

Gocompare Response to the CMA's Update Report

1. Introduction

1.1 Gocompare appreciates the opportunity to respond to the CMA's Update Report of 28 March 2017.

1.2 Gocompare has made extensive submissions in response to the Statement of Scope and the CMA's requests for information in relation to many of the issues identified in the Update Report. Gocompare does not propose to reiterate the information and (where relevant) evidence it has already set out in detail in relation to certain of the issues on which the CMA is now focusing for the remainder of its market study. Below are some brief comments on certain issues in the Update Report.

2. Consumers (Chapter 5)

2.1 In relation to the issues identified by the CMA, Gocompare notes that, as explained in further detail in its response to the Statement of Scope:

(A) Gocompare's website contains transparent information about its market coverage, business model and ranking methods. Gocompare does not accept advertising or sponsored search results from suppliers;

(B) Gocompare has strict policies in relation to consumer data and privacy. Gocompare does not sell its customers' personal information to anyone else and does not use it to make sales calls or send emails without its customers' consent; and

(C) Gocompare has a clear complaints process on its website (see <http://www.gocompare.com/about/complaints/>).

2.2 In addition, Gocompare notes that, as the CMA has recognised in paragraph 8.12 of the Update Report, reforms to the data protection regime under the General Data Protection Regulation will take effect in May 2018. This should address any concerns the CMA may have in relation to how DCTs store and use consumers' personal information. These reforms are significant and apply to all sectors (including DCTs). There is therefore no basis to impose any additional data protection regulation on DCTs above and beyond what will apply in other sectors.

3. Competition (Chapter 7)

3.1 The CMA has indicated that it is considering four types of practice which might raise competition concerns. Please refer to the previous submissions that Gocompare has made in relation to narrow MFNs and restrictions on bidding for online search terms.

3.2 The CMA has indicated that it will consider whether it should launch competition law enforcement cases in any of the four areas as well as whether there are other steps that could be taken to make competition more effective.

- 3.3 If the CMA were to consider that any of the four types of practice it is analysing further raises competition concerns, Gocompare considers that the CMA should outline and substantiate the basis for its concerns and that it would be more appropriate and effective for the CMA to encourage the relevant DCTs and suppliers to self-assess their compliance with competition law (rather than launching competition law enforcement cases). This would be a more effective use of the CMA's resources, particularly where:
- (A) the Update Report indicates that such practices may exist across various DCTs and suppliers and sectors and that, in the case of terms limiting bidding for online search terms, such agreements are *“unlikely to be limited to DCTs – they may appear in other markets as well”*;
 - (B) in relation to narrow MFNs, the CMA concluded in the private motor insurance (“PMI”) market investigation that narrow MFNs were unlikely to have any significant anti-competitive effects in the PMI market and, even if narrow MFNs had some anti-competitive effects, they might be necessary for price comparison websites to survive¹; and
 - (C) in relation to restrictions on bidding for online search terms, the CMA has not previously found that such restrictions breach competition law.

¹ See *Final Report of the CMA in the PMI Market Investigation* (September 2014), section 8.