more choices and even easier switching. Restrictive regulation prevents innovation and differentiation between DCTs, and is a root cause of a number of problems facing DCTs in bringing new services to market. A critical concern that we have is that regulation is slow to change, and the risk that the arrival of new forms of data (smart meters) and new uses for existing data (Open Banking) will be held up due to regulatory concerns.

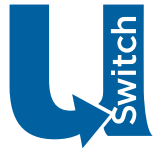
## 1.5 Consumer expectations

For the benefits of DCTs to be fully realised by consumers, there needs to be a degree of trust that enables consumers, particularly those otherwise disinclined to engage, to become active in the market with confidence. We have strong incentives to build trust in our platform and to be a trusted brand. [X] Delivering a positive and effective consumer switching experience is an essential way for us to develop and build value in our brand.

[X] One important element of trust is effective consumer protection. This means protection from abusive behaviour or unfair contract terms, and all forms of mis-selling, as well as a willingness by competition and consumer enforcers to intervene promptly when problems arise.

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<sup>1</sup> UKRN Price comparison websites final report, 27 September 2016 <http://www.ukrn.org.uk/wp-content/uploads/2016/09/201609027-UKRN-PCWs-Report.pdf>



We do not see any conceptual difference between the trust required for online markets and, for example, in retail markets generally. This is particularly the case when considering the role played by offline markets in relation to DCTs (and our experience is that, although they have some differences, in practice online and offline distribution of comparison services compete directly in many contexts.) Arguably offline distribution has inherently more risks and should have an increased focus on the appropriate application of consumer protection. [X]

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## 3 Background

### 3.1 About uSwitch

uSwitch is an online and telephone price comparison and switching service, helping consumers get a better deal on gas, electricity, home phone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In the last year we've saved customers switching through us £235m on energy bills alone.

uSwitch.com was launched in 2000 as an energy comparison service. Our product offering has grown significantly since launch to include domestic comparison services for a broad range of products within the utilities, communications, personal finance and insurance markets. In 2011, uSwitch acquired the leading broadband and mobiles comparison website, Top10.com, to improve our consumer offering in this area.

In 2015 uSwitch became part of Zoopla Property Group Plc (ZPG), a digital media business that owns and operates some of the UK's most widely recognised and trusted online brands including Zoopla and PrimeLocation.

### 3.2 Overview of DCT presence in customer journeys

It is widely recognised that DCTs reduce search and transaction costs, particularly for complex transactions.<sup>2</sup> By their nature, DCTs are easily accessible to consumers when they are online, and the barriers to using a DCT are low. Consumers can and often do use more than one DCT to give themselves a range of comparisons and to 'test' their DCTs before switching. Reflecting these advantages, although overall switching rates are low, the take-up of DCTs among switchers is relatively high, particularly in insurance and energy.

A key objective of the CMA's DCT market study should be to open opportunities for the competitive DCT market to further reduce search and transaction costs for consumers. This will increase competition among DCTs within sectors, but also result in more competition within the sectors DCTs serve.

The UKRN in its research on switching has considered the consumer engagement and switching journey in three stages; Engage, Assess and Act.<sup>3</sup> This implies consumers go through a sequence of steps building towards a decision to switch, with some steps well-suited to being made simpler or

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<sup>2</sup> UKRN PCW report, paragraph 1.2.

<sup>3</sup> UKRN Consumer engagement and switching statement, 17 December 2014 <http://www.ukrn.org.uk/wp-content/uploads/2016/07/20141217ConsumerEngSwitch.pdf>. In some UKRN/CMA publications, the first stage is named 'Access' (but is otherwise identical).

easier using a DCT (and others, perhaps, less so).<sup>4</sup> We have built on this framework to suggest opportunities to make improvements in this area.

Consumers' progress through this journey can be characterised by their cost/benefit analysis: consumers will assess their *perception* of the benefits (price savings or incremental product benefits compared to their existing supplier) against their *perceptions* of cost or hassle (including perceived search and switching costs). Consumers will reevaluate this balance at each stage as they learn more about the costs and benefits, revising their perception. They will tend to drop-out of the journey as soon as perceived cost of switching is greater than or equal to the benefit. We have set out this journey in Table 1 below.

**Table 1 Consumer engagement process**

Engage		Assess		Act		
Event occurs causing consideration of options ↘	Perceived benefit > perceived costs →	Review what's available on the market e.g. via a DCT ↘	Reassessed benefit > reassessed further cost →	Begin switching process, learning what's involved ↘	Informed benefit > informed further cost →	Switch (via DCT, supplier, or other intermediary)
	Perceived benefit ≤ perceived cost ↓		Reassessed benefit ≤ perceived further cost ↓		Informed benefit ≤ informed further cost ↓	
↑	Drop out				↓	

On the benefits side, DCTs first help consumers to identify how much they might save (or what better services might be available), bringing a range of offers together in one place and thereby creating conditions for a side-by-side comparison. This enables more intense competition between suppliers and can, for example, push suppliers to compete more directly on product features and price. Critically, because DCTs offer consumers ways to act on their choices, the most attractive offers can be taken up by consumers quickly and easily, driving the virtuous circle of competition creating incentives for suppliers to offer better products and service.

On the costs side, DCTs can play a major role reducing search and transaction costs that adjust consumers' cost benefit analysis of engaging and switching in favour of more competitive market outcomes.

The DCT market is highly competitive, with many digital businesses incentivised to make switching as easy and useful as possible, and make web experiences in which it is as easy as possible for customers to transact.

<sup>4</sup> An example of a step that cannot be avoided or minimised by a DCT for a consumer would be a statutory cooling-off period (arising during the 'Act' phase).

The role DCTs play in the customer journey varies significantly between sectors. Some of these differences are inherent (for example, the need to obtain customer information to offer a customised quote for insurance) and some reflect the different regulatory frameworks, processes and interventions in each sector over time.

In Table 2 below, we set out the different actions required of a typical consumer in each sector when considering whether to switch, or switching. We have identified the different parties a consumer is likely to have to engage with, to highlight where consumers face greater hassle through search and transaction costs. We have contrasted this with what we believe is an optimum approach – where DCTs are enabled to assist consumers at all stages of the engagement journey, optimising it and drastically reducing search costs.

The right-hand column in Table 2 illustrates what we think is the ideal outcome for consumers: each of the three stages of the Table 1 process can all occur with the support of the DCT. The rationale for this is simple: the best customer experience we can provide involves a customer arriving as a customer of one supplier, searches, considers and chooses a new provider and then secures the switch immediately, leaving the site as a customer of another supplier. Such a process meets the ambition-statement of a number of regulators and the CMA itself that switching should be ‘easy’ and ‘safe’ – easy because it is managed by a single ‘switching operator’ and safe because the business model of DCTs means they have no incentive other than to ensure that the customer is protected throughout the switching process.

**Table 2 Typical customer comparison and switching journeys by sector**

Sector Stage	Energy	Broadband	Mobile	Credit cards	Current accounts	Insurance	Optimum approach
<b>Engage: Consider bill information</b>	Current supplier bill (smart meters may remove this stage)	Current supplier bill	Current supplier bill	Current supplier bill	Current supplier statement	Current supplier renewal letter	Consumer authorises DCT to access & analyse bill information
<b>Assess: Comparison of prices</b>	Customer inputs relevant bill details to DCT and is presented with a quote	DCT offers price comparison	DCT offers comparison of price and key product allowances (but not mobile coverage)	DCT offers comparison of headline features. DCT may offer eligibility checker but actual APR / credit limit quote via suppliers own journeys	Click out to multiple supplier website to see overdraft quotes ↓	DCT integrates with supplier systems to generate bespoke quotes	DCT has the level of integration/ data to offer a bespoke price comparison
<b>Assess: Comparison of product features</b>	based on industry standards and the DCT can act on behalf of certain suppliers to allow the customer to enter the contract via the DCT directly.	Click out to multiple suppliers to see line speed estimates			↑ DCT offers comparison of general product features	DCT offers price comparison, and since September 2016 comparison of add-ons	DCT uses industry data access to compare bespoke quotes of product features
<b>Act: Initiating the switch</b>	Industry switch process typically takes 17 days	Click out to new supplier website to complete transaction	Click out to new supplier website to complete transaction	Click out to new supplier website to complete transaction including requesting balance transfers	Click out to new supplier website to complete transaction	Click out to new supplier website to complete transaction	DCT journey allows processing of the switch itself through relationship with supplier
<b>Act: Termination of current contract</b>		If within Openreach, switch is processed at least 10 days later	Obtain PAC from current supplier to keep number	Call to cancel terminating supplier after balance transfer	New supplier arranges termination (via CASS) in a 7 day switch process	Inform current supplier and obtain proof of no claims discount	Industry processes facilitate switch without the need for the customer to contact old or new provider directly
<b>Act: Finalising the switch</b>	Meter reading to new supplier (smart meters may remove this need)	Cease services not covered under switching processes	New supplier actions PAC which finalises termination within 1 day			Forward NCD information to new supplier	

Key: ■ Action with current supplier ■ Action with DCT ■ Action with gaining supplier



We believe that DCTs work best when they are not limited to helping consumers find a better deal, but can help them through the switching process. This means scope to reduce not just the *search* costs, but also the *switching* (transaction) costs for the consumer.

Energy is the best example where this approach already works well for consumers. In energy, it is commonplace for DCTs to cover both the ‘assess’ and ‘act’ stages of engagement within a single journey, reducing the time investment required by the customer. Smart meters promise an end to the need for users to extract tariff information, consumption and meter readings, opening the possibility that the entire process can happen within the DCTs journey.

In other sectors, the customer journey is far more fragmented, for example due to the underlying industry switching mechanisms (and the precise ways in which the consumer’s switching path is disrupted). This varies with the specific features of that sector – and that sector regulator’s – switching process.

Consequently, in those sectors, DCTs can only offer more simplistic comparisons. The evidence is that even this is still very useful to consumers, although it still often requires customers to start multiple suppliers’ purchasing journeys to get all the information they need. Clearly, there is scope to do better.

### 3.2.1 Aggregate hassle

One issue that the CMA is perhaps better placed to consider (than the sector regulators) is the question of whether there is a consumer interest in consistency of approach across and between sectors. While clearly some sector-specific features and differences are inevitable, a greater degree of consistency could reduce aggregate consumer perception of hassle with the general idea of switching – raising levels of consumer interest and confidence across a range of sectors.

Sector regulators inevitably have statutory duties framed in terms of the consumers in ‘their’ sectors, and thus tend to see energy consumers, broadband consumers, financial services consumers all as mutually exclusive categories with different issues. In practice, most consumers take most or all of these services, and should not be expected to know the exact best route to engage. It is also striking that, in practice, many DCTs operate across a range of sectors and may market themselves as a place to switch in general (including, of course, uSwitch). For example, ZPG has a strategic focus on helping consumers with all stages of the property life cycle (find, move, manage), recognising that people who have moved are often in the market for a range of services simultaneously. No doubt other DCTs have different strategic areas of focus to address other reasons why consumers might have a particular interest in switching at particular times or in particular ways.

Intuitively, experiencing a level of hassle with switching *one* service seems likely to impact a consumer’s perception of hassle when considering other services. This suggests that there may be harmful effects arising from fragmented search and switching processes across key industries rather than what is more normally considered to be the main concern, which is consumer lack of engagement in the primary market. This may be a useful point for the CMA to test in the market

study. This cross-over effect is something that constrains the potential of competition across the board, particularly in a range of what commentators have called ‘problem markets’ – that is, markets where, due to a lack of consumer engagement or other factors, competition is currently working less effectively than economic theory would predict.

DCTs have been successful in reducing search costs to the extent it is currently possible. The sector is well placed to address this on a larger scale, potentially having a transformation impact on competition.

### 3.2.2 DCTs from the supplier’s perspective

As the CMA correctly notes in its statement of scope, one of the important roles that DCTs play is in supporting new suppliers into the market, thereby lowering barriers to entry in those sectors. DCTs are a highly effective form of marketing, enabling offers to be brought to the attention of consumers who are, by definition, already engaged in considering a possible switch. As a result, there is value to the suppliers in that relationship.

As well as competing to make their platforms attractive to consumers, DCTs must also manage their relationships with suppliers.

For the most part, the nature of the relationships with the suppliers will vary:

- By sector. Different services have some inherent differences (insurance, for example, involves the creation of customised quotes that requires a relatively high degree of engagement between suppliers and DCTs, whereas some other markets – such as broadband – provide scope for relatively little). [X] Our experience is that differences driven by the different regulatory regimes in each sector are as significant (or more significant) than differences driven by the physical or commercial characteristics of the underlying service.
- By scale or market presence of suppliers. Certainly in uSwitch’s case, it is not simply a case of larger suppliers being more desirable participants on our platform. It is in the interests of DCTs to offer a wide choice of suppliers and not to be commercially reliant on a small number of providers.

## 3.3 Overview of the value chain and business models

### 3.3.1 Commercial incentives for DCTs

DCTs supply a wide set of services, across a very broad set of sectors. The unifying feature amongst DCTs is that they all help to reduce transaction costs in its broadest sense, encompassing costs associated with searching for alternative suppliers, with the mechanics of the transaction, and any switching costs.

The opportunity for DCTs is greatest in markets where these transaction costs are relatively high. The most obvious benefit from DCTs is that they allow a user to compare many services without collecting and compiling all the relevant information themselves. However, it is important to recognise that this is only one aspect of the DCT service. The simplification and standardisation of

the underlying information can be of even greater significance – both to individual users, but perhaps more importantly in the assessment of the wider impact of DCTs on competition and consumers.

Even more significant than standardising information is the enabling of the switching process, which enables the DCT to promote competition in the sector market directly, by bringing together the new provider and the consumer, and permitting the conclusion of their contract (ideally) in a single, seamless process. In doing so, the DCT can take ‘ownership’ over the switching consumer’s experience, in a way that neither gaining nor losing providers can necessarily do on their own.

We observe that the most common model for the DCTs is to be paid a fee upon successful switch originating through the DCT. This allows panel members to budget on a success-only basis and transfers the risk of wider marketing to the DCT. We believe this is more efficient, as marketing a service with a variety of options as likely to have a higher overall conversion rate than a single provider marketing a single service. It does mean the DCT must take a level of risk with its own marketing investment.

DCTs’ incentives are, ultimately, to deliver a safe and effective consumer experience. To understand why, it is helpful to explore the behavioural economic rationale for use of and benefits of DCT service.

One of the ways in which DCTs can create value is by reducing the biases built in to consumer behaviour (e.g. encouraging participation by making comparisons easier). There is some research into the effect that consumers delay or don’t make any decision when faced with ‘too much’ choice (or too much choice that is not relevant to their needs) – and this holds true for too *difficult* a choice also).

This behavioural aspect matters because without it, classical economic analysis underestimates the benefits of DCTs. Absent behavioural concerns, the estimate of benefits assumes that consumers behave rationally, and therefore transact more because transaction costs are reduced. This effect is well-documented and we have referred to it extensively in our submission, as have others working in this area (e.g. UKRN, European Commission and the CMA itself).

However, consumers often don’t transact at all, because their assessment of expected costs -v- expected benefits is biased - that is, everyone knows of someone who has had a bad experience switching supplier. This evidence takes centre stage when considering whether to ‘go to market’ (referred to as the availability heuristic), leading many who might otherwise be engaged not to bother at all. Widespread (and, in some cases, seemingly inexplicable) lack of engagement is a frequent issue in the markets served by DCTs.

DCTs have a very clear incentive (much clearer than suppliers) to correct these beliefs and persuade consumers to engage in the market.



At one extreme, DCTs can create new markets and help establish competition where none previously existed (see, for example, the enabling of digital comparisons of suppliers of public services, such as NHS Choices). This highlights the potential for the use of DCTs to allow the comparison of non-price aspects of service – in common with a trend in service markets across the board.

At the other end of the spectrum, in markets where price comparison is the primary function offered by DCTs, the existence of these services can have a significant impact on consumer behaviour and on competition. The reduction in transaction costs adds liquidity to these markets – encouraging more transactions.

Overall, therefore, by reducing transaction costs, DCTs will tend to encourage more efficient decision taking by consumers – in markets where DCTs are being used effectively, a greater proportion of consumers will be using the services that best meet their needs. In turn, this allocative efficiency will also help to drive competition between suppliers. [X]

### 3.3.2 Market power of supplier panel members

DCTs compete on the level and quality of its market coverage, as it is their interests to offer its customers enough choice that they feel able to make an informed decision and transaction via that service. However, there are artificial (i.e. regulatory) requirements in certain markets for DCTs to operate a certain level of market coverage. These can open opportunities for suppliers to take advantage of their position at the expense of DCTs. [X]

For example, in Ofcom’s accreditation scheme for price comparison websites there is a comprehensiveness requirement.<sup>5</sup> This states that Ofcom “*would generally expect the chosen providers to hold a collective market share of over 90% of subscribers within the chosen market*”.<sup>6</sup> Given the market structure in the retail broadband market<sup>7</sup>, it is mathematically impossible to achieve Ofcom’s requirement without all of the largest four providers to be available by the DCT. This means that any one of the largest players in the market have the power to place the DCT in breach of this [X].

In energy, the CMA has considered in detail the role of the ‘whole of market’ requirement in Ofgem’s Confidence Code as part of its energy market investigation. [X]

## 3.4 Over-focus on price

We share the concern, voiced by the UKRN, that an undue degree of competition (and focus) on price can lead to a ‘hollowing-out’ of other qualities. By supercharging all forms of competition on

<sup>5</sup> uSwitch is not a member of this scheme.

<sup>6</sup> Report for Ofcom: Accreditation scheme for price comparison services: audit guidance document, Section 3.6, 5 November 2013 [https://www.ofcom.org.uk/data/assets/pdf\\_file/0028/79750/audit\\_guidance\\_document.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0028/79750/audit_guidance_document.pdf)

<sup>7</sup> Ofcom Communications Market Report 2016, Figure 4.17 [https://www.ofcom.org.uk/data/assets/pdf\\_file/0026/26648/uk\\_telecoms.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0026/26648/uk_telecoms.pdf)



measurable metrics, DCTs can have the effect of focusing consumer attention on the visible metrics (most obviously, price) whilst leaving competition to deliver other aspects of the service undervalued.

The solution to this problem lies in the development of the DCT market, with DCTs facing strong incentives to ‘raise their game’ and deliver outcomes that create positive associations for consumers and the suppliers who become their customers. Currently DCTs face limitations on what they can compete on, as industry processes and regulation constrains their scope for competition in some cases just to price and the strength of their brand. A shift away from ‘price comparison’ is an important first start (and we welcome the cosmetic but significant shift by the CMA for the use of the term ‘price comparison website’ to DCT).

### 3.5 Opening up the next generation of DCTs

DCTs can only succeed by ensuring that consumers perceive themselves to benefit from using their services, a successful DCT sector is likely to act in ways that further the interests of consumers. Because they interact directly and, in effect, on behalf of consumers with often regulated suppliers, DCTs also have insights into consumer behaviour and patterns of choosing and switching that may have a valuable contribution to the market study.

We do not have fixed ideas about how the CMA might realise some of the benefits of DCTs, but the most likely areas seem to us to be in the exercise of the CMA’s ‘soft power’ – guidance, or public statements that can help enable markets to develop in directions that are positive for consumers.

#### 3.5.1 Address barriers to information and innovation

As with many digital markets, in principle, the barriers to market entry for a new DCT are low.

Some of the most significant barriers to entry and growth for DCTs are regulatory – specifically, the need to be able to navigate complex requirements of each sector they serve.

These restrictions can mean that DCTs find themselves governed by multiple overlapping regulatory regimes or requirements that may, for example, treat the DCT as a distributor or supplier of services. Regulatory rules often begin from the premise that suppliers must de facto regulate ‘their’ downstream affiliates, imposing rules or placing liability in ways that are not appropriate for the DCT/supplier relationship.

As a result, innovating for DCTs can be enormously challenging, and this can slow the pace of benefits to consumers.

#### 3.5.2 Could DCTs help with challenges that regulators have failed to overcome?

Although they are only one element in a diverse and complex set of regulated sectors, DCTs have the potential to play an important role in addressing two of the most significant sources of consumer harm in regulated sectors: lack of engagement, and lack of fast and simple switching.

DCTs have an obvious incentive to address **lack of engagement** by consumers, and are often better-placed than suppliers and regulators to inform consumers about the benefits of switching and engagement in general. Individual suppliers have strong incentives to draw consumers into the market, but only to the extent that they can win the business of those consumers. DCTs seek to draw consumers into the market largely independently of the question of which supplier they ultimately choose.

One of the most commonly observed failures in regulated markets is the challenge of **establishing switching systems and processes that are fast, easy and efficient**. This is both a market failure (since groups of diverse suppliers rarely have a shared incentive to invest in the development and deployment of such systems) and a regulatory failure (when regulation is used to impose systems that are wasteful or ineffective).

It is a widely-observed feature of such sector that consumers' interests are diffuse, whereas the suppliers tend to be fewer, larger and better organised and resourced. Beyond the more straightforward benefits that DCTs deliver, it is plausible that a thriving DCT sector creates a potential counterbalance to the bargaining power of suppliers. (The issues relating to insurance data are an example of this type of problem). In particular, DCTs have a strong incentive to see switching systems developed that are highly attractive to consumers – which is precisely the outcome that regulators seek and cannot easily secure through existing market or regulatory processes. Could DCTs be able (or encouraged) to work with suppliers to build better systems, creating a market mechanism to solve a problem in relation to which regulation routinely struggles? Currently, there are barriers to DCTs playing this role, and we would welcome a discussion with the CMA team about how the market study might provide ways to reduce these.

### 3.5.3 We see digital as part of a wider mission to help consumers navigate complex choices

While we appreciate the CMA is proposing to exclude offline comparison tools from its market study, we do note that offline comparison channels are growing and have several characteristics that are broadly common to digital tools (as well as some differences).

uSwitch runs a telephone based comparison and switching service for energy, that helps consumers from less digitally literate backgrounds access better energy tariffs. We also note other intermediaries are focusing increasingly on offline channels. For example, Dixons Carphone, following its recent acquisition of SimplifyDigital has a significant presence in shop and telephone broadband comparison services.

While not a focus for this market study, the CMA should keep in mind the impact on offline comparison channels any recommendations or guidelines may have.

Offline activities are necessarily within the scope of the CMA's analysis, since they form part of the context within which DCTs operate. Suppliers' concerns about their regulatory compliance obligations holds back what's possible in offline. Offline channels are often ignored or not considered by regulatory tools used on DCTs, but may be ways to 'move the needle' on consumer engagement and unlock face-to-face comparison, which may be very beneficial for competition.

### 3.5.4 Regulatory oversight that supports competition objectives?

Because we are subject to so much overlapping regulation, much of it catching us ‘collaterally’ rather than focused on a consideration of DCTs themselves, we are very much aware of the risks that regulation can do harm as well as good.

uSwitch appreciates the need to maintain and enhance consumer confidence in DCTs as an important part of growing consumer use of such services. As the CMA is aware, the oversight of DCTs is fragmented across different sectors. Some of the regulations in place are for good reason and should continue – as devices to extend and harmonise the marketing rules related to regulated products that suppliers themselves have to observe. However, where regulatory devices are used to extend principles specific to DCTs, there are risks of distorting and restricting the competition that we believe the CMA should consider in detail as part of this market study.

Broadly speaking we believe the CMA should consider a range of questions, including:

1. How can innovation in the sector be encouraged?
2. Do DCT accreditation schemes dull DCTs’ incentives to invest and compete?
3. Do DCT accreditation schemes distort the balance of commercial power too far in favour of suppliers?
4. Are DCT accreditation schemes sufficiently principles-led (rather than prescriptive) that they do not create barriers to innovation?
5. Is the definition of PCW used in accreditation schemes too narrow that membership becomes a competitive disadvantage?

Although it is in some ways different from the sector-specific regulation applied to many of our suppliers, the principles of ‘good regulation’ apply equally to any oversight: regulation should be targeted at those cases only where it is needed, should be reasonable, consistent, proportionate and transparent (for example, imposed only after conducting a robust impact assessment).

There are cross-sector regulatory tools already available to the CMA and the sector regulators that may be more appropriate forms of oversight than voluntary accreditation, in that they can apply across all comparison services and are sufficiently principles-based as to not improperly distort competition. For example, the Advertising Standards Authority’s CAP code applies to DCTs as they are essentially forms of advertising for products. The CMA and sector regulators do have common tools available that could be used to address any potential specific DCT concerns, for example in the Consumer Rights Act 2015 and in competition law.

## 4 Response to specific questions

In this section, we have offered some initial thoughts in response to the specific questions raised in the CMA's statement of scope. We welcome the opportunity to discuss these questions in further detail with the CMA as the market study progresses.

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

#### 4.1.1 When and why do consumers use DCTs? To what extent do they trust them? (Question 1)

uSwitch does not see a single driver or rationale that brings consumers to consider our services to the exclusion of others. DCTs attract attention from consumers at different stages of the 'switching journey', including customers who are merely 'in the market', those who are actively searching and those who are seeking to test a specific offer or service. What consumers all have in common is a desire to reduce the time and hassle involved in searching and, perhaps, in the act of switching.

As noted in our main submission, the ease with which consumers can use more than one DCT in relation to a particular service is a very important characteristic and one which shapes the way in which DCTs compete. Because there is little scope in being the 'exclusive destination' for consumers, instead DCTs concentrate on building trust and, where they can, making their platform more attractive by pushing suppliers to offer better (and potentially exclusive) deals. Trust is vital to promote the use of DCTs, and the strong incentives that DCTs have to invest in and develop trust in their systems is one of the reasons why DCTs achieve de facto so many of the policy outcomes of regulators (better prices, wide ranges of offerings, a 'level playing field' between the suppliers) without the need for direct regulation.

#### 4.1.2 How do consumers choose which and how many DCTs to use? (Question 2)

As noted above, multi-homing is very common (and, we suspect, on its way to becoming the norm). The evidence for this is particularly strong. As the UKRN noted in its recent report, it is generally observed across sectors that '*consumers appear to use at least two sites before making a decision*'.<sup>8</sup> While we anticipate that the CMA will wish to compile its own assessment of the evidence, it is important to draw on the existing pool of data in this regard, including from the FCA's market study of credit cards and several published studies or consumer research reports confirming the prevalence of multi-homing.

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<sup>8</sup> UKRN report, paragraph 3.9. The UKRN went on to cite the 2013 Consumer Futures report that found that '16% used one site, 57% used two to three, and 26% more, before making a decision' and the FCA's market study on credit cards, which concluded that '39% had used one PCW and 27% had used two or more, indicating that consumers not only utilise PCWs to search for suitable credit cards, but also that some are comparing between sites'.

### **4.1.3 What are consumers' expectations of DCTs – for instance in terms of market coverage and the relationships between DCTs and the suppliers they list? (Question 3)**

Because there is no single driver for consumer behaviour, consumer expectations vary widely, but a common theme is that consumers expect to see a range of deals that they could not easily or time-efficiently compile themselves.

DCTs themselves look to set expectations in their marketing, often choosing a metaphor that connotes the image of a shop or retailer (e.g. a supermarket). This does not carry any specific expectations beyond the chance to consider many possible purchases in one place.

There is a concern around the expectations that have been developed in relation to the energy market, where the so-called 'whole of market' requirement had been promoted by Ofgem in an attempt to drive greater simplicity into the retail market. As the CMA's energy market investigation revealed, that effort may have been counterproductive.

### **4.1.4 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? (Question 4)**

We believe that consumers benefit significantly from the use of effective DCTs to reduce the costs involved in engaging with the benefits. The net result of this is markets more competitive than they otherwise would have been, with consumers benefitting from better value services.

As we have described in section 3.2 of our response, the involvement of DCTs in the consumer journey varies significantly by sector. As a result, consumer experience of DCTs also varies. We believe that DCTs in general have done a good job of surfacing priced based information to consumers, but they may have been limited on the extent of comparison on other equally important product features.

We suggest the CMA looks in detail at opportunities to unlock access to data that could allow a step change in the richness of innovative comparisons available. Ensuring consumers can make informed decisions with minimal switching costs has the potential to greater increase the level of competition in wider retail sectors, as well as ensuring suppliers compete on the quality as well as price of their products.

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

### **4.2.1 What factors influence suppliers' use and choice of DCTs, and why? (Question 5)**

All the available evidence is that flexibility in the commercial arrangements between DCTs and suppliers has benefited consumers, as it has allowed a wide range of suppliers to find ways to cost-effectively reach customers and make attractive offers to them. [X]

uSwitch has experience of working with a range of suppliers, from the very largest through to small/new players looking to establish themselves. We have found that although the perception is

that digital sales channels are scalable without concerns about volumes, in truth, the position is more complex, with some smaller suppliers struggling to accommodate both the systems demands and, potentially, the volume of customers associated with a larger DCT. [X]

We also note that suppliers are influenced by the volume they perceive might be offered by using a particular DCT. Potentially significant investment is required in IT systems if a DCT is to be able to offer a service that guides a customer through both supplier search and then to completing the subsequent transaction. In some cases suppliers are not willing to make this investment with a particular DCT, with the result being that the DCT can only provide a relatively basic listing of that supplier's services.

#### **4.2.2 To what extent do DCTs make it easier for suppliers to enter the market, attract more consumers and engage more effectively with them? (Question 6)**

DCTs offer a route to market for new suppliers that is highly efficient, in that it is common for fees only to be paid on successful acquisition of a customer. This is a significant contrast to, for example, traditional above-the-line advertising where a significant outlay is required with no guarantee on the number of customers that will be acquired as a result.

However, we should be careful not to oversimplify the dynamics. Some DCTs generate very large audiences and it can be possible to overwhelm new supplier entrants by being exposed to too many potential customers in a short time frame. A negative switching experience can lead to brand damage for the DCT, for the supplier, and ultimately reduces the likelihood that the consumer will engage again in the market in future.

What's important therefore is a competitive DCT market that offers, for example, the option to appear on smaller DCTs first before progressing to larger DCTs once the supplier is confident that its systems and processes are capable of handling scale. Similarly, in a well-functioning market we would expect larger DCTs to offer smaller suppliers the opportunity to be listed but with limits on its exposure to ensure that its processes are not overwhelmed. This dynamic approach can have multiple benefits, but is hampered by some regulatory approaches used in the DCT space (for example the 'whole of market' requirement in the Ofgem Confidence Code).

#### **4.2.3 How have DCTs affected competition between suppliers? What impact has this had on the price, quality and range of products offered by suppliers? (Question 7)**

We have made a number of points in section 3 addressing these important questions. We believe that DCTs have a significantly increased competition in many of the sectors in which they operate, delivering substantial benefits to consumers. The effects are greatest where consumer use of the tools has a fairly high penetration.



We note that in the insurance market the FCA has considered these issues in the context of insurance add-ons.<sup>9</sup>

#### **4.2.4 What are the barriers, if any, to DCTs increasing competition between suppliers; and how can these be overcome? (Question 8)**

The benefits of DCTs to competition and consumers are greatest when the DCT is able to allow consumers to compare the services of different suppliers, and then guide them through the process of switching/selecting a particular service once their decision is made. As we have discussed in section 3 of our response, DCTs need to have access to detailed information from suppliers, and to be able to integrate with relevant supplier IT systems in order to be able to offer both parts of this service.

For competition to be made more effective by DCTs, all the information that would be needed for a consumer to complete a transaction directly with the supplier needs to be made available to the DCT. Increasingly, this information is specific to individual customers or properties and cannot be published in simple tariff tables. Where suppliers keep this information private, and only available within their own internal purchasing journey, they are likely to face less intense competition on the relevant product features, since it will be that much harder for customers to make direct side-by-side comparisons with other suppliers.

As such, we consider it is important that DCTs are able to access the relevant information from suppliers, and have the opportunity to integrate IT systems to be able to deliver the best possible service to consumers. In delivering this service, DCTs can help customers find the service that best meets their needs and budget. In turn, this should create the correct incentives for suppliers to make allocatively efficient decisions.

The following list provides a number of examples where it would be technically possible for DCTs to offer a better service, and therefore help to further promote competition in the relevant retail sector, but where it is not yet possible to access the necessary information:

- Broadband line speed estimates and minimum guaranteed speeds the supplier would offer for the customers' specific line
- Mobile coverage data at relevant locations
- Credit card specific APR and credit limit quotes
- Pricing quotes for add-ons elements in insurance for both monthly and annual price options

We also note that in the future, a very important development in energy markets will be smart meters, and that appropriate access to this data will be vital for energy DCT services.

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<sup>9</sup> FCA PS 15/22, September 2015 <https://www.fca.org.uk/publication/policy/policy-statement-15-22-general-insurance-add-ons.pdf>

#### **4.2.5 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? (Question 9)**

DCTs can have an impact by using the collective consumer power of their audience to negotiate exclusive deals with suppliers. The DCT has an incentive to do this as it allows them to compete better with other DCTs, offline sales, and direct sales by the supplier. Suppliers agree to these deals since they stand to gain from the additional marketing effort that the DCT will put into this particular product.

We should remember that a great number of consumers use DCTs purely for information purposes, without transacting through a DCT. Although we consider that the potential benefits are greater when DCTs are able to manage the transaction process, we also believe that there are significant benefits from this pure comparison phase. Specifically, this helps to reduce the information asymmetry between consumers and suppliers, and therefore reduces the potential for market failure as a result of information asymmetry.

### **4.3 Theme 3: Competition between DCTs**

#### **4.3.1 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? (Question 10)**

Within each retail sector, DCTs compete:

- a) To attract consumers. It is important to understand that this activity sits within the wider retail market. That is, it is not specific to DCTs. When trying to attract customers, we are competing with all possible sales channels, both online and offline, and either direct with the supplier or through another DCT. DCTs are not necessarily our most important competitors. [X]
- b) To attract suppliers.

There are also economies of scope between different retail markets. That is, it can be an advantage to attract suppliers or consumers in one market to have a presence in another. The evidence for this can be seen in the presence of many DCTs as multi-sector comparison sites. Finally, we note that there is also scope for 'white labelling' to enable DCTs to build efficiencies in certain activities.

Within specific sectors, in terms of the offer made available to consumers, a range of more detailed factors become relevant:

#### **Products offered / market coverage**

Confirming the evidence compiled by the UKRN, we find that multi-homing DCTs is an increasingly common trend, especially in insurance where we consider that consumers have an understanding that DCTs cannot offer the same prices and panellists. DCTs do compete on the products available via their service, broadly we see two elements to this;



1. Panel coverage – raw number of panellists available on a DCT is not particularly important, save to make marketing claims on the level of market coverage; what generates competitive advantage is the quality of the panellist in the top results consumers see.
2. Exclusive offers – we see an increasing trend for the product offerings to differ between DCTs. This is driven by a variety of factors, including collective switches in the energy market, and DCT specific incentives in communications. We consider that these developments are having a positive impact on competition with DCTs taking a more direct role in driving better deals from suppliers on behalf of groups of consumers.

### Service and usability of the DCT

Presentation of pricing information is often governed by regulation in the various sectors. However, within these constraints, DCTs face very strong incentives to develop the easiest way for consumers to reach confident, informed decisions. The constraints include;

1. Regulatory requirements on product presentation (ASA rules in broadband, FCA obligations in mortgages and consumer credit, and Ofgem requirements in the Confidence Code and in supplier licence conditions)
2. Data access restrictions limiting the personalisation of the comparison that can be offered to consumers
3. Contractual supplier restrictions for example on retargeting customers who have switched.

### Marketing

Ultimately, the DCT business model revolves around providing suppliers with an audience to consider their products. Therefore, one of the key areas of competition for a DCT lies in attracting this audience. We see several marketing channels in which DCTs compete for this audience, these include;

- Traditional marketing, including above-the-line television advertising and display advertising
- PR activity supporting strong consumer-facing brands
- Organic search traffic generated through online content pieces
- Paid search advertising activity – such as through Google and Bing.

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

As discussed above, there are three main constraints which can limit the effectiveness of DCTs:

1. Access to data from suppliers to enable like-for-like comparisons of services. We consider that this may become more of an issue in the future as service and tariffs are tailored to individuals based on data that is only available to the supplier
2. Access to supplier systems to enable DCTs to guide the consumer through to completion of the purchasing journey
3. Regulatory constraints – whether as the direct effect of regulation, or the unintended consequences, regulation can severely restrict the ability for DCTs to offer services which best meet the needs of their customers, and therefore limit our ability to compete.

### **4.3.3 If there are barriers to competition between DCTs, how significant are these and how can they be overcome? (Question 12)**

The position varies by sector. We think that it would be best for regulators to consider where prescriptive regulation limits DCTs ability to differentiate their products (in terms of display of product information and market coverage requirements). A further issue is lack of access to data (as set out earlier in this submission), which limits the ability of DCTs to compare on the basis of personalised product features, not just price - this limits the areas where DCTs can be useful for consumers as well as where they have scope to compete.

The insurance DCT sector is different to other sectors; some of the larger DCTs are owned by insurance suppliers themselves. Offering comparative insurance offers means facing high barriers to entry given the need for DCTs to integrate systems with insurers to exchange answers to the question set (your car, your job etc) for the product prices. [X] Insurance industry systems are often particularly antiquated and we think the CMA should consider any scope for some standardisation or easier data access that could improve incentives on suppliers to work with more DCTs. [X]

## **4.4 Theme 4: The regulatory environment**

### **4.4.1 Are there any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency, or enforcement? (Question 13)**

As noted elsewhere in this submission, although DCTs are not themselves (generally) regulated suppliers of, say, electricity, gas, financial services, credit cards, broadband, mobile or insurance, DCTs find themselves strongly affected by the sector-specific regulatory regimes in each of those sectors.

Thus, DCTs in general, and uSwitch specifically, are exposed to regulatory risk flowing from the decisions of almost all the largest UK economic regulators simultaneously, to a greater or lesser extent. This is an unusual position to be in and one which creates a degree of uncertainty that all major DCTs must deal with.

Sometimes DCTs are caught by regulation designed to apply to suppliers and their distributors (since the conceptual framework of distribution has been adapted to enable the DCT business model to operate). This is the case in the energy sector, for example, with uSwitch being obliged to become, in effect, a downstream supplier of all the major energy suppliers. At other times, DCTs are governed by regulation that has been designed specifically to govern the activities of DCTs, albeit often such rules are set without due consideration of the impact on DCTs, since the primary focus of the regulator is on the supplier market and the interests of consumers in having their supplier terms regulated.

Thus, there are very different approaches by sector, in ways that are inefficient and raise our costs in ways that seem to us avoidable. We accept that one size doesn't fit all on regulated product matters, but on general DCT themes, different approaches can cause consumer confusion, which may raise trust issues in future. We would like to see higher standards of regulatory design across

the board, with decisions being more principles-led and consistent – and far more mindful of the competition implications of intervention. [X]

#### **4.4.2 Do there appear to be any areas where DCTs may not be meeting competition or consumer protection requirements? (Question 14)**

We obviously cannot comment on other DCT operators. With respect to uSwitch, we do not believe there is any cause for concern from a competition or consumer protection point of view. There are multiple consumer protection frameworks in place to protect consumers from misleading information. We have a rigorous compliance programme and seek to ensure that our activities are consistent always with our legal obligations under competition and consumer law.

#### **4.4.3 Do any aspects of regulatory approaches to DCTs need to change and, if so, why? (Question 15)**

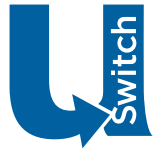
Further to our comments in section 3.5.4 of this response, we believe that several regulators have fallen into the trap of not considering the competition implications when looking at accreditation schemes for PCWs (and these implications for competition between DCTs, and for competition within the regulated markets.) [X] While we appreciate the need to build confidence in comparison services:

- The schemes tend not to cover a broad definition of comparison intermediary, so constrain only parts of the market, potentially causing distortion as between some types of DCTs and others;
- The schemes weigh too much commercial influence on the suppliers, allowing them to game the regulation, dulling the incentives of DCTs to invest; and
- The regulatory body can avoid conducting a thorough competition impact assessment of any changes to the scheme as compliance with them is technically “voluntary”. [X].

#### **4.4.4 Finally and in relation to all the issues above, what likely developments over the next three years should we take into account and why? (Question 16)**

There are a number of visible trends and changes that should be taken into account, which we mention below. However, the more important point is that DCTs operate in a highly dynamic part of the value chain, with the possibility of disruptive digital innovations always just around the corner. We consider that it should be a priority for the CMA to ensure that these innovations are actively encouraged and supported by the regulatory regime, rather than being hampered by it.

In terms of specific trends, we expect to see a continuation of the trend towards greater complexity in the pricing practises of suppliers, in part driven by the opportunity to offer more personalised services. As mentioned above, this could have significant implications for DCTs, since their continued success would require even closer coordination and systems integration with suppliers. Such a level of integration requires investment from both parties, and in some cases suppliers might not have the incentive to make these investments.



We also expect to see continued growth in the use of comparison tools on mobiles. This has implications for transparency for the simple fact that the smaller screen provides less space to present detailed product information.