

# Anticipated acquisition by Aviva plc of Direct Line Insurance Group plc

## Decision on relevant merger situation and substantial lessening of competition

**ME/2239/25**

The Competition and Markets Authority's decision on relevant merger situation and substantial lessening of competition under section 33(1) of the Enterprise Act 2002 given on 1 July 2025. Full text of the decision published on 7 August 2025.

The Competition and Markets Authority (**CMA**) has excluded from this published version of the decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [§]. Some numbers have been replaced by a range, which are shown in square brackets.

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# SUMMARY

## 1. OVERVIEW OF THE CMA'S DECISION

1. The Competition and Markets Authority (**CMA**) has found that the acquisition by Aviva plc (**Aviva**) of Direct Line Insurance Group plc (**DLG**) is a relevant merger situation that does not give rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of horizontal unilateral effects. The CMA refers to this acquisition as the **Merger**. Aviva and DLG are together referred to as the **Parties** or, individually, the **Party**, and, for statements relating to the future, the **Merged Entity**.

### Who are the businesses and what products/services do they provide?

2. Aviva is a UK-listed multinational insurance company that supplies insurance, savings, investment products and services. In the UK, Aviva is both an underwriter and a distributor of non-life insurance products.
3. DLG is a UK-listed underwriter and distributor of non-life insurance products, which supplies general insurance products in the UK.

### What did the evidence the CMA looked at tell the CMA about the effects on competition of the Merger?

4. The CMA's investigation focused on whether the Merger would give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the underwriting of personal (i) car or (ii) home insurance.
5. The CMA received submissions and responses to requests for information, and internal documents from the Parties. The CMA also gathered evidence from various third parties and financial regulators.
6. The CMA found that, whilst the Parties compete closely with each other in the supply of personal (i) car and (ii) home insurance in the UK, they also compete closely with a number of other competitors. Price competition and switching in these markets is facilitated by price comparison websites (**PCWs**). Although the Merged Entity will be one of the largest suppliers of these services in the UK, the CMA believes that it will continue to face sufficient competitive constraint from other sizeable and smaller competitors.
7. As a result, the CMA believes that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in relation to the underwriting of either personal (i) car or (ii) home insurance in the UK.

## What happens next?

8. The Merger will therefore **not be referred** under section 33(1) of the Enterprise Act 2002 (the **Act**).

# ASSESSMENT

## 2. PARTIES, MERGER AND MERGER RATIONALE

1. Aviva is a UK-listed insurance company that supplies insurance, savings, and investment products and services in the UK and other countries. In the UK, Aviva is both an underwriter and a distributor of non-life insurance products. Aviva's main brands include Aviva, Aviva Online, Aviva Zero, General Accident and Quotemehappy.com. Aviva's turnover in the 2024 financial year was £20.7 billion, of which £13.6 billion was in the UK.<sup>1</sup>
2. DLG is a UK-listed insurance company. DLG provides general insurance products through brands, such as Direct Line, Churchill, Darwin, Privilege and Green Flag. DLG's UK turnover in the 2024 financial year was £4.6 billion.<sup>2</sup>
3. On 23 December 2024, the Parties announced that Aviva would acquire the entire issued and to be issued share capital of DLG for approximately £3.7 billion.
4. The Parties submitted that the main strategic rationale for the Merger is:<sup>3</sup>
  - (a) Combining two complementary UK-based insurance businesses with the capacity to drive innovation for the benefit of the UK economy;
  - (b) Accelerating Aviva's transition towards a capital-light business and significantly improving its financial security;
  - (c) Delivering better customer outcomes through greater investment in technology that increased scale and redeployment of capital would allow; and
  - (d) Providing DLG with the investment necessary to implement its ongoing turnaround strategy and enabling it to benefit from Aviva's investment in digital capabilities, underwriting and claims handling infrastructure.
5. The CMA considers that Aviva's internal documents support this rationale. In particular, internal documents show that Aviva considers the Merger as an opportunity to accelerate growth<sup>4</sup> and that the Merger is aligned with Aviva's

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<sup>1</sup> Final Merger Notice submitted to the CMA on 12 May 2025 (**FMN**), Table 1.

<sup>2</sup> FMN, Table 1.

<sup>3</sup> FMN, paragraphs 1.7–1.12.

<sup>4</sup> Aviva Internal Document, Annex 75 to the FMN, [REDACTED], 22 November 2024, slide 32; and Aviva Internal Document, Annex 121 to the FMN, [REDACTED], 31 January 2023, slide 15.

intentions to re-balance its books towards [X] business,<sup>5</sup> and move towards a majority capital-light business model.<sup>6</sup>

### 3. PROCEDURE

6. The CMA commenced its phase 1 investigation on 15 May 2025, and the statutory 40 working day deadline for a decision is therefore 10 July 2025.<sup>7</sup> As part of its phase 1 investigation, the CMA received and reviewed the Parties' submissions and internal documents. The CMA gathered evidence from other market participants, including competitors, brokers, and PCWs. Where necessary, this evidence is referred to within this Decision.

### 4. JURISDICTION

7. The CMA believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation because:
- (a) Each of Aviva and DLG is an enterprise. As a result of the Merger, these enterprises will cease to be distinct.
  - (b) DLG's UK turnover exceeds £100 million, so the turnover test is satisfied.<sup>8</sup>

### 5. COUNTERFACTUAL

8. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).<sup>9</sup> In determining the appropriate counterfactual, the CMA will generally focus on potential changes to the prevailing conditions of competition only where there are reasons to believe that those changes would make a material difference to its competitive assessment.<sup>10</sup>
9. The Parties submitted that the Merger should be assessed against the current competitive situation, taking into account DLG's announced exits from its non-core personal insurance businesses in July 2024.<sup>11</sup> The CMA does not consider that such developments would make a material difference to its competitive assessment. The CMA has not received any other evidence that the Merger should be assessed against an alternative counterfactual. Accordingly, the CMA

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<sup>5</sup> Aviva Internal Document, Annex 113 to the FMN, [X], 17 June 2024, slides 82 and 87.

<sup>6</sup> Aviva Internal Document, Annex 4 to the FMN, 'Annual Report 2023', pages 1.12, 1.15 and 1.24; Aviva Internal Document, Annex 136 to the FMN, [X], pages 227–229; and Aviva Internal Document, Annex 119 to the FMN, [X], pages 188 and 210.

<sup>7</sup> Section 34ZA(3) of the Act.

<sup>8</sup> Section 23(1)(b) of the Act.

<sup>9</sup> [Merger Assessment Guidelines \(CMA129\)](#), March 2021, paragraph 3.1.

<sup>10</sup> [CMA129](#), paragraph 3.9.

<sup>11</sup> FMN, paragraph 10.1.

considers the prevailing conditions of competition to be the appropriate counterfactual.

## 6. COMPETITIVE ASSESSMENT

### 6.1 Background and nature of competition

10. The Parties overlap, among other activities, in the underwriting and distribution of personal (i) car and (ii) home insurance.<sup>12</sup>
11. Car insurance protects individuals from the financial consequences of accidents and incidents involving their vehicles.<sup>13</sup> In the UK, the minimum legal requirement for car insurance is third-party only cover, which covers the policyholder's liability for any damage or injury they cause to third parties.<sup>14</sup>
12. Home insurance includes (i) buildings insurance, which covers the cost of repairing structural damage or rebuilding the main structure of the insured property after events like fire or flooding; and/or (ii) contents insurance, which covers the value of possessions, including furniture, electronics, clothes, and other personal items, up to an agreed limit. Home insurance is not a legal requirement in the UK, but most mortgage providers will require the mortgaged property to have buildings insurance.<sup>15</sup>

#### 6.1.1 Supply chain: distribution of personal (i) car and (ii) home insurance in the UK

13. Personal (i) car and (ii) home insurance policies are sold through different distribution channels. Consumers can purchase a policy directly from an underwriter or from intermediaries and partners, such as brokers or managing general agents, which distribute policies.<sup>16</sup> In this Decision, underwriters and distributors are together referred to as **Insurance Suppliers**.
14. Intermediaries may switch between underwriters or move from a panel solution to a single insurer (solus) solution, and vice versa. Within a panel arrangement, underwriters compete for policyholders by being required to quote prices net of

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<sup>12</sup> The Parties also overlap in the supply of underwriting and distribution of personal travel insurance, segments of motor insurance outside car (eg motorcycle and motorhome – both segments where DLG has only a minimal amount of sales – and van), breakdown cover (distribution), life insurance (distribution), as well as commercial lines insurance products (ie motor, commercial property, commercial liability and other commercial insurance). Based on the evidence gathered by the CMA, the CMA considered at an early stage in its investigation that there are no plausible competition concerns in respect of the supply of these products as a result of the Merger and therefore they are not discussed further in this Decision. Below, in the discussion of the product market, the CMA explains how it considered the distribution of insurance within its competitive assessment (paragraphs 24–26).

<sup>13</sup> FMN, paragraph 11.10.

<sup>14</sup> FMN, paragraph 11.9.

<sup>15</sup> FMN, paragraph 11.16.

<sup>16</sup> FMN, paragraphs 14.3.1–14.3.5.

commission to the intermediary for each consumer where the insurer with the most competitive price wins the business.<sup>17</sup> Banks enter ‘bancassurance’ agreements with underwriters allowing underwriters to offer insurance in the banks’ names.<sup>18</sup>

### 6.1.2 PCWs and competitive dynamics

15. The Parties submitted that PCWs aggregate quotes from a range of underwriters and intermediaries, which can help consumers find policies that meet their criteria.<sup>19</sup> This facilitates price transparency and competition by allowing customers to compare and purchase policies and reduce their research time.<sup>20</sup> Approximately [90-100]% of all motor insurance policies,<sup>21</sup> and over [70-80]% of all home insurance policies<sup>22</sup> are purchased through PCWs. Previous reports issued by the CMA indicate that PCWs can increase competition by making prices more transparent, and that such benefits have been observed in relation to car and home insurance.<sup>23</sup>

### 6.1.3 Parameters of competition

16. The Parties submitted that price is the key driver of customers’ purchasing decisions in car and home insurance, and PCWs aggregate quotes from a range of underwriters and intermediaries, which can help consumers find policies available to them.<sup>24</sup> Insurance Suppliers, including the Parties, offer a range of products catering for different cover and service at different prices, under different brands, to appeal to consumers across the market.<sup>25</sup> Price transparency and competition fuelled by PCWs gives all brands an equal footing to increase their consumer reach as long as they remain competitive in terms of price, cover, and level of service.<sup>26</sup>

## 6.2 Market definition

17. Where the CMA makes an SLC finding, this must be ‘within any market or markets in the United Kingdom for goods or services’. An SLC can affect the whole or part of a market or markets. Within that context, the assessment of the relevant

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<sup>17</sup> FMN, paragraphs 14.3.11–14.3.12.

<sup>18</sup> Note of a call with a third party, April 2025, paragraph 24.

<sup>19</sup> FMN, paragraph 14.3.4.

<sup>20</sup> FMN, paragraph 14.88.

<sup>21</sup> DLG Internal Document, Annex 177 to the FMN, [REDACTED], December 2024, [REDACTED].

<sup>22</sup> DLG Internal Document, Annex 177 to the FMN, [REDACTED], December 2024, [REDACTED].

<sup>23</sup> See the CMA’s [final report of 24 September 2014 in Private Motor Insurance market investigation](#), paragraph 8.6; and [CMA’s final report of 26 September 2017 in Digital comparison tools market study](#), paragraphs 1.2–1.7.

<sup>24</sup> FMN, paragraph 14.3.4.

<sup>25</sup> FMN, paragraph 14.56.

<sup>26</sup> FMN, paragraph 14.51.

market(s) is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.<sup>27</sup>

18. Market definition involves identifying the most significant competitive alternatives available to the merger parties' customers and includes the sources of competition that are the immediate determinants of the merger's effects.<sup>28</sup>

## **6.2.1 Product market**

### *6.2.1.1 Parties' submissions*

19. The Parties submitted that the narrowest plausible markets are the underwriting of personal (i) motor (including car) insurance and (ii) home insurance.<sup>29</sup> They submitted that the competitive dynamics, participants, pricing methodologies, regulatory requirements and distribution models across the general insurance products are broadly similar and do not warrant segmentation by product.<sup>30</sup>

### *6.2.1.2 CMA's assessment*

20. The CMA's starting point were the areas of overlap between the Parties on which the CMA focused its investigation, ie the underwriting and distribution of personal (i) car and (ii) home insurance (see paragraph 10 and footnote 12).
21. The CMA started by considering whether underwriting and distribution are two separate markets.
22. In relation to personal car insurance, the CMA then considered:
- (a) Whether the market should be widened to include other motor vehicles, ie motorcycles, motorhomes and/or vans;
  - (b) Whether the market should be further segmented by age group; and
  - (c) Whether the market should include motor insurance sold through the charitable scheme run by Motability.
23. In relation to personal home insurance, the CMA considered whether the market should be further segmented by insurance type, namely (i) buildings insurance only, for repairing structural damage to the main structure; (ii) contents insurance only, for insuring possessions, such as furniture or electronics; and (iii) combined buildings and contents insurance.

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<sup>27</sup> [CMA129](#), paragraph 9.1.

<sup>28</sup> [CMA129](#), paragraph 9.1.

<sup>29</sup> FMN, paragraphs 12.1.1 and 12.19.

<sup>30</sup> FMN, paragraph 12.18.



### 6.2.1.3 *CMA's approach to the distribution*

24. The CMA considered whether it is appropriate to separately assess underwriting and distribution services as different levels in the supply of insurance.
25. The CMA did not deem it necessary to conclude whether underwriting and distribution are two separate markets, as it found no plausible competition concerns on either basis. The CMA focused its assessment on the supply of underwriting given that underwriters are generally also active in the distribution of personal insurance, with evidence indicating that distribution is even more fragmented than underwriting, with a greater number of competitors.<sup>31</sup>
26. The CMA therefore considers that its competitive assessment in relation to underwriting would have revealed any issues in distribution. Nevertheless, where appropriate, the CMA has considered evidence relating to distribution in the competitive assessment. Unless otherwise specified, hereafter, the CMA uses the supply of insurance to refer to the supply of underwriting services.

### 6.2.1.4 *Personal car insurance*

#### 6.2.1.4.1 *Whether the market should be widened to include insurance for other personal motor vehicles*

27. The evidence received by the CMA indicates that there is no demand-side substitution between personal car insurance and insurance of other types of personal motor vehicles, eg motorcycles, vans or motorhomes. In the UK, it is a legal requirement to purchase car insurance, and insurance for other types of motor vehicles would not meet this requirement.
28. The CMA considered supply-side factors, including whether underwriters tend to provide insurance for cars and other types of motor vehicles.<sup>32</sup> The CMA, however, did not deem it necessary to conclude whether the market should be widened to include insurance of other personal motor vehicles. This is because the CMA found no plausible competition concerns in relation to the underwriting of personal car insurance (see competition assessment below) and evidence, such as shares of supply, shows the Parties have a weaker presence in the other segments of motor vehicles ie motorcycle, motorhome and van<sup>33</sup> with limited or no increment in those segments.

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<sup>31</sup> In addition to underwriters, intermediaries (such as brokers) are active at the distribution level.

<sup>32</sup> [CMA129](#), paragraph 9.6.

<sup>33</sup> The Parties submitted that they register van insurance sales differently, with Aviva registering all van insurance sold for personal and commercial use under its personal insurance sales and DLG registering these under its commercial insurance sales (Annex 400 to the FMN, 'Updated Shares of Supply Methodology Note', April 2025). When considering van insurance as a separate segment the CMA found the Parties' presence was limited and did not consider this overlap further.

#### 6.2.1.4.2 *Segmentation by age group in car insurance*

29. The CMA considered whether it was appropriate to assess the Merger's impact on the supply of car insurance by age group (eg younger drivers aged 25 or under; older drivers aged 55+, etc). The CMA received submissions from a few third parties stating that some underwriters focus on selling insurance to specific age groups of customers, which may limit their ability to compete against the Merged Entity for certain customers (eg older drivers).<sup>34</sup> For example, some underwriters indicated that an underwriter with a large presence in supplying an age segment has an advantage over other competitors because that underwriter will have more data available to price effectively.<sup>35</sup>
30. However, the CMA considers that, overall, evidence shows strong supply-side substitution, with competitors submitting that they can effectively supply customers across all age groups. In addition, while some competitors may focus on specific customer groups, most are considered 'mass market' and already quote and supply to a range of customers.<sup>36</sup> Indeed, evidence shows that the Parties' largest competitors supply to all age ranges.<sup>37</sup> Multiple underwriters indicated that they can expand the number of policies they underwrite (including underwriting insurance for different age groups).<sup>38</sup>

#### 6.2.1.4.3 *Motability*

31. DLG provides insurance for the Motability scheme.<sup>39</sup> The Parties submitted that Motability should be excluded from the rest of the motor insurance market.<sup>40</sup>
32. The CMA considered whether motor insurance sold through Motability is a separate market in and of itself. Evidence shows that it is a separate market to other types of motor insurance.
33. First, the nature of competition differs between Motability and other types of motor insurance. This is because the Motability scheme is awarded to one underwriter via a tender process. The CMA understands that once a single underwriter has been selected as the provider for Motability, the policies that the provider sells under the Motability scheme are not open to competition from other underwriters.<sup>41</sup>

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<sup>34</sup> Note of a call with a third party, May 2025, paragraph 24; and note of call with third party, May 2025, paragraphs 12–16.

<sup>35</sup> Response to the CMA underwriter questionnaire from a number of third parties, question 10.

<sup>36</sup> Note of a call with a third party, May 2025, paragraphs 18 and 28; note of a call with a third party, April 2025, paragraph 19; and note of a call with a third party, April 2025, paragraph 7.

<sup>37</sup> Response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 4a.

<sup>38</sup> For example, some underwriters already have a business model or capital position that does not restrict expansion and, while other underwriters consider there are restrictions to expansion, some underwriters still consider they can readily obtain data to facilitate pricing (eg information that customers provide when using PCWs) or any required financing. Response to the CMA underwriter questionnaire from a number of third parties, May 2025, questions 9 and 10.

<sup>39</sup> A charitable organisation that works in partnership with the UK Government to help people with long-term health conditions and certain disabilities who receive certain disability benefits to lease a new car. See, [Motability Scheme](#).

<sup>40</sup> FMN, paragraph 14.99.

<sup>41</sup> FMN, paragraph 14.99.

Second, the Motability scheme is only available to individuals who receive certain disability benefits – this means customers cannot switch between a general motor insurance policy and a Motability policy.<sup>42</sup> Therefore, in line with the Parties’ submission, the CMA has considered the supply of insurance for the Motability scheme as a separate market to the supply of other types of motor insurance.

34. The CMA found that there are no plausible competition concerns regarding the supply of insurance for the Motability scheme, as Aviva [X], and in the last Motability tender DLG faced competition from other suppliers.<sup>43</sup> Therefore, the Motability scheme is not considered further in this Decision.

#### 6.2.1.5 *Personal home insurance*

35. Third-party evidence indicates that most suppliers of home insurance provide buildings, contents, and combined covers.<sup>44</sup> The CMA considers that this indicates that conditions of competition are likely similar across the different types of cover and that it was not necessary to segment the supply of personal home insurance to assess the Merger. In this Decision, the CMA has assessed the supply of personal home insurance.

#### 6.2.1.6 *Conclusion*

36. The CMA assessed the effects of the Merger by reference to the supply of personal (i) car and (ii) home insurance. As the Merger does not raise competition concerns on any plausible basis, the CMA did not have to conclude on the precise relevant product market definition.

### 6.2.2 **Geographic market**

37. The CMA has previously concluded that the market for insurance, and any of its potential sub-segments, is national.<sup>45</sup> In this case, the Parties’ internal documents largely discuss their business plans and strategy with reference to the UK.<sup>46</sup> The UK has a specific regulatory regime for underwriters (such as the Parties), which are authorised by the Prudential Regulation Authority to provide insurance activities to UK customers.

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<sup>42</sup> Insurance cover sold through the Motability scheme is only available for cars leased under the Motability Scheme. FMN, paragraph 14.99. Response to the CMA questionnaire from a third party, May 2025, question 1.

<sup>43</sup> FMN, paragraph 14.100.

<sup>44</sup> Note of call with a third party, April 2025, paragraph 8.

<sup>45</sup> [Completed acquisition by QBE International Holdings \(UK\) plc of MBP Holdings Ltd](#), ME/1987/05 (**QBE International Holdings (UK) plc / MBP Holdings Ltd**), paragraph 16; [Completed acquisition by Ardonagh Group Limited of Bennetts Motorcycling Services Limited](#), ME/6882/20 (**Ardonagh Group / Bennetts Motorcycling Services**), paragraphs 113–118.

<sup>46</sup> See, for example, Aviva Internal Document, Annex 250 to the FMN, [X], October 2024.

38. The CMA has, therefore, assessed the impact of this Merger on the supply of personal (i) car and (ii) home insurance in the UK.

### **6.3 Theories of harm**

39. In this investigation, the CMA has focused its assessment on whether the Merger may result in an SLC as a result of horizontal unilateral effects in personal (i) car and (ii) home insurance in the UK.
40. Horizontal unilateral effects may arise when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged entity profitably to raise prices or to degrade quality on its own and without needing to coordinate with its rivals.<sup>47</sup> Horizontal unilateral effects are more likely when the parties to a merger are close competitors.<sup>48</sup>
41. In its assessment, the CMA has considered evidence from the Parties and from third-party competitors and customers. In particular, the CMA has assessed (i) the Parties' submissions; (ii) shares of supply; (iii) internal documents; and (iv) third-party evidence.

#### **6.3.1 Horizontal unilateral effects personal car insurance**

##### **6.3.1.1 Parties' submissions**

42. The Parties described the supply of motor insurance as fiercely competitive,<sup>49</sup> noting that their combined shares in the supply of personal car insurance are modest and not indicative of any market power.<sup>50</sup> The Parties stated that, in addition to major underwriters that supply motor insurance (such as Admiral, Allianz, Hastings, AXA and Ageas), there are over 20 other underwriters actively competing against the Parties.<sup>51</sup>
43. The Parties submitted that there are no categories in which their products have unique features, pricing or qualities that make them indispensable or give them material advantages. In addition, the Parties submitted that they do not compete with each other any more closely than they compete with other underwriters.<sup>52</sup>
44. The Parties submitted that PCWs and the wide range of distribution channels enhance competition by facilitating price transparency, customers' ability to

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<sup>47</sup> [CMA129](#), paragraph 4.1.

<sup>48</sup> [CMA129](#), paragraph 4.8.

<sup>49</sup> FMN, paragraphs 14.47–14.60.

<sup>50</sup> FMN, paragraph 14.96, Table 8 and Table 9.

<sup>51</sup> FMN, paragraphs 14.61–14.62.

<sup>52</sup> FMN, paragraph 14.127.

compare policies from many alternative providers and navigate offers, as well as underwriters' ability to expand their reach.<sup>53</sup>

45. The Parties submitted internal documents showing competition from numerous strong brands from other Insurance Suppliers, such as Hastings, esure, Admiral, AXA, RAC, in the motor segment.<sup>54</sup> The Parties noted that their internal documents indicate that they monitor and benchmark themselves against the top Insurance Suppliers with no specific emphasis on each other or another single rival.<sup>55</sup>
46. The Parties submitted switching analysis prepared after the Merger was in contemplation, using the data from the surveys which Aviva and DLG had previously sent to customers who had cancelled or exited their policy. This switching analysis shows that (i) renewing customers switched away from the Parties to a range of other suppliers, including lesser-known brands; and (ii) the vast majority of switching PCWs customers surveyed did not switch to the other Party.<sup>56</sup> Whilst the CMA placed limited weight on this switching analysis,<sup>57</sup> the CMA notes that it was broadly consistent with other evidence as it identified customers switching from the Parties to multiple different underwriters, with others identified as frequently or more frequently than the other Party.

#### 6.3.1.2 *Shares of supply*

47. Shares of supply can be useful evidence when assessing closeness of competition, particularly when there is persuasive evidence as to which potential substitutes should be included or excluded, or when the degree of differentiation between firms is more limited. In such circumstances, a firm with a higher share of supply is more likely to be a close competitor to its rivals.<sup>58</sup>
48. The Parties provided estimates of their shares of supply in the underwriting of personal car insurance.<sup>59</sup> The CMA relied on data from the Parties and competitors to estimate the Parties' and their competitors' share of the number of live policies and gross written premium (**GWP**) in the underwriting of personal car

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<sup>53</sup> FMN, paragraphs 14.88–14.95.

<sup>54</sup> FMN, paragraphs 14.131–14.134.

<sup>55</sup> FMN, paragraphs 14.129–14.130.

<sup>56</sup> FMN, paragraphs 14.136–14.143. On average between 2022 to 2024, of Aviva's PCWs motor insurance customers who switched away, [10-20]% switched to DLG; more customers switched to [X] ([10-20]%), [Y] ([10-20]%) and [Z] ([10-20]%). In addition, [10-20]% switched to [X], [5-10]% to [Y], [5-10]% to [Z], [5-10]% to [X] and [5-10]% to [Y]. On average between 2022 to 2024, of DLG's motor insurance customers who switched away, [10-20]% switched to Aviva; more customers switched to [X] ([20-30]%). In addition, [5-10]% switched to [X], [5-10]% to [Y], [5-10]% to [Z], [5-10]% to [X], and [5-10]% to [Y].

<sup>57</sup> This is because: (i) the response rate for DLG's survey was low; and (ii) evidence indicated Aviva's survey was not routinely considered in the ordinary course of business. Other evidence gathered by the CMA is stronger.

<sup>58</sup> [CMA129](#), paragraph 4.14.

<sup>59</sup> FMN, Table 9.

insurance in the UK.<sup>60</sup> The CMA understands that the number of live policies and GWP are industry standard metrics to measure volume and revenue, respectively, and has used them in its past cases.<sup>61</sup> The Parties use these metrics to monitor their own and their competitors' performance, and also report GWP to industry bodies, such as the Association of British Insurers.<sup>62</sup>

49. The CMA's share of supply estimates are presented in Table 1 below.

**Table 1: Shares of supply by volume and value. Underwriting of personal car insurance in the UK, number of live policies and GWP**

Underwriter	Number of live policies	2024 Share (%)	GWP
Aviva	[10-20]		[10-20]
DLG	[10-20]		[10-20]
<b>Parties combined</b>	<b>[20-30]</b>		<b>[20-30]</b>
Admiral	[10-20]		[20-30]
Hastings	[5-10]		[5-10]
Allianz	[5-10]		[5-10]
Ageas	[5-10]		[5-10]
Esure	[5-10]		[5-10]
Tesco	[0-5]		[0-5]
AXA	[0-5]		[0-5]
Others	[10-20]		[10-20]
<b>Total</b>	<b>100</b>		<b>100</b>

Source: CMA calculations using the Parties' and third-party data

50. Table 1 shows that:

- (a) The Merged Entity's combined share of supply would account for [20-30]% of the market by volume and by value with an increment of [10-20]%. This would make the Merged Entity the largest underwriter by volume and second largest underwriter by value.
- (b) The Merged Entity would face competition from Admiral, which is larger by value with a [20-30]% share but smaller by volume with a [10-20]% share.
- (c) The Merged Entity would also face competition from Hastings, Allianz, Ageas and esure who would each have a [5-10]% share by volume and value, and also competition from a long tail of other underwriters, such as Tesco and AXA, which would collectively account for [20-30]% of the personal car insurance market by volume and value.

51. The share of supply estimates show that, while the Merged Entity will be one of the two largest underwriters, the UK market for personal car insurance is

<sup>60</sup> The Parties estimated market size by GWP using the Association of British Insurers (ABI) motor in-outgo report. To estimate market size by number of live policies the Parties used the number of registered private use cars in the UK according to the Department for Transport vehicle licensing statistics data tables and rescaled this to account for uninsured vehicles. In calculating shares of supply the CMA has relied on the Parties market size estimates.

<sup>61</sup> Policy count and GWP have been considered in past motor insurance cases such as the CMA's [Private motor insurance market investigation](#), paragraphs 2.9 to 2.11.

<sup>62</sup> See DLG Internal Document, Annex 239 to the FMN, [3], page 3, November 2024 and Aviva Internal Document, Annex 106 to the FMN, [3], page 44, October 2024.

fragmented, and the Merged Entity would continue to face competitive constraint from several other competitors.

#### 6.3.1.3 *Internal documents*

52. DLG's internal documents are consistent with the CMA's share of supply estimates, supporting the view that the market for personal car insurance is fragmented, with the Parties, Admiral, Hastings and Allianz among the leading underwriters. One DLG document assessing the market landscape in motor<sup>63</sup> describes a 'highly competitive' market with multiple underwriters.<sup>64</sup> The document indicates that the top 10 competitors account for [80-90]% market share, with a long tail of smaller competitors, and [X] are identified as the top five underwriters.
53. Internal documents also show that the Parties monitor each other, but also a number of other underwriters. For example, a report prepared for DLG in June 2023, tracking [X] sales for car insurance, presents sales' data relating to over 20 Insurance Suppliers.<sup>65</sup> A DLG Board meeting document from March 2025 compares DLG's performance in motor against multiple underwriters, such as [X].<sup>66</sup> Similarly, Aviva's internal documents from March 2023 and October 2024 show Aviva monitoring the growth and profitability of multiple competitors in personal insurance, including car insurance, such as [X].<sup>67</sup>
54. Internal documents confirm the view that PCWs are an important distribution channel within which the Parties face competition from multiple underwriters. A DLG document indicates that PCWs are an important channel for the supply of motor insurance, including car, and account for around [90-100]% of sales.<sup>68</sup> Further, multiple documents provided by the Parties tracking their performance on PCWs show that in motor insurance, the Parties face competition from multiple brands of various underwriters. For example, Pearson Ham reports from January 2024 and December 2024 show that Aviva appeared in the top 6 of PCWs searches alongside brands of underwriters such as [X].<sup>69</sup> Similarly for DLG, Pearson Ham reports from April 2024 and December 2024 show DLG appearing in the top 6 searches alongside underwriters such as [X].<sup>70</sup>

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<sup>63</sup> Whilst this is referring to the wider motor market, the CMA notes, as submitted by the Parties, the Department for Transport vehicle licensing statistics data shows that in 2023 cars made up 90% of the personal motor market.

<sup>64</sup> DLG Internal Document, Annex 250 to the FMN, [X], October 2024.

<sup>65</sup> DLG Internal Document, Annex 327 to the FMN, [X], June 2023.

<sup>66</sup> DLG Internal Document, Annex 429 to the FMN, [X], page 294, March 2025.

<sup>67</sup> Aviva Internal Document, Annex 82 to the FMN, [X], page 24-25, March 2023; and Aviva Internal Document, Annex 106 to the FMN, [X], pages 19 and 20, October 2024.

<sup>68</sup> DLG Internal Document, Annex 239 to the FMN, [X], page 7, November 2024.

<sup>69</sup> Aviva Internal Document, Annex 037 to the FMN, [X], January 2024; and Aviva Internal Document, Annex 058 to the FMN, [X], December 2024.

<sup>70</sup> DLG Internal Document, Annex 059 to the FMN, [X], April 2024; DLG Internal Document, Annex 067 to the FMN, [X], December 2024.

#### 6.3.1.4 *Third-party evidence*

55. The CMA collected evidence from third parties, including underwriters, PCWs and brokers on the strength and effectiveness of competitors in the supply of personal car insurance.
56. The response from underwriters is consistent with the view that the market for the supply of personal car insurance is fragmented.<sup>71</sup> Most underwriters identified the Parties and also competitors such as Admiral, Hastings and Allianz as very strong or strong competitors. A tail of other underwriters were also identified as strong or moderate competitors.
57. Consistent with the CMA's share of supply estimates above, some underwriters told the CMA that the market for the supply of personal car insurance is fragmented.<sup>72</sup> One underwriter told the CMA that it considered the Parties, Admiral, Hastings and Allianz to be the largest personal car insurance underwriters, but that these suppliers do not compete with one another any more closely than with other smaller competitors.<sup>73</sup> Another underwriter considered Admiral, Hastings, Allianz, the Parties and esure to be the 'scale' competitors in personal car insurance.<sup>74</sup>
58. While most PCWs identified the Parties as close competitors to each other, they also identified other underwriters (Admiral, Hastings, esure and Allianz) as close competitors to the Parties, indicating that these competitors often appeared in the top five search results alongside the Parties.<sup>75</sup>
59. When asked to indicate the effectiveness of available underwriters for distribution arrangements, brokers identified multiple underwriters as effective options.<sup>76</sup>
60. The CMA asked third parties for their views on the impact of the Merger on competition in the underwriting of personal car insurance. The majority of third parties which responded to the CMA expressed neutral or positive views on the impact of the Merger on competition.<sup>77</sup> Namely:
- (a) Most underwriters indicated that the market is currently competitive, and some considered that the Merger would not change this;<sup>78</sup>

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<sup>71</sup> Response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 4b.

<sup>72</sup> Note of call with a third party, April 2025, paragraph 39; note of call with a third party, April 2025, paragraph 15; and note of call with a third party, April 2025, paragraph 16.

<sup>73</sup> Note of call with a third party, April 2025, paragraph 18.

<sup>74</sup> Note of call with a third party, May 2025, paragraph 42.

<sup>75</sup> Response to the CMA PCWs questionnaire from a number of third parties, May 2025, questions 4 and 5.

<sup>76</sup> Response to the CMA broker questionnaire from a number of third parties, May 2025, question 6.

<sup>77</sup> Response to the CMA broker questionnaire from a number of third parties, May 2025, question 9; response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 12; and response to the CMA PCWs questionnaire from a number of third parties, May 2025, question 11.

<sup>78</sup> Response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 12.



- (b) Nearly all brokers indicated that sufficient alternative underwriters would remain available to them after the Merger;<sup>79</sup> and
- (c) One PCW was of the view that the Merger leaves adequate competition remaining in personal car insurance.<sup>80</sup>

61. A very small number of third parties expressed the view that the Parties would have a significant number of retail brands, which might allow them to ‘stack’ the top spots on PCWs. These third parties either considered that such ‘brand stacking’ may reduce consumer choice or reduce the visibility of other Insurance Suppliers’ products.<sup>81</sup>

62. The evidence gathered by the CMA, however, indicates that there is no realistic prospect that competition would be significantly lessened as a result of the Parties using ‘brand stacking’. In particular:

- (a) Shares of supply and internal documents show that the market is fragmented and there is high price transparency. Internal documents indicate that many competitors appear in the top results on PCWs; the Parties also provided analysis from Pearson Ham that shows multiple different competitors in the top five, alongside the Parties’ brands.<sup>82</sup> While the Merged Entity could in theory set low prices across several of its brands to appear in the top results, it would be difficult to undermine the visibility of competitive offers from rivals overall. The Merged Entity would need to keep its offer across various brands price competitive because, if the Merged Entity tried to increase prices, consumers would be able to identify that and switch.
- (b) Further, PCWs told the CMA that they do not consider that ‘brand stacking’ has been previously used successfully.<sup>83</sup> The majority of PCWs told the CMA that they work to mitigate the effects of ‘brand stacking’ by, for example, monitoring underwriters’ use of PCWs to ensure that they are not taking multiple top positions on PCWs with products that have limited differences, and that they design their platform to facilitate customers making choices that meet their needs.<sup>84</sup>

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<sup>79</sup> Response to the CMA broker questionnaire from a number of third parties, May 2025, questions 7 and 9.

<sup>80</sup> Response to the CMA PCWs questionnaire from a third party, May 2025, question 11.

<sup>81</sup> Note of call with third party, May 2025, paragraphs 22 to 26; response to the CMA broker questionnaire from a third party, May 2025, question 9; and response to the CMA underwriter questionnaire from a third party, May 2025, question 12.

<sup>82</sup> For example, DLG Internal Document, Annex 059 to the FMN, [redacted], April 2024; and DLG Internal Document, Annex 067 to the FMN, [redacted], December 2024.

<sup>83</sup> Response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 9. Though one PCW told the CMA ‘brand stacking’ is common where for example, an insurer offers a selection of different options within the same brand which may lead to those brands being positioned closely together on the results page. However, this reflects differences in cover and is clear to the customer.

<sup>84</sup> Response to the CMA PCWs questionnaire from a number of third parties, May 2025, question 10.

63. One third party considered that the Merged Entity would become much larger than its next largest competitor, with the exception of the young drivers' segment.<sup>85</sup> This third party submitted that scale represents a competitive advantage in relation to factors such as capital requirements and access to claims data. It considered that other underwriters might be unable to strongly compete against the Merged Entity as a result of its scale.<sup>86</sup>
64. The evidence gathered by the CMA indicates that scale does not always determine the competitive outcome, and that the Merger Entity will face sufficient competitive constraints, including in the segments in which it will be substantially larger than other underwriters. In particular:
- (a) Most underwriters told the CMA that capital requirements can be limiting,<sup>87</sup> but some also told the CMA that there are options to address this constraint, including distribution through intermediaries.<sup>88</sup>
  - (b) The CMA also found that other underwriters (eg Admiral, Allianz, and Hastings) have material presence in the segments where the Merged Entity would be the largest underwriter, as well as in the wider market.<sup>89</sup> The evidence shows that these underwriters and other small underwriters would exert sufficient competitive constraint on the Merged Entity.

### **6.3.2 Conclusion**

65. The CMA found that the market for personal car insurance is fragmented, with multiple competitors constraining the Merged Entity. While the Parties compete closely, the evidence indicates that they also compete with multiple other underwriters. The vast majority of third parties expressed neutral or positive views on the Merger's impact on competition, indicating that the supply of personal car insurance would remain competitive after the Merger.
66. Whilst a small number of third parties said that the Merger may reduce competition or potentially give rise to 'brand stacking' and increase the Merged Entity's scale, the evidence considered in the round does not indicate that competition in this market would be materially weakened as a result of the Merger.
67. For the reasons set out above, the CMA found that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of personal car insurance in the UK.

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<sup>85</sup> In every age category except young drivers, when segmenting car insurance by age of driver insured and category of car.

<sup>86</sup> Note of call with third party, May 2025, paragraphs 16 and 29.

<sup>87</sup> Response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 9.

<sup>88</sup> Note of call with third party, May 2025, paragraph 45; and response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 9.

<sup>89</sup> Response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 4a.

### 6.3.3 Theory of harm 2: Horizontal unilateral effects in the underwriting of personal home insurance

#### 6.3.3.1 *Parties' submissions*

68. The Parties submitted that the supply of personal home insurance is fragmented and competitive, with a wide range of distribution channels enhancing competition.<sup>90</sup> The Parties submitted that their share of supply in personal home insurance is modest and not indicative of market power.<sup>91</sup>
69. The Parties submitted internal documents showing competition from numerous strong brands from Insurance Suppliers such as Hastings, esure and Lloyds Banking Group.<sup>92</sup>
70. As mentioned above at paragraph 46, the Parties submitted switching analysis prepared after the Merger was in contemplation, using data from surveys which Aviva and DLG had previously sent to customers who had cancelled or exited their policy. The Parties' findings from this analysis in relation to personal home insurance are similar to those described at paragraph 46 for personal car insurance.<sup>93</sup> Whilst the CMA placed limited weight on this analysis,<sup>94</sup> the CMA notes that it was broadly consistent with other evidence as it identified customers switching from the Parties to multiple different underwriters, with others being identified as frequently or more frequently than the other Party.

#### 6.3.3.2 *Shares of supply*

71. To estimate shares of supply in the underwriting of home insurance in the UK, the CMA relied on data provided by the Parties and their competitors.<sup>95</sup> The CMA's share of supply estimates are presented in Table 2 below. As stated at paragraph 48, the CMA understands that the number of live policies and GWP are industry standard metrics for volume and revenue, respectively.

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<sup>90</sup> FMN, paragraphs 14.18, 14.46.1 and 18.6.

<sup>91</sup> FMN, paragraph 14.96 and Table 12.

<sup>92</sup> FMN, paragraphs 14.129–14.133.

<sup>93</sup> FMN, paragraphs 14.136–14.143. On average between 2022 to 2024, of Aviva's PCWs home insurance customers who switched away, [10-20]% switched to DLG; more customers switched to [X] ([10-20]%) and [X] ([10-20]%). In addition, [5-10]% switched to [X], [5-10]% to [X], [5-10]% to [X] and [5-10]% to [X]. On average between 2022 to 2024, of DLG's PCWs home insurance customers who switched away, [10-20]% switched to Aviva, in addition, [10-20]% switched to [X], [5-10]% switched to [X], [5-10]% to [X], [5-10]% to [X] and [0-5]% to [X].

<sup>94</sup> This is because: (i) the response rate for DLG's survey was low; and (ii) evidence indicated Aviva's survey was not routinely considered in the ordinary course of business. Other evidence gathered by the CMA is stronger.

<sup>95</sup> The Parties estimated the total market size for the underwriting of personal home insurance by number of live policies and GWP and provided share estimates for some of their competitors. The Parties estimated market size by policy count and GWP using the ABI property report and the ABI household premium tracker. In calculating shares of supply the CMA has relied on the Parties' market size estimates. To estimate competitors' shares the CMA relied on estimates it collected from third parties.

**Table 2: Shares by volume and value, in underwriting of personal home insurance in the UK, number of live policies and GWP**

Underwriter	Number of live policies	2024
		Share(%) GWP
Aviva	[10-20]	[10-20]
DLG	[5-10]	[5-10]
Parties combined	[20-30]	[20-30]
Lloyds Banking Group	[10-20]	[5-10]
Admiral	[5-10]	[5-10]
Allianz	[5-10]	[5-10]
Ageas	[5-10]	[0-5]
AXA	[0-5]	[0-5]
Hastings	[0-5]	[0-5]
esure	[0-5]	[0-5]
NFU Mutual	[0-5]	[5-10]
Others	[30-40]	[30-40]
<b>Total</b>	<b>100</b>	<b>100</b>

*Source: CMA calculations using the Parties' and third-party data*

72. Table 2 shows that:

- (a) The Merged Entity's combined share of supply would account for [20-30]% of the market by volume and value, with an increment of [5-10]%. This would make the Merged Entity the largest underwriter by volume and value.
- (b) The Merged Entity would face competition from Lloyds Banking Group, which would be the second largest supplier with a [10-20]% share by volume and [5-10]% by value.
- (c) The Merged Entity would also face competition from Admiral, Allianz, Ageas, AXA, Hastings, esure and NFU Mutual, each with a share between [0-10]% by volume and value, and a long tail of Insurance Suppliers, which account for [30-40]% of the market by volume and value.

73. The share of supply estimates show that while the Merger would bring together two of the three largest underwriters, the market would remain fragmented with a few sizeable competitors remaining which will continue to constrain the Merged Entity.

#### 6.3.3.3 Internal documents

74. Internal documents reviewed by the CMA are consistent with the Parties' submissions and share of supply estimates, showing that there are multiple competitors supplying home insurance. For example, a DLG strategy document describes [X] as the top five underwriters (together accounting for around 50-60% of the market), but also notes competition from new entrants, brands and

distribution channels.<sup>96</sup> Aviva's monthly home reports indicate competition from multiple Insurance Suppliers, showing [X] as appearing at the top of PCWs search results the most in 2024.<sup>97</sup>

75. Internal documents show that the Parties face competition from various underwriters which appear in the top search results (alongside the Parties) on PCWs. For example, Pearson Ham reports from January 2024 and December 2024 show that in home insurance, Aviva appeared in the top 6 of PCWs searches, alongside brands of underwriters such as [X].<sup>98</sup> Similarly, a DLG document tracking the most competitive brands in the PCWs channel shows brands of underwriters, such as [X], among the top 10 most competitive brands.<sup>99</sup>

#### 6.3.3.4 *Third-party evidence*

76. The CMA gathered evidence from third parties, including underwriters, bancassurance partners, brokers and PCWs on the strength and effectiveness of competitors in the supply of personal home insurance.
77. The response of underwriters is consistent with the market for the supply of personal home insurance being fragmented. While most underwriters identified the Parties as very strong or strong competitors, most underwriters also identified Admiral and Hasting as strong competitors, and Allianz and Lloyds Banking Group as strong or moderate competitors.<sup>100</sup> Some underwriters told the CMA they consider personal home insurance to be fragmented.<sup>101</sup>
78. Evidence from bancassurance partners shows that Aviva and DLG were considered two of the most effective available underwriters. Banks also identified underwriters, such as Ageas, Allianz and AXA, as effective alternatives.<sup>102</sup> One bank told the CMA that the Merger would not have a material impact on the availability or choice of underwriters for bancassurance.<sup>103</sup>
79. Brokers identified multiple underwriters as viable options available for the distribution arrangements.<sup>104</sup>

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<sup>96</sup> DLG Internal Document, Annex 325 to the FMN, [X], pages 19 and 20, June 2023. Also note that Admiral acquired RSA's UK home insurance (and pet insurance) operations in 2024. [Admiral Completes the Acquisition of RSA Direct Home and Pet Insurance Renewal Rights for £82.5 million | Admiral Group Plc](#)

<sup>97</sup> Aviva Internal Document, Annex 057 to the FMN, page 3, December 2024.

<sup>98</sup> Aviva Internal Document, Annex 036 to the FMN, [X], January 2024; and Aviva Internal Document, Annex 057 to the FMN, [X], December 2024.

<sup>99</sup> DLG Internal Document, Annex 432 to the FMN, [X], page 40, April 2025.

<sup>100</sup> Response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 8.

<sup>101</sup> Note of call with a third party, April 2025, paragraph 39; note of call with a third party, April 2025, paragraph 15; and note of call with a third party, April 2025, paragraph 16.

<sup>102</sup> Response to the CMA bancassurance questionnaire from a number of third parties, May 2025, question 3.

<sup>103</sup> Response to the CMA bancassurance questionnaire from a third party, May 2025, question 5.

<sup>104</sup> Response to the CMA broker questionnaire from a number of third parties, May 2025, question 6.

80. Most PCWs identified the Parties as close competitors to each other, while also identifying some underwriters (eg Admiral, Lloyds Banking Group, Hastings, esure, Allianz) as close competitors to the Parties, indicating that these competitors often appear in the top five search results on PCWs alongside the Parties.<sup>105</sup>
81. The CMA asked third parties for their views on the impact of the Merger on competition in the underwriting of personal home insurance in the UK. The majority of third parties which responded had neutral or positive views of the Merger's impact on competition.<sup>106</sup> In general, underwriters and brokers expressed similar views about the effects of the Merger in relation to home insurance as those outlined at paragraph 60 for car insurance. Bancassurance partners expressing neutral or positive views indicated that there would remain a sufficient number of alternative underwriters.<sup>107</sup>
82. A very small number of third parties raised the possibility of 'brand stacking' in personal home insurance.<sup>108</sup> For the same reasons as those outlined at paragraphs 62(a) and 62(b), evidence received by the CMA indicates that there is no realistic prospect that 'brand stacking', if adopted, would give rise to a realistic prospect of an SLC in the supply of personal home insurance in the UK.
83. A small number of third parties considered that the Merged Entity's size would provide it with significant influence over suppliers, eg home repairers and claims networks in home insurance.<sup>109</sup> One third party explained that during 'surge' events (eg a natural disaster in an area), the Merged Entity could dominate supplier capacity, leaving out smaller competitors with delays and inflated costs to repair properties.<sup>110</sup> Although some third-party evidence indicates that there may be benefits to scale, other underwriters account for [70-80]% of the market demand, such that it is not clear that the Parties could dominate capacity and influence claims network to the extent that it would materially weaken other competitors. Furthermore, a few other sizeable competitors will remain in the market after the Merger.
84. One bancassurance partner said that the Merger may limit options for banks. The CMA notes that most banks responding to its investigation identified a range of

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<sup>105</sup> Response to the CMA PCWs questionnaire from a number of third parties, May 2025, question 8 and 9.

<sup>106</sup> Response to the CMA broker questionnaire from a number of third parties, May 2025, question 9; response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 12; response to the CMA PCWs questionnaire from a number of third parties, May 2025, question 11; and response to the CMA bancassurance questionnaire from a number of third parties, May 2025, question 5. In response to the CMA's invitation to comment, one third party raised that the Merger may reduce available underwriters and increase premiums for properties in areas prone to flooding. The CMA notes many underwriters supply such insurance. In particular, there are multiple Insurance Suppliers in the Flood Re scheme, which provides reinsurance to reduce costs for home insurance in these areas. [Participating Flood Re Insurers | View Our Insurers List | Flood Re](#)

<sup>107</sup> Response to the CMA bancassurance questionnaire from a number of third parties, May 2025, questions 3 and 5.

<sup>108</sup> Note of call with a third party, May 2025, paragraphs 10–17; and response to the CMA broker questionnaire from a third party, May 2025, question 9.

<sup>109</sup> Response to the CMA underwriter questionnaire from a number of third parties, May 2025, question 12.

<sup>110</sup> Response to the CMA underwriter questionnaire from a third party, May 2025, question 12.

alternative underwriters available to them. Therefore, the CMA does not consider that the Merger would materially limit options for bancassurers.

#### **6.3.4 Conclusion**

85. Overall, the CMA found that, whilst the Merger Entity would be the largest underwriter, the market for personal home insurance would remain fragmented after the Merger, with many competitors remaining, who would continue to exert a strong constraint on the Merged Entity. Further, whilst the Parties compete closely with each other, they also compete closely with multiple other underwriters.
86. Overall, the majority of third parties expressed neutral or positive views of the Merger's impact on competition, supporting the view that the market would remain sufficiently competitive after the Merger.
87. Whilst a very small number of third parties considered that the Merger would reduce competition or increase the possibility of the Merged Entity using 'brand stacking' or having more influence over the supplier and claims networks, the evidence considered in the round does not indicate that competitors would be materially weakened or that consumers would be negatively impacted as a result of the Merger.<sup>111</sup>
88. The CMA also found that sufficient alternative options would remain for bancassurance partners.
89. For the reasons set out above, the CMA found that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of personal home insurance in the UK.

## **DECISION**

90. Consequently, the CMA does not believe that it is or may be the case that the Merger may be expected to result in an SLC within a market or markets in the United Kingdom.
91. The Merger will therefore not be referred under section 33(1) of the Act.

**Maria Duarte**  
**Director, Mergers**  
**Competition and Markets Authority**  
**1 July 2025**

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<sup>111</sup> In response to the CMA's invitation to comment, the CMA also received comments regarding the takeover process, the Parties' conduct and the Parties' business strategies, which fall outside the scope of our investigation.