

# December



## Overview

Welcome to the third **comparethemarket.com** quarterly newsletter for policymakers.

We want to provide you with an overview of our extensive research and data on consumer and personal finance issues.

We hope that you will find it useful in your work in Parliament.



## Banking and Credit

New research shows scale of cyber credit and debit card fraud in the UK

One in ten people have been the victim of a cyber-attack on their credit or debit card in the last year, according to new research from **comparethemarket.com**.

In almost two thirds (62%) of cases, money was successfully removed from the account with an average of £475 stolen. Almost a third (31%) said they had been hacked when making an online payment, while 10% had their card duplicated at an ATM and a small proportion (8%) were hacked when making a contactless payment.

Alarming, the research also found that a substantial minority are not taking the small steps necessary to protect their money online, with 25% admitting that they use the same PIN number and password for all their cards and online accounts. However, for many, getting hacked acts as a 'wake-up call' which prompts a change in behaviour, with almost half (49%) now checking their bank accounts more regularly, 33% never giving bank details over the phone and 29% making more cash transactions and fewer online ones.



“With so many of us shopping and banking on the internet, combined with a rise in contactless payments, it is more important than ever to be vigilant when managing your money. It is a good idea to regularly check your bank statements for any unusual activity as criminals often make small but regular thefts which are harder to spot than larger one-off purchases.”

Jody Baker, Head of Money, **comparethemarket.com**



## Housing and Mortgages

Homebuyers paying over the odds for home insurance through mortgage providers

Almost a fifth (17%) of mortgage holders could be paying on average £66 more than they need to by opting for home and buildings insurance through their mortgage provider, rather than shopping around for a more competitive deal. In a classic example of consumer inertia, 44% cited the fact that their mortgage provider represented the “easiest option” on this front.

A further reason, which could cause concern, is that 11% of customers who took out home insurance through their mortgage provider said they felt pressured to do so to secure a mortgage. However there is some evidence that customers are getting savvier: over half (52%) shopped around for a better deal on their home insurance within the last year and only 6% said they had never researched alternative providers.



17% of mortgage holders take out home insurance through their provider instead of shopping around



This adds up to an overpayment of nearly £90 million across the country



44% of consumers said they went via their mortgage provider because they represented the “easiest option”



## Housing and Mortgages

### A third of non-homeowners expect never to buy a home

New research by **comparethemarket.com** finds that, among adults who have never owned a home, 33% expect that they never will become owners. This rises to almost two thirds (65%) among those in the 45-54 age bracket. Of those who do believe they will become homeowners, over a third (36%) expect that they will have to partially rely on financial support from their family. These figures demonstrate the difficulty that first time buyers face in getting on the housing ladder and the alarming impact of high house prices.

The lengthy process of buying a home seems to be putting off many who would want to purchase a house. 39% of respondents who expect to be able to afford a home at some point said that the complexity of the buying process may persuade them to delay or put them off buying their first home. In addition, 44% cited concerns over hidden and additional costs as a point that could put off or delay them from buying a house, 22% expressed concerns over the responsibility of owning a house and a fifth were put off by having to deal with estate agents.

To help those trying to make the life-changing step of buying a first home and entering the complex world of property, **comparethemarket.com**, has published a comprehensive First Time Buyer's Guide. It covers everything from preparing to buy a home, to choosing a mortgage and understanding the many costs associated with home ownership.

The guide can be downloaded for free from [here](#)



## Motor

### Average motor insurance premiums jump by almost £100 in last year

The latest **comparethemarket.com** Premium Drivers Index has found that average motor insurance premiums across all age groups have increased by £92 in the past year to £697.

Based on past trends, we can predict that premiums may rise by a further £40 over the next quarter, meaning motorists can expect to be paying well over £700 on average by the end of the year. Furthermore, our analysis finds that the difference between the "average" and the "cheapest" motor insurance premiums – known as the savings

variable – has grown to £118 between June and August 2016 – the greatest gap since records began.

Even for those savvy drivers who compare different policies before buying, it is still going to be a tough time. The cheapest premiums on the market increased by 5% on average between Q3 and Q4 over the past few years. Even if the cheapest premiums could grow by around £30 and may cost over £600 (£609) by the end of 2016. For the past six months, the cheapest premiums on the market have been more expensive than the average premiums available when

**comparethemarket.com's** Premium Drivers records first began in 2012.

Despite a few years of rising premiums and what appears to be an ever hardening market, there are some upsides. The predicted rise in prices means even higher potential savings, and analysis suggests that if premiums increase as expected then drivers could stand to save an average of £130 by shopping around by the end of the year, nearly £12 more than the potential savings in this last quarter.

Premium Predictions



### Nearly a million new drivers haven't driven since passing their test

New research commissioned by **comparethemarket.com** has found that one in ten driving licence holders in the UK have not driven in the past year, and potentially up to 1m licence holders have not driven since passing their test. Over a third (37%) of these 'parked' motorists said the "costs of driving are too high" and a fifth (21%) admitted that they did not actually consider the costs of driving before taking their test.



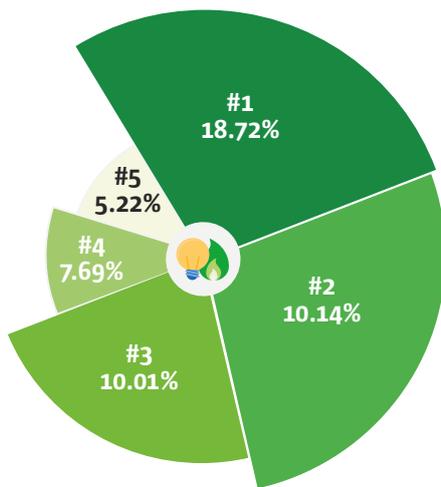
## Energy

### comparethemarket.com Energy Snapshot – October 2016

The latest **comparethemarket.com** Energy Snapshot – which provides an overview of trends in consumer energy switching habits – has found the South East region topping the leader board for proportion of switches with 14%. North West had the second highest share of switches, but consumers there were able to achieve the best average saving at almost £500.

### Most popular tariffs - % of switches

- #1 SSE  
Exclusive 1 Year Fixed  
£238.00
- #2 EDF Energy  
Simply Fixed October 2017 V2  
£277.99
- #3 Sainsbury's Energy  
Fixed Price October 2017  
£518.07
- #4 E.ON  
Saver Plus Fixed 1 Year v4  
Paperless – £592.65
- #5 E.ON  
Saver Plus Fixed 1 Year V3  
Paperless – £669.66



### Switches by area



Rank	region	% of switches	Average savings
1	South East	14.33%	£358.12
2	North West	12.79%	£496.96
3	Yorkshire & The Humber	10.14%	£404.28
4	East Anglia	10.03%	£388.60
5	South West	9.46%	£309.01
6	West Midlands	9.15%	£363.20
7	Scotland	8.85%	£323.62
8	Greater London	8.13%	£321.96
9	East Midlands	8.07%	£385.38
10	North East	4.62%	£374.47



“This marks a significant moment for the industry and for consumers and suggests that the increase in switching is really driving competition and leading to lower prices. Whereas previously the Big Six seemed content to rely on their existing market dominance and people’s inertia to maintain their customer base.

With households leaving the big providers in droves, in favour of smaller providers, we could now be seeing the beginnings of a concerted effort from the Big Six to regain lost ground. This is borne out by the fact that, last month, four out of the five most popular tariffs were from the Big Six, along with three of the five highest saving tariffs.”

Peter Earl, Head of Energy, **comparethemarket.com**



### Further information

If you would like any further information about anything in this briefing or about the wider work of **comparethemarket.com** please contact [news@comparethemarket.com](mailto:news@comparethemarket.com)