



# CMA Market Study: Digital Comparison Tools Update

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## Introduction

Experian is a leading global information services company, providing data and analytical tools to clients in more than 80 countries. The company helps businesses to manage credit risk, prevent fraud, and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Experian employs approximately 16,000 people in 41 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

Experian is one of three main UK consumer credit reference agencies whose regulated activities are governed by the FCA.

Experian welcomes the opportunity to provide a response on the CMA's invitation to comment on the Digital Comparison Tools Market Study Update

## General Experian Comment

Overall, Experian supports the direction in which the CMA is taking the Digital Comparison Tools Market Study. However, Experian wanted to share some of its own insights with the CMA that might assist in the CMA's study.

### 1. Transparency

Experian supports the view that consumers' concerns about data sharing can be abated by clear communication. Making sure consumers can understand how their data will be used and for what purposes enables consumers to feel empowered and in control of their personal data as they navigate their price comparison journey. We would note that the upcoming implementation of the General Data Protection Regulation will further empower consumers in the use of their data<sup>1</sup> and would recommend that its impact on the Digital Comparison Tools market be reviewed before any further sector-specific remedies are considered. Digital Comparison Tool providers rely on consumer confidence and trust as essential to effective commercial growth and innovation in the Digital Comparison Tool market and therefore will be commercially driven to build trust in data use through this transparency.

### 2. Maximising Consumer Benefit

Experian supports the view that with the right sort of data available to Digital Comparison Tool providers, they will be able to offer a better service and the benefit to consumers from such comparison tools could be maximised. Experian notes that the CMA had some feedback regarding the potential benefits that could be afforded by the ability of Digital Comparison Tools in financial services to access Credit Reference Agency (CRA) data<sup>2</sup>. Experian notes that there are already eligibility services provided by some participants in the Digital Comparison Tool market in credit cards that seek to maximise that benefit for their customers as a point of competitive advantage.

Creditworthiness and Eligibility: The CMA will be aware of the credit reference eco-system which means that credit reference data is collected from consumers and supplied by data providers, like lenders, to CRAs and provided to be used for specific purposes. This supports both transparency and protection of consumer data as well as a credit system whereby any decisions as to creditworthiness, affordability and/or eligibility of customers for a specific product is determined by the *lending policies of the lenders* (being credit card lenders in the case highlighted by the update paper). CRA data alone does not determine the likelihood of a consumer getting a financial services product either at all, or at the advertised price; it is the lending criteria of the product providers which dictates that.

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<sup>1</sup> Paragraph 8.12, p.110, Digital Comparison Tools Market Study Update Paper dated 28<sup>th</sup> March 2017

<sup>2</sup> Paragraphs 6.16-6.18, pp75-76, Digital Comparison Tools Market Study Update Paper dated 28<sup>th</sup> March 2017.

To maximise the benefit a consumer can receive from using a Digital Comparison Tool, there are already several providers who can and do supply Digital Comparison Tools with eligibility data (as outlined above) which tap into that important lending decision criteria. However, in addition to this, an important feature of these eligibility services is the “soft search”. Soft search enables any search of credit reference databases made to provide an eligibility indicator does not leave a footprint on the consumer’s credit file which other lenders can see, thus ensuring that there is no adverse effect on the consumer’s credit rating, simply because that consumer has used a comparison site. The footprint is visible only to the consumer themselves when they view their own credit report.

Identification and anti-fraud-checks: The CMA will be aware of VERIFY.GOV.UK and its strategic importance to the UK Digital Strategy. Given the levels of assurance and greater consumer confidence provided by such a digital identification scheme, which provides for multi-factored checks, seeking one set of data input (such as CRA data) to provide an identification and anti-fraud check, would not provide a credible resolution to this problem in a developing digital economy.

Experian would welcome the opportunity to discuss these matters in further detail with the CMA.

**Experian**  
**24<sup>th</sup> April 2017**