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Mr Andrea Coscelli

Chief Executive Competition and Markets Authority

Victoria House

Southampton Row

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05 OCT 2016

4th October 2016

Dear Sir

I would like to make a contribution to the debate about price comparison websites (PCW's)

I am an Insurance Broker and am very extremely glad you have finally chosen to investigate PCW's. I hope the investigation will not hold back or be a white wash and investigate fully what I believe to be is the biggest con ever of the British public into the suggested savings they purportedly make.

Insurance is about risk, but saying you can get insurance for £199 when it relates to a driver who hardly uses the vehicle and lives miles from a city centre as a sprat to catch a mackerel is not comparing like with like.

I hope as you read on you will see the deception is very professionally managed and now we view PCW's in the same way the Pavlov showed how to manipulate dogs.

Whilst it can be said PCW's have played a part in changing markets behaviour, as an Insurance Broker I would question whether they have played a 'big' part let alone been of benefit to the end Consumer

When selling any type of insurance we are duty bound as a regulated Broker to be transparent, not just on the commission charged and any administration charges but also with highlighting the downsides and whether the policy is suitable let alone appropriate to the prospective client

PCW's may or may not say what they are being paid by the party advertising on the site. Payment may be in the form of a flat rate per enquiry, or on a conversion to a sale or both. The rates payable while clearly known to the advertiser are not volunteered to the end consumer and therefore the perception the consumer is are not paying any middle man is maintained, and is fraudulent.

Registered in England and Wales. Company Number 4010965

Trident Insurance is part of Advanced Insurance Centres Limited, 4 Clements Court, Clements Lane, Ilford, Essex IG1 2QY

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Director: R. D. Marshall

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These rates paid to the PCW are in fact a commission in all but name. A commission presented as not going to the Broker but it is not a saving, as it had to be included like any cost the end Customer ultimately pays. So the PCW is pretending to be a Broker and securing the commission even though it is merely an advertising link

A Broker has to declare who the supplier is, be it a direct link he or she has to the Insurer or whether it is a scheme managed by another party for the Insurer. PCW's do not declare openly who the advertising party is and again the 'perception' is that all those on screen are actual Insurers.

PCW's do not show if the company on screen is a white label entity of the same supplier or a broker with a direct feed to the same Insurer. Dealing with a Broker directly requires the Broker in reality by regulation to explain what link they have to the Insurer or applicable scheme, again the PCW does not have to

Scrolling down a PCW it is hard to know who is who, and at times finding out who to call in the event of a problem is made all the worse when there is little to no sign of an address and only a web address with no telephone number easily available

At the time of a call or visit to a Broker the Consumer is explained what exactly the policy they want to buy incorporates. That is not clear when using a CWS at all exemptions and exclusions are interestingly almost impossible to find and certainly not made clear

With insurers seeking to cut out the Broker they offer a direct price on screen which is not offered to brokers. That may be within their rights, but when it comes to add-ons they play sneaky games with 'from' £2.50 in bold font just above 'per month' in particularly small font. A position the Financial Conduct Authority frowns upon; but because PCW's are not fully regulated as such sneaky tricks to fool the Consumer are used all the time.

The Consumer assumes by definition, it's just £2.50 in total when in fact it's £30 per annum. With various add-ons needed to get to where they would have originally been, the difference in price is nominal at best and it's quite possible to assume the original extremely discounted price is the final price when it is clearly not.

I nearly fell for that trick when using the [REDACTED] direct motor web site myself. I could have ended the viewing and paid but I accidentally scrolled down further only to see the choice of add-ons which could easily have been missed

There is an assumption that all Consumers read all the terms and conditions, but the reality is they click 'yes' to whether they have read them or not just to get the price displayed. Such is the power of immediacy

Most Consumers only look to check their name and post code are correct, with no obligation to even put a real land line telephone number in, let alone a real mobile one

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PCW's are almost a case of mind over matter with expensive advertising seeking many a time to present Insurance as a game supplied by meerkats or an overweight opera singer only. At no time do PCW's show how the charges the end consumer is accommodating in the price. Because at no time are the charges being transparent.

It is a sad fact that if you say something enough, even the most cynical will start to doubt their opposition to the statement being presented. This is what has happened to the Consumers understanding of PCW's and the prices offered on them

The end Consumer is led to believe that they are saving money when on all too many occasions they are doing nothing of the sort. But such is the demonization of the professional Broker and Intermediary as an interfering, unnecessary and expensive interloper that through years of repeating the PCW's message that PCW's are cheaper, the public has come to believe it regardless of the truth.

It could be said the public should know better, they are over 18 and therefore not a child, but they have taken in the message fully in, to the point where the now treat the PCW's as the only port of call for cheaper quotes when it is absolutely not the case.

The FCA has come up just recently with the obligation that at the time of renewal if the Consumer has renewed for a few years the Broker has to advise the Consumer to look around. This ruling will take effect from April 2017. Perhaps PCW's should be forced to say that each consumer should be recommended to check with a Broker!!

It does not follow that cheaper means equal cover, but again, such is the need and the belief that only PCW's can save the Consumer money that cover becomes of secondary importance, if at all.

As for energy companies PCW's, they are equally misleading with hardly anyone knowing what they are buying and there is little to no chance of knowing where to even get a broker.

I am a firm believer in transparency but PCW's have managed to pull the wool over the eyes of everyone and kept the 'actual' cost to the Consumers so well hidden it's outrageous.

Why is motor insurance so expensive? Because the truth of what the Consumers ultimately pay has been so well hidden they have forgotten to ask or check as they have been converted to believe the screen and by definition what they see on it is always right

The Financial Conduct Authority has said PCW's need to show more information but that has yet to done, and with Brokers white labelling for a third party or Insurers white labelling for themselves on PCW's, with maybe two or more separate entities on screen intentionally offering unattractive prices by each supplier, what the Consumer sees is not what he or she will ultimately pay.

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I think until PCW's are forced to declare what Brokers must do, and until they work on the same regulatory platform as Brokers the end Consumer will continue to be ripped off by PCW's time and time again.

Unfortunately such is the power of advertising that the Consumer will not appreciate the fact, as the facts are so well hidden

In summary I believe PCW's have abused the Consumer ever more aggressively since they first came into the market place and no Broker has been prepared to say publically because the power of the advertising is so great no broker could justify the cost and his or her message is by definition drowned out.

[REDACTED]

The Consumer needs to be protected from PCW's and I hope your organisation will do that as it would appear the FCA and BIBA have chosen to ignore the reality of what they have allowed to develop.

At the recent Conservative party conference an MP said: "It doesn't work when the very rich, the privileged few and big business are able to work the system to their advantage. This is not the Rule of Law and this is not a level playing field"

Comparison websites are not offering a level playing field they are monopolised by major companies pretending to offer competitive pricing when there is equally and many a time far better pricing off the CPW.

But to be competitive and compelling those that can secure the better pricing for no loss of cover cannot advertise as it merely removes their competitive edge. It's a conundrum but that doesn't make PCW's good value for money or a benefit to the consumer

Thank you for the time you have taken to read this

With kind regards

Robert D Marshall

Director

Direct Line: [REDACTED]

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