

**SUBMITTED TO THE CMA: 24 MAY 2018
CONFIDENTIAL**

**ANTICIPATED ACQUISITION BY EXPERIAN LIMITED OF CREDIT LASER HOLDINGS LIMITED
(CLEARSCORE)**

**MERGER NOTICE UNDER SECTION 96 OF
THE ENTERPRISE ACT 2002**

CASE ME/6743/18

24 MAY 2018

EXECUTIVE SUMMARY

- A. The proposed transaction (the “Transaction”) brings together Experian and ClearScore (the “Parties”), two businesses operating in the financial services sector whose activities are largely complementary and primarily focus on different levels of the supply chain.
- B. The Transaction is pro-competitive and benefits consumers. It will allow Experian and ClearScore to combine their respective skill sets, enabling them to develop new innovative services which will drive consumer engagement and help consumers make more informed and better decisions in choosing financial products.
- C. In the UK, Experian principally operates as a Credit Reference Bureau (CRB). As such, Experian collates and analyses financial data and other information about consumers and businesses and supplies it to credit providers to assist them with lending decisions. Experian therefore predominantly operates as a Business-to-Business (B2B) supplier. Its consumer-facing activities [REDACTED], and relate to two different types of services:
- Experian offers a paid-for credit checking service (“CreditExpert”) offering consumers access to their credit report and credit score, as well as additional features including dedicated telephone support on an individual’s credit report, guidance to individual customers as to how best they can improve their credit score, fraud alerts, and personalised support for victims of fraud. [REDACTED];
 - Experian has more recently started a service (initially branded “CreditMatcher” but now referred to as the “Free Experian account”) that generates leads for financial products such as loans, credit cards, mortgages and insurance, receiving a commission for successful applications from financial product providers. In order to generate revenue from financial product lead generation, Experian engages in financial product matching for consumers. Specifically, Experian offers consumers credit scores for free and matches consumers to a list of financial products which they are likely to be eligible for, as a means to originate leads. This service accounts for only about [REDACTED]% of Experian's UK revenue.
- D. ClearScore does not operate as a CRB. Its activities are limited to financial product lead generation. As a means to generate leads for financial product providers (for which ClearScore is remunerated by financial product providers), ClearScore offers consumers free credit scores and reports and matches them with personal financial products (including credit cards, loans, mortgages, auto loans and insurance products) via its website and app.
- E. The overlap between Experian's activities and ClearScore's activities is confined to financial product lead generation.
- F. In the financial product lead generation market, the economic incentive is to continuously improve the (free) consumer-facing proposition, in order to attract more consumers and thereby maximise the revenues from lead generation. Consistent with this, the key commercial rationale of the Transaction is to improve the Parties’ consumer offerings. Providing more innovative, consumer-friendly offerings will drive increased consumer engagement, thereby generating more leads for financial product providers, which the merged entity and consumers will benefit from.
- G. More specifically, the Transaction will allow the Parties to combine their complementary core competencies: Experian’s extensive consumer and lender databases and data expertise, and

ClearScore's consumer engagement expertise¹. As a result, the Transaction will enhance and accelerate the Parties' rate of innovation in the development of new services and will reduce transactional friction which will, in turn, drive greater consumer engagement and switching across a range of financial products. The Transaction will therefore drive innovation, improve the application process for consumers and provide them with greater access to their own data and better options for financial products. These benefits would not be possible absent the Transaction, due to the lack of availability of the relevant skills, lack of cost-efficiencies and double marginalisation, as well as information asymmetries.

H. There is no realistic prospect of the Transaction giving rise to a Substantial Lessening of Competition (SLC) in any market in the UK. In particular:

(i) The Parties have a low combined market share in financial product lead generation, the only market in which their activities overlap. This market is characterised by numerous rivals, both offline and online, including the likes of Moneysupermarket - including their subsidiary MoneySavingExpert (MSE) - GoCompare, uSwitch and Noddle, as well as many recent entrants. In addition, recent and ongoing regulatory and technological changes mean that barriers to entry are low and reducing. Indeed, ClearScore itself launched only in July 2015 as a completely independent start-up. In this market, the economic incentive is to continuously improve the consumer-facing proposition in order to increase the number of successful leads and thereby maximise revenue in financial product lead generation.

(ii) The Transaction does not materially change the vertical structure of the market.² Experian is already vertically integrated and will continue to lack the ability to foreclose competitors in any downstream market. Moreover, there is no material change in the incentive for Experian to foreclose competitors.

I. The impact of the Transaction is best understood in light of its rationale, which is motivated by a drive to innovate and increase consumer engagement in a rapidly evolving commercial, technological and regulatory environment. As explained in further detail below:

(i) financial services markets are undergoing significant disruption, characterised by greater access to data which promotes consumer engagement, choice and switching;

(ii) financial product lead generation providers have already started to drive innovation and competition in financial services; and

(iii) as a result of this Transaction, the Parties will be able to drive consumer innovation in financial services markets even further and at a greater pace.

Background and market context

Financial services markets are undergoing significant disruption, characterised by greater access to data which promotes consumer engagement, choice and switching

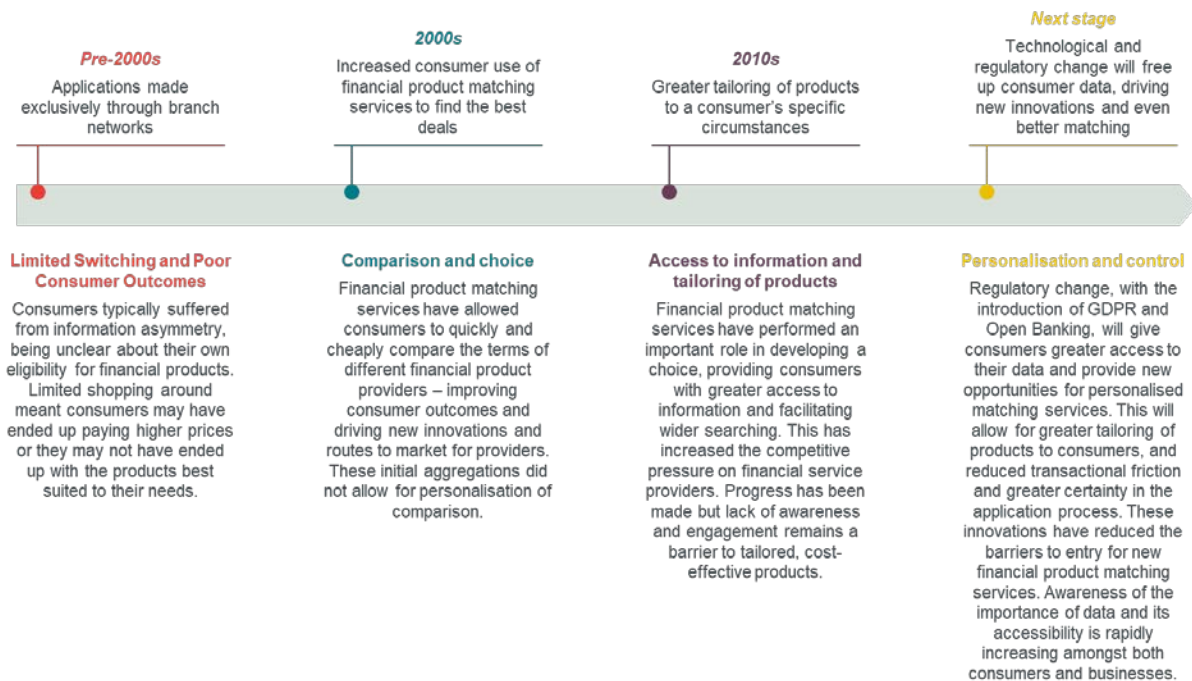
J. In recent years, there have been improvements for consumers in the UK market for financial services products. Consumers historically accessed financial service products from their own bank branch or a high street insurance broker. However, during the course of the last 15-20 years,

¹ [REDACTED].

² The combined entity will continue to be present in the same layers of the supply chain as they were pre-Transaction. [REDACTED] (such as Equifax, which currently supplies ClearScore [REDACTED]).

market developments have led to a situation in which consumers have wider choice, greater access to their own data and to product comparison that is becoming easier and increasingly tailored to a consumer's specific needs, as shown in Figure 1 below.

Figure 1: Evolution of UK financial products market



- K. This pace of innovation is expected to increase in the next few years as ongoing technological and regulatory developments further transform financial services, providing consumers with better access to information, increasing consumer awareness, increasing ease of switching and, ultimately, promoting entry and driving competition in financial services markets.

Technology – transformational developments driving innovation and greater connectivity

- L. Recent software developments have led to the introduction of application programming interfaces (APIs) for B2C financial services. These enable financial providers and consumers to more reliably and safely share data and access information. The advent of APIs is having a transformative impact on the financial services industry, leading to far greater disintermediation of markets. APIs have already been successfully introduced by firms such as Capital One, Zopa, Avant, Likely Loans, Shawbrook, Lendable, CF247, Drafty, RAC Personal Loan, NewDay, Moneybarn, Chetwood and RAC Flexiloan.

Regulatory framework – reduced information asymmetry and greater competition

- M. Improving access, clarity, choice and the price of financial services are important aims for the CMA, the FCA, the EU and the UK Government. Key recent and current legislative and regulatory developments, including Open Banking, the General Data Protection Regulation (GDPR) and the second Payment Systems Directive (PSD2), are assisting in this process, by promoting greater consumer access to data and providing new mechanisms for sharing information between established credit providers and other Fintech companies.

- N. This changing regulatory and technological environment allows innovative Fintech providers to reduce information asymmetry between consumers on the one side and financial institutions on the other, encouraging the development of new and better products, and further stimulating competition for (and between) incumbent financial services providers.

Financial product lead generation providers have already started to drive innovation and competition in financial services

- O. Against this backdrop of technological and regulatory change, financial product lead generators have developed innovations in consumer-facing financial services, bringing substantial benefits to end consumers.
- P. Financial product lead generators serve as matching platforms between consumers and financial product providers. They allow consumers free access to a large number of different financial products, and also allow them to check prices and their likely eligibility (without risking leaving a mark on their credit report - i.e. a “soft search”). As a result, they allow consumers to take greater control of their finances by improving consumer choice, providing greater information, simplifying the application journey, improving eligibility assessments, reducing risk of rejection and ultimately lowering the price of financial products by stimulating greater competition.
- Q. The beneficial effect of online financial product lead generators has already been recognised by the CMA in its Digital Comparison Tool (DCT) Study (as they are a type of DCT):

“[DCT] offer two types of benefit: first, they save time and effort for people by making searching around and comparing easier and more appealing... Second, they make suppliers compete harder to provide lower prices and better choices to consumers. Overall DCTs should result in lower prices and better choices, particularly where we know from past work that people often do not shop around – such as in energy and financial services.”³

- R. The benefits of such services are also translating into better consumer outcomes. A survey conducted by Kantar for the purpose of the CMA’s investigation into DCTs indicated that there is a high level of consumer satisfaction with comparison services. For example, 83% of recent users felt that using DCTs meant that they made a better choice.⁴

Transaction rationale

Through this Transaction the Parties will be able to drive consumer innovation in financial services markets even further and at a greater pace

- S. The Transaction will spur greater innovation for the benefit of consumers and financial product providers, as well as for the merged entity. The key aim of the Transaction is [X]. This will allow the Parties to accelerate the development of additional innovative services that further reduce information asymmetry and transactional friction, and thereby drive consumer engagement, resulting in more switching to better financial products. [X]. Through this particular mechanism in

³ <https://assets.publishing.service.gov.uk/media/59c93546e5274a77468120d6/digital-comparison-tools-market-study-final-report.pdf>

⁴ <https://assets.publishing.service.gov.uk/media/59c93546e5274a77468120d6/digital-comparison-tools-market-study-final-report.pdf>

the market, the interests of consumers, financial product providers and the merged entity, therefore, are closely aligned.

T. In particular, as a result of the Transaction, *consumers* will enjoy:

- (i) greater access to (and control over) their own data;
- (ii) enhanced ease of shopping around and reduced transactional friction; and
- (iii) a greater ability to choose more tailored, better value offerings across a wide range of financial products.

U. *Financial product providers* will benefit from:

- (i) improved routes to market for their products; and
- (ii) a greater ability to match the right product to the right consumer, thereby increasing the efficiency of their lead generation activity.

V. In particular, from Experian's perspective, the Transaction will allow it to improve its consumer proposition through several routes:

- (i) access to ClearScore's [REDACTED].⁵
- (ii) access to ClearScore's [REDACTED].
- (iii) access to ClearScore's [REDACTED], as a nimble technology entrant.

W. From ClearScore's perspective, the Transaction will also allow it to improve its consumer proposition through the following routes:

- (i) use of Experian's [REDACTED]. ClearScore is seeking to use its post-Transaction [REDACTED], to the benefit of consumers. This would be less feasible absent the Transaction due to [REDACTED];⁶ and
- (ii) access to [REDACTED].

X. There will also be further mutual benefits for both Parties, which will be combined for the benefit of consumers, including:

- (i) [REDACTED]; and
- (ii) [REDACTED].

No realistic prospect of an SLC

Limited horizontal overlap in a market with strong and growing competitive constraints

⁵ A click-through occurs when a consumer clicks on one of the credit products listed on the financial product lead generation providers' platform. [REDACTED].

⁶ Absent the Transaction, there would [REDACTED] and [REDACTED].

- Y. As set out above, the Parties' activities are largely complementary and overlap only in the market for financial product lead generation. Both Parties generate leads for financial product providers, whose commission payments for successful leads allow the Parties to monetise their consumer-facing propositions. As noted above, the turnover Experian generates from this activity accounts for only about [X]% of its UK turnover.
- Z. There is no scope for a SLC post-Transaction in this market. The most common form of revenue generation in this market consists of commission payments for successful applications, rather than, for example, payments on a pay-per-click basis. From a financial product provider's perspective, all applications are assessed on a similar basis and, if successful, create value for the provider. The commercial reality is therefore that all customer origination channels form part of the same market and financial product providers have a strong incentive to cast a wide net to reach as many customers as possible. This view is confirmed by the DCT Study, in which the CMA recognised that DCTs were constrained by a variety of routes to market.
- AA. Given the above, there is an extensive range of different routes to market available to UK financial product providers wishing to attract consumers (both via financial product matching and through other routes to consumers) and the Parties represent only an extremely small channel for financial product providers. As demonstrated more fully in section 15 below:
- (i) **Offline routes to market remain important to financial product providers.** By way of illustration, a material proportion ([X]%) of successful credit card, loan and insurance applications originate through offline channels, such as providers' branch networks, rather than through online channels. Offline channels are particularly important for credit products, where the branch networks of incumbent providers continue to be a key route to market for them, although they are less important for insurance providers.
 - (ii) **Other online routes are also extremely important.** Within online channels, [X] originate from sources other than online financial product lead generation via routes such as providers' own websites and paid advertising through Google AdSense.
 - (iii) **Even considering only online financial product lead generators the Parties would account for only around [X]% of all leads.** This is because the online financial product lead generation market includes several major competitors, such as Moneysupermarket (including its subsidiary MoneySavingExpert), Comparethemarket, GoCompare, Confused.com, uSwitch and Noddle. Indeed, the Parties only received [X]% of the total website traffic within this market in 2017.
- BB. Therefore, irrespective of the precise delineation of the market, the Parties' share of supply is too low to give rise to any competition concerns.
- CC. On the consumer-facing side, the Parties' clear economic incentive will continue to be to improve (rather than deteriorate) their offers after the Transaction. Where the Parties' activities overlap in financial product lead generation, [X]. [X], the Parties need to offer the best and most compelling consumer experience, to attract consumers to the Parties' websites and hence generate lead generation revenues. This incentive will remain post-Transaction. Indeed, improving the consumer experience and developing new products are key parts of the deal rationale.
- DD. A vital part of ClearScore's proposition is that its consumer-facing service is free, as this maximises the number of consumers using its service and hence the number of leads generated (and, thus, [X]). This commitment to an ongoing free service was reinforced by CEO Justin Basini on the

announcement of the Transaction in his blog on ClearScore's website⁷, and in an email sent to all members.⁸

No overlap in the market for paid-for credit checking services

EE. As noted above, Experian also offers a paid-for credit checking service, CreditExpert. However, the Parties do not overlap in the supply of paid-for credit checking services and so no horizontal effects arise within this market.

The merged entity will have no ability or incentive to foreclose competitors in vertically related markets

FF. Experian is also present in a number of related vertical markets (in which ClearScore is not a competitor):

- (i) the supply of CRB credit file data to financial product lead generators;
- (ii) the supply of technical services to financial services websites (including to financial product lead generators); and
- (iii) the supply of pre-qualification services to financial product lead generators.

GG. The Transaction does not materially change the vertical structure of the market, as each vertical relationship is already present pre-Transaction. There is no change in the ability of Experian to foreclose competitors in any vertically related market. On the contrary, [REDACTED].

HH. Moreover, there is no material change in the incentive to foreclose downstream competitors following the Transaction because:

- (i) Experian's [REDACTED]. Experian's [REDACTED] demonstrates its [REDACTED], and this indicates that [REDACTED]. This incentive will continue to hold.
- (ii) It would make no commercial sense for Experian to jeopardise its key financial product provider relationships merely to potentially enhance a short term revenue stream. Good relationships with [REDACTED]; they also constitute [REDACTED].
- (iii) In any event:
 - (a) [REDACTED] and [REDACTED]. If the merged entity were to withdraw supply or raise the price of its CRB data following the transaction, both [REDACTED] and [REDACTED] could easily step in to provide data to other downstream providers or new entrants (as the CMA may be aware, on 20 April 2018, TransUnion, one of the leading US credit reporting agencies, announced that it is acquiring Callcredit – the Parties anticipate that

⁷ <https://www.clearscore.com/blog/clearscore-to-be-acquired-by-experian>

⁸ See Annex 5.

move will further [REDACTED], both as a supplier of CRB credit file data and in other areas);

- (b) [REDACTED], [REDACTED] and [REDACTED] are, amongst many others, strong competitors to Experian in the supply of technical services to financial services websites (including financial product lead generation providers). If Experian were to deteriorate its offer, any of these firms could easily step in to provide these services to other downstream providers or new entrants; and
- (c) any hypothetical attempt at foreclosure by withholding access to pre-qualification services would be met by direct entry of financial product providers (through APIs) resulting in significant commercial loss for Experian. Indeed, strong incentives already exist for financial product providers to continue to directly enter the pre-qualification services market, as demonstrated by the success of businesses such as [REDACTED].

II. The Parties have also considered whether there would be scope for ClearScore to engage in customer foreclosure. Specifically, ClearScore currently obtains credit file data from Equifax, [REDACTED], for the provision of CRB credit file data. [REDACTED]. ClearScore would therefore not have the ability to foreclose Equifax by switching to Experian for access to credit file data.

Conclusion

JJ. The Transaction will lead to greater innovation and give rise to improved outcomes for consumers in financial services markets which the CMA has previously raised concerns about. There is no realistic prospect of an SLC arising from the Transaction, not least given the high level of competition that the Parties face in their existing markets, the low barriers to entry, and the backdrop of material technological and regulatory change promoting even greater competition in an already highly dynamic and competitive market.

PART I – GENERAL INFORMATION

1 Provide the name and contact details of:

(a) an individual within each of the merger parties

Experian Limited	<p>Michael Smith, General Counsel UK&I and EMEA</p> <p>Experian Limited, Riverleen House, Electric Avenue, Nottingham NG80 1RH</p> <p>[✂]</p> <p>[✂]</p>
Credit Laser Holdings Limited (“CLHL”)	<p>Justin Basini, CEO ClearScore</p> <p>ClearScore, 47 Durham St, London SE11 5JA</p> <p>[✂]</p>

(b) any authorised representatives of each of the merger parties

Experian	
Shoosmiths LLP	<p>Shoosmiths LLP, 6th Floor, 1 St. Martin's Le Grand, London EC1A 4AS</p> <ul style="list-style-type: none"> • Simon Barnes <p>E: simon.barnes@shoosmiths.co.uk</p> <p>T: 03700 86 8912</p> <ul style="list-style-type: none"> • Louisa Mottaz <p>E: louisa.mottaz@shoosmiths.co.uk</p> <p>T: 03700 86 4183</p>
Credit Laser Holdings Limited / ClearScore	
Clifford Chance LLP	<p>Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ</p> <ul style="list-style-type: none"> • Nelson Jung <p>E: nelson.jung@cliffordchance.com</p> <p>T: 020 7006 6675</p>

	<ul style="list-style-type: none">• Jennifer Storey E: jennifer.storey@cliffordchance.com T: 020 7006 8482 • James Neill E: james.neill@cliffordchance.com T: 020 7006 3646
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(c) if not already provided in response to (a) and (b), the person(s) submitting the Notice

1.1 This Merger Notice is submitted on behalf of Experian Limited.

(d) the person to whom the CMA should address any correspondence.

1.2 Simon Barnes and Louisa Mottaz of Shoosmiths LLP (contact details above).

PART II – MERGER DETAILS

The merger situation

2 Describe the arrangements by which the enterprises will cease/have ceased to be distinct (the merger), including:

(a) the parties to the merger (the merger parties)

2.1 The transaction comprises the acquisition by Experian Limited of the entire issued share capital of CLHL, which is the holding company of Clear Score Technology Limited (which operates the ClearScore business).

2.2 The parties to the Transaction (together the 'Parties') are:

- Experian Limited (the purchaser), which is part of the Experian plc group; and
- CLHL (the target) which, pre-transaction, is owned as follows: [X] (collectively, the sellers).

(b) the type of transaction

2.3 Experian Limited will acquire 100% of the issued share capital of CLHL.

(c) the consideration

2.4 The proposed consideration to be paid by Experian Limited is £275 million, subject to various adjustments for net debt and normalised working capital on completion, plus an additional 'earnout' for management contingent on future financial performance of the combined business.

(d) the key terms

2.5 A copy of the Sale and Purchase Agreement (SPA), signed on 15 March 2018, is contained in Annex 1.

2.6 Completion of the Transaction is conditional on merger control clearance by the CMA and approval by the FCA. ClearScore is authorised by the FCA and, accordingly, any change in control over ClearScore requires prior FCA approval.

(e) the timing

2.7 The Parties signed the SPA on 15 March 2018. The Parties intend to complete the Transaction shortly after CMA and FCA clearances have been obtained.

(f) the strategic and economic rationale for the transaction

2.8 Experian and ClearScore only overlap in financial product lead generation where the economic incentive is to continuously improve the (free) consumer-facing proposition, in order to attract more consumers and thereby maximise revenues from lead generation for financial product providers. Consistent with this, the key commercial rationale of the Transaction is to improve the Parties' consumer offering.

- 2.9 The Transaction should be considered against the background of technological and regulatory change (as explained in the Executive Summary). It will enable Experian and ClearScore to combine their respective skill sets, allowing them to develop new innovative services which will drive consumer engagement and help consumers make more informed and better decisions in choosing financial products based on eligibility and price, from which the Parties also benefit via lead generation. Experian has extensive consumer and lender databases and data expertise, [REDACTED]. ClearScore has an innovative consumer offering. As a combined entity, the Parties will be able to expand consumer access to their own data and launch innovative products which are tailored to consumer needs.
- 2.10 Absent the Transaction it would not be possible for all of these benefits to be realised, due to [REDACTED].
- 2.11 See the Executive Summary and Section 24 for more information on efficiencies which will be brought about by this Transaction and how the Parties will use these to improve their consumer offer.

(g) whether it is being notified in any other jurisdictions and, if so, whether the merger parties are willing to offer a waiver to support coordination between the CMA and the competition authorities in those jurisdictions, and

- 2.12 The Transaction is not being notified in any other jurisdiction.

(h) the ownership structure pre and post-merger, including any pre-merger links between the merger parties.

- 2.13 Structure charts for the Experian group are contained in Annexes 2.1 and 2.2.
- 2.14 A structure chart for CLHL/ClearScore is contained in Annex 3.
- 2.15 Following completion of the Transaction, CLHL will be a wholly owned subsidiary of Experian Limited.

3 Provide a brief description of the businesses of the merger parties (and, where relevant, their groups).

Experian

- 3.1 Experian Limited is part of the Experian plc group, a global information services business.
- 3.2 Experian plc, the ultimate parent, is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. The Experian group employs approximately 17,000 people in 37 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.
- 3.3 Experian Limited employs circa 4,000 people with the main operating centres being in Nottingham and London.
- 3.4 Experian Limited carries out a mix of FCA regulated and non-regulated activity.
- 3.5 In the UK, Experian's principal activity relates to its operations as a Credit Reference Bureau (CRB). Experian holds and manages extensive data assets, which come from many sources,

and include consumer and business credit, utilities, insurance, property, rental, telecom and automotive data. Experian's combines its financial data and analytical expertise with business and industry knowledge to support and empower financial providers' lending decisions. Experian predominantly operates as a B2B supplier.

- 3.6 Experian's consumer-facing activities are auxiliary to its core focus and account for a smaller proportion of Experian's UK (and Irish) revenue⁹. Experian's consumer-facing activities consist of (i) a paid-for credit checking service (CreditExpert) and (ii) lead generation for financial products such as loans, credit cards, mortgages and insurance¹⁰ (the Free Experian account), which offers consumers access to their credit score as part of its offering. The only overlap with ClearScore is in relation to financial product lead generation, which accounts for only about [X] of Experian's UK revenue.

Credit Laser Holdings Limited/ClearScore

- 3.7 Credit Laser Holdings Limited is the holding company of Clear Score Technology Limited (which operates the ClearScore business).
- 3.8 ClearScore's activities are limited to financial product lead generation. As a means to generate leads for financial product providers (for which ClearScore is remunerated by financial product providers), ClearScore offers consumers free credit scores and reports and matches them with personal financial products (including credit cards, loans, mortgages, auto loans, and insurance products) via its website and app. ClearScore is committed to an ongoing free service that will continue to innovate, as reinforced by CEO Justin Basini (who will continue to manage the business post-Transaction) on the announcement of the Transaction.
- 3.9 ClearScore has built a relationship with around [X] million consumers in the UK since the business launched in July 2015.
- 3.10 ClearScore principally operates in the UK, although in 2017 it launched a service offering in South Africa, which now has [X].

4 Provide brief details of any other transactions (merger, acquisition, disposal, joint venture) undertaken by:

(a) either of the merger parties in the last two years which involve the products or services in any Candidate Market identified in response to question 13, and

(b) both or all merger parties in the last two years (that is, where the merger parties were party to the same transaction).

- 4.1 Experian has completed two transactions in the UK in the past two years, namely the following:
- an increase in Experian's stake in Runpath Group Limited ('Runpath'), from 25% to 100%, in October 2017. Runpath (www.runpath.com) provides a range of technical

⁹ <https://www.experianplc.com/media/3089/exp-ar2017.pdf>

¹⁰ Experian's focus has previously been on loans, credit cards and mortgages but, six months ago, it also launched an insurance lead generation service through a partnership with Seopa. [X].

price comparison services to financial platforms covering fourteen different segments (including insurance, telecoms and credit cards¹¹); and

- the acquisition of 25% of the shares in London & Country Mortgages Ltd (www.landc.co.uk) in January 2018 together with the grant of a call option over certain remaining shares in the company, to provide a route to full ownership.¹²

4.2 ClearScore has not been involved in any other transactions in the last two years.

4.3 Experian and ClearScore have not been party to the same transaction in the last two years.

Jurisdiction

5 Explain why:

(a) a relevant merger situation (as per section 23 of the Act) has been created, or

(b) arrangements are in progress or contemplation which will result in the creation of a relevant merger situation.

5.1 The Parties have entered into an SPA, pursuant to which Experian Limited will acquire the entire issued share capital of Credit Laser Holdings Limited, which owns the ClearScore business through its subsidiary Clear Score Technology Limited. As a consequence, Experian Limited and ClearScore will cease to be distinct.

5.2 The Transaction meets the UK merger control jurisdiction test in section 23 of the Enterprise Act 2002 (the 'Act'). The turnover test is not met as the turnover in the UK of Credit Laser Holdings Limited in its last financial year was below the £70 million jurisdictional threshold set out in section 23(1)(b) of the Act. The Parties overlap in the supply of financial product lead generation but their market share is well below 25% on any reasonable definition of the market. However, recognising that the share of supply test affords the CMA a wide discretion in describing the relevant goods or services, the Parties take the view that the CMA may consider that there is a basis on which it could assert jurisdiction.

6 Indicate the annual UK, EEA, and worldwide turnover in the last financial year associated with each of:

(a) acquirer (including group companies where relevant), and

(b) the target (if not already provided under question 5).

6.1 The consolidated turnover of the Experian PLC group in the financial year ended 31 March 2018 was:

¹¹ <https://www.runpath.com/productselection>

¹² Note that this transaction did not involve the acquisition of products or services in any of the Candidate Markets relevant to the current Transaction.

UK: US\$ 822.6 million (£588.5 million¹³)

EEA: [REDACTED] million ([REDACTED] million¹⁴)

Worldwide: US\$ 4,662 million (£3,335 million¹⁵)

6.2 The consolidated (unaudited) turnover of Credit Laser Holdings Limited (including the ClearScore business) in the financial year ended 31 December 2017 was:

UK: [REDACTED] million

EEA: [REDACTED] million

Worldwide: [REDACTED] million

In 2017, ClearScore launched a service offering in South Africa. [REDACTED].

7 Explain why the transaction is not subject to the European Union Merger Regulation (EU Merger Regulation), (highlighting whether it is notifiable in the UK by virtue of the 'two-thirds' rule in article 1(2) or 1(3) of that Regulation).

7.1 The Transaction is not subject to the EU Merger Regulation because, inter alia, the turnover of the target in the EU is less than €100 million.

¹³ Conversion rates calculated using the HMRC exchange rate for March 2018 of USD to GBP at 1.3979.

¹⁴ Conversion rates calculated using the HMRC exchange rate for March 2018 of USD to GBP at 1.3979.

¹⁵ Conversion rates calculated using the HMRC exchange rate for March 2018 of USD to GBP at 1.3979.

PART III – SUPPORTING DOCUMENTS

8 Provide:

(a) a press release or report and details of all notifications to listing authorities (for example, for admission to the UK Listing Authority Official List and for admission to trading on the London Stock Exchange) or other documentation evidencing that the merger (or merger proposal) has been made public, and

8.1 A copy of the press release announcing the Transaction is contained in Annex 4.

(b) a copy of the documents bringing about the merger situation, including heads of terms, memorandum of understanding, sale and purchase agreement, business purchase agreement or equivalent. Where these are not in final form, please provide the latest draft and keep the CMA informed of subsequent changes to the document, if any.

8.2 A copy of the SPA is contained in Annex 1.

(c) If the offer is subject to the City Code, copies of the Offer Document and Listing Particulars. If these are not yet available, provide copies of the latest drafts and supply the final versions as soon as they are issued.

8.3 Not applicable.

(d) for each of the acquirer and acquirer group (if relevant) and the target (or merger parties in the case of a full merger), the most recent annual report and accounts.

8.4 A copy of the most recent annual report and accounts for Experian plc (for the year ended 31 March 2017) is contained in Annex 6.1. A copy of the most recent annual accounts for Experian Limited (for the year ended 31 March 2017) is contained in Annex 6.2.

8.5 A copy of the most recent annual accounts for Credit Laser Holdings Limited (for the year ended 31 March 2016) is contained in Annex 7.1. A copy of the most recent annual accounts for Clear Score Technology Limited (for the year ended 31 December 2016) is contained in Annex 7.2.

(e) copies of the most recent business plan of the acquirer and acquirer group (if relevant) and the target (or merger parties in the case of a full merger). Where a horizontal overlap or vertical relationship involves, for example, a specific division or brand of one or both of the merger parties, the most recent business plan for the relevant division or brand should be provided as well.

8.6 A copy of Experian's most recent business plan for the business divisions where the Parties overlap is contained in Annexes 8.1 - 8.9.

8.7 A copy of ClearScore's most recent business plan is contained in Annex 9.1.

- 9 Provide copies of any documents in either of the merger parties' possession which:**
- (a) have been prepared by or for, or received by, any member of the board of directors (or equivalent body) or senior management or the shareholders' meeting of either merger party (whether prepared internally or by external consultants), and**
 - (b) either:**
 - (i) set out the rationale for the merger (including but not limited to the benefits of, and/or investment case for the acquisition), or**
 - (ii) assess or analyse the merger with respect to competitive conditions, competitors (actual and potential), potential for sales growth or expansion into new product or geographic areas, market conditions, market shares and/or the price to be paid.**

This should include but not necessarily be limited to post-merger business plans or strategy (including integration plans and financial forecasts) and Information Memoranda prepared by or for the merger parties that specifically relate to the sale of the target.

If no such Information Memoranda exist, explain what information or document(s) given to any of the merger parties is meant to serve the function of an Information Memorandum.

Indicate (if not contained in the document itself) the date of preparation and the identity and role of the author(s) within the merger parties or external consultants.

For Experian documents, see Annexes 10.1 – 10.12.

For ClearScore documents, see Annexes 11.1 – 11.2.

- 10 Provide copies of documents (including, but not necessarily limited to, reports, presentations, studies, internal analyses, industry/market reports or analysis, including customer research and pricing studies) in either merger parties' possession and prepared or published in the last two years which:**
- (a) have been prepared by or for, or received by, any member of the board of directors (or equivalent body) or senior management of either merger party (whether prepared internally or by external consultants), and**
 - (b) set out the competitive conditions, market conditions, market shares, competitors, or the merging parties' business plans in relation to the product(s) or service(s) where the merger parties have a horizontal overlap as identified in response to question 12 below.**

For Experian documents see Annexes 12.1 – 12.44.

For ClearScore documents see Annexes 13.1 – 13.124.

PART IV – COMPETITION ASSESSMENT

Counterfactual

- 11 If the notifying parties consider that the CMA should assess the competitive effects of the merger against a counterfactual other than the current or pre-existing competitive situation, please describe that counterfactual and explain why the notifying parties consider it should be used for that assessment.**
- 11.1 The appropriate counterfactual against which the CMA should assess this Transaction is not the prevailing conditions of competition. The relevant marketplace is evolving and recent and ongoing developments mean that it is becoming increasingly competitive, leading to improved consumer outcomes. In particular, there are recent and forthcoming regulatory changes in consumer data accessibility, as well as rapid recent developments in scalable technologies that facilitate the creation of bespoke lender APIs. These developments are leading, and will continue to lead to, significant changes in the competitive landscape, which will result in stronger competition between existing and new players and the development of innovative new products.
- 11.2 A static analysis of the prevailing competitive landscape would fail to take into account these market dynamics and is therefore not the appropriate counterfactual against which the potential effects of the Transaction should be assessed.

Regulatory changes enforcing a culture of open access to consumer data will lower barriers to entry stimulating stronger competition between existing players

- 11.3 Improving access, clarity, choice and the price of financial services are important aims for the CMA, the FCA, the EU and the UK Government. Key recent and current legislative and regulatory developments, including Open Banking, the General Data Protection Regulation (GDPR) and the second Payment Systems Directive (PSD2), are assisting in this process, by promoting greater consumer access to data and providing new mechanisms for sharing information between financial providers and other Fintech companies. Details on the scope of these legislative changes are set out in more detail in the box below.

General Data Protection Regulation (GDPR)

The GDPR was formally approved by the EU Parliament on 14 April 2016 with an enforcement date of 25 May 2018¹⁶. This regulation aims to harmonise privacy laws across the EU, and is intended to empower citizens by giving them greater control of their personal data. This legislation will reshape the way organisations deal with the data they hold, including mandating that they make relevant data freely and easily accessible to consumers. Following the introduction of the GDPR in May 2018, consumers will be able to request their credit report from a CRB for free (CRBs currently charge £2 for statutory credit reports). Currently about [X] customers already request such a report from Experian each month. This statutory report contains broadly the same information as the reports available through credit checking services, including publicly available information about the individual (such as court judgements and information on the electoral roll), details of all open credit accounts with corresponding balances, the individual's history of paying outstanding credit (such as their credit card balance, overdrafts and utilities) on time, and details of all previous searches of the individual's credit history in the past 12 months.¹⁷ The statutory report is (and will continue to be) available to consumers online, or via post.

EU Directive on payment services in the internal market (PSD2)

The revised EU Directive on payment services in the internal market (PSD2) entered into force on 13 January 2018. Fintechs and other third parties will be allowed to access bank account data to provide payment-related and account information services requested by the customer (the "third-party access rule"). These third-parties will be able to collect data on individuals from different financial sources and display these in innovative new ways. With a consumer's consent, these companies will then also be able to share this data with other companies (for example financial product providers or price comparison sites), to further develop new products and routes to market.

Open Banking

The CMA published its final report from its market investigation into retail banking in August 2016. This set out a remedies package aimed at improving competition, including the Open Banking initiative, to be implemented in March 2018. This requires the nine largest current account providers in the UK to make available to authorised third-parties access to standardised product and reference data. This information will be shared through the development and adoption of an open API standard.¹⁸ This will enable customers to safely and securely share their financial data with other banks and third-parties (for example the Parties) affording them greater management over their financial data and greater ability to access services offered by competitors to their current account providers.

- 11.4 The Parties see these regulatory changes as both a source of new competition to their established business (as information on credit history and product comparison becomes more widespread) and an opportunity to innovate and offer new consumer-facing propositions.
- 11.5 Currently, consumers (or the financial product matching services which they access) have to pay for access to important and useful consumer data. For example, if a consumer wants to receive information held about them in the Claims and Underwriting Exchange (CUE) database

¹⁶ <https://www.eugdpr.org/>

¹⁷ There are small differences between the statutory report and the report supplied by ClearScore. For instance, ClearScore provides a rough indication of how the information in the report impacts on a consumer's credit score. ClearScore's report also indicates how the information in the report has changed over time, although regular access to the statutory report would equally provide such an overview.

¹⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544960/banking-remedy-map.pdf

– which could be used to quickly determine eligibility for auto insurance – they are charged a £10 fee. If a consumer wants to obtain a statutory credit report, they are charged a £2 fee. Following the implementation of the GDPR, consumers will be able to request this information, as well as other relevant information relating to them, for free.

- 11.6 The positive competitive effect of increased consumer access to such data has been demonstrated on a smaller scale, and to a lesser extent, by the voluntary midata scheme. For example, this scheme allows users to download 12 months' worth of transaction data from some banking providers, which they can upload to certain price comparison websites ("PCWs") to populate a custom list of suitable current accounts.
- 11.7 Furthermore, the introduction of PSD2, and the imminent roll-out of the CMA's open API standard for banking, will provide financial product lead generators, acting as agents for consumers by providing a financial product matching service, with an enhanced level of almost instant access to accurate and up-to-date information. This would likely cover: (i) a consumer's account details; (ii) a consumer's transaction history; and (iii) a provider's products and services (including data on interest rates/prices and service quality). These developments are all part of a wider shift towards giving consumers access to their own data, which was traditionally held by and only accessible to CRBs, banks and the underwriters that compiled the data.
- 11.8 The impact of these developments on the competitive landscape for financial product lead generation will be felt in several ways:
- (i) First, open access to consumer data will reduce barriers to entry. For example, the Open Banking API standard will reduce the cost and time burden for a new entrant to obtain and maintain a catalogue of financial products. Previously, a new entrant had to purchase an out-of-the-box product catalogue from a third-party supplier such as TotallyMoney or Defaqto, or alternatively, obtain and maintain its own catalogue on a bilateral basis with each lender. However, the open API standard for banking will allow a new entrant to easily supply itself with a financial provider's full product catalogue and receive timely updates regarding any changes.
 - (ii) Second, the nature of competition in financial product lead generation will change. The CMA has previously expressed a concern that "*online platforms may have some competitive advantage if there is proprietary data to which they have access*"¹⁹. The shift to open data will mean that financial product lead generation providers will be less likely to gain a competitive advantage through their ability to enter into bilateral data access contracts with third-party upstream data providers (such as Experian, Equifax, and Callcredit), as much of this data will become freely available through open API standards or by consumer requests through GDPR-enabled channels.
- 11.9 As a result, competition amongst financial product lead generation providers will become more intense and will increasingly hinge on a player's ability to innovate making use of the newly, and freely, available data. Examples of these types of innovations might include the creation of more effective eligibility and pre-approval algorithms to increase click-through rates, or forming novel dataset combinations that can ease the application process and so reduce transactional friction for consumers.

¹⁹ http://ec.europa.eu/information_society/newsroom/image/document/2016-7/uk_cma_14046.pdf

Rapid developments in scalable technologies that facilitate the creation of lender-bespoke APIs will diminish the market for third-party pre-qualification services

- 11.10 In addition to the open API standard, lenders have also started to develop their own APIs to provide advanced credit eligibility checking features on third-party websites. These often exceed the capabilities offered by third-party pre-qualification services. This method of operation is already widely present in the US and is gaining increasing momentum in the UK, with lenders such as Capital One bypassing third-party pre-qualification services and offering bespoke APIs that pre-approve credit applications and offer higher click-through rates.
- 11.11 Incentives have increased for other lenders to follow suit and develop their own bespoke APIs given the success of the first-movers in the UK and the US. Furthermore, recent technological advances in scalable technologies such as Java and JavaScript mean that lenders can develop their own APIs at a lower cost than in the past. [X] Experian has recognised the creation of lender-specific APIs [X].

The CMA has considered changes to the competitive landscape as a result of regulatory and technological developments in previous merger control cases

- 11.12 Disruption to a competitive landscape caused by regulatory and technological changes have been considered by the CMA in a number of previous cases. For example, in Just Retirement/Partnership Assurance, the CMA acknowledged that recently implemented pension reforms gave rise to significant changes in demand for retirement income products, and concluded that assessing the merger without regard to that regulatory context would not be appropriate. It therefore took into account the effect of these regulatory changes in its competitive assessment. In MasterCard/Vocalink the CMA considered whether a different competitive situation would exist when an important industry contract was due to be re-tendered due to sector regulatory changes imposed by Payment Services Regulator (PSR) and technological changes within the industry.
- 11.13 The implementation of the recent and upcoming consumer data access regulations, the impact of recent technological changes, and the effects that these regulatory and technological changes are already bringing and will continue to bring about are already clear. The need to assess the competitive effects of the merger against a counterfactual that is characterised by a more competitive landscape than the prevailing conditions of competition is therefore even more compelling in this case than in the examples set out in the previous paragraph.

Market definition

12 Describe the product(s) or service(s) and geographic area(s) where the merger parties overlap, where they have a vertical relationship, or where they supply related products/services.

12.1 Please see response to Question 13 below.

13 Identify (and explain the rationale for identifying):

(a) the narrowest candidate product/service and geographic market(s) where the merger parties overlap, and (if the parties have a vertical relationship or supply related products/services) the narrowest candidate product/service and geographic market(s) at each level of the vertical supply chain and for each related product/service (the Narrowest Candidate Market(s)).

(b) any other plausible candidate product/service and geographic market(s) where the merger parties overlap, have a vertical relationship, or supply related products/services (together with the Narrowest Candidate Market(s), the Candidate Market(s)).

Market structure

13.1 The only overlap between the Parties is in financial product lead generation. As a means to generate leads for financial product providers, both Parties attract consumers to their websites in order to match them with personal financial products. The Parties are remunerated by financial product providers when consumers successfully apply for their products.

13.2 Financial product providers use numerous means to generate leads, both offline and online. Online routes include PCWs and lead generators that offer free credit checking services, as well as the providers' own websites. Both PCWs and lead generators that offer credit checking services offer an identical proposition to financial product providers, in that they monetise their sites through successful lead generation²⁰. In addition, their consumer-facing propositions are very similar in that they offer free access to details of financial products with an assessment of price and likely eligibility. PCWs attract customers initially through the offer of saving money, while lead generators that offer credit checking services attract customers initially through the offer of consumers accessing their credit scores²¹ for free, with the ultimate aim of saving money. However, in both models the product comparison stage provides a list of products, their prices, and an assessment of eligibility (i.e., the likelihood of the consumer being accepted for that product, if they were to apply).

13.3 As noted in the Executive Summary, financial lead generation providers' revenue streams are typically largely dependent on the successful conversion of leads and this ultimately drives their behaviour. Financial lead generation providers therefore aim to maximise the commission

²⁰ Financial product providers will generally pay a commission to financial product lead generation provider on one (or more) of the following bases: (i) when a consumer clicks through to the product provider's website; (ii) when a consumer makes an application for a product on the product provider's website; and/or (iii) when a consumer ultimately purchases a product from the provider. Providers of financial product lead generation may additionally offer display advertising or the option to feature as an exclusive offer on the website. However, neither Party offers these services.

²¹ A credit score is a number on a fixed scale which gives consumers an indication of how attractive they are likely to be to credit providers and therefore the likelihood that they will be accepted for credit products. Scores are constructed from an individual's credit file data and are linked to a particular CRB, e.g., ClearScore relies on Equifax for its CRB data and therefore offers users an Equifax credit report and score.

generated from lead generation by improving their customer-facing proposition, in order to maximise their attractiveness to consumers.

13.4 Experian is present in other related markets (while ClearScore is not present in any of these markets), as follows:

- (i) Experian is also a provider of paid-for credit checking services to consumers, through its CreditExpert product. Paid-for credit checking services differ substantially from the credit checking services offered by financial product lead generators as part of their lead generation offering. Paid-for credit checking services offer important additional features, including dedicated telephone support²² on an individual's credit report, guidance to individual customers as to how best they can improve their credit score, personalised support for victims of fraud and fraud alerts. [REDACTED].²³
- (ii) Experian is present in three vertically related markets.
 - a) First, Experian provides CRB data to itself and third-party financial product lead generators.²⁴
 - b) Second, Experian provides technical services to financial services websites (including financial product lead generators) through its subsidiary Runpath.
 - c) Third, Experian provides pre-qualification services to financial product lead generation providers.

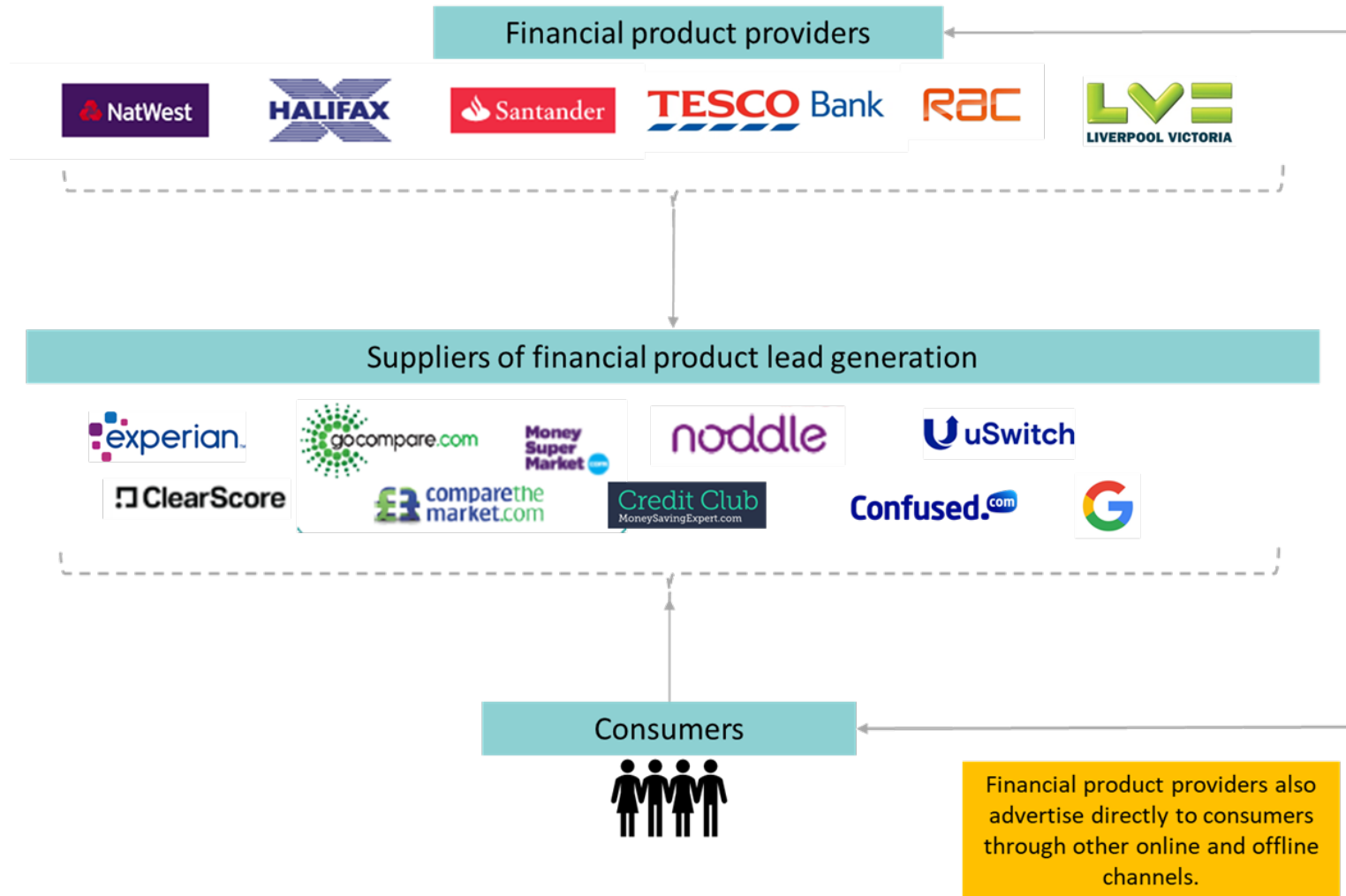
13.5 A high-level summary diagram of the relevant markets and competitors is presented in Figure 2 below. The competitors included in the diagram are illustrative only and are a subset of all competitors in the market.

²² Experian has a team of [REDACTED] people dedicated to this service.

²³ [REDACTED] Experian's CreditExpert revenues arise from lead generation.

²⁴ CRBs collate data relating to an individual's credit-worthiness from credit providers and public records. This data is used in the calculation of eligibility ratings, and is transformed into a credit score by using risk accreditation processes. This credit file data is provided to third parties, including credit providers, individuals and financial product lead generators.

Figure 2: Structure of the relevant markets



Overview of relevant Candidate Markets

- 13.6 The Parties set out below the Candidate Markets where Experian and ClearScore overlap, have a vertical relationship or where they supply related products/services.
- 13.7 The relevant Candidate Market in which the Parties overlap directly is financial product lead generation. As part of this activity, each of the Parties engages in financial product matching for consumers.
- 13.8 In addition, while ClearScore does not operate in any of the following Candidate Markets, the Parties consider that the following may be relevant due to the activities of Experian:
- (i) the supply of paid-for credit checking services to end consumers;
 - (ii) the collation and supply of CRB credit file data to suppliers of credit checking services;
 - (iii) the supply of technical services to financial services websites (including financial product lead generators); and
 - (iv) the supply of pre-qualification services to financial product lead generators.
- 13.9 The activities of the Parties are summarised in the figure below.

Figure 3: Table of relevant activities of Experian and ClearScore

Market	Experian	ClearScore
UK		
Supply of lead generation services for financial product providers	✓	✓
Supply of paid-for credit checking services to end consumers	✓	X
Collation and supply of CRB credit file data to suppliers of credit checking services	✓	X
The supply of technical services to financial services websites (including providers of financial product lead generation)	✓	X
Supply of pre-qualification services to suppliers of lead generation services to financial product providers	✓	X

Financial product lead generation

Product market

- 13.10 Financial product providers market and distribute their products to consumers through a wide variety of channels. These include:
- (i) traditional offline direct channels, including “above-the-line” advertising, such as television, newspapers, and billboards, as well as through bricks and mortar branches and direct mail;
 - (ii) online direct channels, such as advertising on a financial product provider’s website;
 - (iii) online advertisement platforms who provide targeted adverts on third-party websites including Google AdSense, Amazon Associates and Media.Net;
 - (iv) online display advertising, such as Facebook; and
 - (v) financial product lead generation services delivered via financial product matching, including lead generators that offer free credit checking services (including Experian, ClearScore, Noddle, TotallyMoney, Giffgaff, and MoneySavingExpert (owned by Moneysupermarket)) and PCWs (such as Moneysupermarket, Comparethemarket, GoCompare, Confused.com, Money.co.uk, and uSwitch).
- 13.11 Figure 4 below provides a rough indication of the relative sizes of spend on various channels by financial product providers in the UK. In 2015, spend on online financial product lead generation providers accounted for a mere [REDACTED]% of the total.²⁵
- 13.12 The most common form of lead generation payment is commission for a successful lead. From a financial product provider’s perspective, there is no particular reason to distinguish between leads generated through any of these routes. Indeed, financial product providers typically use all of these routes, optimising value by trading off the leads generated through different channels against the cost and risk profile. Accordingly, the market for lead generation to financial product providers includes all such channels.

Figure 4: [REDACTED]²⁶

- 13.13 At its absolute narrowest, the Parties overlap in the provision of online lead generation services operating through the provision of financial product matching services (although this is too narrow a definition to be a sensible market, given that a successful lead for a particular product is equally valuable irrespective of its source). That very narrow category of activity would comprise PCWs and lead generators that offer free credit checking services. Within that category of activity there would be no reason to distinguish between PCWs on the one hand and lead generators who offer free credit checking services on the other. As the CMA’s DCT study identifies: “DCTs aim to help consumers by bringing together a number of products or services, offering a variety of ways to help them choose between options, and sometimes to

²⁵ Whilst more recent market developments may have increased the relative spend on providers of online financial product lead generation, it is expected that they continue to represent a minor fraction of total consumer interaction spend by financial institutions. Note that this analysis focuses on routes to market for providers of credit products. Providers of insurance products are more reliant on online routes to market, as described further below.

²⁶ [REDACTED].

make purchases or change providers."²⁷ Both PCWs and lead generators that offer free credit checking services meet this definition of a DCT.

- 13.14 This is further demonstrated by the extent to which financial product providers market and distribute on both lead generators that offer free credit checking services and PCWs. For example, [X] listed on the Parties' websites are listed on at least one PCW, [X] are listed on at least two PCWs [X] are listed on at least 3 PCWs.²⁸
- 13.15 From the financial product providers' perspective it makes sense to advertise on multiple financial product lead generation provider's sites (including credit checking platforms and PCWs), as:
- (i) the pricing model is often such that financial product providers only pay per successful application – in these cases there is no downside for financial product providers advertising on multiple routes²⁹; and
 - (ii) the Parties understand that financial product providers pay a similar amount for a converted lead across PCWs and credit checking websites irrespective of the source.
- 13.16 Financial product lead generation providers generate revenue by matching consumers with personal financial products (including credit cards, loans, mortgages, auto loans and insurance products). These matching services to end consumers combine two types of information:
- (i) a list of financial products available and their features;
 - (ii) a consumer's eligibility for the products in that list and/or the price at which they are available to that consumer³⁰.
- 13.17 The combination of these features gives rise to a list of financial products that consumers may want to purchase and are likely to be able to purchase. There are numerous different ways for financial product providers to ensure that this information reaches consumers. Lead generators that offer free credit checking services focus on eligibility in the first instance, then combine with the relevant product information.³¹ PCWs focus on the product information in the first instance, then combine this with the eligibility assessment.³²
- 13.18 Importantly, each route to market ultimately arrives in the same place. In each case, providers of financial product lead generation match consumers with a list of eligibility-checked products, and their prices.

²⁷ CMA, Digital Comparison Tools Study, Final Report, paragraph 1.1.

²⁸ Based on the Parties' internal data and publicly available data. [X].

²⁹ Whilst there is no direct cost to list on a website, there is a small administrative cost associated with setting up and maintaining the contract. Credit providers may therefore want a minimum scale for the customer base to make the advertising worth their while, although in practice this does not prevent them from listing on large numbers of alternative channels.

³⁰ In order to obtain eligibility ratings, consumers are asked for information relating to their current income and living situation (such as whether they own their home, or are renting), as well as the information required to identify and access their personal credit file data from each CRB. This information is then combined with each financial product provider's score card – which contains the information used to decide whether to accept an individual for their products, and is provided either to a third-party pre-qualification service or through the provider's own API – to provide an assessment of the likelihood that the individual will be accepted for each product on offer.

³¹ Credit scores and reports are not an end in itself but a means to assessing the likelihood of being accepted for credit products. Even if consumers do not immediately turn to purchase, this information is likely ultimately to feature in their decision as to whether to apply for a credit product.

³² Credit checking websites themselves in fact entered the market with a proposition and entry strategy designed to compete with the incumbent PCWs.

13.19 In the DCT Study, the CMA noted that “DCTs are offering more sophisticated ways of helping consumers identify the most suitable product. In credit cards for example, DCTs are working with third-party providers to give indicators of eligibility and acceptance.”³³ Figures 5, 6 and 7 below demonstrate the similarities in the lists of eligibility-checked credit card products that consumers are presented with on both PCWs and lead generators that offer free credit checking services. In general, using credit cards as an example, all providers of financial product lead generation broadly share the following characteristics:

- (i) They allow consumers to choose between different types of credit cards, such as cards designed for balance transfers or cashback rewards.
- (ii) Consumers are immediately presented with the basic features of each card, such as a representative APR and a balance transfer rate. However, consumers are not shown the final terms of the product, as at this stage only a “soft search” will have been conducted on the consumer’s credit file.
- (iii) Consumers are presented with an eligibility rating for each product, estimating the likelihood that they will be accepted when applying. The default option is usually to have products ranked according to this eligibility rating, rather than other features.
- (iv) Some products are pre-approved, based on the individual’s credit file data. These products are presented at the top of the rankings on most platforms.

³³ CMA, Digital Comparison Tools Study, paragraph 3.28.

Figure 5: An example of the search results for credit cards on Experian

The screenshot shows a search results page for credit cards on Experian. The page title is "Your Credit Cards matches" and it states "We've found 70 results for all credit cards". Below this, there are three card listings. Each listing includes a card image, a table of key features (Balance Transfer Rate, Purchase Rate, APR Representative, Annual Fee, and Eligibility Rating), and a "View & Apply" button. The Eligibility Rating is shown as a green circle with a percentage (95%, 90%, and 95% respectively). Callouts point to various elements: "Products are, by default, ranked by eligibility rating" points to the top of the list; "Consumers are able to choose between different types of card." points to the search filters; "Consumers are presented with the basic features of each product" points to the feature table; "Consumers are not shown the final terms of the product" points to the "Keep in mind" section; and "Consumers may be pre-approved for certain products" points to the "View & Apply" button.

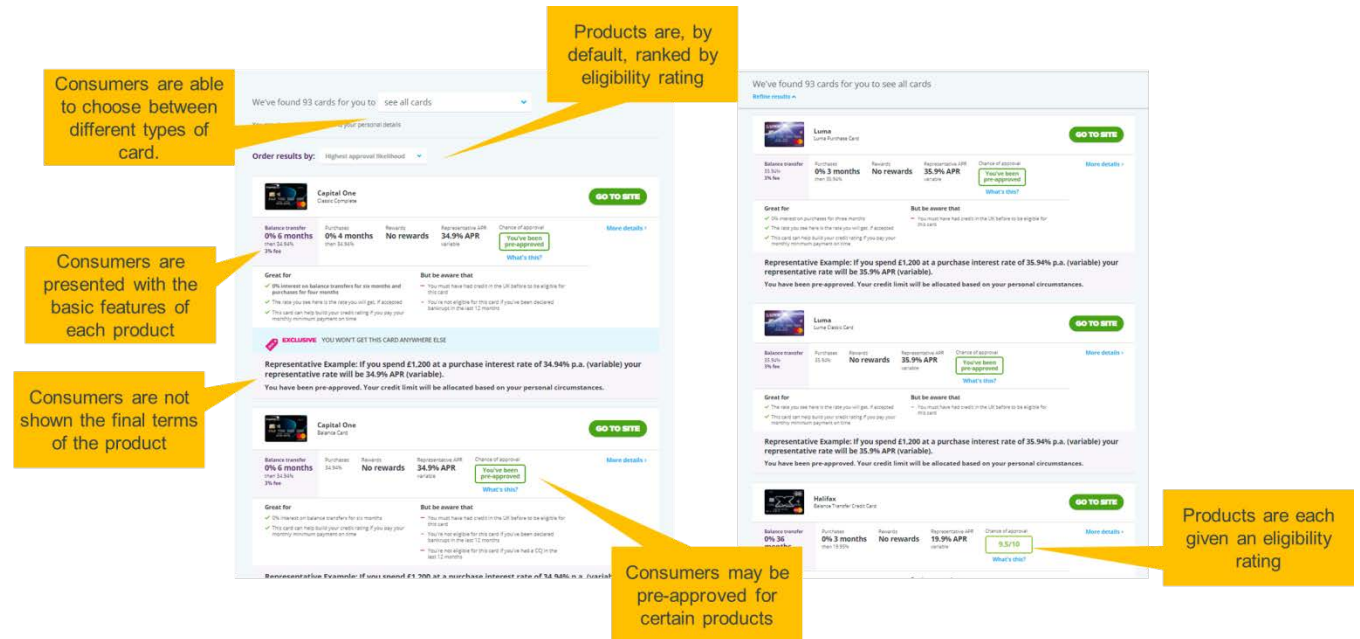
Source: experian.co.uk

Figure 6: An example of the search results for credit cards on ClearScore

The screenshot shows a search results page for credit cards on ClearScore. The page title is "Earn rewards on your spending" and it features three card listings. Each listing includes a card image, a table of key features (APR Representative, Annual Fee, and Eligibility Rating), and an "Apply now & save" button. The Eligibility Rating is shown as a green circle with a percentage (95%, 90%, and 95% respectively). Callouts point to various elements: "Consumers are able to choose between different types of card." points to the search filters; "Consumers are presented with the basic features of each product" points to the feature table; "Consumers may be pre-approved for certain products" points to the "Apply now & save" button; "Consumers are not shown the final terms of the product" points to the "More details" link; and "Products are, by default, ranked by eligibility rating" points to the top of the list.

Source: clearscore.com

Figure 7: An example of the search results for credit cards on Moneysupermarket



Source: Moneysupermarket.com

13.20 Annex 14 demonstrates that the above features are common across a wider range of providers of financial product lead generation, such as Noddle, MoneySavingExpert, TotallyMoney and uSwitch. There is no material difference in the presentation of the financial product matching services consumers are offered across the large number of providers in the market.

13.21 [REDACTED].

Figure 8: [REDACTED]

[REDACTED]

13.22 Moreover, it is clear from ClearScore's internal data that [REDACTED], indicating that [REDACTED] and [REDACTED]. This trend is shown clearly in the figure below.

Figure 9: [REDACTED]

[REDACTED]

13.23 Experian's internal data shows a similar picture. [REDACTED].³⁴ Again this supports the view that a key driver of customer behaviour is the need to get a financial product for which they are eligible.

13.24 To assess further the overlap between the consumer bases of providers of financial product lead generation, the Parties have investigated [REDACTED].³⁵ The diagrams below show [REDACTED]. Given the nature of the HD Decisions service, which focuses on eligibility for credit products only, this analysis [REDACTED].

³⁴ [REDACTED].

³⁵ The CMA is asked to note that this information in relation to HD Decisions is subject to internal information barriers within the Experian business and is not available to Experian's financial product lead generation business.

Figure 10: [REDACTED]

[REDACTED]

Figure 11: [REDACTED]

[REDACTED]

13.25 Figure 10 above demonstrates that [REDACTED].

13.26 Figure 11 demonstrates [REDACTED].

13.27 This data therefore further supports the fact that PCWs and lead generators that offer free credit checking services should be considered to be in the same market.

Geographic market

13.28 The relevant geographic market for financial product lead generation is UK-wide, for the following reasons.

- (i) All of the major suppliers of financial product lead generation operate nationally. In particular, the Parties list financial products that are available across the UK to residents in the UK. The Parties' commercial deals with financial product providers are also based on UK-wide agreements;
- (ii) There is no regional variation in the financial product providers who are present on the Parties' service and the deals which consumers see on the websites are not influenced by which part of the country they are resident in;³⁶
- (iii) Lead generation providers do not engage in regionally targeted advertisements³⁷; and
- (iv) CRBs are equally strong in all parts of the UK and therefore the accuracy of a consumer's estimated eligibility for products is not affected by his / her region of domicile.

³⁶ Credit providers may use location as a factor within their credit decision making process, however, this is not something that is transparent to the providers of financial product lead generation.

³⁷ [REDACTED].

Supply of paid-for credit-checking services

Product market

- 13.29 There are several paid-for online credit checking services. These differ substantially from free credit checking services that are offered by financial product lead generators such as the Parties, in respect of both the consumer-facing proposition and the revenue generation model.
- 13.30 Paid-for credit checking websites have a different revenue generation model to the free model, with the vast majority of revenues arising from consumer subscriptions, and virtually none arising from lead generation³⁸.
- 13.31 Paid-for online credit checking services offer additional credit checking features which users cannot access for free on other credit checking websites (as these additional features typically involve substantial additional costs). These include some or all of the following:
- (i) personalised credit file guidance services through dedicated call centres;
 - (ii) guidance on how to read and understand one's credit report, and how credit providers will look at the report, again delivered through a call centre;
 - (iii) email/text alerts when a user's credit score changes;
 - (iv) fraud alerts and support for victims of fraud; and
 - (v) open and dark web monitoring³⁹.
- 13.32 Overall, recent changes in the competitive and regulatory landscape have led to a shift away from paid-for services, towards newly introduced free offerings. Consumer awareness of the importance of data and its accessibility is increasing and this has been reflected in legislation that seeks to address the existing information asymmetry between banks, who hold a significant amount of information, and the consumers to whom this information relates. For example, following the introduction of the GDPR in May 2018, customers will be able to request a free credit report from a CRB.
- 13.33 In addition, technological changes have ensured that centralised data assets are now able to be accessed more easily. The Open Banking initiative requires the nine largest current account providers in the UK to make available to authorised third-parties access to standardised product and reference data.
- 13.34 Taken together, these developments mean that consumers can increasingly expect to be able to access the information from one's credit report for free. [REDACTED].⁴⁰ [REDACTED].

Geographic market

- 13.35 The Parties consider the relevant geographic market to be UK-wide in scope for similar reasons to those given above.

³⁸ [REDACTED] Experian's CreditExpert revenues arise from lead generation.

³⁹ In addition, CheckMyFile offers access to credit scores and reports from multiple agencies.

⁴⁰ See Annex 15.

Collation and supply of CRB credit file data to suppliers of credit checking services

Product market

- 13.36 Credit file data is an input into the supply of credit checking services, which are used by some providers of financial product lead generation to attract consumers. This data is supplied by CRBs, which compile public record data (e.g. electoral rolls), statutory information, identity information, credit transactions and payment histories for individual consumers. As part of this, banks and other credit providers provide data to CRBs relating to their customers' history of applying for and repaying credit products.
- 13.37 This data is compiled by CRBs and transformed into credit histories and credit scores based on proprietary calculations. These are then supplied to banks, other credit providers and utility companies to help them to assess the credit worthiness of individuals applying for financial products. CRBs also supply this data to credit checking service providers (who in turn supply it to individuals).
- 13.38 Credit file data is also supplied to credit providers who may allow customers/prospective customers to check their credit score and history on their own websites. For example, Barclaycard⁴¹ and Capital One⁴² both offer this service on their respective websites and Lloyd's offers this service as part of its account packages. [REDACTED]. In the US, it is already commonplace for financial product providers to offer customers access to their credit score and the Parties expect this trend to continue to grow in the UK.

Relevant geographic market

- 13.39 The Parties consider the relevant geographic market to be UK-wide on the basis that all of the major suppliers in the proposed Candidate Market operate nationally. For instance, commercial agreements between Experian and downstream credit score providers are on a UK-wide basis.

Supply of technical services to financial services websites

- 13.40 Financial services websites (including providers of lead generation) need a variety of software and data solutions in order to provide their services. These includes both front-end and back-end services needed to provide matching services:
- (i) **Front-end.** Front-end services relate to the UX (user-experience) which governs how users interact with a website through website design, user forms, accessibility etc.
 - (ii) **Back-end.** Also known as "server-side", back end services relate to how a site operates and is kept up to date. With specific reference to financial product matching services, the main back-end services relate to the compilation of up to date lists of financial products and their features, and software to link those product lists with lists of those financial product providers that a provider of lead generation has a relationship with.
- 13.41 Such services can either be supplied in-house, [REDACTED], or through a third-party company.

Supply of pre-qualification services to providers of financial product lead generation

Product market

⁴¹ <https://www.barclays.co.uk/help/about-you/your-credit-rating/>

⁴² <http://www.capitalone.co.uk/web/free-credit-score.jsf>

- 13.42 Pre-qualification services are used by providers of financial product lead generation to tailor the list of matched credit products that they offer to consumers according to the prospects of the consumer being eligible for the product.⁴³ This enhances the likelihood that a consumer will apply for a product and not be rejected, and so improves the number of successful loan applications and smooths the customer journey. These services can either be provided by a third-party or increasingly, are being delivered through self-supply.
- 13.43 When an individual uses a provider of financial product lead generation (i.e. a financial product matching service) to search for a credit card or loan product, as part of the search process they will be asked to provide certain high-level data that is relevant to assessing creditworthiness (e.g. age, income, dependents etc.). Pre-qualification services, by combining this information with the credit file data sourced from a CRB and the credit policies of individual credit providers, provide a mechanism through which consumers are matched to credit products for which they are likely to qualify.
- 13.44 Where a third party is used to provide these services, they take on an intermediary role sitting in between the financial product lead generator and the credit provider. As explained more fully in the response to Question 19 below, credit providers are increasingly moving to the self-supply of their own decision making calculations by generating their own APIs. These enable financial product lead generators to acquire information directly from credit providers on the likelihood that a consumer will be accepted for a credit card or loan product, including whether they might qualify for pre-approval, rather than using an intermediary. Compared to pre-qualification services, these APIs may provide more exact data on whether a consumer is eligible for certain credit products, therefore reducing uncertainty for both the consumer and the credit provider.
- 13.45 From a consumer's perspective, pre-qualification reduces the risk that they will be declined in an application for a credit product. From a credit provider's perspective, these calculations screen out unsuitable candidates and therefore potentially improve the quality of leads sent through. While such calculations typically offer a probability that an individual will be accepted for a product rather than a binary outcome of "accept" or "reject", they are nonetheless useful for credit providers in reducing the number of applications that they receive from unsuitable consumers.
- 13.46 Experian offers pre-qualification services to several financial product lead generators through its HD Decisions business. [REDACTED]. Pancredit also provides pre-qualification solutions in loans.

Relevant geographic market

- 13.47 The Parties consider the relevant geographic market to be UK-wide on the basis that all of the major suppliers in the proposed Candidate Market operate nationally and commercial agreements between pre-qualification service suppliers and third-parties are on a UK-wide basis.

14 Provide the shares of supply (by value and, where appropriate, volume) for the merger parties and each of their principal competitors for the Candidate Markets (see question 13).

- 14.1 Estimated market shares for the Candidate Markets (and narrower markets in some cases) are provided in the figures below.

Provision of financial product lead generation

⁴³ Pre-qualification services are not relevant to insurance.

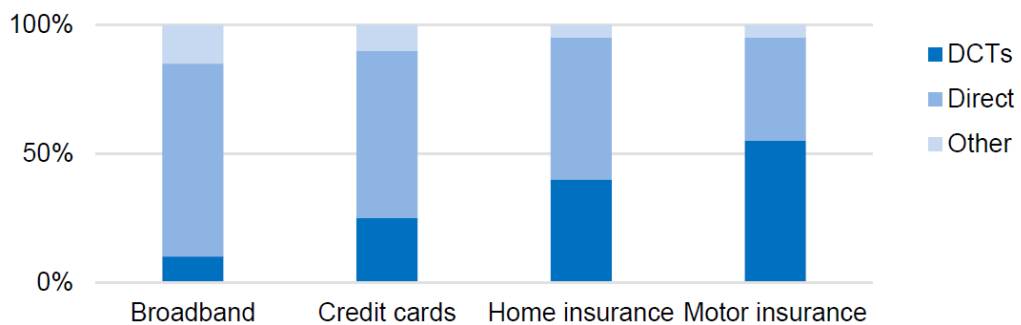
14.2 As set out above, financial product providers have an extremely wide number of routes to market and hence for lead generation. On the basis of customer interaction spend in 2015, online financial product lead generators operating through the provision of financial product matching services (such as the Parties) have an aggregate share of less than [redacted]% of the market.⁴⁴

Figure 12: [redacted]

[redacted]

14.3 A similar picture was found by the CMA in its DCT Study, as shown in Figure 13 below. This shows that less than 25% of online sales of credit cards were from DCTs, with the large majority of the rest being acquired through direct channels. It shows that penetration of DCTs is greater in the insurance sector, with around half of all sales volumes through DCTs, and the remaining half primarily through other online channels.

Figure 13: The significance of DCTs as a sales channel in terms of sales volumes in 2013-2015



Source: *Digital comparisons tool market study, CMA*

14.4 The Parties have also estimated market shares based on the number of transactions for financial services products (defined as insurance, credit cards and personal loan products), as these represent realised actions between consumers and financial product providers.⁴⁵

14.5 The figure below shows estimated market shares (by share of transactions) for the supply of credit card, loan and insurance products in the UK in 2017, including transactions made via providers of financial product lead generation, direct online channels and direct offline channels.⁴⁶

⁴⁴ [redacted].

⁴⁵ These shares are therefore likely to be an overestimate, given [redacted]. Whilst the Parties do offer access to other financial products, such as mortgages, these services account for only a small proportion of their total transactions (around [redacted] of total leads for Experian and similarly around [redacted] for ClearScore) and have therefore not been included in the market shares shown below.

⁴⁶ The Parties do not have revenue estimates for other competitors, nor comparable revenue estimates for transactions via direct channels, and are therefore unable to provide market shares based on value for the proposed Candidate Markets.

Figure 14: Estimated market shares for the supply of credit cards, loans and insurance products based on number of transactions, UK, 2017

	2017
Experian	[0-5]%
ClearScore	[0-5]%
Noddle	[0-5]%
Moneysupermarket	[10-20]%
Comparethemarket	[10-20]%
GoCompare	[5-10]%
Confused.com	[0-5]%
uSwitch	[0-5]%
Money.co.uk	[0-5]%
Lovemoney	[0-5]%
Others	[0-5]%
Online – other	[40-50]%
Offline	[10-20]%

Source: Experian’s and ClearScore’s figures are based on actuals. The remaining figures are internal Experian estimates⁴⁷.

- 14.6 As the figure indicates, the majority of financial services products (approximately [50-60]%) are sold through offline and other online channels – in the case of credit cards and loans, predominantly through providers’ branches; and for insurance, primarily direct through providers’ websites. By comparison, the Parties’ combined market share in 2017 was [0-5]%, with an increment of [0-5]%. The relative sizes of these segments highlight the many routes to market available for financial product providers, and the small increment represented by the Transaction.
- 14.7 For completeness, the Parties have also estimated market shares for narrower segments. Below are the estimated market shares for the supply of credit card, loan and insurance products through online channels only in the UK in 2017.

Figure 15: Estimated market shares for the supply of credit cards, loans and insurance products through online channels based on number of transactions, UK, 2017

⁴⁷ The total number of transactions within the credit card segment has been calculated [X]. The total number of transactions within the personal loans segment has been calculated [X]. The total number of transactions within the insurance segment has been calculated [X]. The shares of individual players have been calculated [X]. The Parties’ shares are [X].

	2017
Experian	[0-5]%
ClearScore	[0-5]%
Noddle	[0-5]%
Moneysupermarket	[10-20]%
Comparethemarket	[10-20]%
GoCompare	[10-20]%
Confused.com	[5-10]%
uSwitch	[0-5]%
Money.co.uk	[0-5]%
Lovemoney	[0-5]%
Others	[0-5]%
Online – other	[40-50]%

*Source: Experian’s and ClearScore’s figures are based on actuals. The remaining figures are internal Experian estimates.*⁴⁸

14.8 As illustrated in the figure above, the Parties represent an extremely small proportion of sales made through online channels, representing a combined [0-5]% of the total volume of financial services product acquisitions. The largest element in this segment is “Online – other”, which comprises financial product providers’ direct websites and services that lead directly to those websites, such as paid advertising through Google AdSense. Within this segment, the proposed transaction would represent an increment of [0-5]%.

14.9 The Parties have additionally estimated market shares for the leads generated through online providers of lead generation services operating through the provision of financial product matching services alone, although this is too narrow a definition to be a sensible market, given that a successful lead for a particular product is equally valuable irrespective of its source. These shares are shown in the figure below.

Figure 16: Estimated market shares for the supply of credit cards, loans and insurance products through online providers of lead generation services operating through the provision of financial product matching services based on number of transactions, UK, 2017

⁴⁸ The total number of transactions within the credit card segment has been calculated [X]. The total number of transactions within the personal loans segment has been calculated [X]. The total number of transactions within the insurance segment has been calculated [X]. The shares of individual players have been calculated [X]. The Parties’ shares are [X].

	2017
Experian	[0-5]%
ClearScore	[0-5]%
Noddle	[0-5]%
Moneysupermarket	[30-40]%
Comparethemarket	[20-30]%
GoCompare	[20-30]%
Confused.com	[5-10]%
uSwitch	[0-5]%
Money.co.uk	[0-5]%
Lovemoney	[0-5]%
Others	[0-5]%

*Source: Experian's and ClearScore's figures are based on actuals. The remaining figures are internal Experian estimates.*⁴⁹

- 14.10 This figure illustrates the size of other competitors in the market relative to the Parties. In particular, Moneysupermarket generated [30-40]% of leads in this segment alone, compared with only [0-5]% of leads generated by the Parties.
- 14.11 The shares presented above are the relevant shares for the purpose of assessing competition in financial product lead generation. The focus of competition between providers of financial product lead generation is to maximise their attractiveness to consumers, in order to attract as many consumers as possible, which can then be monetised lead generation through successful conversion of these leads.

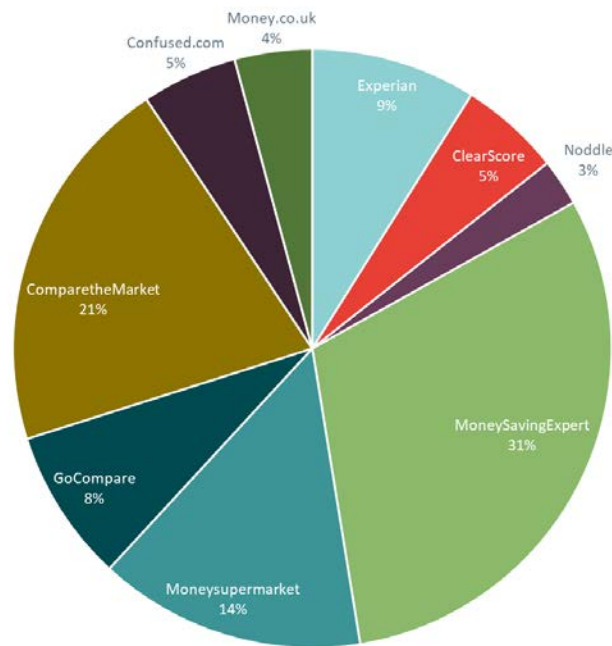
Supply of financial product matching services to end consumers

- 14.12 The Parties have also estimated market shares for the supply of financial product matching to end consumers (being the consumer-facing side of the activity where the Parties' overlap).
- 14.13 In order to consistently estimate the relative size of each competitor, the Parties have focused on Hitwise data based on total website traffic in 2017. Data based on other consumer-facing metrics for competitors is not systematically available to the Parties.
- 14.14 The estimated market shares for suppliers of financial product matching services in 2017 are shown in Figure 17 below.⁵⁰

⁴⁹ The total number of transactions within the credit card segment has been calculated [§]. The total number of transactions within the personal loans segment has been calculated [§]. The total number of transactions within the insurance segment has been calculated [§]. The shares of individual players have been calculated [§]. The Parties' shares are [§].

⁵⁰ Note that, for some websites, the Parties are unable to distinguish website visits to separate sections of the website reliably using Hitwise data. For example, [§]. The data for other firms may pose similar issues if there is a reason for consumers to visit the website other than to access financial product matching services.

Figure 17: Share of total website traffic for financial product matching services, 2017, Hitwise



Source: Hitwise

14.15 The figure above illustrates that Experian received 9% of total financial product matching service website traffic in 2017, while ClearScore received 5%. By comparison, Moneysupermarket and MoneySavingExpert received a combined share of 45% of the total website traffic.

Supply of paid-for credit-checking services

14.16 There is no publicly available data that would enable market shares to be calculated. However, there is no overlap in this market and so no increment to market share resulting from the Transaction.

Collation and supply of CRB credit file data to suppliers of credit checking services

14.17 There is no publicly available data on the volume or value of sales of CRB credit file data to suppliers of credit checking websites. However, there is no overlap in this market and so no increment to market share resulting from the Transaction.

14.18 Experian is, however, aware of which CRB supplies which third-party. This is shown in the figure below. Each of the three CRBs is active in this area.

Figure 18: Supply of credit file data from CRBs to credit checking service providers

CRB	Credit Checking Service Website
Callcredit	[✂]
	[✂]
	[✂]
	[✂]
	[✂]
	[✂]
Equifax	[✂]
	[✂]
	[✂]
	[✂]
Experian	[✂]
	[✂]
	[✂]
	[✂]
	[✂]
	[✂]

Supply of technical services to financial services websites

14.19 There is no publicly available data that would enable market shares to be calculated. However, there is no overlap in this market and so no increment to market share resulting from the Transaction.

Supply of pre-qualification services to financial product lead generators

14.20 There is no publicly available data that would enable market shares to be calculated. However, there is no overlap in this market and so no increment to market share resulting from the Transaction.

14.21 This is a niche market which has historically been served only by HD Decisions. Runpath provides [✂]. In addition, Pancredit is also active in the provision of eligibility services in loans.

Increasingly, as described further in the response to Q19, credit providers are developing their own APIs which provide a higher quality service to consumers and will allow them to avoid third-party pre-qualification services, and so the size of the overall market is likely to shrink materially in the future.

Horizontal effects

- 15 Provide a description of how competition works in each Candidate Market where the merger parties overlap. The description of such competitive dynamics in the Candidate Market should include (but not necessarily be limited to):
- (a) information on the competitive constraint posed by each of the merger parties on each other and on the competitive constraint posed by the other principal suppliers in the Candidate Market(s);
 - (b) an explanation of what drives customer choice for the overlap product/services. Where relevant, the response should include the identification of separate customer groups, if any, and an explanation of how the competitive dynamics differ across these customer groups;
 - (c) a description of the parameters of competition (for example, price, quality, service, innovation) and their importance relative to one another;
 - (d) an explanation of the role and significance of product/service differentiation (including an explanation of the extent to which the merger parties' products/services are differentiated);
 - (e) an explanation of how pricing is determined (for example, whether set by suppliers, negotiated between suppliers and customers, or the result of a bidding process organised by customers), including, in appropriate cases (as explained below), supporting documentation; and
 - (f) an explanation of the supply chain (including distribution channels) for the product(s)/services(s), and of any differences between separate geographic areas, where the merger parties overlap, in relation to the supply of the same products/services.

Overview

- 15.1 For the reasons set out in the Executive Summary, the Transaction will not lead to a significant change in the composition of the market for financial product lead generation, as financial product providers will continue to have access to a large (and growing) range of routes to market, both online and offline. Moreover, the Transaction will materially improve consumers' ability to shop around for, and access, a range of financial products and enable them to make informed choices. As such, there is no realistic prospect of an SLC as a result of the Transaction.
- 15.2 As described above, the Parties overlap in financial product lead generation. As part of this activity, each of the Parties engages in financial product matching for consumers. The Transaction will not lead to a SLC in this market for the following reasons:
- (i) Financial product providers use a wide range of channels to acquire consumer leads including online and offline channels. The Parties therefore face strong competition from these alternative channels and have an extremely low combined market share.
 - (ii) Consumers similarly have a wide range of alternatives. Consumers do and will continue to use multiple means to access financial products, and the Parties will have a continued incentive to offer a high quality free service, as any deterioration in the service offering will lead to fewer consumer visits and so lower volumes of successful conversions.

- 15.3 As ClearScore does not offer an equivalent paid-for service, nor any additional paid-for premium services, there is no direct horizontal overlap between the Parties in that market, and no loss of competition arising from the Transaction.
- 15.4 The Parties have considered whether any vertical issues arise as a result of Experian's presence in related markets in Section 19 below.

Financial product lead generation

- 15.5 The proposed transaction will not lead to a SLC in the supply of financial product lead generation. This is because a) financial product providers use a wide range of channels to acquire consumer leads, and the Parties combined share is extremely low; and b) barriers to entry and expansion are low, in particular given the context of material technological and regulatory change.

Financial product providers use a wide range of channels to acquire consumer leads, and the Parties' combined share is extremely low

- 15.6 First, financial product providers can and do use a range of different channels to acquire consumer leads. This includes the following:
- (i) direct offline channels, such as branch spend, marketing via TV, newspaper and radio, and direct mail;
 - (ii) direct online channels, such as email campaigns and customer relationship management (CRM);
 - (iii) online search advertising, such as Google AdSense;
 - (iv) online display advertising, such as Facebook; and
 - (v) indirect online channels, such as financial product lead generation.
- 15.7 As shown in the Figure 12 above in response to Question 14, [X]. Financial product matching sites account for only [X]% of total spend, whilst online display advertising and online search advertising represent [X]% and [X]% of total spend, respectively. Branch spend accounts by some distance for the largest share of total spend (i.e. [X]%).
- 15.8 Even if only online spend were considered, the spend on all financial product lead generation services delivered via financial product matching would be [X] online spend.
- 15.9 The ultimate aim of all of these channels is to generate leads, which can then be converted into purchases and, in due course, revenues. They are all substitutable from the perspective of financial product providers, and therefore, if Experian and/or ClearScore were to increase the commission rate (i.e. cost per acquisition) charged to financial product providers post-transaction, or to worsen the terms that they offer to financial product providers for advertising their products, financial product providers would be easily able to switch to several alternative routes to market.
- 15.10 The CMA recognised the substitutability of different routes to market for financial product providers in its DCT Study. *"In our focus sectors where DCTs are less developed (broadband, energy and credit cards), we have fewer concerns about competition between DCTs at this*

stage, as suppliers are in a stronger position to put pressure on DCTs' commissions [by switching to other channels]".⁵¹

- 15.11 Even if one were to look within financial product lead generation services delivered via financial product matching alone, PCWs and lead generators who offer free credit checking services are essentially an identical route to market, with Moneysupermarket the largest firm within this space ([X]). There is a [X], as can be seen in Figure 10 and 11 above. [X]. This illustrates that consumers see these as equivalent routes through which to research credit products and typically use more than one such website during their search for a credit product.
- 15.12 Within financial product matching, there are a large number of competing propositions which offer consumers a means through which to compare different financial products and assess the likelihood that they will be accepted for these products if they were to apply and/or the price at which such products are available. As shown in figure 16 above in Section 14, based on number of transactions the Parties have a combined market share of just [0-5]%. By comparison, Moneysupermarket has a share of [30-40]%. Similarly, as shown in Figure 17 above, the Parties only represent [10-20]% of the total website traffic to suppliers of financial product lead generation services.
- 15.13 For these reasons, the Transaction will give rise to no material loss of competition in the provision of financial product lead generation.

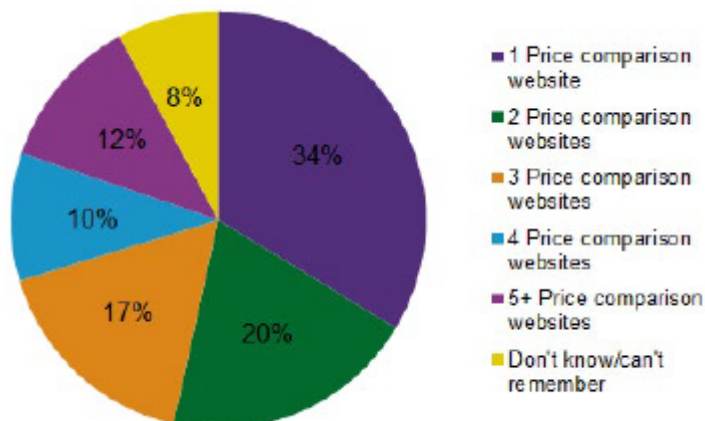
The Parties will have a continued incentive to offer a high quality free service to consumers as any deterioration in the service offering will lead to lower volumes of successful conversions

- 15.14 As a result of there being no reduction in competition in the provision of financial product lead generation, there will also be no deterioration in the offer of either Party's consumer-facing proposition. Each Party will continue to need to provide an attractive product for customers in order to successfully generate and convert leads, as that is where the Parties make their revenue. As discussed in Section 13 and Section 14, providers of financial product lead generation services delivered via financial product matching do not charge customers for any stage of the customer journey. Instead, providers rely solely on the revenues from lead generation services provided to financial product providers. The model therefore operates on the basis that providers need to attract as many customers as possible, in order to generate as many leads as possible. This overriding incentive will continue post-Transaction. The Parties will therefore have no incentive to deteriorate their consumer-facing propositions following the proposed transaction, as consumers will have the option to switch to a large and growing number of alternative providers and options.
- 15.15 Moreover, there is virtually no additional cost for consumers for considering multiple websites. There are many free providers, and signing up to a website takes on average less than 5 minutes, so this allows consumers to check their rating and the products for which they may be eligible through a variety of sources and channels. As a result, users frequently sign up to and use multiple websites. On average, of all consumers who use a financial product matching website, each consumer uses – in the sense of "signing up for and performing an eligibility check" [X].⁵² This is consistent with consumer behaviour within the insurance segment of the market, where more than half of users have accessed multiple services to research or purchase a product. This is shown in Figure 19 below.

⁵¹ CMA, Digital Comparison Tools Study, Final Report, paragraph 4.84.

⁵² [X]

Figure 19: Proportion of internet users accessing multiple financial product lead generation services, Mintel, 2016⁵³



Base: 1,228 internet users aged 16+ who have used a PCW to research or purchase an insurance product

Source: Mintel

15.16 A further constraint on the Parties is that, following the imminent introduction of the GDPR in May 2018, consumers will be able to receive free access to their credit report. Experian currently receives [X] requests a month for such credit reports (which are currently available for £2), and it is to be expected that it will become much more popular once it is free.

15.17 As a result, the Parties will have no incentive to deteriorate their consumer-facing propositions post-merger.

Barriers to entry and expansion are low, given the technological and regulatory context for the transaction

15.18 As explained in more detail in the Section on barriers to entry (see Section 22 below), many of the firms present in this market, including ClearScore and Experian, have entered in the past five years and expanded rapidly (and are continuing to expand). This reflects the fact that barriers to entry and expansion in the market are low. It is therefore likely that firms will continue to enter and expand, in general given the technological and regulatory developments encouraging new entry and innovation, and especially in the event that the Parties were to attempt to deteriorate their offer post-Transaction.

Financial product lead generation through the supply of free credit checking services to end consumers

Overview

15.19 As the Parties have set out in the Section on Market Definition, the relevant candidate market for the Parties' activities is the market for financial product lead generation. Recognising however that both Parties' lead generation services offer consumers access to free credit checking services, for completeness, the Parties have also considered whether there would be

⁵³ Mintel: Price comparison sites in general insurance, UK, July 2016, see Annex 23.

a SLC within the much narrower segment of the financial product lead generation market, considering only the supply of free credit checking services.

15.20 Within this segment, there are several reasons why the Transaction will not lead to a deterioration of the Parties' service. In particular:

- (i) the Parties will continue to face strong competition on the lead generation side from many alternative suppliers; and
- (ii) the Parties will continue to face strong competition on the consumer side from alternative suppliers of free credit checking services; and
- (iii) the Parties have differentiated propositions, and as such are not particularly close competitors in the provision of free credit checking services.

15.21 These are explained in more detail below.

The Parties will continue to face strong competition from financial product lead generation providers and other routes to market

15.22 As set out above, it makes no sense to segment the market in this manner from the perspective of the provision of financial product lead generation services. Consequently, the Parties will continue to face strong competition from other financial product lead generation providers, other online and direct channels, and offline channels.

The Parties will continue to face strong competition from alternative suppliers of free credit checking services

15.23 The Parties will not have any incentive to deteriorate their consumer offer given the imperative to attract consumers who will generate leads and so revenues.

15.24 However, even within the free credit checking segment of the market, there are a large number of other websites with similar propositions (particularly to ClearScore's offering). As noted in Figure 20 below, each of the providers below offer consumers free access to product comparison and eligibility services:

- (i) Noddle – Noddle is part of Callcredit, and offers consumers free access to their Callcredit score and report.
- (ii) TotallyMoney – TotallyMoney offers consumers free access to their Callcredit score and report. In addition, TotallyMoney provides other providers of financial product lead generation, such as Noddle and Confused.com, with the technical services for their credit product comparison services.
- (iii) Giffgaff – In addition to its mobile telephony services, Giffgaff offers consumers free access to their Callcredit score and report (whether a member of Giffgaff's mobile services or not). This is part of a wider branching out of Giffgaff into personal finance through the part of its website termed "gameplan".
- (iv) CreditWise (Capital One) – Capital One, through its CreditWise tool, offers users access to their Equifax credit score. The product comparison and eligibility services cover Capital One's own products only. It is, however, not necessary to be an existing Capital One customer in order to use the service.
- (v) MoneySavingExpert's Credit Club – the PCW and consumer finance information website MoneySavingExpert (owned by Moneysupermarket) has recently started to provide users with their Experian Credit Report and score through its Credit Club service. Credit Club is available to consumers through MoneySavingExpert's main website.

- 15.25 Each of these providers appears as an organic listing on the first page of a search on Google for “free credit score” and/or “credit score” (see Annex 16 for the relevant screen shots).
- 15.26 In addition, there are potentially many firms that could consider offering free credit scores. Credit Karma is the largest provider of free credit scores in the United States and may consider entry to the UK. PCWs could consider adding free credit scores to their offering. Individual credit providers are already providing free credit scores to their customers and this is likely to grow, as set out above. See further the response to Question 22 below.
- 15.27 As mentioned above, following the imminent introduction of the GDPR in May 2018, consumers will be able to receive free access to their credit report. Experian currently receives about [X] requests a month for such credit reports (which are currently available for £2), and it is to be expected that it will become much more popular once it is free. As noted in the box in Section 11, the statutory report provides detailed information on a person’s credit rating and is therefore a close substitute to the services offered by the Parties in the free credit checking space.
- 15.28 Consumers therefore already have and will continue to have a vast array of options for receiving free credit scores post-Transaction, including from both of the Parties.

The Parties have differentiated propositions, so are not particularly close competitors

- 15.29 As shown below in Figure 20, there are differences in the free credit checking services of Experian and ClearScore. As a result, Experian and ClearScore are not each other’s closest competitors in terms of the services offered on their websites.
- 15.30 Figure 20 below lists the services provided by the different providers, including the following terms:
- (i) **Financial product comparison & eligibility:** a price comparison service which allows individuals to compare the terms of different financial products, including an indication of their probability of being accepted for the product.
 - (ii) **Credit Score:** a numerical score based on an individual’s credit report which provides an indication of how lenders may assess an individual’s credit worthiness. This is based on their characteristics and past performance in relation to credit products. Each CRB produces their own credit score.
 - (iii) **Credit Report:** A detailed report of an individual’s characteristics and past performance pertinent to their credit history. The three main UK CRBs (Experian, Equifax and Callcredit) each produce credit reports which compile public record data (e.g. electoral rolls), statutory information, identity information, credit transactions and payment histories for individual consumers.
 - (iv) **Score history:** functionality to access historical credit scores and reports in addition to an individual’s current score and report.
 - (v) **Score influencers:** detailed information on why an individual’s credit score has changed from one month to the next.
 - (vi) **Mobile app:** iOS, Android and/or Windows Phone applications, which allow the user to use the credit services on their mobile phone.

Figure 20: Product characteristics of providers of free credit checking services

Service	Experian's free offer	ClearScore	Noddle	Credit Club (Money Saving Expert)	TotallyMoney	Giffgaff	Capital One (Credit Wise)
Financial product comparison & eligibility	☐	☐	☐	☐	☐	☐	☐
Credit score	☐	☐	☐	☐	☐	☐	☐
Credit report	X	☐	☐	☐	☐	☐	☐*
Score history	X	☐	X	X	☐	X	☐
Score influencers	X	☐	Premium	☐	X	X	☐
Mobile Application	☐	☐	☐	X	☐	X	☐*

Source: the Parties

Note: * Capital One's website has recently been amended to indicate that it now offers credit reports, including through its mobile application.

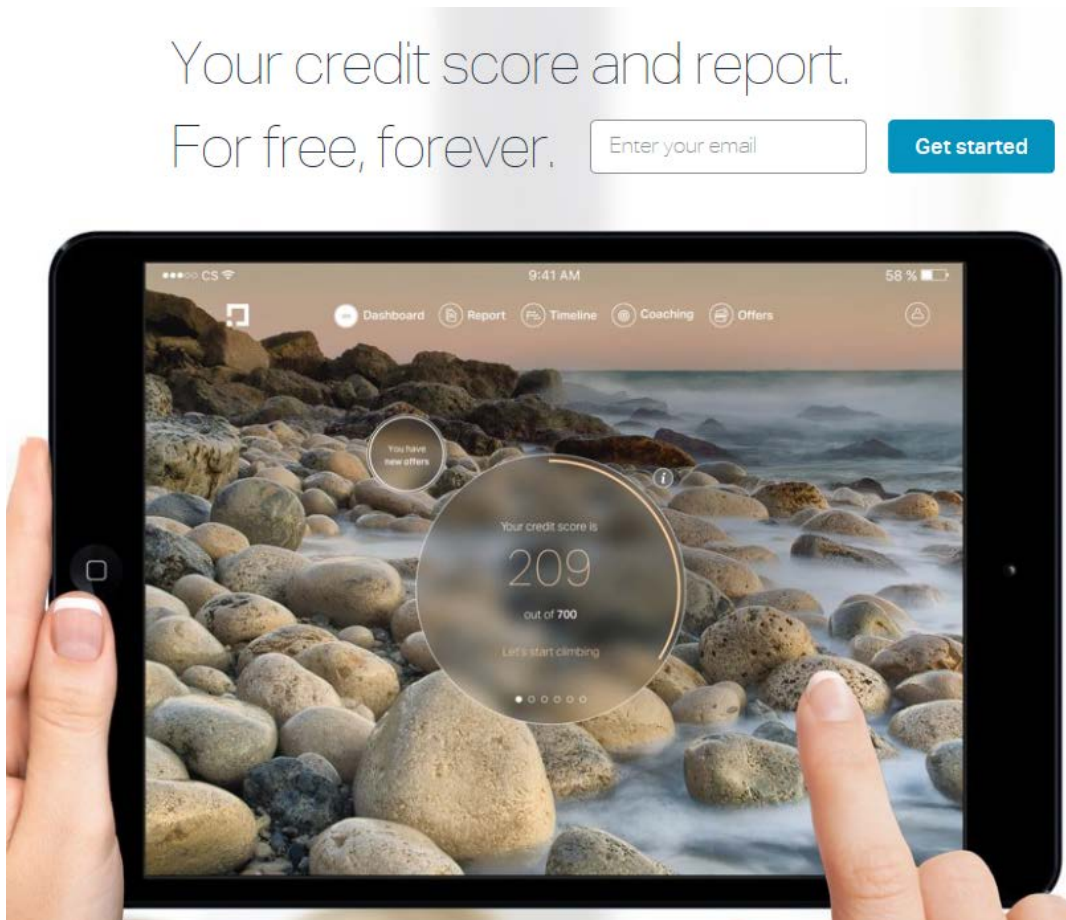
- 15.31 Figure 20 shows that ClearScore's service is closer to those of Noddle, MoneySavingExpert, TotallyMoney, and Giffgaff, than to Experian's, in particular because of the offering of a credit report.
- 15.32 Moreover, consumers perceive the brands of the Parties as being different. [REDACTED].⁵⁴
- 15.33 Collectively, these points demonstrate that the Parties have different propositions. This is consistent with one of the pro-competitive rationales for the Transaction, which is [REDACTED].
- 15.34 Even within the narrow segment of financial product lead generation through the supply of free credit checking services, the Transaction therefore will not give rise to an SLC.

Supply of paid-for credit checking services to end consumers

- 15.35 Experian has a paid-for credit checking service. ClearScore is not active in the provision of paid-for credit checking services to end consumers, so there is no direct horizontal overlap between the Parties and no loss of competition arising from the Transaction.
- 15.36 Furthermore, [REDACTED], so there is no concern about a loss of potential competition:
- (i) ClearScore's branding is heavily geared towards being a free service, as is evident from the snapshot from their website below.

⁵⁴ See Annex 17.

Figure 21: ClearScore extract from website



Source: ClearScore

- (ii) All of ClearScore's customers have been acquired through the "free for life" promise and so it would be extremely difficult for ClearScore to change its proposition without considerable customer resentment.⁵⁵
- (iii) A paid-for service would represent a fundamental change in product and would require a significant change in the cost structure of the business (e.g., resourcing and training a team of people to help deal with queries, setting up a billing system for customers).

15.37 For completeness, while consumer access to [REDACTED]. As part of this [REDACTED]. The services considered in this context [REDACTED].

15.38 ClearScore conducted [REDACTED] confirmed that consumers were generally [REDACTED].⁵⁶ Moreover, even the [REDACTED] generally indicated that [REDACTED]. As such, ClearScore [REDACTED]. In addition to [REDACTED]. As a result, [REDACTED]. As a result of its decision [REDACTED].

⁵⁵ As set out in Justin Basini's blog on the date of the announcement of the transaction: see Annex 5.

⁵⁶ [REDACTED].

- 15.39 In any event, there are several other providers of paid-for services include Credit Angel, Check My File, Equifax, UK Credit Ratings, Credit Report and My Credit Monitor, so Experian's paid-for service faces substantial and ongoing direct competition.

Supply of technical services to financial services websites

- 15.40 As ClearScore is not active in the supply of technical services to financial services websites, there is no direct horizontal overlap between the Parties and no loss of competition arising from the Transaction.

Supply of pre-qualification services to financial product lead generators

- 15.41 As ClearScore is not active in the supply of pre-qualification services to financial product lead generators, there is no direct horizontal overlap between the Parties and no loss of competition arising from the Transaction.

16 For Candidate Markets characterised by bidding processes and/or where customers typically issue requests for quotations, provide bidding data setting out any bids made by each of the merger parties to win business in the overlapping markets.

- 16.1 None of the Candidate Markets in which the Parties overlap are characterised by bidding processes and/or processes where customers typically issue requests for quotations. Therefore, this question is not applicable to the Transaction.⁵⁷

⁵⁷ There do exist occasional bidding processes in markets in which the Parties do not overlap, such as the bidding for the contract [X]. This bidding takes place at the CRB level and is therefore not a market in which the Parties overlap.

Increase in the merger parties' buyer power

- 17 If applicable, for any product(s) (including raw materials) or service(s) which the merger parties both purchase, provide details of the merger parties' ability to obtain more favourable commercial conditions from suppliers as a result of this merger and the effects, if any, of such increased ability on competition at any levels of the supply chain.**
- 17.1 The Parties both purchase credit checking data from CRBs, with Experian currently supplied by Experian's CRB business and ClearScore currently supplied by Equifax. [REDACTED].
- 17.2 The Parties also purchase other services from third-party providers, such as website technology solutions, but have no reason to believe that they account for any material share of such purchases. Therefore, this question is not applicable to the Transaction.

Loss of potential competition

- 18 Describe whether any merger party has plans or has attempted in the last three years to start supplying product(s)/service(s)/geographic area(s) which it does not currently supply but which the other merger party is already supplying (or expected to supply). If so:**
- (a) Provide any internal documents setting out plans of any merger party to expand in the overlapping product(s), service(s) and/or geographic area(s) or to enter a market where another merger party is operating.**
 - (b) Explain what barriers to entry or expansion exist for each merger party to start supplying product(s)/service(s)/geographic area(s) which it does not currently supply but which the other merger party is already supplying (or expected to supply).**
- 18.1 Please see paragraph 15.8 of the response to Question 15 above and paragraphs 22.18 to 22.27 of the response to Question 22 below.

Vertical effects

- 19 If the merger parties operate at different levels of the supply chain (that is, a merger party is engaged in activities upstream or downstream of the activities in which the other merger party is engaged), describe the impact of the merger on the ability and incentive of the merged entity to foreclose rivals (including partial and/or full foreclosure) post-transaction, either by limiting the supply of key inputs or access to customers.**

Overview

- 19.1 As described in Section 13 above, in addition to providing financial product lead generation, Experian is also active in the following Candidate Markets:
- (i) the collation and supply of CRB credit file data to providers of financial product lead generation;
 - (ii) the supply of technical services to financial services websites (including providers of financial product lead generation); and
 - (iii) the supply of pre-qualification services to providers of financial product lead generation.
- 19.2 Whilst ClearScore is not present in these Candidate Markets, both Experian and ClearScore are active downstream in the supply of financial product lead generation.
- 19.3 The Transaction does not give rise to any merger-specific vertical issues. Experian already operates as a supplier of CRB credit file data, a supplier of technical services to financial services websites, and as a supplier of pre-qualification services, which is vertically linked to the supply of financial product lead generation in which it (and ClearScore) operate.
- 19.4 The Transaction will not give rise to any foreclosure concerns in relation to the above Candidate Markets for the reasons below. In particular:
- (i) the Parties will have no ability to foreclose other providers of financial product lead generation;
 - (ii) there will be no material change in the Parties' incentive to foreclose other providers of financial product lead generation; and
 - (iii) the Parties will be unable to foreclose other CRBs.
- 19.5 These points are explained in more detail below in relation to each Candidate Market.

Collation and supply of CRB credit file data to providers of financial product lead generation

No scope for withholding of the supply of CRB credit file data (input foreclosure)

- 19.6 The Parties will have neither the ability nor the incentive to use any of Experian's wholesale operations to foreclose downstream competitors in the supply of financial product lead generation.
- 19.7 As explained in Section 13 above, Experian operates upstream as a CRB. Experian provides credit scores to providers of financial product lead generation, including Experian's own financial product lead generation service, and many third-party financial product lead generation providers (and individual credit providers) which compete with Experian's own service.

- 19.8 The reasons Experian provides upstream data to downstream competitors are simple: [REDACTED]. If Experian did not do this, others would (and indeed do). There are two other main CRBs in the UK, Equifax and Callcredit (and a smaller operator, Crediva), all of whom already supply their credit file data to the downstream suppliers of financial product lead generators. As can be seen in Figure 18 in Section 14 above, [REDACTED].
- 19.9 As a result, the merged entity will have no ability to engage in input foreclosure as Experian faces strong competition at the wholesale level for the supply of CRB credit file data.
- 19.10 If Experian were to attempt to foreclose a downstream rival by ceasing to supply them with CRB credit file data, that rival would have at least two other credible suppliers of credit file data from whom to choose, and so any such attempt would be futile. [REDACTED]⁵⁸. Typically, Experian engages in formal or informal tenders and RFPs for the supply of CRB credit file data to downstream customers, so it would be straightforward for any customer to switch to a similarly credible alternative supplier if Experian decided not to tender, or to raise prices above the competitive level.
- 19.11 As such, there is no prospect that Experian will be able to foreclose downstream providers of financial product lead generation services.
- 19.12 This outcome is supported by Experian's commercial history, where it has been willing to supply its competitors in the downstream market. [REDACTED].
- 19.13 This strategy [REDACTED].⁵⁹
- 19.14 As a result, the Transaction will not alter the merged entity's incentive to continue to supply CRB credit file data to downstream competitors.

No scope to foreclose Equifax at the wholesale level through ClearScore refusing to purchase CRB credit file data (customer foreclosure)

- 19.15 ClearScore currently uses Equifax for its input of CRB credit file data. The merged entity will not have the ability to foreclose Equifax at the wholesale level by refusing to purchase, or demanding unreasonable terms to continue purchasing, CRB credit file data (i.e. there is no prospect of customer foreclosure).
- 19.16 Equifax's 2016 financial statements show that it made a UK revenue of £114.6 million⁶⁰ of which [REDACTED] was through the sale of CRB credit file data to ClearScore. This represents [REDACTED] proportion of Equifax's UK revenue and therefore strongly indicates that, even if Equifax no longer had ClearScore as a customer, it would make no difference to Equifax's ability to provide CRB data to other downstream participants (indeed, it may enhance its incentive to compete even more fiercely for such contracts).
- 19.17 Similarly, since ClearScore is not currently a customer of Callcredit, the loss of ClearScore as a potential customer could not result in the exclusion of Callcredit from the downstream market, as Callcredit already supplies CRB data to Noddle without serving ClearScore. [REDACTED].
- 19.18 Equifax and Callcredit will continue to be present in the supply of CRB credit file data to other providers of financial product lead generation, including Noddle, Check My File and Credit Wise. The Transaction will have no effect on Equifax or Callcredit's ability or incentive to

⁵⁸ See Annex 8.9.

⁵⁹ Separately from supplying CRB data to credit providers for the purposes of deciding whether, and on what terms, to offer or extend credit to consumers which, as explained above, [REDACTED].

⁶⁰ Companies House, Equifax, Full accounts made up to 31 December 2016.

compete to win a greater share of this market. Both will continue to be credible alternatives in tender/bilateral negotiations with new and existing competitors in the downstream market.

- 19.19 As a result, there is no prospect that the Transaction will lead to any foreclosure concerns resulting from Experian's presence in the market for the provision of CRB data.

Supply of technical services to providers of financial product lead generation

- 19.20 The merged entity will have neither the ability nor the incentive to engage in input foreclosure in relation to the supply of technical services to providers of financial product lead generation (which are supplied through its Runpath subsidiary).

- 19.21 This is because there are many competitors offering essentially similar services, such as TotallyMoney, Prepaid and Pan Credit. In addition, self-supply is an option in the market as demonstrated by Experian and Moneysupermarket. As a result, there is no potential for foreclosure, as any provider of financial product lead generation could easily switch to a rival supplier or to self-supply.

- 19.22 [REDACTED].

Supply of pre-qualification services to suppliers of providers of financial product lead generation

No scope for foreclosure of downstream competitors in the supply of financial product lead generation

- 19.23 The merged entity will have neither the ability nor the incentive to engage in input foreclosure in relation to the supply of pre-qualification services to providers of financial product lead generation.

- 19.24 As explained above, Experian is active in the provision of upstream pre-qualification services which combine expertise in consumer creditworthiness alongside its knowledge of credit providers' eligibility criteria (which credit providers choose to provide to Experian for these purposes) to estimate the probability that a consumer will be accepted for a credit product.

- 19.25 [REDACTED].⁶¹ [REDACTED].

- 19.26 In any event, Experian would not have the ability or incentive to foreclose providers of financial product lead generation. In particular:

- (i) any attempt at foreclosure would be met by further and accelerated direct entry of credit providers through APIs, resulting in significant commercial losses for Experian;
- (ii) it would make no commercial sense for Experian to jeopardise its key credit provider relationships, which are of critical value to Experian;
- (iii) there is the potential for entry and expansion in the development of pre-qualification services by third parties, including CRBs;
- (iv) Experian has existing long-term contracts with customers of pre-qualification services;

⁶¹ Moreover, pre-qualification services are structurally and operationally separate within Experian, which has strong Chinese walls within the existing business.

- (v) Experian has consistently taken the view that it is a much more profitable strategy to sell pre-qualification services as widely as possible across the market; and
- (vi) there is no change to the concentration of the pre-qualification services market brought about by the Transaction.

Any attempt at foreclosure would be met by further and accelerated direct entry of credit providers through APIs, resulting in significant commercial losses for Experian

19.27 Experian's pre-qualification services face strong and growing competition from self-supply by credit providers. This model is already well-advanced in the USA where, for example, Credit Karma already uses credit provider APIs to determine the latest products on offer and to match customer's profiles to pre-approved products. [REDACTED].

Figure 22: [REDACTED]⁶²

- 19.28 In particular, many credit providers have started to use APIs, such as Capital One, Shawbrook and Zopa. These allow providers of financial product lead generation to acquire information directly from credit providers on the likelihood that a consumer will be accepted for a credit card or loan product, including whether they might qualify for pre-approval. This technology offers the possibility for credit providers and providers of financial product lead generation to bypass the use of third-party pre-qualification services such as that provided by Experian.
- 19.29 Strong incentives already exist for credit providers to directly enter the pre-qualification services market, as demonstrated by the success of those that have already begun providing this service. Indeed, the use of APIs can offer many advantages to credit providers over the use of third-party pre-qualification services, including:
- (i) A greater degree of certainty for both credit providers and consumers as to whether they will be accepted for a credit product.
 - (ii) A greater ability for credit providers to "pre-approve" prospective customers on third-party sites. Pre-approval means that consumers have near certainty that they will be accepted for a product (compared with a probability that a third-party pre-qualification service typically offers). This is first because credit providers have a complete view over their own credit policies as opposed to third party providers of pre-qualification services, who often only receive partial information on such policies. Furthermore, credit providers have the freedom to adjust their policies in the short-run to reflect changes in market conditions. This complete set of information therefore allows credit providers to assess more easily whether a consumer qualifies for pre-approval.
 - (iii) A smoother customer journey. As the application process takes place entirely within the financial product matcher's site, application forms can be to some extent pre-populated, and customers can digitally sign. This improves click-through and completion rates for credit providers.
 - (iv) Greater preservation of the credit provider's intellectual property (as embodied in its credit policy), which no longer has to be shared with third-parties (such as HD

⁶² See Annex 8.9.

Decisions), whilst still being able to provide the eligibility services on third-party websites.

- (v) Higher rankings in comparison results, as the likelihood of acceptance is often used as a key metric in the ranking calculation on comparison sites. As such, credit providers with their own APIs who are able to “pre-approve” certain customers on comparison sites will appear higher in the product rankings for those customers. They are also able to react more immediately to market conditions, e.g. by tweaking credit policies to increase or decrease the likely number of successful applications.
- (vi) Ongoing cost savings, as credit providers that use APIs in this way save costs by not having to pay a third-party for pre-qualification services.

19.30 Financial product lead generators also benefit as they save on costs paid to pre-qualification services, and they will generate higher quality leads and higher conversion rates (and hence receive higher commissions) due to smoother customer journeys. Their websites will also have reduced “latency” – in other words, the wait times for the loading of a new web page will fall as “calls” between websites no longer need to go via a third-party provider of pre-qualification services.

19.31 As a result, some of the most important credit providers advertising through providers of financial product lead generation – such as Moneysupermarket, ClearScore and Experian – already offer these services, and the Parties expect this trend to accelerate in the future as more credit providers see the advantages of APIs.

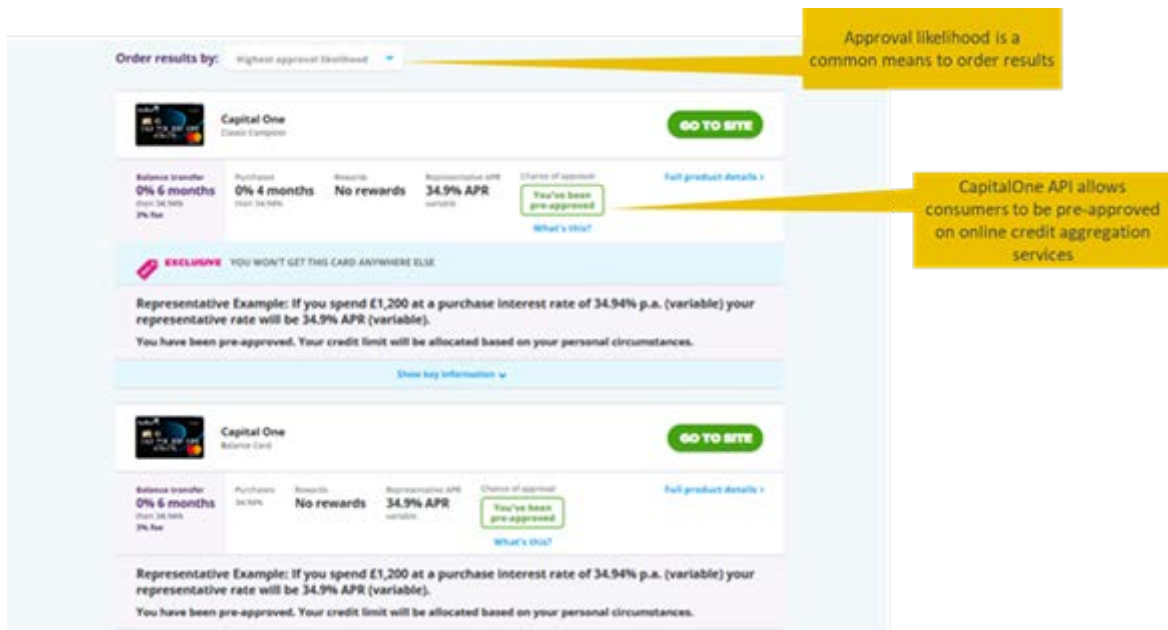
19.32 The Parties provide further details of the existing API services below.

Credit card providers

19.33 Capital One (and possibly other lenders) use an API⁶³ to allow third-parties, such as credit checking websites and PCWs, to access the latest information on the credit card products that it offers and can “pre-approve” customers on third-party sites. This means customers see an exact match of a suitable product from these lenders rather than fuzzy matches (i.e. products with a probability of being accepted) from other credit card providers. In turn, this offers Capital One a competitive advantage over rivals, as it typically pushes them higher for certain products on the comparison rankings presented to consumers, thereby increasing the likelihood of consumers applying for their products. [REDACTED].

⁶³ See <https://www.capitalone.co.uk/developer/api/#data-models> for more information. The Draft Merger Notice submitted to the CMA on 17 April 2018 erroneously stated that [REDACTED] also provided credit card eligibility services through APIs. As clarified by the Parties in their response to the CMA’s RFI 3 during pre-notification, in fact, [REDACTED].

Figure 23: Example of how Capital One appears on Moneysupermarket



19.34 [redacted].

Figure 24: [redacted]⁶⁴

19.35 [redacted].

Figure 25: [redacted]

19.36 [redacted].

Figure 26: [redacted]

[redacted]

19.37 Barclaycard has also launched a “Product Details” API, which, according to Barclays, allows developers to “explore a variety of Barclays product details and check eligibility”⁶⁵. Therefore, it seems likely that Barclaycard will work with providers of financial product lead generation to integrate this API.

Loan providers

19.38 Loan providers Shawbrook, Oakbrook, Lendable, Drafty, Honeycomb, Avant, Likely Loans, Chetwood and Zopa have also all introduced APIs which allow providers of financial product lead generation to connect directly with them in order to determine the latest products on offer

⁶⁴ [redacted].

⁶⁵ <https://developer.barclays.com/overview/a9e56a0b-c995-4091-bd54-c95557333538.bdn/>

and to pre-approve customers on third-party sites. [REDACTED], this not only reduces the transactional costs associated with appearing on lead generators' sites but also has the effect of moving these providers up the comparison page. [REDACTED]⁶⁶ – this indicates the importance of being placed near the top of the comparison results.

Figure 27: [REDACTED]

19.39 [REDACTED].⁶⁷ [REDACTED].

19.40 The Parties consider that this trend is likely to develop further in the future as more credit providers seek to avoid paying commissions and to offer better indications of a consumer's eligibility for their products. As credit providers already hold the relevant information required to develop APIs, it would be straightforward for other credit providers to introduce their own APIs – as has already been shown to be the case in the US market.

19.41 Any attempt to withdraw pre-qualification services from rival providers of financial product lead generation would therefore risk exacerbating the move to APIs, permanently damaging Experian's revenues from this source.

It would make no commercial sense for Experian to jeopardise its key credit provider relationships, which are of critical value to Experian

19.42 Experian's pre-qualification services business is a [REDACTED] part of Experian's overall UK business, accounting for [REDACTED]% of its UK revenues⁶⁸. [REDACTED].

19.43 Any attempt to foreclose rival providers of financial product lead generation by withholding access to HD Decisions would materially damage the quality of these rivals' propositions, all else equal. As these are routes to market for credit providers, this would therefore damage the ability of credit providers to market and distribute their products effectively. It would not make commercial sense for Experian to risk damaging its relationships with credit providers (who in retaliation could decide to switch to an alternative CRB) and thus [REDACTED].

There is the potential for entry and expansion in the development of pre-qualification services by third parties, including CRBs

19.44 As can be seen in [REDACTED]. Moreover, [REDACTED]. Pancredit is already providing intelligent credit sourcing solutions to intermediaries and price comparison sites. iVendi is also active in the auto loans segment, enabling consumers and dealers to see the likelihood of approval whilst the user is on a dealer's website. Both of these websites would be well placed to expand into providing these services for credit cards and loans.

Experian has existing long-term contracts with customers of pre-qualification services

19.45 Experian currently has long-term contracts with its customers for the supply of pre-qualification services, [REDACTED].

⁶⁶ [REDACTED] compared with [REDACTED].

⁶⁷ Experian Analysis, February 2018.

⁶⁸ Experian's 2017 UK revenues were \$801 million (Experian 2017 Annual Report) compared with revenues from the sale or pre-qualification services of £[REDACTED] million.

Experian has consistently taken the view that it is a much more profitable strategy to sell pre-qualification services as widely as possible across the market

19.46 [X]. This approach has remained the same as when Experian had a paid-for credit checking service only, and following Experian's introduction of a free credit checking service. It will not change when Experian has a larger free credit checking service, following its acquisition of ClearScore.

There is no change in the concentration of the pre-qualification services market brought about by the Transaction

19.47 Owing to the reasons listed above, Experian does not currently have the ability to foreclose downstream customers in this market. Moreover, the Transaction does not result in any change in Experian's ability in principle to use its pre-qualification services to foreclose rivals. As a result, there is no reason to believe that Experian would be able to foreclose rivals through withdrawing access to its pre-qualification services.

No commercial incentive to risk margin for pre-qualification services

19.48 [X].

Conglomerate effects

- 20** If the merger parties are active in “related” markets (eg products that are complementary or that belong to a range of products generally purchased by the same set of customers) and their individual share in any such related Candidate Market exceeds 30%, describe the impact of the merger on the ability and incentive of the merged entity to foreclose rivals (including partial and/or full foreclosure) post-transaction, either by limiting the supply of inputs or access to customers.
- 20.1 Neither of the Parties supply products that are complementary (in the sense that they belong to a range of products that are typically purchased by the same set of customers) to those supplied in any of the Candidate Markets. Therefore, this question is not applicable to the Transaction.

Entry or expansion

21 Where notifying parties would like the CMA to consider whether or not the merged entity will be subject to constraints from potential entry or expansion, provide a description of the barriers to entry and expansion with respect to the Candidate Market(s).

21.1 Please see the response to Question 22 below.

22 If the notifying parties wish the CMA to consider potential entry or expansion in its competitive assessment, notifying parties should provide:

(a) details of any expansion, entry or exit in any of the Candidate Markets over the past five years, and

(b) details of any companies that the notifying parties believe are likely, post-merger, to enter or expand into any of the Candidate Markets in a sufficiently timely manner so as to adequately constrain the merged entity, including, in either case, any available evidence for that submission and contact details for any companies named.

Ease of entry and expansion in relation to the Candidate Market(s)

22.1 For the reasons set out above, the merged entity will continue to face significant competition across all the relevant Candidate Markets identified in Section 13, therefore the Transaction will not result in an SLC on the basis of the markets as they exist today.

22.2 In addition, there are low barriers to entry and expansion in the provision of lead generation for financial products, which is the only market in which the Parties overlap.

22.3 This is most clearly demonstrated by the rapid increase in the number of providers of financial product lead generation over the past five years, many of which have expanded extremely rapidly. As of January 2018, there are more than a dozen websites offering financial product lead generation by matching financial products with consumers in the UK, in addition to the Parties' own websites. In the past three years alone, both of the Parties have launched their own free consumer-facing services and there have also been multiple other entries.

22.4 Future entry will be facilitated by the same supply- and demand-side factors that have facilitated recent entry – namely, a fast-growing market with low barriers to entry, with encouraged by recent and ongoing technological and regulatory change.

22.5 Entry into lead generation is further facilitated by third-party providers providing “out-of-the-box” technology solutions. Moreover, commission is generally paid by credit providers to lead generation service providers on a per successful application basis. As such, there is little cost for financial product providers to cast a wide net in terms of where they advertise their products, and it is straightforward for providers of financial product lead generation to start monetising their traffic.

Entry into the supply of financial product lead generation

Overview

22.6 As noted in the response to Questions 13 and 14 above, providers of financial product lead generation compete in a wide market, which also includes:

(i) direct channels for credit providers (such as their own websites);

(ii) other online advertisement platforms which provide targeted adverts on third-party websites including Google AdSense, Amazon Associates and Media.Net; and

- (iii) offline “above-the-line” advertising, such as television, newspapers, billboards etc.
- 22.7 Given the diversity of the routes to market, there is clearly no competition issue arising in the lead generation market. However, for completeness we discuss below the ease of entry into this market.
- 22.8 In order to provide financial product lead generation services, a new entrant requires:
- (i) an (up-to-date) catalogue of third-party financial products;
 - (ii) contractual relationships with end financial product providers for receiving commissions – as noted in Section 13 above, financial product providers will generally pay a commission to financial product lead generation websites when a consumer ultimately purchases a product from a financial product provider; and
 - (iii) An attractive consumer-facing proposition.

An up-to-date catalogue of third-party financial products

- 22.9 New providers of financial product lead generation can use out-of-the-box third-party solutions for obtaining a product catalogue, such as Defaqto and TotallyMoney. [REDACTED] million [REDACTED].⁶⁹ While the contracting terms for such services are generally negotiated bilaterally, it is relatively common for commissions to be paid on a “per call” basis, therefore lowering the risk to a new entrant of paying a fixed fee which it is unable to recover (e.g. in the event that it fails to generate sufficient website traffic).
- 22.10 Increasingly, a new entrant can self-supply a catalogue of financial products by connecting to credit providers’ APIs. Through APIs, credit providers have taken control of maintaining and updating their list of products and provide developers with an easy means through which to access this data. Credit providers’ websites will generally contain a “documentation” section explaining to developers how to access the API and relevant code samples. For example, with less than 10 lines of computer code, the JavaScript code sample below will retrieve the full list of Barclaycard’s current accounts on the market.

Figure 28: Barclaycards’ JavaScript code sample for retrieving current account products⁷⁰

```
• Javascript

var settings = {
  "async": true,
  "crossDomain": true,
  "url": "https://atlas.api.barclays/open-banking/v2.1/personal-current-accounts",
  "method": "GET",
  "headers": {
    "cache-control": "no-cache",
  }
}
$.ajax(settings).done(function (response) {
  console.log(response);
});
```

⁶⁹ [REDACTED].

⁷⁰ <https://developer.barclays.com/catalogue/api>

22.11 The CMA published its final report from its market investigation into retail banking in August 2016. This set out a remedies package aimed at improving competition, including the Open Banking initiative. This requires the nine largest current account providers in the UK to make available to authorised third-parties access to standardised product and reference data. This information will be shared through the development and adoption of an open API standard.⁷¹ Therefore, the Open Banking initiative will make it even easier for lead generation websites to maintain an up-to-date credit product catalogue.

Contractual relationships with end financial providers covering the commission to be paid

22.12 There are two routes through which a new entrant could enter into a contractual relationship governing the commission to be paid-for generating financial product leads:

- (i) **Bilateral negotiation with financial providers.** For example, ClearScore concluded its first bilateral deal with [X] for credit cards and bilateral deals with [X] for loan products. It currently has bilateral contracts for commission-based lead generation services with [X] credit card providers⁷² and [X] loan providers.⁷³
- (ii) **Bilateral negotiation directly with third-party aggregators.** For example, ClearScore has concluded lead generation commission-based deals with aggregators such as [X]. This offers an even easier “out-of-the-box” solution for increasing the coverage (and, in turn, the possible commission revenues) of an entrant’s website.

22.13 [X]. As such, from a financial product provider’s viewpoint, there is little risk/cost from advertising widely through providers of financial product lead generation, including new entrants.

An attractive consumer-facing proposition

22.14 As explained above, providers of financial product lead generation need to attract end-consumers by offering an appealing consumer-facing proposition. Many lead generation providers do this through the provision of a financial product matching service. The establishment of such a service entails minimal (and generally variable) infrastructure and marketing costs and operators are able to enter within a short time scale.

Key infrastructure required to establish a financial product matching service

22.15 A would-be entrant would require:

- (i) A back-end database to store customers’ account details and search histories. This could be outsourced to specialist database firms.
- (ii) A front end consumer-facing website. Most providers of financial product lead generation have also rolled out apps on both the Apple and Android platforms to complement their main website. These functions could be outsourced to a specialist web development agency, where there is a thriving market in web and app developers.
- (iii) A marketing team capable of handling both the initial customer sign-up phase (e.g. through broadcast, digital and CRM strategies) and of co-ordinating customer communications platforms (e.g. sending servicing and marketing messages to existing

⁷¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544960/banking-remedy-map.pdf

⁷² [X].

⁷³ [X].

customers). This could be carried out in-house (where there is an ample supply of marketing professionals) or outsourced to a specialist marketing agency.

- (iv) A customer service department to deal with customer enquires via email or phone.
- (v) A means of monetising the website (lead generation), including the necessary payment and finance infrastructures to handle payments to the website.
- (vi) Access to a third-party pre-qualification service, or the capability to interact with credit providers' APIs.

22.16 A large proportion of these can be outsourced to third-parties (allowing entrants to operate a "kit-box" entry method), and none presents a major barrier to entry.

Timescale for entry

22.17 Based on the Parties' own experience, they estimate that it would take approximately 9 months for a new entrant to enter this market space. For example, ClearScore was legally incorporated on 14 September 2014⁷⁴ and launched its website to the public in July 2015.

Low cost of entry

22.18 There are low fixed costs and start-up capital requirements to enter the financial product lead generation market. This means that new entry is straightforward whether by independent start-ups (such as ClearScore) or established companies in related markets.

22.19 A good example of the low cost of entry is ClearScore itself, which launched to the public on the 15 July 2015. During ClearScore's first year of operation⁷⁵ ClearScore acquired equity financing equivalent to £[REDACTED] million.⁷⁶ Between January 2015 and June 2016 (a period covering the first year after ClearScore's live launch and 6 months for product testing), ClearScore spent £[REDACTED] million on launch and operating costs. As can be seen in the figure below, [REDACTED]

Figure 29: [REDACTED]

[REDACTED].

22.20 This level of cost, plus an attractive consumer model, has been sufficient to provide ClearScore with a significant position in terms of consumer numbers in less than two years from a standing start with no presence in any related market. This by itself demonstrates that there are minimal barriers to entry in this market.

Entry into free credit checking segment of financial product lead generation

22.21 One possible method by which providers of financial product lead generation can attract consumers to use their lead generation services is by offering free credit checking services, as demonstrated by both Parties. There are minimal barriers for providers of financial product lead generation to provide these additional services on their website. In particular, in addition to the general requirements of entry presented above, in order to provide credit services, a provider of financial product lead generation would require:

- (i) Credit file data from one or more CRBs. There are three main providers in the UK (Experian, Equifax and Callcredit) as well as re-sellers such as GB Group (which itself

⁷⁴ Companies House.

⁷⁵ Position as of 30 June 2016.

⁷⁶ Net asset position as at 30 June 2017 [REDACTED].

procures data from Equifax). Commission can be paid to CRBs on a per-call basis, ensuring start-up costs are low.

- (ii) Back-end database capability to store customers' records, scores, reports etc. This could be outsourced to specialist database firms.
- (iii) Customer service capability to pass any specific queries to the relevant CRB.
- (iv) Additional regulatory clearance including completing the associated risk and control frameworks in order to comply with the Credit Information Supplier and/or Credit Broking regulations. Compliance with the relevant regulations is relatively straightforward and not inhibitive in terms of cost. In 2015, ClearScore spent c. [X] on its FCA licence application.

Ease of expansion

22.22 Once a firm has entered the market for financial product lead generation, the barriers to expansion are also low. In the two and a half years since its launch in July 2015, ClearScore has grown to a scale of over [X] million UK customers by the end of October 2017. It has achieved this growth with an attractive consumer-facing proposition and low overall costs. In the year ending December 2017, ClearScore incurred costs of sales of £[X] million and operating costs of £[X] million.

Past and future expansion, entry or exit

There has been a large increase in the number of financial product lead generators in the past three years

- 22.23 Entry into this market has been buoyant in the past few years, including the entry of both of the Parties' own websites.
- 22.24 Recent entrants have entered this segment through a variety of channels including:
- (i) **Entry of PCWs:** PCWs have expanded into credit and loan products. For example, uSwitch began predominately as an energy PCW before launching credit, loan and insurance product comparisons.
 - (ii) **Entry of CRBs:** both Experian and Callcredit (through Noddle) have entered the downstream financial services lead generation market.
 - (iii) **Entry of independent third-parties and Fintech companies:** independent third-party start-ups such as ClearScore, and Fintech groups such as TotallyMoney have entered.
 - (iv) **Entry of other financial advice websites:** MoneySavingExpert has launched Credit Club using data leased from Experian, having already offered lead generation services similar to those offered by the Parties.

There are a large number of potential suppliers that could enter the market for financial product lead generation

- 22.25 There are a large number of potential further suppliers that could enter the market for the provision of financial product lead generation.
- 22.26 Based on the past history of entry into the UK market, the Parties consider that there are other related markets from which potential entrants are likely to emerge. These include:

- (i) **Entry from related product markets.** For example Equifax does not directly provide financial product lead generation but would be well placed to do so following the example of Experian and Callcredit (via Noddle). Similarly, physical product comparison sites such as Google Shopping could enter into this market.
- (ii) **Entry from related geographic markets.** For example there are a number of US (and other) providers of financial product lead generation which have not entered into the UK market, for example Credit Karma and NerdWallet. The Parties understand that Credit Karma has previously held exploratory meetings on entering the UK market.
- (iii) **Sponsored entry of third-party websites.** As noted in Section 19 above, CRBs are increasingly seeking to find routes by which to sell their CRB data. As such, they have a strong incentive to promote third-party entry into market for financial product lead generation in order to further monetise this data. Moreover, to the extent that new websites could target niche audiences which are not as well covered by existing competitors, credit providers also have a strong incentive to promote entry in order to increase their routes to market.
- (iv) **Entry of Fintech providers.** New technologies such as APIs and favourable regulatory changes such as Open Banking, GDPR and PSD2 are increasing the accessibility of Fintech companies to both consumer and credit provider data. This is leading to new possible entry into the provision of financial product lead generation potentially through the launch of marketplace such as Starling Bank.
- (v) **Entry from credit providers:** the Parties expect more credit providers to conclude deals with CRBs to offer credit reports through co-branded websites and apps, following the example of Lloyds and Barclaycard. [REDACTED].

Conclusion – barriers to entry

22.27 Overall, therefore, barriers to entry into the provision of financial product lead generation are extremely low, as demonstrated by the large number of recent successful new entrants. There is no prospect of any SLC, as even if the level of competition within the market was insufficient, this would attract further entry from one or more of a range of well-placed rivals.

Countervailing buyer power

23 Where notifying parties would like the CMA to consider whether or not the merged entity will be subject to countervailing buyer power, explain, with evidence where available, how the merged entity will be subject to this constraint.

23.1 As explained above, Experian maintains commercial relationships with credit providers in a wide range of different markets. [§]. Therefore, any actions taken by Experian in the relevant Candidate Markets are likely to have wider commercial implications, which provide credit providers with a high degree of countervailing buyer power.

23.2 Credit providers can exercise this buyer power through the following channels.

Credit providers have a wide variety of channels through which to attract consumers.

23.3 Credit providers already attract customers through a variety of different routes to market, which will all remain viable post-Transaction.

23.4 As noted in Section 12 above, credit checking websites and PCWs account for [§]. This confers a large degree of countervailing buyer power during bilateral negotiations governing the commission charged for lead generation services.

23.5 As noted in section 15, in its DCT study, the CMA found that (in the credit cards segment) over 75% of leads came from direct or other channels, as shown in Figure 13 below.⁷⁷ The CMA concluded that *“In our focus sectors where DCTs are less developed (broadband, energy and credit cards), we have fewer concerns about competition between DCTs at this stage, as suppliers are in a stronger position to put pressure on DCTs’ commissions”*.⁷⁸ The entry of additional routes to market for credit providers outside of the CMA’s data in the DCT Study further enhances this conclusion.

Experian needs to maintain good commercial relationships with credit providers in other markets

23.6 It would not make commercial sense for Experian to jeopardise its key credit provider relationships which are of critical value [§]. Given this, it would make little commercial sense for Experian to pursue a strategy which would potentially damage Experian’s relationship with credit providers, i.e. by restricting routes to market for them, who as retaliation could easily switch to an alternative CRB (see section 19.43 and 19.44).

Efficiencies and customer benefits

24 Where notifying parties would like the CMA specifically to consider at phase 1 any efficiencies or relevant customer benefits that the notifying parties believe will arise from the merger, describe such efficiencies and provide any documents prepared internally or by external consultants that discuss such expected efficiencies or relevant customer benefits.

24.1 As explained above, for providers of financial product lead generation, the economic incentive is to continuously improve the (free) consumer-facing proposition, in order to attract more consumers and thereby maximise revenues from lead generation. As a result, the key

⁷⁷ CMA, Digital Comparison Tools Study, Figure 3.2.

⁷⁸ CMA, Digital Comparison Tools Study, Final Report, paragraph 4.84.

commercial rationale of the Transaction is to improve the Parties' consumer-facing offering by providing more innovative, consumer-friendly offerings that will drive more consumer engagement which the merged entity will benefit from.

- 24.2 The Transaction will allow the Parties to combine their respective core competencies: Experian's extensive consumer and lender databases and data expertise [REDACTED] and ClearScore's consumer engagement expertise. Together the Parties will be able to develop innovative services which will drive consumer engagement and help consumers make more informed and better decisions. These consumer benefits would not be feasible absent the Transaction.
- 24.3 From Experian's perspective, the Transaction will lead to several benefits for itself and consumers:
- [REDACTED].⁷⁹ [REDACTED].
 - [REDACTED].
 - Experian also wishes to benefit from [REDACTED]
 - [REDACTED].
- 24.4 From ClearScore's perspective, the Transaction will also lead to several benefits for itself and consumers.
- As an integrated business, [REDACTED].
 - The Transaction will reduce these difficulties and costs. [REDACTED].
 - As a result, consumers will directly benefit through an enhanced ability to understand their finances and switch financial products. [REDACTED]s.
 - Experian also has other capabilities that will [REDACTED].
 - ClearScore will also be able to benefit from [REDACTED].
- 24.5 Absent the Transaction, it would not be possible to innovate as rapidly and effectively to the benefit of consumers. The length of the development cycle for a successful algorithm is highly dependent on gaining access to a large pool of data. Access to this data speeds up the modelling and testing process and enables new products and services to be launched more quickly. [REDACTED], which will enable the merged entity to develop new products and services to the ultimate benefit of consumers and the financial product providers who wish to attract them.
- 24.6 There will also be further benefits for both companies arising from the Transaction.
- The Parties will be able [REDACTED]. For example, [REDACTED]. It is anticipated that the Parties will be able to [REDACTED].
 - The move to Open Banking will also provide opportunities for [REDACTED]. This could include, for example, [REDACTED].
- 24.7 A specific example of a potential efficiency is the [REDACTED].
- 24.8 For example, [REDACTED]. Following this, the [REDACTED].

⁷⁹ Frontier analysis of the Parties' ARPU data from May 2017.

24.9 This development would likely not be possible absent the Transaction given the likely [REDACTED]. It will also be much easier to [REDACTED].

Other information

25 Provide any other information that the notifying parties consider may be relevant to the CMA's Phase 1 investigation.

25.1 During the course of pre-notification discussions, the Parties have responded to three CMA RFIs. Please refer to:

- the Response to RFI 1 (including all annexes to RFI 1) dated 16 April 2018, provided in Annex 18 to the Merger Notice;
- the Response to RFI 2 (including all annexes to RFI 2) dated 2 May 2018, provided in Annex 19 to the Merger Notice; and
- the Response to RFI 3 (including all annexes to RFI 3) dated 18 May 2018, provided in Annex 20 to the Merger Notice.

25.2 During the course of pre-notification discussions, the Parties also made an additional written submission dated 18 May 2018, provided in Annex 21 to the Merger Notice.

PART V – THIRD-PARTY CONTACT DETAILS

26 Provide contact details for the relevant competitors and customers of the merger parties for (where applicable):

- (a) **each of the Candidate Markets in which they overlap;**
- (b) **each of the Candidate Markets in which the merger parties have a vertical relationship (providing contact details for the relevant competitors and customers of the merger parties on the upstream and downstream markets on which each merger party is active); and**
- (c) **each of the Candidate Markets in which each of the merger parties provides related products/services.**

Contact details for the Parties' competitors were provided in Annex RFI 34 of the Response to RFI 2 dated 2 May 2018 and Annex RFI 39 of the Response to RFI 3 dated 18 May 2018.

Contact details for Experian's customers were provided in Annex RFI 34 of the Response to RFI 2 dated 2 May 2018 and Annex RFI 40 and RFI 43 of the Response to RFI 3 dated 18 May 2018.

Contact details for ClearScore's customers were provided in Annex RFI 41 of the Response to RFI 3 dated 18 May 2018.

27 To the extent applicable, provide contact details for relevant suppliers providing an estimate of the annual value and/or volume of purchases.

See above. The Parties would be willing to provide contact details for any further suppliers that the CMA may consider relevant.

28 To the extent applicable, provide contact details for each of the companies that the notifying parties consider are likely to enter and expand into any of the Candidates Markets.

Contact details are provided in Annex RFI 42 of the Response to RFI 3 dated 18 May 2018.

29 Provide the name and contact details, including address, and email address and telephone number, of:

- (a) **any relevant regulatory authorities covering the industry in which the merger parties overlap, have a vertical relationship, or supply related product(s)/service(s).**

The case officer for the FCA change of control approval of the Transaction is Saima Siddiq, email: Saima.Siddiq@fca.org.uk.

- (b) **any trade associations which cover the industry in which the merger parties overlap, have a vertical relationship, or supply related product(s)/service(s).**

None.