

GoCompare to go elsewhere?

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Image: pexels

Price comparison websites such as GoCompare, Compare the Market and MoneySuperMarket are to be investigated by the competition watchdog The Competition Markets Authority to better understand how the companies earn their revenues.

The investigation is provoked by concerns that the websites are not always ranking the cheapest or best deals first. This is due to some service providers paying out up to £30 to the websites for every customer that has been directed and incentivising comparison sites to feature those providers more prominently. These concerns are increased because of the difficulty in switching provider and it being hard to assess what is actually the best deal.

Often serving as an effective menu for consumers, the websites have the capacity to influence both a company's profits and the costs consumers face for services such as utilities, house and car insurance, and bank accounts. As such, misinformation has the capacity to affect consumers' expenditure as MoneySuperMarket noted that 3.5 million households had collectively saved £900 million through their site.

The investigation is to run for six months with a public consultation. If the comparison sites fail to meet the Watchdog's standards, then the websites will be compelled to either give more information to consumers, recommend that they are subjected to tighter regulations or face an extended more comprehensive investigation.

The CMA decided in June that price comparison websites would not be obliged to show consumers the cheapest deals for energy options, overturning Ofgem's decision that all deals would have to be made available. As it stands, if a price comparison site wanted to, it would not have to include the cheapest providers on its rankings.

Consumer minister Margot James stated that: "Consumers deserve to have access to the best deals and the clear, reliable information they need to make the best decisions."



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