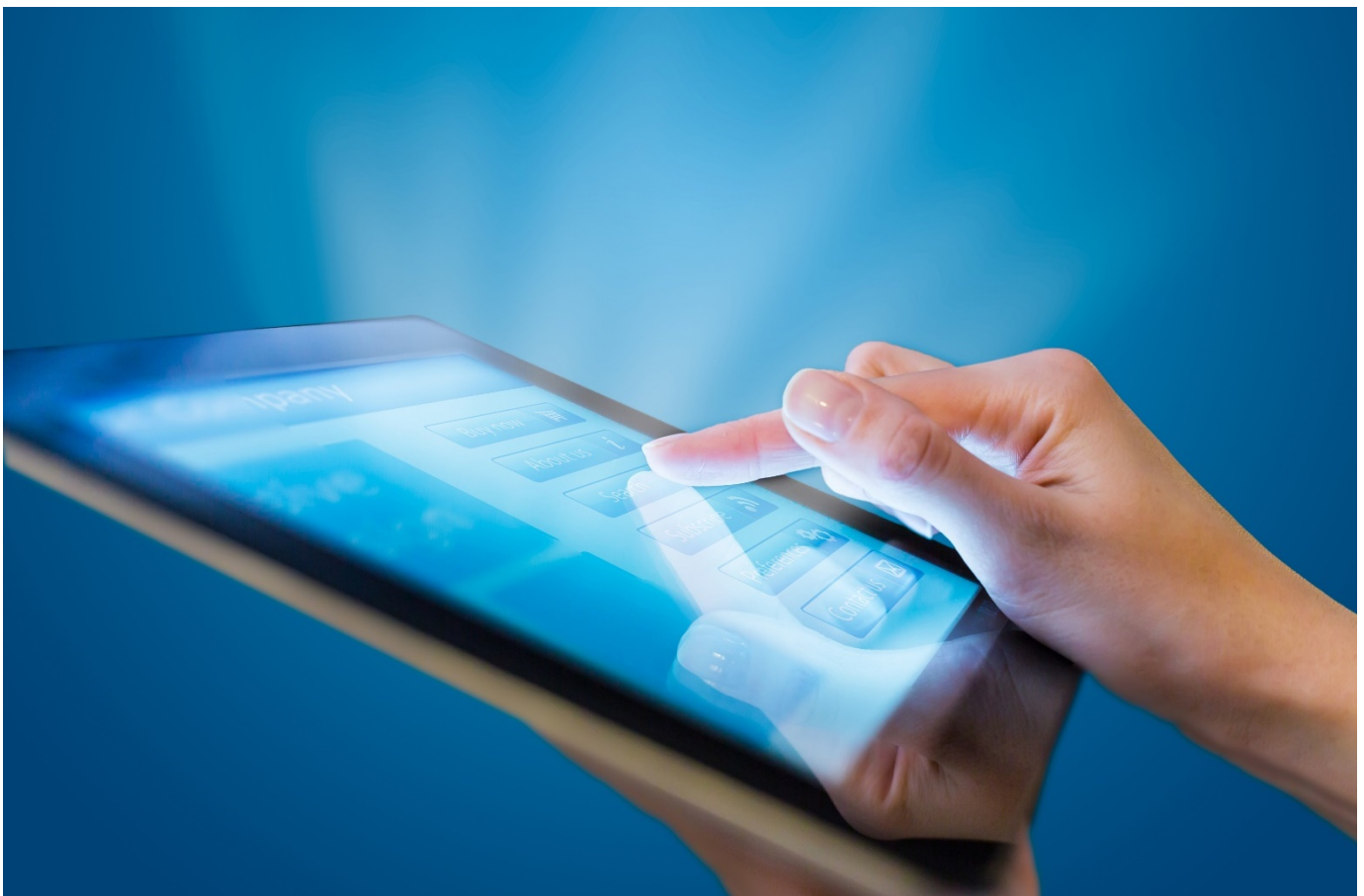


Digital comparison tools market study

Final report

Paper A: Consumer views,
behaviour and experiences



26 September 2017

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Consumer views, behaviour and experiences

1. In our Update Paper, we explored the evidence on consumers' attitudes, behaviour and experiences, drawing in particular on our quantitative and qualitative consumer research.¹ This module recaps our evidence, incorporating some key findings from our websweep and mystery shopping research² as well as from third parties.³

Shopping around and DCT use

2. In this section we consider the extent to which consumers shop around using DCTs or other methods – including how they choose DCTs and how many they use.

The extent of shopping around varies by sector

3. The extent of shopping around (whatever the method) varied across the sectors we looked at, being higher for insurance and travel than broadband and credit cards (Figure A.1).⁴

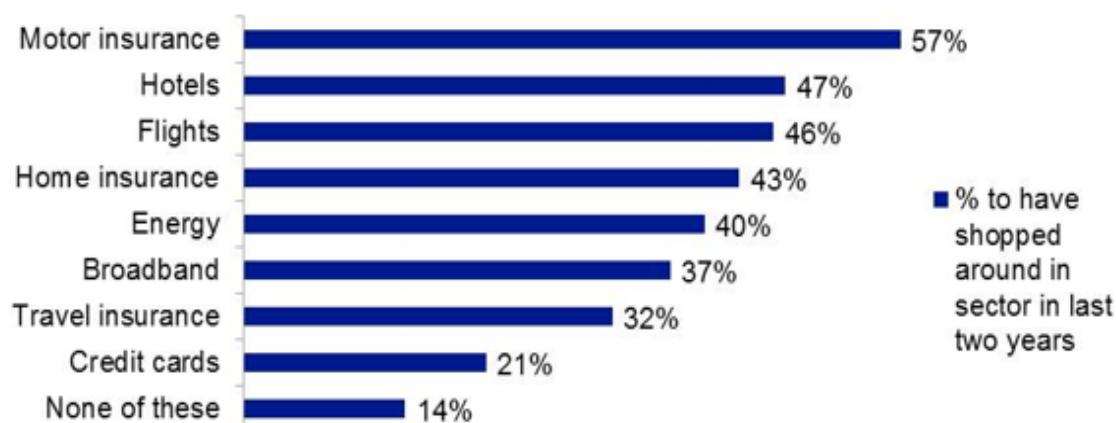
¹ Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017. This quantitative research comprised an address-based online survey of 4,083 consumers (users and non-users of DCTs), achieved by sending invitations to randomly-selected addresses inviting up to four adults in the household to respond. This was supplemented by a face-to-face Omnibus survey to collect reasons for not using DCTs. The qualitative research involved 32 in-depth face-to-face interviews with users and non-users of DCTs lasting one hour. This included an observational exercise, where respondents used a DCT and talked through their thought processes.

² GfK, *CMA Digital Comparison Tools (DCT) Mystery Shopping and Websweep Research Report*, September 2017. The websweep was of 35 DCTs to identify what general information they provide – for example, whether reviewers could find contact details, information on the site's market coverage, how often the site updates offers and how it handles complaints. The mystery shopping exercise involved 478 assessments across 56 DCTs, where mystery shoppers enacted typical shopping scenarios, looking for particular products, and recorded their experiences – including what information was requested by DCTs, how the results were presented, how suppliers' quotes compared to those on the DCT and what happened when consumers revisited the sites.

³ A supporting Glossary is [available on our case page](#).

⁴ Page 14 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Figure A.1: Extent of shopping around in the last two years among all internet users, by sector



Source: Kantar Public survey. G2. For which of these products or services have you personally shopped around in the last two years, whether or not you ended up making a purchase? Please include any shopping around you did both online and offline (by telephone or in person). Please select all that apply. Base: All consumers⁵ (4,083).

4. Across all sectors, the most common reason cited for not shopping around at all was that the offer from the supplier was just what they wanted (ranging from 33% for energy to 43% for flights). With the exception of hotels, the next most commonly mentioned reason was feeling loyalty or having an existing relationship with a provider. Other reasons cited included taking too much time and effort to shop around (home insurance, motor insurance, hotels and energy), a view that the existing provider understood the consumer's needs (flights), a perception that there is no real difference between providers (hotels), and that it is too risky to switch (broadband).⁶

Many consumers use DCTs in the sectors we looked at

5. DCTs are widely used to shop around for different products and services. We found that 97% of internet users knew of comparison sites and 85% had used one at least once before. Four in ten (41%) of internet users had used a site in one of the sectors mentioned in our survey⁷ in the previous three months.⁸
6. However, as with shopping around generally, usage of DCTs varied between the sectors we looked at (Figure A.2), with insurance and travel the sectors where comparison sites were most commonly used and usage lower for broadband and credit cards.⁹

⁵ Since the survey covered internet users only, 'all consumers' is used as a short-hand term for 'all internet users' here and in other charts in this paper.

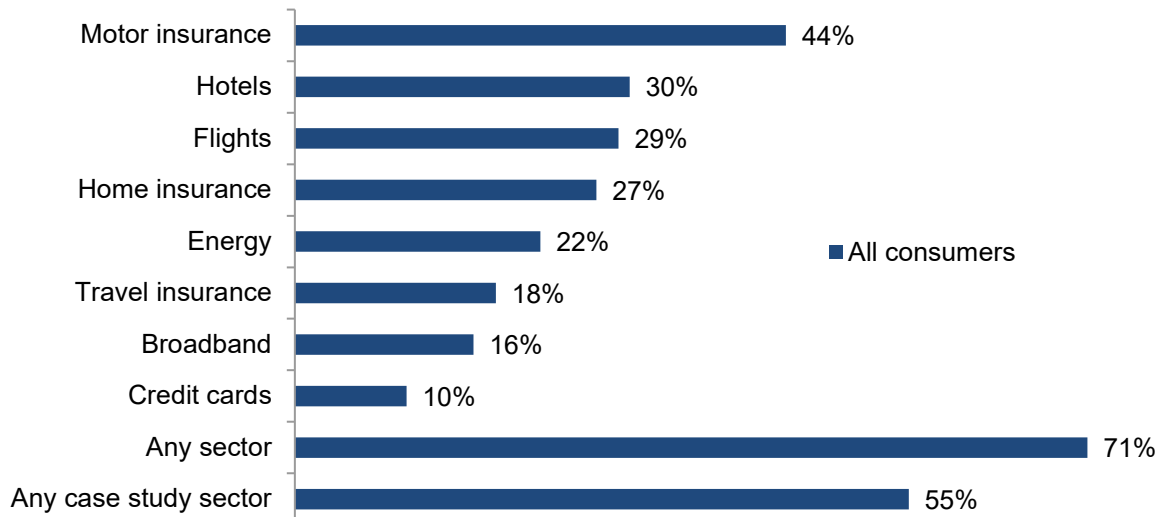
⁶ Page 17 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁷ Motor insurance, home insurance, flights, hotels, energy, travel insurance, broadband and credit cards.

⁸ Page 37 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁹ Page 41 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

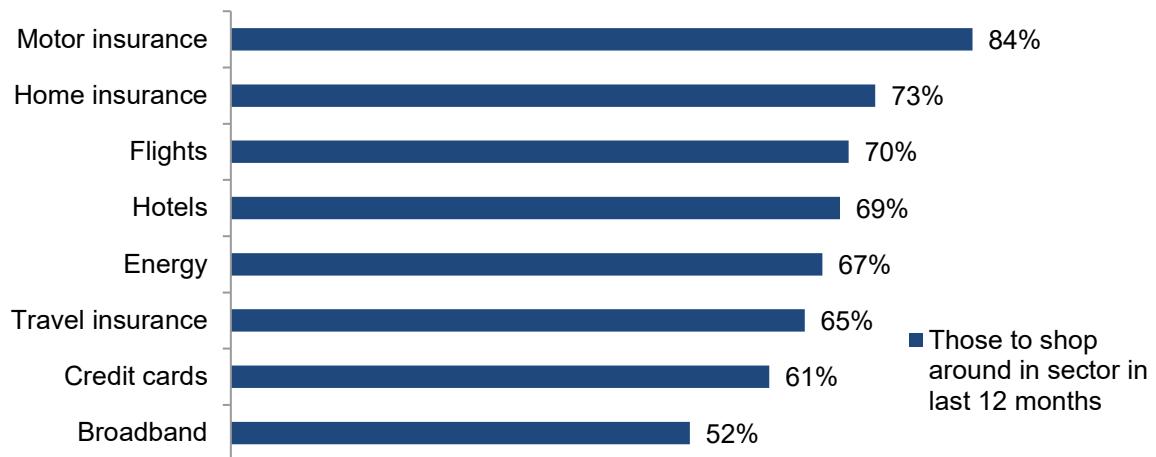
Figure A.2: Use of comparison sites in last 12 months among all internet users, by sector



Source: Kantar Public survey. G8. And as far as you remember, when was the last time you visited a comparison site as part of shopping around for the following products or services? Please select all that apply?
 Base: All consumers (4,083).

7. The proportion of DCT users among those who shopped around in each sector was high, ranging from 52% in broadband to 84% in motor insurance. For credit cards, although only 10% of all internet users used a comparison site in the last 12 months (Figure A.2), this represented a large proportion (61%) of those who shopped around in this sector in last 12 months (Figure A.3).¹⁰

Figure A.3: Use of comparison sites in last 12 months among those shopping around in each sector



Source: Kantar Public survey. G8. And as far as you remember, when was the last time you visited a comparison site as part of shopping around for the following products or services? Please select all that apply?
 Base: Those to shop around in each sector in last 12 months: Motor insurance (2,047); Hotels (1,769); Flights (1,671); Home insurance (1,429); Energy (1,313); Travel insurance (1,088); Broadband (1,246); Credit cards (674).

¹⁰ Page 42 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Consumers use DCTs to save time and money, and to find a better deal

8. In line with other research findings and stakeholders' comments, we found that consumers primarily visit DCTs to save money, compare a large number of providers, save time and get a better idea about prices.¹¹
9. Our qualitative research found that users were often looking for a good or better deal, or wanted to confirm that they were getting a good deal already; and comparison sites saved them the time and effort of having to contact individual suppliers. Consumers also suggested that using DCTs could be an educational process by revealing possible options and allowing them to explore and 'experiment' with different packages such as broadband 'bundles'.¹²

Consumers also check suppliers' sites but many rely on DCTs

10. DCTs are only one tool consumers can use to shop around (Figure A.4). The main alternative for users and non-users is to visit sites of individual suppliers. Other options include advice from family and friends, as well as customer review sites (eg Trustpilot).¹³ However, nearly a third (31%) of DCT users relied solely on DCTs the last time they shopped around and three quarters (74%) said it was either their main or only source.¹⁴

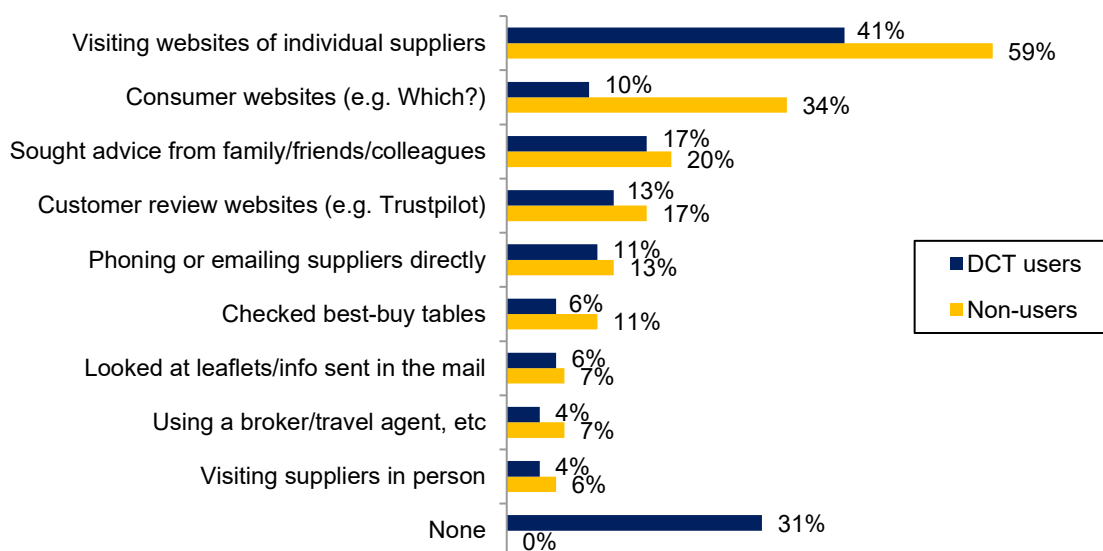
¹¹ Page 88 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

¹² Page 94 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

¹³ Page 21 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

¹⁴ Page 30 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Figure A.4: What other means do consumers use to shop around?



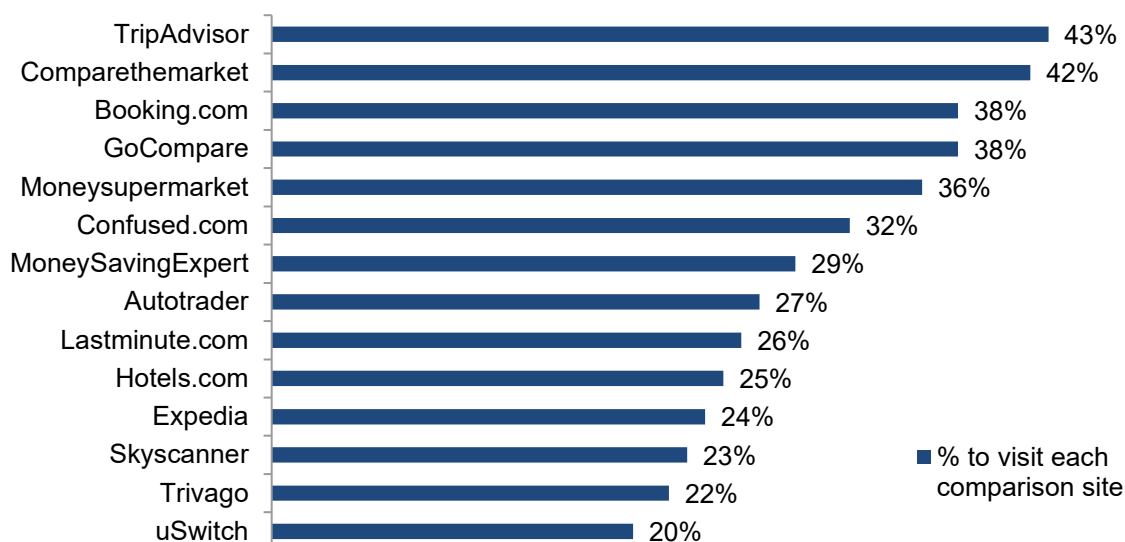
Source: Kantar Public survey. C4. In which ways did you shop around on this occasion? Please select all that apply. / E16. In addition to comparison sites, did you use any of these methods to compare what was available? Please select all that apply. Base: Consumers who have shopped around in the last three months (DCT users: 1,668; Non-users: 1,095).

Choice of DCT

- When all consumers we surveyed were shown a long-list of named sites and asked which they had used, many selected the ‘Big 5’ (Comparethemarket, GoCompare, Moneysupermarket, Confused.com, uSwitch), although sites focused on travel were also particularly commonly used (Figure A.5).¹⁵

¹⁵ Page 39 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017. These results are consistent with Consumer Futures research from 2013 which found that a large majority of consumers (85%), who had used a PCW in the previous two years had used one or more of the Big Four while few (8%) had used only other sites. Consumer Futures, *Price comparison websites: consumer perceptions and experiences: A report by RS Consulting for Consumer Futures*, July 2013.

Figure A.5: Comparison sites most commonly used



Source: Kantar Public survey. G6. Which of the following comparison sites have you ever used? Please select all that apply
 Base: All consumers (4,083).

12. Our consumer research found that around a third of recent users said they had only used one comparison site when they last shopped around (ie they had 'single-homed').¹⁶ The main reasons they cited were that they got everything they needed on the site, had used it before, found the site easy to use or trusted it.¹⁷
13. Prior awareness of a specific DCT was the main factor when finding a site. When asked how they ended up on the first DCT they visited the last time they compared a product in our focus sectors, more than half of recent DCT users (58%) said that they knew which site they wanted to use and went straight to it. The next most common route was searching online to find a comparison site, cited by three in ten consumers (29%).¹⁸
14. When asked how they chose which sites to use, just under half (48%) said that they were influenced by previous experience/having used the site(s) before, while 40% cited ease of use.¹⁹
15. Consumers were fairly evenly split in terms of whether or not they always used the same sites when shopping around for a particular product. Just over half (54%) of recent users said that they use different sites, while just under

¹⁶ Page 106 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

¹⁷ Page 111 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

¹⁸ Page 100 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

¹⁹ Page 103 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

half (44%) said that they always use the same site(s), indicating a degree of consumer loyalty.²⁰

16. In the qualitative interviews, loyalty to one or two comparison sites was strong for some users. Users were reluctant to use new sites after they had spent time learning one, while some had set up user accounts with particular sites and were reluctant to enter their details on others. Some users, especially parents of young children, were highly motivated by the advertising, free gifts and toys offered by particular comparison sites. There was also a relatively common view that comparison sites in general had very little difference between them in terms of the offers and savings to be made and some users were unaware that there was a range of sites to choose from in a particular sector.²¹
17. Less commonly, users had noticed greater differences in savings and were motivated to use a greater number and variety of comparison sites. This is supported by the quantitative research which found that of those consumers who used multiple DCTs, 40% thought results were largely the same, 53% thought there were some differences and only 4% thought there were lots of differences between DCTs.²²
18. However, some of the consumers who said that they only used one DCT may also use other sales channels.²³ Figure A.6 below shows that this is the case for consumers using one DCT across all our case study sectors. Of the 37% of recent users who said that they single-homed, 57% used one DCT as their sole source of information, and 43% also used other sales channels.

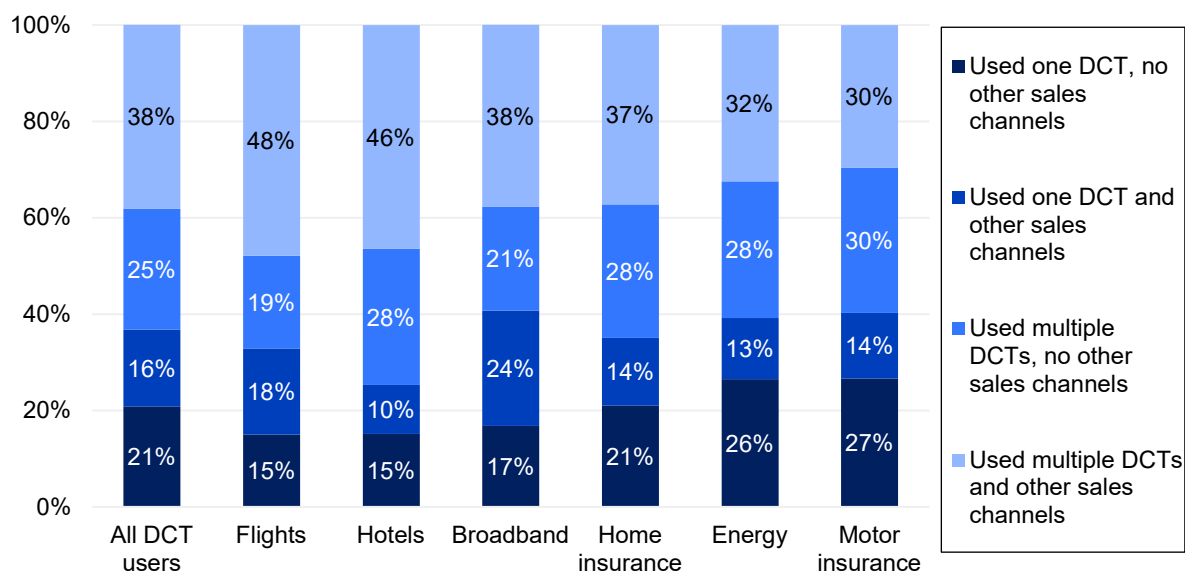
²⁰ Page 104 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

²¹ Page 116 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017. This last point is similar to findings in the FCA's qualitative research for its Thematic Review of PCWs in the general insurance sector, which noted that respondents favoured the most well-known PCWs that were felt to be largely interchangeable. Atticus, *Price comparison website: Consumer market research*, April 2014.

²² Page 113 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

²³ By 'other sales channels' we mean: visiting websites of individual suppliers, phoning or emailing suppliers directly, visiting suppliers, using best buy tables and using a broker or travel agent.

Figure A.6: Proportion of consumers checking multiple sales channels



Source: Kantar public survey.

Notes: Derived from M9/E16: M9. When you shopped around for [PRODUCT] did you visit... M16. In addition to comparison sites, did you use any of these methods to compare what was available? Please select all that apply.

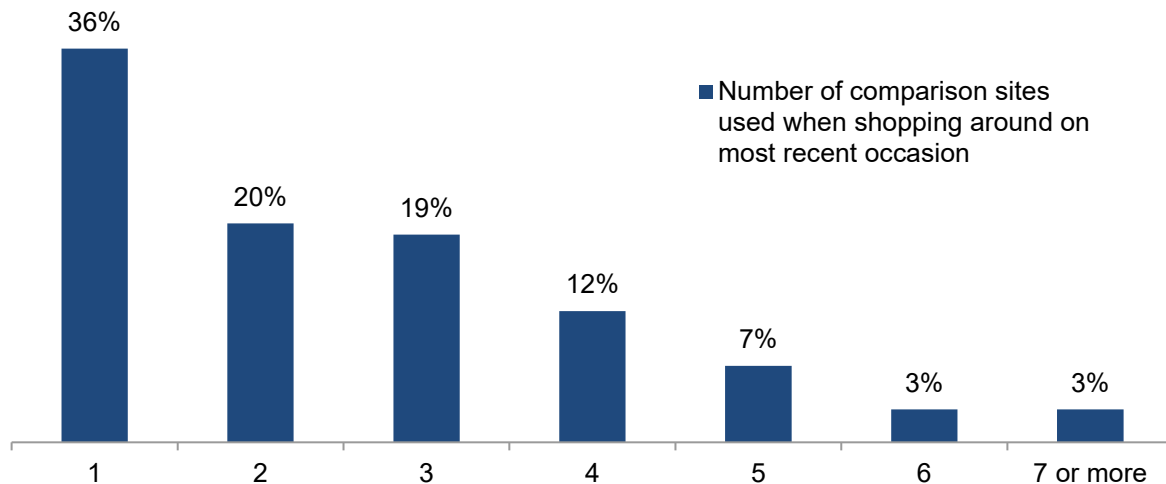
Base: Consumers who have shopped around using a comparison site in the last three months, 'don't know' responses excluded (All DCT users 1,615; home insurance: 204; motor insurance 224; flights 492; hotels: 176; broadband 176; energy 256).

Many consumers say they use more than one DCT

19. In our Update Paper, we reported our survey findings that nearly two-thirds (64%) of recent comparison site users said they used multiple DCTs (ie they 'multi-homed') the last time they searched for a particular product (Figure A.7). One-quarter (25%) had used four or more sites and, on average, users said they had looked at 2.6 sites (although this varied slightly by sector).²⁴

²⁴ Pages 106 and 109 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017. Research by Consumer Futures in 2013 found that of all respondents who had used a PCW in the last two years a majority (83 per cent) said they looked at more than one site before making their decision; 57 per cent used two or three comparison sites while 26 per cent used four or more. Consumer Futures, *Price comparison websites: consumer perceptions and experiences: A report by RS Consulting for Consumer Futures*, July 2013.

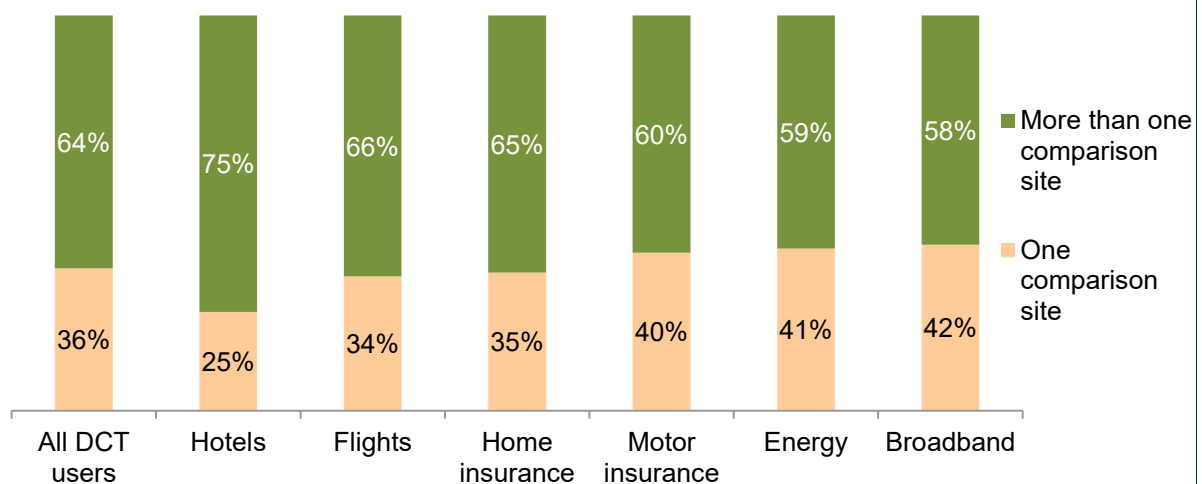
Figure A.7: How many comparison sites do consumers use?



Source: Kantar Public survey. M10. Which comparison site(s) did you use on this occasion?
 Base: All who have used a comparison site in the last 3 months and could recall site(s) used (1,627).

20. Although we found some variation across sectors, with consumers looking for hotels more likely to use multiple comparison sites compared with other sectors, the levels of multi-homing were consistently high across all sectors (Figure A.8).²⁵

Figure A.8: Levels of single and multi-homing on comparison sites, by sector



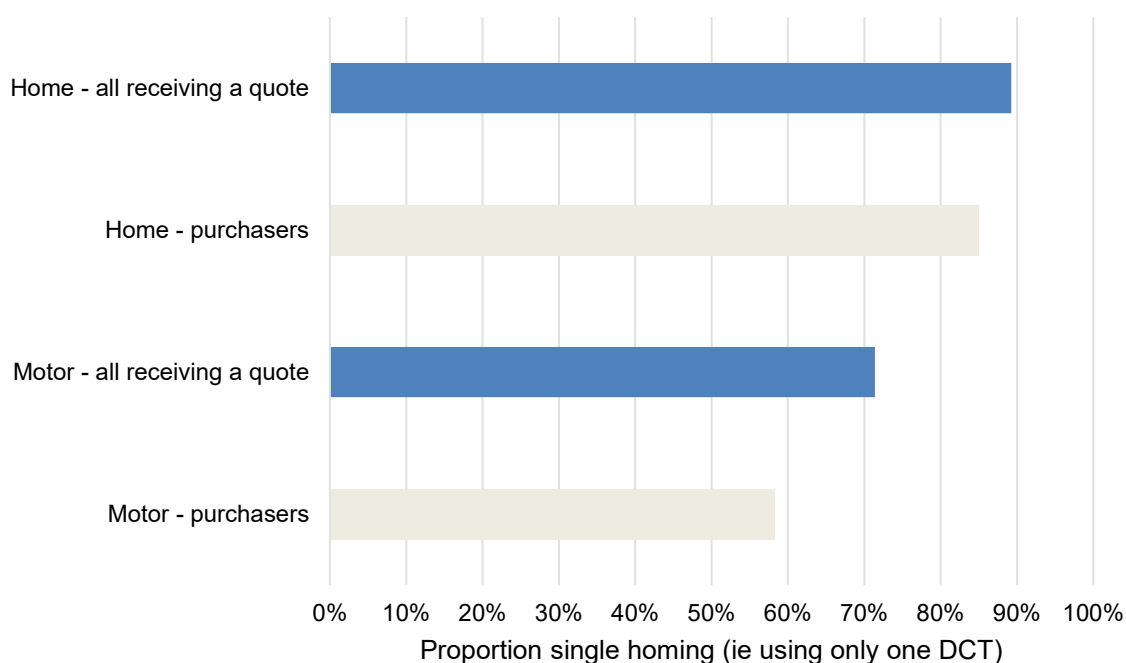
Source: Kantar Public survey.
 M9. When you shopped around for [PRODUCT], did you visit...Base: All who have used a comparison site in the last 3 months (All DCT users: 1,668; Home insurance: 210; Flights: 508; Broadband: 182; Energy: 267; Motor insurance: 235; Hotels: 177).

²⁵ The proportion of users who multi and single-home in this chart is slightly different from the corresponding proportions in Figure A.6 due to different bases (ie in Figure A.6 'don't know' responses have been excluded).

But many users single-home when generating quotes

21. However, our analysis of quotes for home and motor insurance that consumers obtained on DCTs (and in some cases suppliers' direct channels), suggest a lower level of multi-homing: 29% in motor insurance and 11% in home insurance (Figure A9).²⁶ However, purchasers through DCTs are more inclined to multi-home than all those who obtain quotes: 42% in motor insurance and 15% in home insurance.

Figure A9: Proportion of customers using only one of the Big 4 DCTs, February, May and June 2016



Source: CMA analysis of data received from the Big 4 DCTs (ie Comparethemarket, Confused, GoCompare and MoneySupermarket).

Note: Simple average across the three months.

²⁶ We analysed data on each home and motor insurance quote generated on the four biggest home and motor insurance DCTs in February, May and July 2016. Each quote included the postcode and the date of birth of the customer who generated that quote. Single-homers and multi-homers in each month were distinguished and counted by merging the data of the four DCTs and using the combination of postcode and date of birth as a customer unique identifier. This methodology could slightly overestimate the number of single-homers for two reasons. First, no data on the quotes generated on other DCTs were included in the analysis (however, this could slightly bias the result in both directions; moreover, any bias would be likely to be very small given the share of supply among the four biggest DCTs in home and motor insurance). Second, in each month, any customer who had generated a quote on one DCT at the beginning (end) of the month and generated a quote on another DCT at the end (beginning) of the preceding (following) month would have been counted as a single-homer. However, the data we received from suppliers, which captures the entire consumer journey (including the direct channel), is more consistent with our DCT data analysis than with our consumer survey results. Moreover, we have undertaken some sensitivity checks analysing only the two middle weeks of the three months. These checks confirm our results.

22. The difference between our survey results and the data from DCTs on insurance quotes, which suggest a lower level of multihoming, is likely to reflect *different definitions* of multihoming. In particular, the survey results are likely to include situations where a consumer looked at multiple sites but did not actually go through the whole process of obtaining quotes on each of them, whereas the data reflects only where consumers sought quotes on multiple DCTs.²⁷
23. It is possible that our analysis of data on how many consumers look at more than one DCT when comparing insurance quotes reveals higher levels of single-homing than is the case for other sectors. As we note below, consumers using DCTs to compare insurance are asked to provide more information than those comparing other products such as broadband or travel – as a result they may be less willing to go through the process of getting quotes on multiple sites.²⁸ Nevertheless, it seems likely that while many consumers may look at a number of DCTs when first researching products, fewer use more than one DCT when they reach the stage of seeking quotes.

How do consumers use DCTs and what do they experience?

24. In this section, we consider consumers' behaviour and experiences when using DCTs – what information DCTs request and present, what factors consumers focus on, how they use comparison tools to make decisions and whether they purchase directly through DCTs or from the suppliers.

DCTs in different sectors request differing amounts of information

25. Our mystery shopping exercise found that the volume and nature of information requested by DCTs from consumers varied quite substantially between sectors.²⁹
26. In broadband, DCTs often only requested a postcode, whereas in energy all the DCTs reviewed requested information on the shopper's current payment method, usage, type of energy, current tariff, provider and whether the shopper had an economy 7 meter. The greatest amount of information was requested by DCTs in the insurance sector – for motor insurance, for example, all the DCTs assessed requested information on the vehicle to be insured and its users, including health / medical conditions, insurance

²⁷ Our survey asked how many sites respondents visited when they shopped around. Respondents could have interpreted this question in different ways, including visiting multiple sites without asking for quotes on each site.

²⁸ We do not have comparable data on actual consumer behaviour for other sectors because of the nature of the comparison process (ie the lack of unique identifiers we could have used to 'track' consumers).

²⁹ Pages 35 to 40 in Annex A: GfK, [CMA Digital Comparison Tools \(DCT\) Mystery Shopping and Websweep Research Report](#), September 2017.

previously declined, claims history, driving offences / convictions, car characteristics, driving history and car registration.

DCTs typically first rank results by price

27. In line with evidence provided to us by DCTs, our mystery shopping exercise also found that DCTs for most of the sectors examined typically first presented results ordered by price (ie price was the 'default ranking'), or by level of saving.³⁰
28. This was particularly the case in insurance, flights and energy. Credit cards, however varied quite considerably with some DCTs presenting offers ranked on 'representative APR', and others on 'balance transfer offer', 'likelihood to be accepted' and benefits or rewards. The hotels sector also differed from the others, with two-thirds of the sites first ordering results by 'recommendation'.³¹

Consumers compare on price alongside other features; many do not reorder or filter results

29. While only 7% of DCT users recalled looking at just one offer, 44% said they had looked at two or three offers and a third (34%) considered four or more.³² This is broadly consistent with our analysis of DCT data which suggests that consumers compare two to three offers on average when using DCTs for home insurance comparison.³³
30. When looking at the results, most comparison site users (84%) compared products on the basis of price alongside other factors. Few users (10%) compared offers on the basis of price alone (although 18% of those looking at home insurance and the same proportion of those looking at motor insurance did so).³⁴
31. Our mystery shoppers found that, although sites and sectors varied, DCTs typically allowed consumers to filter or re-order the results.³⁵ However, while seven in ten (69%) recent users in our survey said that it was possible to re-order or filter results on the main site they had last used, over a quarter (27%)

³⁰ Pages 46 to 51 in Annex A: GfK, [CMA Digital Comparison Tools \(DCT\) Mystery Shopping and Websweep Research Report](#), September 2017.

³¹ Pages 46 to 51 in Annex A: GfK, [CMA Digital Comparison Tools \(DCT\) Mystery Shopping and Websweep Research Report](#), September 2017.

³² Page 128 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

³³ Based on information about where consumers click.

³⁴ Page 130 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

³⁵ Pages 52 to 54 in Annex A: GfK, [CMA Digital Comparison Tools \(DCT\) Mystery Shopping and Websweep Research Report](#), September 2017.

said they did not know if they could do this.³⁶ Of all consumers who used a DCT in the last three months just under half (46%) said they had re-ordered or filtered the results, while 41% said they did not adapt the results in either of these ways.³⁷

32. Consumers shopping around for hotels and flights were most likely to say they adapted results, whereas those looking for home insurance and energy were least likely to do so.³⁸ Our analysis of DCT data suggests that across our case study sectors, consumers seldom reorder results that are first ranked by (lowest) price.³⁹
33. In our qualitative consumer research, users were observed to pay attention to select information and offers – for instance only looking at the top few offers or first page and automatically ignoring unknown suppliers or having specific ones in mind.⁴⁰ Some also assumed that the cheapest deals were shown first, although others thought they were randomised or that the order reflected what was ‘best’ for them.⁴¹ The most confident users sorted and filtered results, but many were unaware of this functionality or struggled to use it correctly.⁴²

Some users do not know how DCTs make money

34. Our qualitative research found that users generally did not know how comparison sites made money. Respondents had rarely thought about this before, but guessed a range of revenue streams, including advertising, that suppliers pay a fee to get on the site, and a commission model.⁴³
35. Respondents estimated commission rates to be in the region of 1% to 5%, and when presented with the average commission in certain sectors, they generally perceived them to be quite high. However, learning that sites earn commission from suppliers appeared to have a low impact on trust in comparison sites: some users considered the importance of getting a good deal trumped possible concerns, while some did not see the cost as being

³⁶ Page 124 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017. Awareness of adapting results may be overstated here due to the prompted nature of the question (ie some consumers may have been prompted to assume that re-ordering or filtering was possible by the question itself). This is backed up to some extent by the qualitative findings which point to a lack of awareness among consumers of how to adapt results effectively.

³⁷ Page 126 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

³⁸ Page 127 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

³⁹ We reviewed data from a number of DCTs across our case study sectors. Note that the only data point provided by one of the DCTs was where results were ranked by price and reordering of other possible default rankings had not been tested.

⁴⁰ Page 141 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁴¹ Page 139 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁴² Page 140 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

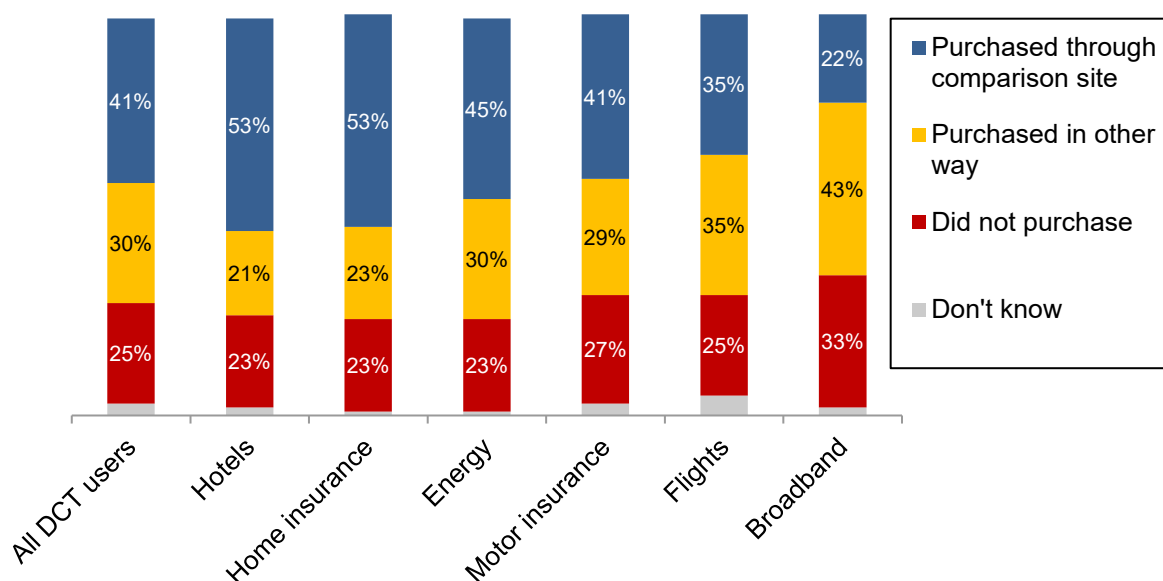
⁴³ Page 82 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

passed on to them since the same deals appeared to be available directly from suppliers.⁴⁴

Two-fifths of users purchase through DCTs, but many use them to negotiate

- 36. Some consumers use DCTs to research products but ultimately do not buy the product they have researched through a DCT, or do not buy it at all. Overall, 41% of recent users made a purchase through a comparison site – although this varied across the sectors we looked at – being highest in hotels and home insurance and lowest in broadband (Figure A.10).⁴⁵
- 37. Our survey also found that a substantial proportion of recent users who purchase outside of comparison sites (44%), use the results from the comparison site to negotiate a better deal directly with an existing or new provider.⁴⁶ This is consistent with the qualitative research, which suggests that among DCT users there are some highly engaged consumers who use comparison sites flexibly and may negotiate better deals with providers.⁴⁷

Figure A.10: Do comparison sites users buy what they search for?



Source: Kantar Public survey. P1/P3. P1. Just to check did you [make a purchase/take out a credit card] or switch after shopping around for [PRODUCT]. Please select 'yes' if you [purchased/took out a credit card] or switched either through the comparison site or in any other way. P3. Did you do this... Please select one only.
 Base: All who have used a comparison site in the last 3 months (Hotels: 177; Home insurance: 210; Energy: 267; Motor insurance: 235; Flights: 508; Broadband: 182).

⁴⁴ Page 82 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.
⁴⁵ Page 147 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.
⁴⁶ Page 157 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.
⁴⁷ Page 56 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Consumers' perceptions and expectations of DCTs

38. In this section we consider consumers' attitudes towards DCTs – in particular, the extent to which they are satisfied and their views on how much of the market they expect DCTs to cover. We also consider the extent to which consumers feel confident using DCTs and their level of trust in them.

Most consumers are confident using DCTs

39. Nearly three quarters of all consumers (72%)⁴⁸ and nine in ten (89%) of recent users in our survey said that they were very or fairly confident in using comparison sites.⁴⁹ Unsurprisingly, confidence is lower among those groups of consumers who are less likely to have used a comparison site, ie older consumers (65+), those with lower qualifications, those not in employment, and those on lower incomes.⁵⁰
40. Recent users generally found comparison sites easy to use, across a range of activities we asked them about.⁵¹ Almost all users found it very or fairly easy to provide the information requested, to understand the different features of products presented and to re-order or filter results and compare on a like-for-like basis (although a lower proportion found it very easy to re-order or filter, or to compare results) – see Figure A.11.

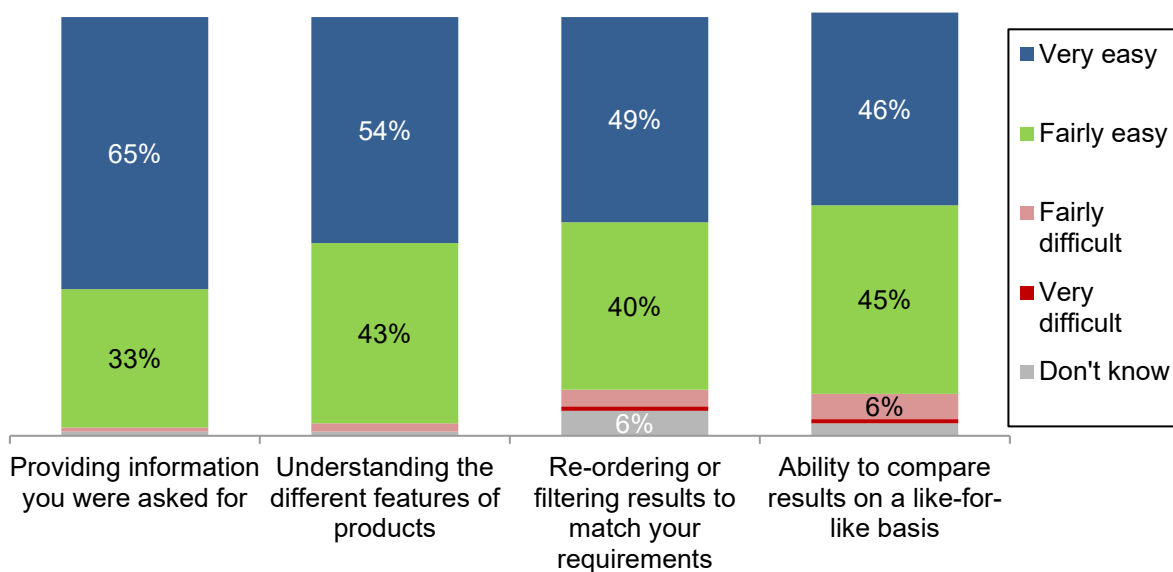
⁴⁸ Page 51 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁴⁹ Source: *Kantar Public survey data tabulations*.

⁵⁰ Source: *Kantar Public survey data tabulations*. In its recent report on *The Future of Digital Comparison Tools* (May 2017), Citizens Advice cited qualitative research they had commissioned which identified a wide disparity between confident and unconfident consumers in their willingness to switch and their ability to use DCTs. Illuminas, *Intermediaries in Consumer Markets Research report*, March 2017.

⁵¹ Page 136 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Figure A.11: Consumers' experience of DCTs, across functions



Source: Kantar Public survey. E13. How easy or difficult did you find it to use the comparison site in relation to each of the following?

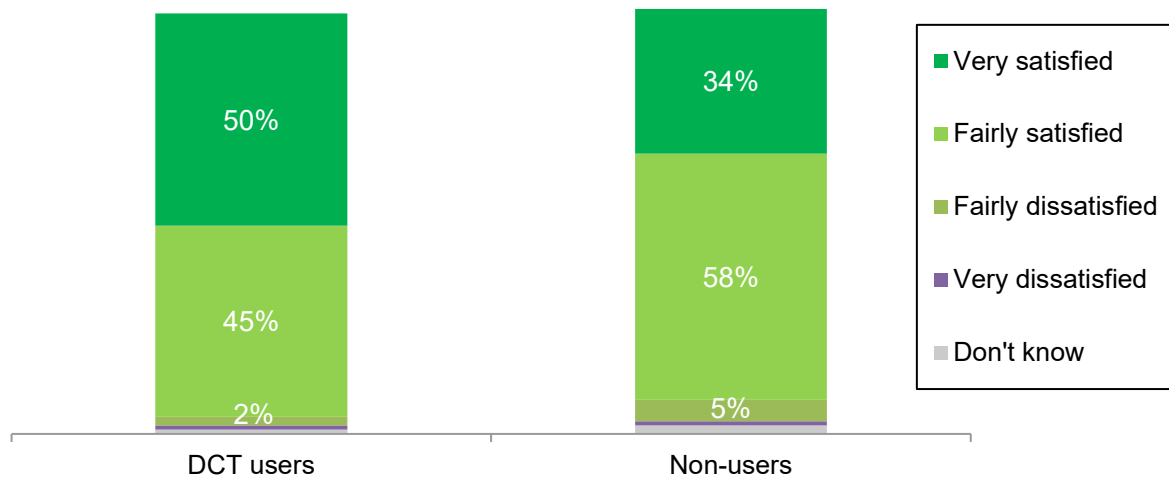
Base: All who have used a comparison site in the last 3 months and done each activity (Providing information: 1,627; Understanding: 1,645; Re-ordering of filtering: 1,468; Ability to compare: 1,588).

Almost all users are satisfied with DCTs

41. Our survey found a high level of satisfaction with the experience of using comparison sites, with 96% of recent users very or fairly satisfied. DCT users were also more likely to be very satisfied with their experience of shopping around than were non-DCT users with their experience of shopping around (Figure A.12).⁵²

⁵² Page 163 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Figure A.12: How satisfied are users and non-users of comparison sites with their shopping around experience?

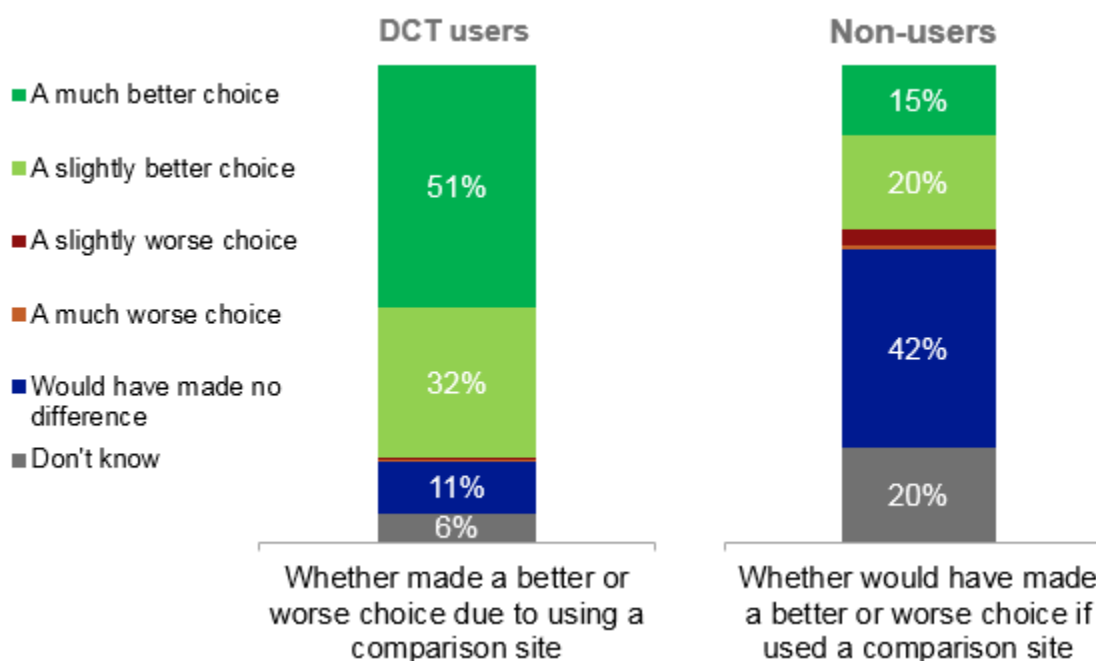


Source: Kantar Public survey. P1/P3. P12. Overall, how satisfied or dissatisfied would you say you were with your experience using [a] comparison site[s] on this occasion? Please select one only. / C10. Overall, how satisfied or dissatisfied would you say you were with your experience of shopping around on this occasion? Please select one only.
 Base: Consumers who have shopped around in the last three months (DCT users: 1,668; Non-users: 1,095).

42. Our survey also showed that most users (83%), but also a substantial proportion of non-users (35%), believed that using comparison site(s) meant that they made, or would have made, a better choice (Figure A.13).⁵³

⁵³ Pages 159 and 161 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Figure A.13: Do users and non-users consider comparison sites mean they might make better choices?



Source: Kantar Public survey. P11. Do you think that by using the comparison website[s] or app[s] you made a better or worse choice than you would otherwise have made? Please select one only. Base: Consumers who shopped around using a comparison site in last three months and made a purchase (1,210). C9. Do you think that if you had used a comparison website you made... Please select one only. Base: Consumers who shopped around using a comparison site in last three months and made a purchase (725).

Few users think DCTs cover all the market and most are content with coverage

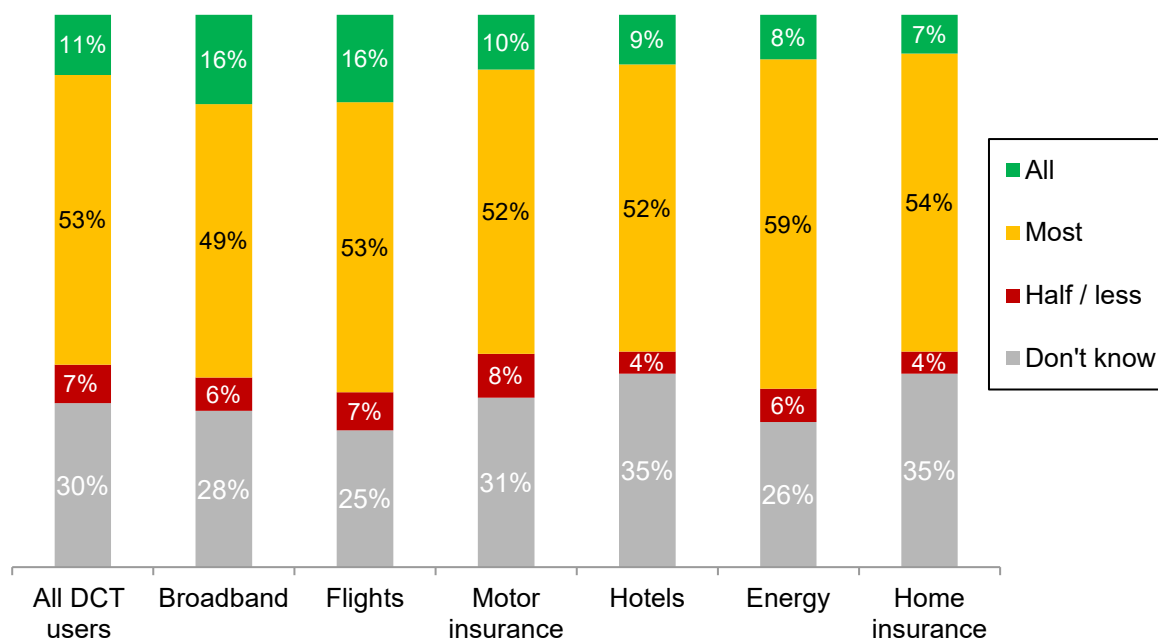
43. Whether DCTs should be required to list all suppliers has been an important issue in the last two years. In our Energy Market Investigation (EMI) we considered that the incentives of DCTs to invest in providing comparisons of offers in the energy market were undermined by a Whole of the Market (WoTM) requirement in Ofgem’s accreditation scheme.⁵⁴ Following consultation, Ofgem announced in July 2017 that it had decided to amend its code to a ‘partial view’.⁵⁵
44. However, as we reported in our Update Paper, some stakeholders told us that consumers expect full market coverage and are unaware that often this is not provided.

⁵⁴ CMA, *Energy Market Investigation*, June 2016.

⁵⁵ Ofgem, *Decision on the partial implementation of the CMA’s Whole of Market remedy and consulting on new Code requirements*, July 2017. Under a ‘partial view’, accredited PCWs can have their default results page only show tariffs that can be entered into directly through their site provided consumers can easily access a results page which also includes tariffs which can be switched to outside of their site. PCWs will also need to be clear about the market coverage and list tariffs in price order unless the consumer specifically asks for them to be ordered in some other way. Ofgem also plans to trial and consult on the full removal of the WoTM Requirement at the end of 2017.

45. We therefore addressed this issue in our consumer survey by asking consumers firstly about their perceptions of the level of coverage of the site they used and then about whether this was sufficient.⁵⁶ Only a minority (11%) of recent comparison sites users thought that all suppliers were covered, with over half (53%) considering sites covered ‘most’ providers – although a substantial proportion (30%) did not know.⁵⁷
46. Although perceived coverage was similar across sectors, the proportion of users thinking all suppliers were covered was highest in broadband and flights (Figure A.14).⁵⁸ Participants in our qualitative research tended to estimate supplier coverage at around two thirds, with an expectation that the ‘main suppliers’ would be covered but also recognition that some suppliers do not want to be listed on DCTs. Some expected coverage could be higher in certain sectors where there were fewer suppliers.⁵⁹

Figure A.14: How much of the market did consumers perceive comparison sites covered?



Source: Kantar Public survey. E14. Now think of all the providers/suppliers who offered this product/service. How many of the providers or suppliers for [PRODUCT] did the comparison site cover?
 Base: All who have used a comparison site in the last 3 months (Broadband: 182; Flights: 508; Motor insurance: 235; Hotels: 177; Energy: 267; Home insurance: 210).

47. Even though most users perceived the coverage not to be complete, a large majority (82%) considered that the level of coverage was sufficient for their

⁵⁶ We sought to ensure that we did not ask questions in a leading way in relation to coverage. For instance, simply asking consumers whether they want comparison sites generally to list all suppliers is likely to lead to a high proportion saying that they do.

⁵⁷ Page 63 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁵⁸ Page 64 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

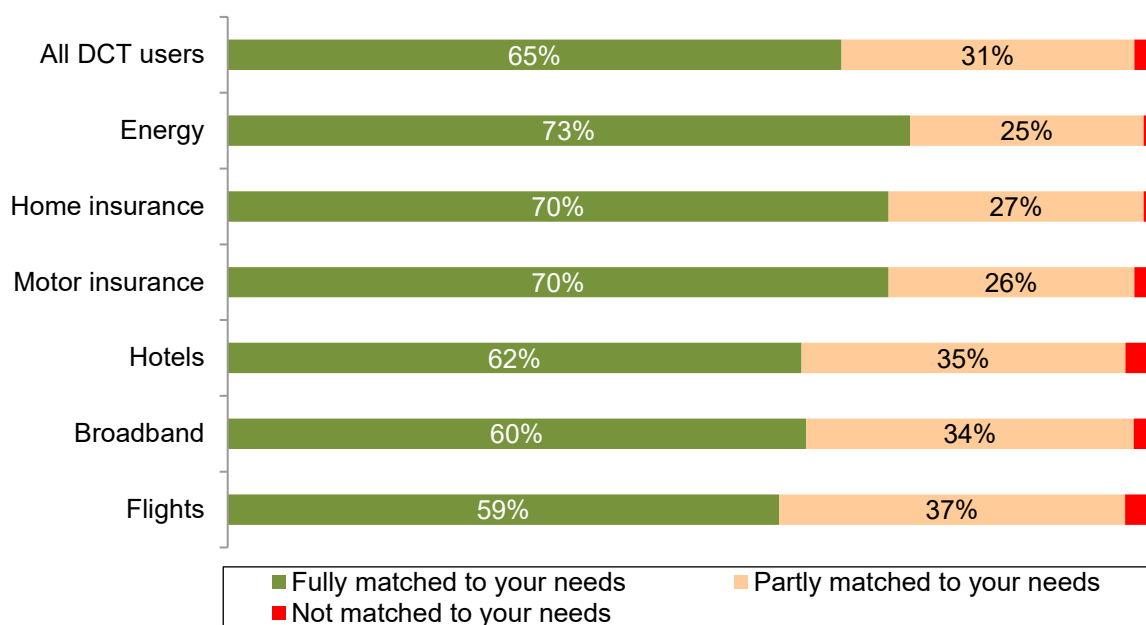
⁵⁹ Page 79 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

needs. Very few users (2%) thought that too few providers were covered.⁶⁰ This picture was broadly consistent across our case study sectors.⁶¹ Even among users who thought that DCTs covered around a half or less than half of providers, only a minority (14%) thought that this was insufficient for their needs.⁶²

Most users consider DCT results match their needs

48. Two thirds (65%) of recent comparison site users considered that the results presented on the main site they had used fully matched their needs, with only 2% saying that the results did not match their needs.⁶³ This varied slightly by sector, with those searching for energy more content than those looking for hotels, broadband or flights (Figure A.15).⁶⁴

Figure A.15: How well did users think the comparison site results had matched their needs?



Source: Kantar Public survey. E12. And do you feel the results presented to you on the main comparison site you used were...
 Base: All who have used a comparison site in the last 3 months (All DCT users: 1,668; Home insurance: 210; Flights: 508; Broadband: 182; Energy: 267; Motor insurance: 235, Hotels: 177).

⁶⁰ Page 65 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁶¹ Page 66 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁶² Source: *Kantar Public survey data tabulations*.

⁶³ Page 133 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁶⁴ Page 135 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Mixed perceptions on whether DCTs recommend products, but some see them as existing for the benefit of consumers

49. Our research provided mixed findings on the perceived role of comparison sites, in terms of whether they provide an impartial comparison or recommendations on what to choose. More than six in ten (62%) consumers said that comparison sites recommended what to choose at least to some extent,⁶⁵ with two in ten (21%) saying that they recommended 'a lot'.⁶⁶
50. However, in interviews, it was clear that even if respondents initially described comparison sites as providing 'recommendations', when discussed further they often characterised the information provided by comparison sites as unbiased. Though this was sometimes described as a 'recommendation', respondents did not typically think that the comparison site was pushing any particular supplier or product. Comparison sites were often described as 'unbiased', as merely 'aggregators', and in some cases as being there for the benefit of the consumer.⁶⁷
51. Our qualitative work suggests that consumers in the survey might simply have been equating 'recommendation' with the presentation of 'suitable' or tailored results rather than 'bias'. Furthermore, participants in our qualitative research suggested that where they did see any apparent bias in results, this was mitigated by the perception that they were in control – for instance, they could ignore results they considered to be 'sponsored'.⁶⁸

Consumers trust DCTs for many aspects, but less so for their use of data

52. Our consumer survey indicated that consumer trust in a number of aspects of DCT operations is reasonably high (Figure A.16). Most consumers trust at least a fair amount that DCTs provide accurate and reliable information, offer the best products based on the requirements of users and provide them with the best price (although only a minority trust them a lot).⁶⁹ Other research suggests that consumers consider accuracy and reliability to be the most important feature for a comparison.⁷⁰

⁶⁵ Page 59 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

⁶⁶ Page 60 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

⁶⁷ Page 80 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

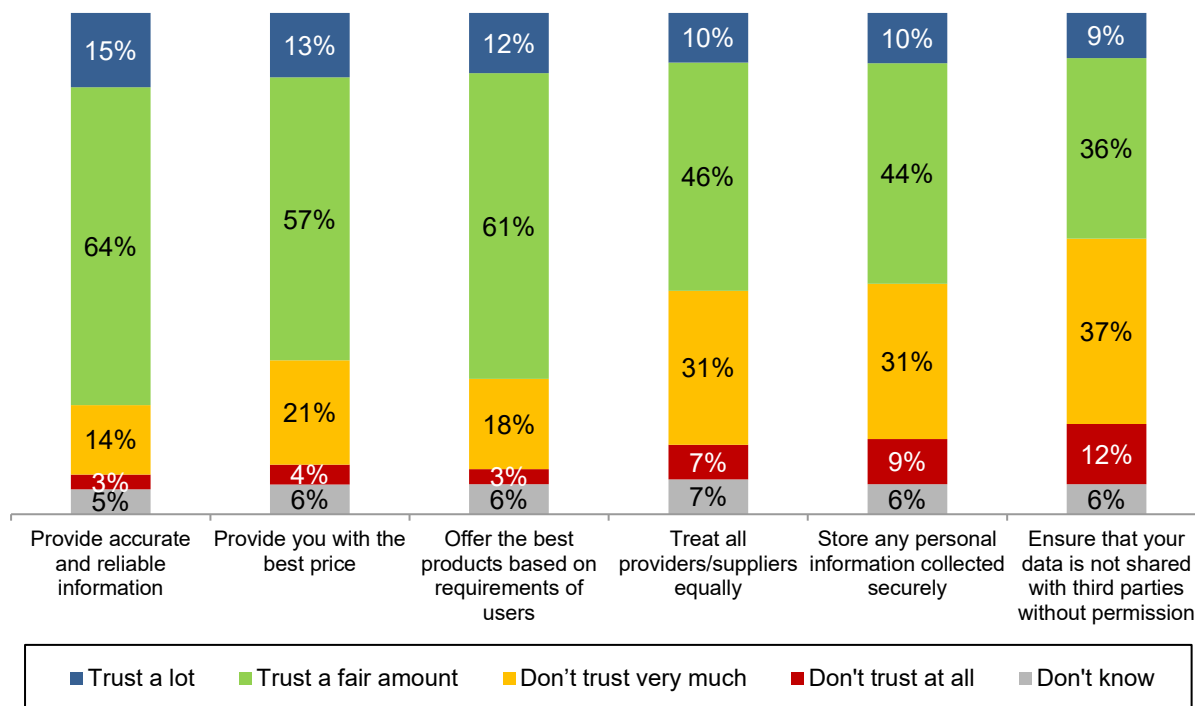
⁶⁸ Page 81 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

⁶⁹ Page 67 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

⁷⁰ Research by Consumer Futures found that 52% of comparison site users specified 'getting accurate and reliable information' as one of the three factors that were most important to them when they use a PCW – the highest ranked feature overall. Consumer Futures, [Price comparison websites: consumer perceptions and experiences: A report by RS Consulting for Consumer Futures](#), July 2013.

53. There were also some aspects that consumers seem to be more concerned about – particularly relating to the extent to which DCTs treat suppliers equally and how DCTs store and treat consumers’ personal information. We consider these concerns further below.

Figure A.16: To what extent do consumers trust comparison sites?



Source: Kantar Public survey. A3. Based on your experience or understanding of comparison sites, to what extent do you trust them in relation to each of the following?
 Base: All consumers who are aware of comparison sites (3,958).

54. Consumers’ level of trust in DCTs seems to be linked to their level of experience in using them. Non-users and less experienced users were more likely to exhibit lower levels of trust compared to more experienced users. In particular, one quarter (24%) of those who had never used a comparison site distrusted these sites across all six measures.⁷¹

55. Consumers also showed higher levels of trust in suppliers’ own sites than in comparison sites for all measures except on providing the best price, where roughly equal numbers said they trusted comparison sites more and that they trusted suppliers’ websites more.⁷²

⁷¹ Page 70 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁷² Page 73 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

DCTs' treatment of suppliers

56. One of the areas where consumers showed lower levels of trust in DCTs related to whether they treat all suppliers equally: just over half (56%) of those aware of DCTs trusted them to do so (Figure A.16).
57. As we note above, most consumers perceive DCTs to be providing 'recommendations' at least to some extent – but also that qualitative findings suggest survey respondents equated 'recommendation' with the presentation of 'suitable' or tailored results rather than 'bias'.
58. Consumers may therefore think that DCTs 'recommend' some suppliers over others and this might explain why some consumers appear not to 'trust' DCTs to treat suppliers *equally*.⁷³ In this sense, consumers may perceive DCTs to be acting much like a retailer that stocks and promotes certain products over others.

DCTs and personal information

59. As we noted above, our mystery shop found that the volume of information DCTs requested from consumers varied by sector.⁷⁴ For insurance, in particular, sites typically gathered large amounts of personal data and requirements – often using long online forms, to inform their listing of offers.
60. In collecting and storing this information for their primary purpose of listing offers, DCTs are also collating data that could have value for secondary purposes – in particular to share with third parties for advertising and analysis.
61. We found that consumers showed lower levels of trust in DCTs' storage and treatment of their personal information (Figure A.16). Only 54% of DCT users trusted such sites to store their personal information securely and 45% to ensure their data is not shared with third parties without their permission. Our qualitative research suggests some consumers may be concerned about receiving unsolicited communications from DCTs or third parties.⁷⁵

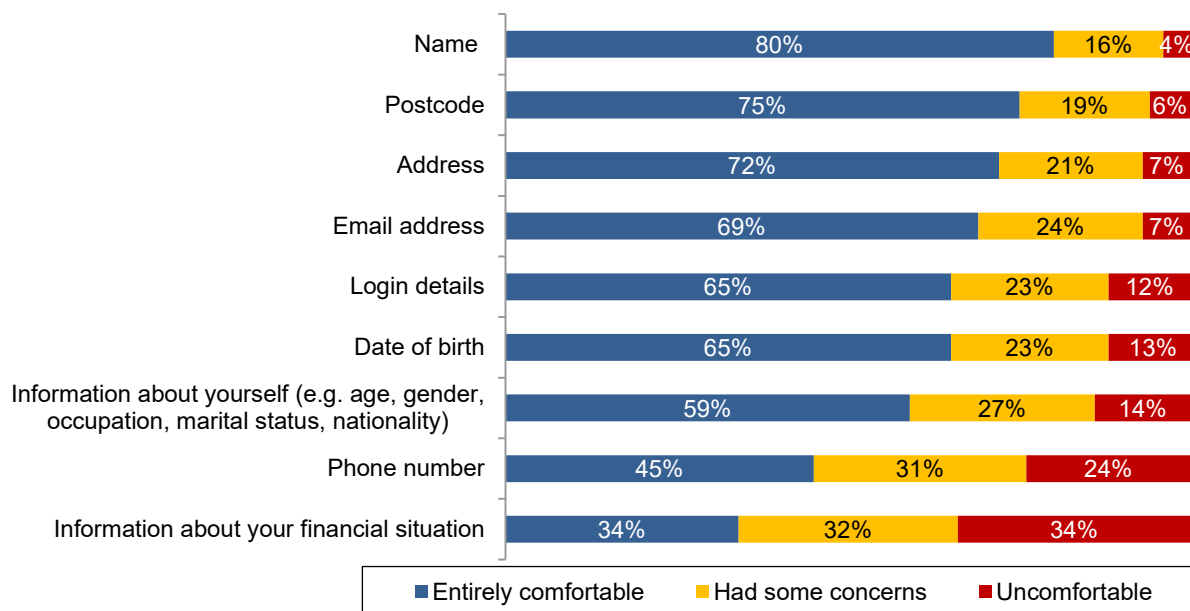
⁷³ Results of our survey suggest that there is a relationship between views on whether comparison sites treat all suppliers equally, and the extent to which they think these sites recommend what to choose. Of consumers who thought that comparison sites recommend what to choose a lot, half trusted them to treat all suppliers equally. Trust that comparison sites treat all suppliers equally was much higher among those who did not think that comparison sites recommend what to choose at all (over three quarters of those who thought that comparison sites do not recommend at all trusted them to treat all suppliers equally). Page 68 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

⁷⁴ Pages 35 to 40 in Annex A: GfK, [CMA Digital Comparison Tools \(DCT\) Mystery Shopping and Websweep Research Report](#), September 2017.

⁷⁵ Page 95 in Kantar, [Digital Comparison Tools: Consumer Research Final Report](#), March 2017.

62. The relatively low level of consumer trust that DCTs will not pass on their data is likely to be a reason why many users have concerns about sharing some of their details with DCTs, particularly financial data and phone numbers (Figure A.17).⁷⁶

Figure A.17: How comfortable are comparison site users sharing different types of information?



Source: Kantar Public survey. E5. How did you feel about providing the information below on the comparison site(s) you used? Base: All who have used a comparison site in the last 3 months and provided information (Name: 1,336; Address: 1,291; Postcode: 1,334; Date of birth: 1,234; Email address: 1,431; Phone number: 1,296; Information about yourself: 1,196; Information about your financial situation: 940; Login details: 1,229).

63. Consumer concerns about how businesses treat their personal data is not a new issue, nor one confined to DCTs. In 2015, the CMA reported in our study of the Commercial Use of Consumer Data (CUCD) on growing active and passive collection of data by firms across many sectors.⁷⁷ We noted that data was increasingly being combined with other data for analytical purposes and shared with other parties, often without the awareness of consumers.
64. We found that survey data suggested many consumers had significant concerns about sharing data. While attitudes varied depending on a range of factors, common concerns include potential data loss, unexpected data sharing and use, as well as fears about exposure to nuisance contacts. Many consumers shared data despite their concerns ('the privacy paradox'),

⁷⁶ Page 123 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017. Research by Consumer Futures in 2013 found that 13% of non-users of PCWs did not use them because they did not want to give a third party their personal details. Consumer Futures, *Price comparison websites: consumer perceptions and experiences: A report by RS Consulting for Consumer Futures*, July 2013.

⁷⁷ CMA, *The Commercial Use of Consumer Data*, June 2015.

possibly because they felt they had no choice. But we noted that concerns could be inhibiting consumers' willingness to share their data.

65. We also found that many consumers felt they lacked control over the collection and use of their data and wanted more control. There was some evidence that improving consent mechanisms could increase consumers' willingness to share data. We suggested that companies need to be transparent with consumers about how they use data and what benefits consumers will get from it, as well as giving consumers clear information to allow them to make informed choices.⁷⁸
66. Consumer concerns do appear to persist and are common across the IT and technology sectors. For instance, recent research for the Information Commissioners Office (ICO) found that only a fifth (20%) of the UK public report having trust and confidence in companies and organisations storing their personal information, and identified comparatively lower levels of trust in internet and technology brands.⁷⁹

Few have complained about DCTs, although most do not know how to

67. Our consumer research found that of those consumers who had used a comparison site, only 3% had made a complaint (2% directly to the site and 1% elsewhere).⁸⁰
68. Of those who had not complained, three-quarters (73%) said they did not know who they would complain to and 10% said they would complain to the comparison site itself.⁸¹

Consumers assume DCTs are regulated

69. Levels of trust may in part reflect consumers' perceptions of the extent to which DCTs are regulated. Our survey found that six in ten consumers (59%) who have used a comparison site thought or assumed that comparison sites are checked and approved before they can operate, but also that one quarter (25%) did not know.⁸² When prompted with a list of options, consumers who

⁷⁸ CMA, *The Commercial Use of Consumer Data*, June 2015.

⁷⁹ Information Commissioners Office, *Trust and confidence in data*, July 2017.

⁸⁰ Our analysis of DCTs' complaints data similarly suggested they had received very few complaints. This is also in line with the FCA's finding of a low volume of complaints to DCTs in general insurance and that complaints were mainly made to the supplier – see FCA, *Price comparison websites in the general insurance sector*, July 2014.

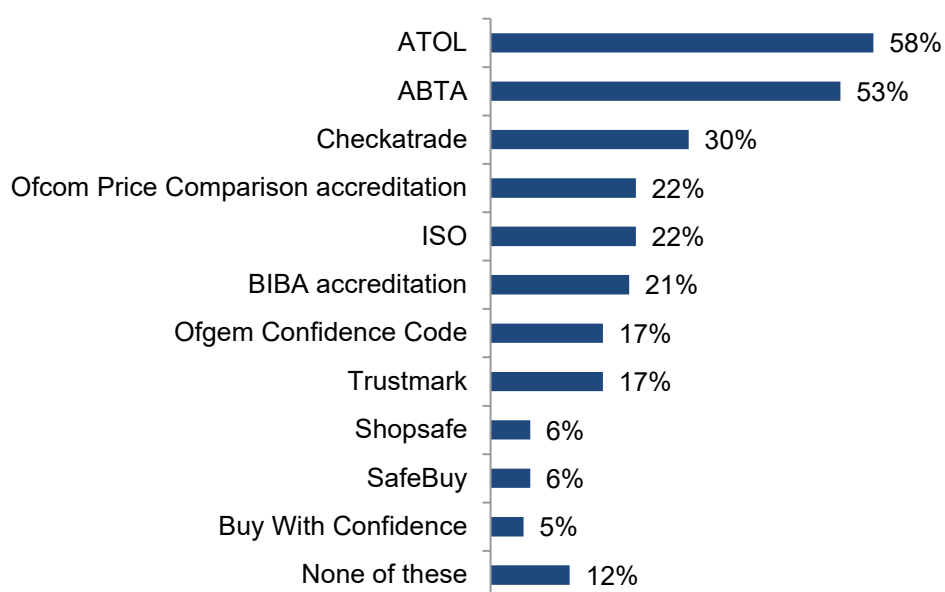
⁸¹ Page 75 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

⁸² Page 74 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

thought DCTs were regulated, were most likely to select sector regulators as being responsible for checking and approving sites (48% did so).⁸³

70. Ofcom and Ofgem have set up badged voluntary accreditation schemes for DCTs covering their sectors. Our survey found that overall only 12% of recent users could recall seeing evidence of accreditation on their last visit.⁸⁴ Consumers had relatively low awareness of the Ofcom and Ofgem accreditation schemes compared with well-established logos such as ABTA (Figure A.18).⁸⁵
71. Our qualitative work identified that consumers did not typically seek out information related to accreditation schemes, but they often simply assumed that there was some regulation and often that the regulation was sector-specific rather than cross-sector. Consumers said that they were reassured by seeing references to the FCA, Ofgem and other regulators, but the less confident wanted accreditation to be more prominent – for instance at the top of the page.⁸⁶

Figure A.18: Consumer awareness of logos and accreditation schemes



Source: Kantar Public survey. A11. Which, if any, of the following regulatory codes and accreditations are you aware of?
Base: All consumers (4,083).

⁸³ Page 77 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017; 32% identified the CMA as being responsible, but this figure is likely to be overstated as a result of it being the survey sponsor.

⁸⁴ Page 76 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

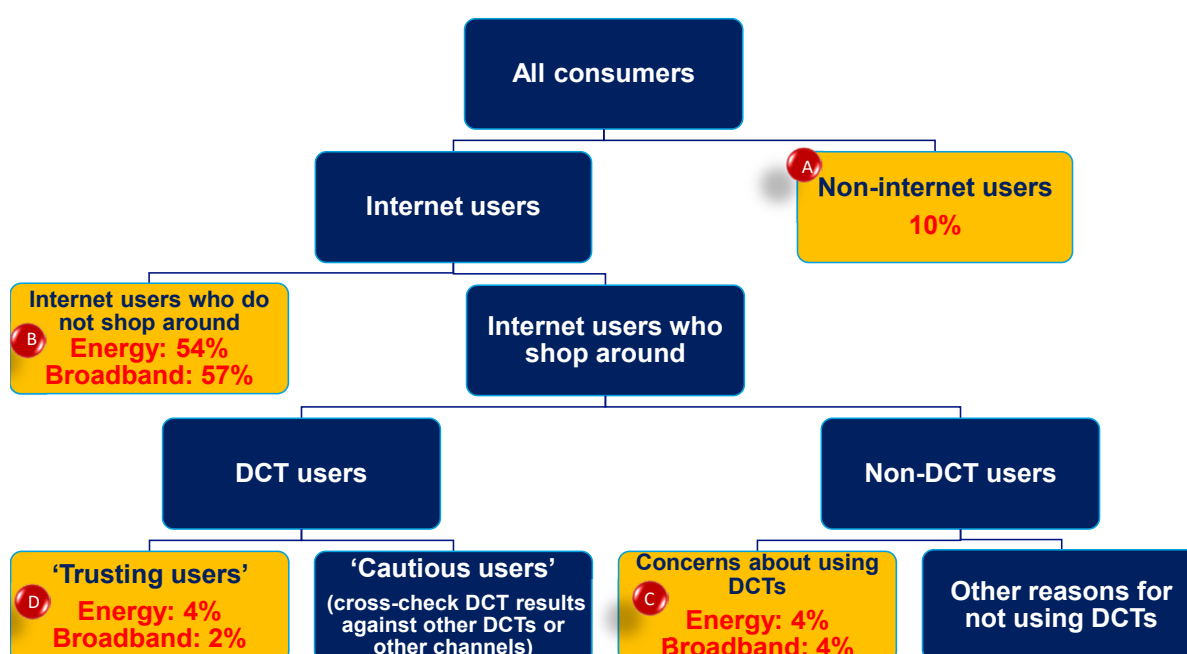
⁸⁵ Even this relatively low level of awareness of accreditation schemes could have been inflated by consumers' recognition of the names of the regulators Ofcom and Ofgem, especially as these names were presented to respondents in one of the previous questions. A Consumer Futures survey found a lower level of awareness of these accreditation schemes, with 16% of those who have used a comparison site in the last two years claiming to be aware of voluntary accreditation schemes for price comparison websites, such as Consumer Focus's Confidence Code and Ofcom's Price Comparison Accreditation Scheme. Consumer Futures, *Price comparison websites: consumer perceptions and experiences: A report by RS Consulting for Consumer Futures*, July 2013.

⁸⁶ Page 78 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

Non-users and vulnerable consumers

72. In this section we consider why some consumers do not use DCTs and, in particular, the extent to which vulnerable consumers might use and benefit from them.
73. In our Update Paper, we identified consumer groups of specific interest (shaded yellow in Figure A.19) because they might be missing out on the benefits of DCTs, or using DCTs in a limited way. Although consumers are unlikely to fall neatly into these groups⁸⁷ and some sectors (for example legal services) have relatively few or no DCTs that consumers can use in any case, to provide some context, we estimated the size of each group for the energy and broadband sectors, expressed as a proportion of all consumers.

Figure A.19: Mapping consumer attitudes and behaviour with the size of segments of particular interest, energy and broadband⁸⁸



Source: CMA analysis of Kantar Public survey, Kantar Public omnibus survey and Kantar Public analysis of Labour Force Survey data. Definitions: A. Non internet users; UK consumers 18+ who have never used the internet (source: Labour Force survey, Q3 2016) ; B. Internet users who do not shop around – internet users who have not shopped around in the sector in last 2 years (source: Kantar Public survey, q.G2); C. Non DCT users: concerns about using DCTs – internet users who have shopped around in the sector last 2 years but not used a DCT to do so due to concerns about using a DCT (source: Kantar Public survey q.G2 and q.G8 and Kantar Public omnibus survey Q3); D. DCT users who use one DCT and no other sources – internet users who have shopped around in the sector in last 2 years and used only one DCT to do so and no other sources (source: Kantar Public survey q.G2, q.G8, q.M9 and q.E16; proportion among those who have used a DCT in last 3 months was applied to those who have used a DCT in last 2 years).

⁸⁷ For instance, some consumers may have only used one DCT and no other sources for their most recent shopping around experience but not for previous ones.

⁸⁸ Our analysis of the home insurance and flights sectors produced very similar results, however it is not appropriate to present them in the same way as the results for energy and broadband. In flights and home insurance consumers are much more likely not to have shopped around merely because they have had no need for the product which means that there are many consumers in Group B (internet users who do not shop around) who we cannot say are missing out on the potential benefits of DCTs.

74. We considered **Group D** ('trusting users' who single home) at paragraphs 12 to 18 above. While some of these consumers may make an informed decision to 'single-home' and may combine this with using other methods to shop around, others may simply rely on one DCT to inform their decision without considering whether using other DCTs and options could help them make a better choice.
75. Our analysis suggested that **Group D** could be relatively small for broadband and energy as a proportion of all consumers. However, as we note at paragraphs 21 to 23 above, this analysis is based on survey data which may understate the level of single homing (particularly in terms of requesting quotes) and that, for sectors such as insurance, single homing is likely to be higher.
76. Across sectors, DCTs typically differ in their coverage and offers because suppliers and DCTs often negotiate promotional deals (see Paper E on Competition). So consumers who only consult one whenever they search for a product may miss better offers. We address in our Final Report how consumers could benefit from trying out a few DCTs.

Engaging non-users of DCTs

77. **Groups A, B and C** all represent non-DCT users – either because they do not use the internet, use the internet but do not shop around, or use the internet to shop around but do not use DCTs.
78. As we note in Chapter 4 of our Final Report, non-users of DCTs may still benefit from their existence. If suppliers' direct sales channels (or other non-DCT channels, such as brokers) compete with DCTs, the competitive pressures faced by suppliers on DCTs can spill over to these other channels. Furthermore, suppliers may test new products on DCTs before launching them on their own site as a cost-effective way of introducing new products which increases choice and better tailored offers not only for DCT users but also for users of other channels.
79. Some parties suggested that suppliers in some sectors may be using big data and sophisticated pricing tailored to smaller groups of consumers or even individuals based on their assumed propensity to pay – ie close to personalised pricing.⁸⁹ We heard anecdotal concerns that the presence of

⁸⁹ See Office of Fair Trading, [Personalised Pricing - Increasing Transparency to Improve Trust](#), May 2013. The OFT found that personalised pricing was technically possible but that firms did not appear to be using information about individuals to set higher prices to them. The OFT reported that firms were offering personalised discounts, and increasingly using information collected about consumers in order to refine their pricing strategies.

DCTs makes it easier for suppliers to identify active consumers and, as a result, to charge higher prices to less active or inactive consumers.

80. We therefore sought evidence on pricing strategies by channel from suppliers. The evidence we received suggests that suppliers do not price discriminate between their customers based on information about their search behaviour (ie whether they use a DCT or not before going to the supplier's direct website). While this does not rule out the potential for suppliers to track consumers' behaviour and adjust their offers now or in the future, it was not apparent from the evidence we saw that this is currently happening.
81. While we therefore cannot categorically exclude the possibility that this is happening somewhere, suppliers already had effective tools for making this active/ inactive split before the advent of DCTs – in particular, any of the many tools by which suppliers offer new customers a cheaper price than existing customers. For example, the Standard Variable Tariff in energy, to which consumers default if they do not sign up to a fixed-rate deal; similarly the Standard Variable Rate to which fixed-rate mortgages return at the end of their fixed term; or auto-renewals in insurance, which commonly offer a higher price than the previous year.
82. While our evidence suggests that many non-DCT users do not shop around generally, a substantial proportion do look at other channels – indeed, our survey indicated that non-users were more likely to visit supplier sites and customer review websites than DCT users (see Figure A.4).
83. The groups of people who do not shop around and/or do not use DCTs may be bigger in some other sectors where DCTs are not even available for people to use. Where consumer inertia is strong and the amounts at stake large, there could be significant potential for additional consumer benefits if effective DCTs were to become available. An example from recent CMA work is legal services, where DCTs have struggled to establish themselves, but where we have made recommendations to improve their availability.⁹⁰
84. Whether or not non-users of DCTs are benefitting generally from the existence of DCTs or using other means to inform their decisions, they are likely to be missing out on the potential benefits DCTs can provide. We therefore consider below the specific issues for consumers who do not use the internet and those who do, but do not use DCTs.

⁹⁰ CMA, [Legal services market study](#), December 2016.

Non-internet users

85. People who do not use DCTs can essentially be divided into those who use the internet and those who do not – ie **Group A**. By definition, consumers who do not use the internet will not be using digital tools such as DCTs.
86. Whether or not these people are able to use DCTs is a small part of a set of wider public policy questions, such as the digital divide, digital skills and mobile or broadband infrastructure, which was beyond this project to consider. However, while our study looked at *digital* tools, some major DCT operators do offer offline versions of, or complements to, their services, which may assist with this group of consumers.
87. A key reason why some people do not use the internet is likely to be that they lack access. It is probable that a larger proportion of people without internet access are vulnerable than is the case for those with access.⁹¹ In 2017, seven in eight (88%) of UK adults said they had internet access at home via any device, but this varied considerably by age and socio-economic group, with about half (53%) of those aged over 74 and 74% of those in the DE socio-economic group having access.⁹² A recent survey also found that that 1 in 5 disabled consumers had never used the internet.⁹³
88. We consider below the extent to which people in vulnerable circumstances may or may not be using DCTs and how they might benefit from doing so.

Consumers with internet access who do not use DCTs

89. Of the Groups we identified, the largest appeared to be internet users who do not shop around (**Group B**) – at least in terms of the energy and broadband sectors, although we also identified a smaller group of consumers who shop around online but not by using DCTs – including those who have concerns about using them (**Group C**).
90. Our omnibus survey found that the main reasons consumers cited for not using a comparison site on their most recent shopping around occasion were

⁹¹ As we noted in our Update Paper, consumers' locations may also affect internet connectivity and usage. For instance, in 2015, 90% of households in the South East of England could access the internet compared with 82% in the North East. Office for National Statistics, [Households with internet access by country and region, 2014 and 2015](#), August 2016

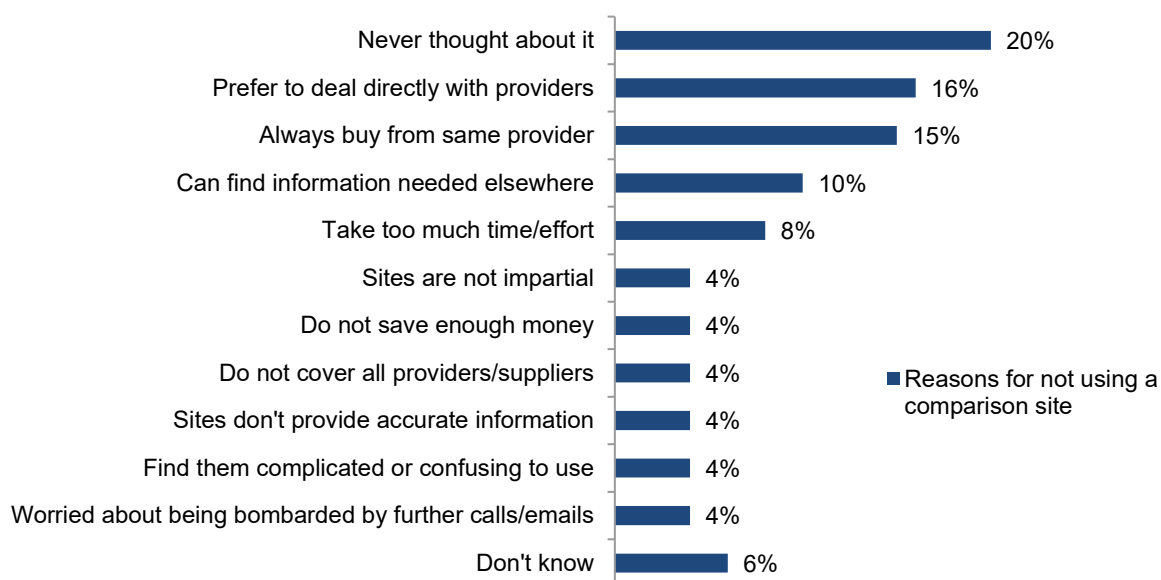
⁹² Ofcom, [The Communications Market 2017](#), August 2017, page 173. In 2017, 76% of UK consumers owned a smartphone, but again there is a significant difference in smartphone ownership between consumers in different age groups: almost all 16-24s and 25-34s own a smartphone (both 96%) compared to less than half of over-54s (47%) – see pages 174 to 175. Other research from Ofcom similarly shows that 14% of adults in the UK are non-users of the internet, and that this is more likely among over-65s (35% for 65-74s and 56% for those aged 75+) and DEs (27%). See Ofcom, [Adults' media use and attitudes](#), June 2017, page 165.

⁹³ ONS, [Internet users in the UK: 2017](#), May 2017.

that they had never thought about it or preferred to deal directly with suppliers. Other reasons included always buying from the same provider, being able to find the information they needed elsewhere or that using a comparison site would require too much time or effort (Figure A.20).⁹⁴

91. Our qualitative research also identified a range of reasons why consumers may not use DCTs: general low confidence in using the internet, fear of being overwhelmed by information, a view that the savings would not be worth the hassle, worries about sharing information or entering it incorrectly, as well as suspicions that DCTs are not independent.⁹⁵ Some of the concerns raised by non-DCT users were also voiced by consumers who do use DCTs – in particular, worries about sharing data (see paragraph 62).

Figure A.20: Consumers’ reasons for not using comparison sites



Source: Kantar Public survey. Q3 (Omnibus survey). You said that you shopped around for [SECTOR] in the last three months but did not use a comparison site. Are there any particular reasons why you didn't use a comparison site on this occasion?
 Base: Omnibus survey consumers who have shopped around in the last three months but did not use a comparison site (578).

92. As we noted at paragraph 4, consumers who had not shopped around at all said this was mainly because suppliers had offered them what they wanted, or from a feeling of loyalty or having an existing relationship with a provider. Other reasons included it taking too much time and effort to shop around

⁹⁴ Page 89 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017. These findings are similar to those reported by Consumer Futures in 2013, which found that the main reasons why non-users had never used comparison sites was a preference for talking to someone in person, followed by no need or desire to use them and no interest in switching. Consumer Futures, *Price comparison websites: consumer perceptions and experiences: A report by RS Consulting for Consumer Futures*, July 2013.

⁹⁵ Page 95 in Kantar, *Digital Comparison Tools: Consumer Research Final Report*, March 2017.

(particularly for sectors such as insurance and energy) or, in the case of broadband, that it was too risky to switch.

93. DCTs can be an important tool in moving people from being inactive to active – ie reducing the size of **Group B** in particular. If someone is disinclined to shop around, a service which makes it easier to do so can only be helpful in encouraging them to engage in the market. Indeed, unlike large incumbent suppliers in particular, the fact that most DCTs get paid for each switch means that they have a strong commercial incentive to move people from being inactive to active consumers.
94. Encouraging consumer activity is DCTs' core business. They may even be more efficient at doing so than other main players with an incentive to encourage switching – such as 'challenger' suppliers – because they are likely to be able to use their scale, and their income streams from numerous suppliers, to run substantial marketing campaigns and incentive programmes encouraging shopping around and switching.
95. As we discuss in Chapter 5 of our Final Report, DCTs' advertising and messages seek to drive up use. However, our recommendations are intended also to help engagement generally by:
 - clear consumer messaging about the potential benefits from using DCTs, but also the importance of treating them like any business and the value in trying out different ones;
 - reducing the barriers to DCTs' effectiveness, making them easier to use and improving their access to data;
 - improving the regulatory framework to reduce the risks to innovation;
 - adopting and promoting the CARE principles, to support consumer trust by setting out how they can expect DCTs to behave; and
 - taking enforcement action where appropriate.
96. While moving people from being inactive to active can deliver the benefits we set out in Chapter 4 of our Final Report, clearly DCTs are not the only answer to the question of how to get consumers more engaged in markets; and they are likely to be less good for some consumers than others. Instead they are better regarded as one of a number of commercial and/or public policy tools

that can help with disengagement in markets. Another example is the database remedy we put in place as part of our energy market investigation.⁹⁶

Vulnerable consumers

97. As the National Audit Office (NAO) recently reported, regulators have specific statutory obligations relevant to vulnerable consumers. While these vary, they typically require them to consider the needs of specific groups – particularly those who are disabled, elderly, on low incomes or living in rural areas. They also have certain duties arising from the Equality Act 2010 towards people who may be vulnerable.⁹⁷ The NAO reported that the regulators define vulnerability in broadly consistent ways “recognising that vulnerable consumers are, due to their circumstances, particularly susceptible to harm”.
98. However, there is no widely agreed definition of a vulnerable consumer. The NAO noted that: “Vulnerability is difficult to define precisely, as it can depend heavily on circumstances. But certain groups seek substantially more help than others from support organisations: particularly single parents, the unemployed, those in debt or those with cognitive impairments, mental health issues or multiple disabilities”. Stakeholders we consulted also emphasised that consumers could experience vulnerability to differing degrees over time.
99. Given the definitional complexities, it would be hard to establish the extent to which consumers in vulnerable circumstances are, or are not, using DCTs. However, while our consumer research was not designed to explore issues around vulnerability, we can draw some conclusions from the demography of respondents. Our analysis of survey data did not identify significant differences between the profile of consumers in **Group C** and the profile of other non-users of DCTs in terms of age, working status or social grade. In addition, we did not find that consumers in **Group B** were consistently more likely to be in positions of vulnerability than internet users who do shop around.⁹⁸ But more generally we *did* find demographic differences between non-users and users of DCTs.

⁹⁶ Competition and Markets Authority, [Energy market investigation: Final report](#), June 2016.

⁹⁷ National Audit Office, [Vulnerable consumers in regulated industries](#), March 2017.

⁹⁸ CMA analysis of Kantar Public Omnibus survey data. We looked at the following characteristics as proxies for potential position of vulnerability: age, working status, highest qualification, income and agreement or disagreement with the statement that the consumer is struggling financially.

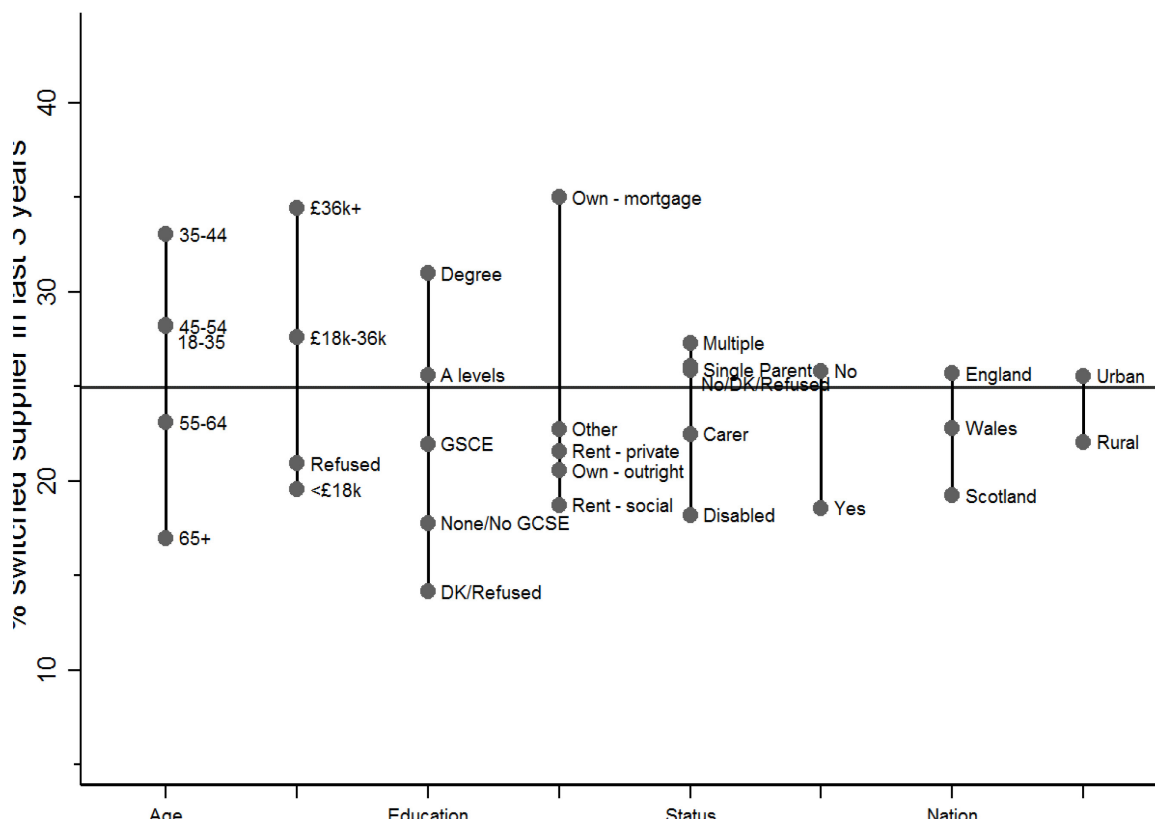
100. In particular, we found that consumers aged between 25 and 64, those on higher incomes, those in employment as well as those with higher qualifications were most likely to use DCTs:⁹⁹
- 92% of consumers aged 25 to 44, and 89% of consumers aged 45 to 64, have used a comparison site, compared with 73% of those aged 65+ and 73% of those aged 16 to 24.
 - 92% of those with household income of at least £48,000 have used a comparison site, compared with 75% of those with income of under £6,000.
 - 91% of those in employment have used a comparison site, compared with 66% of those who are unemployed.
 - 95% of those with a university degree have used a comparison site, compared with 68% of those with no qualifications.¹⁰⁰
101. We have also previously found in terms of likelihood of actually **switching**, that consumers who were least likely to have switched energy supplier in the previous three years were those with household incomes under £18,000 a year; living in rented social housing; without qualifications; aged 65 and over; with a disability or on the Priority Services Register (PSR) – see Figure A.21. These consumers were also more likely to have never considered switching, less likely to have shopped around in the previous three years, and less likely to consider switching in the next three years.¹⁰¹

⁹⁹ The level of use of DCTs is also linked to the frequency of using the internet. Among those who use the internet several times a day, 89% had used a DCT compared with only 26% of those who use the internet less than once a week. Source: [Kantar Public survey data tabulations](#).

¹⁰⁰ Source: [Kantar Public survey data tabulations](#).

¹⁰¹ Note this analysis included internet users as well as non-internet. As mentioned in paragraph 87, consumers who lack internet access might be more likely to be in positions of vulnerability and, according to the findings of the CMA energy market investigation (CMA, [Energy Market Investigation](#), June 2016. [Appendix 8.1: CMA domestic customer survey results](#), paragraph 39), the propensity to switch is linked to internet use. Taken together, this could mean that consumers in positions of vulnerability are less likely to switch because they are less likely to use or have access to the internet.

Figure A.21: Proportion of energy supplier switching in the three years to autumn 2014 by demographic and household characteristics



Source: CMA, *Energy Market Investigation*, June 2016. [Appendix 9.1: CMA domestic customer survey results.](#)

Notes:

1. The fieldwork was conducted between September and November 2014.
2. PSR indicates whether respondent is on the Priority Services Register. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.
3. 'DK' indicates respondents who answered with 'Don't Know' to the relevant survey question.
4. Base = age 6,901, income 6,999, education 6,665, tenure 6,999, status 6,999, PSR 6,990, nation 6,999, area 6,976.

102. DCTs can potentially benefit vulnerable consumers – indeed they may be most in need of such tools to help them more easily find better deals and save money. The NAO recently identified that those who are disabled, elderly or on low incomes may be unable to access or use essential services. It also identified that an estimated 3 million disabled people have been denied insurance or charged extra.¹⁰²

103. For our study, we sought views from consumer organisations and held a roundtable event with some, to understand how DCTs affected vulnerable consumers. Broadly, some considered DCTs to be potentially helpful tools for vulnerable consumers to shop around – particularly benefitting those with mobility issues or with mental health conditions who find it difficult to speak to multiple suppliers by phone or face-to-face. However, they also had some concerns about:

¹⁰² National Audit Office, *Vulnerable consumers in regulated industries*, March 2017.

- Vulnerable consumers receiving a poor user experience from DCTs by being offered no or limited choice.
- Whether DCTs are fully compatible with web accessibility guidelines¹⁰³ – a review of the biggest DCTs in 2012 had found poor compliance¹⁰⁴ and some parties we spoke to felt that sites could do better.¹⁰⁵ Aspects of the design of some DCTs mean that they are not always universally accessible, particularly for the visually impaired and those using screen readers.¹⁰⁶ Our own high-level assessment identified examples where DCTs might not be complying with minimum standards.¹⁰⁷
- Consumers with limited digital skills who might struggle to use them.¹⁰⁸
- Vulnerable consumers (particularly those in debt) being more likely to be worried about switching more generally – for instance, making a costly mistake or experiencing service disruption.

104. The organisations’ suggestions included that DCTs should ensure they meet accessibility guidelines, offer advice and links to support at key points in the consumer journey (including if they delivered ‘nil’ results), and could work more with relevant consumer bodies.

105. We also spoke with DCTs about their approach to vulnerable consumers. They told us that they cannot identify whether a consumer using their service is vulnerable and that consumers do not tend to consider themselves to be

¹⁰³ While there is no specific legal requirement to comply with any particular set of website accessibility guidelines, the Web Content Accessibility Guidelines 2.0 have been recognised as an ISO International Standard (ISO/IEC 40500:2012 (W3C) since 2012.

¹⁰⁴ AbilityNet, [Price Comparison Websites](#), April 2012.

¹⁰⁵ Additionally, in 2015, the Extra Costs Commission noted that “...generic [market comparison] websites are not accessible or do not provide specific enough search and comparison options to meet the needs of disabled consumers. For example, there are multiple energy switching websites, but not all have accessible websites or offer a telephone or postal option, which may be important considerations for many disabled people”. It recommended more generally that businesses should improve website accessibility. Extra Costs Commission, [Driving down the extra costs disabled people face – Final Report](#), June 2015.

¹⁰⁶ Screen readers convert text content into either voice or braille. With appropriate formatting, screen readers should be able to process most webcontent. Where graphics are used, ‘alt-text’ tags can be used to provide a description of the graphic. Developers not including alt-text is an example of how users of screen readers may not be presented with the same information as other users, whilst empty alt-text (where the code indicates there is alt-text but none is provided) can cause confusion as to whether there is relevant content present.

¹⁰⁷ If a website does not meet the minimum website accessibility standards in the Web Content Accessibility Guidelines 2.0 this may indicate that it does not comply with the requirements of the Equality Act 2010. All UK businesses providing goods, facilities or services to members of the public must comply with the Equality Act 2010, irrespective of whether a service is provided for free or they charge for it. Under the Equality Act 2010, they should not discriminate directly or indirectly against disabled users and are required to make reasonable adjustments to ensure their website can accommodate them. Guidance provided by the Equalities and Human Rights Commission ([What equality law means for your business](#)) states that sites must be accessible to all users including people with visual impairments who use text-to-speech software, people with manual dexterity impairments who cannot use a mouse and people with dyslexia and learning difficulties.

¹⁰⁸ See, for instance, [Lloyds Bank Consumer Digital Index 2017](#), March 2017. This suggests that 11.5 million people in the UK lack Basic Digital Skills.

vulnerable, or wish to be identified as such. Some, however, estimated that vulnerable consumers make up a small proportion of their customer base. One DCT explained how it had identified that a service it was providing had proved to be of particular value to vulnerable consumers and more commercially viable than expected.¹⁰⁹

106. Most DCTs said that they comply with web accessibility guidelines and some offer offline services such as a helpline. Some have also worked with consumer organisations to improve their service. However, most DCTs we spoke to said they had no specific policy or guidance on this area and do not offer account delegation or other assistance to vulnerable consumers.
107. It is beyond the scope of our study to consider the wider difficulties faced by vulnerable consumers when accessing markets. Sector regulators have been addressing these issues – in particular:
- Ofcom has a range of measures in place to protect vulnerable consumers in communications markets. It has published a guide to powers of attorney and third party bill management, which enable consumers to nominate a trusted friend or relative to act on their behalf when accessing markets.¹¹⁰
 - Ofgem has announced plans to protect vulnerable consumers, including a possible safeguard tariff.¹¹¹
 - The FCA issued occasional papers on Consumer Vulnerability¹¹² and Access to Financial Services;¹¹³ and recently announced a call for input on access to travel insurance for consumers who have, or have had, cancer.¹¹⁴
108. In the meantime, however, we conclude that DCTs could take steps to make their service more accessible to vulnerable consumers, by:
- ensuring that websites and apps comply with accessibility standards – we have included a requirement to comply with relevant legislation in the high-level CARE principles we set out in Chapter 5 of our Final Report and in Paper C); and

¹⁰⁹ This DCT also pointed out the opportunities that comparison apps can give to consumers on low incomes. While these consumers may be less likely to own computers or have broadband at home, they are likely to own a smartphone and use apps.

¹¹⁰ Ofcom, *Powers of attorney and third party bill management*, June 2016.

¹¹¹ Ofgem, *Ofgem announces plans to deliver a fairer, more competitive market for all consumers*, July 2017.

¹¹² FCA, *Occasional Paper No. 8: Consumer Vulnerability*, February 2015.

¹¹³ FCA, *Occasional Paper No. 17: Access to Financial Services in the UK*, May 2016.

¹¹⁴ FCA, *Call for Input on access to insurance*, June 2017.

- working more closely with relevant consumer organisations, (such as organisations supporting disabled or older people, or people with mental health problems) on how to address vulnerable consumers' needs – including providing links to sources of additional help and support.