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Overview

Welcome to the fourth **comparethemarket**.com quarterly newsletter for policymakers, providing 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.

Money

New research reveals UK parents will be disadvantaged by Brexit

Days away from triggering Article 50, our research has revealed that almost half (47%) of UK parents believe their children will be disadvantaged when Britain officially leaves the EU. The rise in cost of living (58%) topped the list of perceived potential disadvantages that the next generation will face as a result of Brexit, followed by anticipated difficulties in travelling to, or working in the EU (38%). Of those parents polled, over a third (35%) admitted that they were not optimistic about their child's financial future – in fact, 45% expect to provide financial support to their children after the age of 21.

When asked what areas they would like the government to focus on most this year, nearly two thirds (65%) of parents chose Healthcare above Brexit (45%), the cost of living (36%), and education (34%).

Read our full Parentdex report here

Expert View

What's becoming clear is that while parents across the UK vary in opinion, there is still a strong sense of ambiguity around the impact of Brexit on future generations which – in turn – is generating a general sense of anxiousness amongst UK families.

In fact, we found that over two thirds of parents from across the country feel that we are living in a period of economic uncertainty. What we can be certain about however is that, given this sentiment, it's likely that many parents will be watching their wallets even more closely over the coming months.

Household bills jump by almost **£200** in 2016

Last year, costs across energy, motor and home insurance rose by almost 10% to £2,223. The significant increases in bills throughout 2016 has undone what was an extremely positive year for consumers in 2015. The largest single rise was in motor insurance which increased to an average of £691 – a rise of £96. The increase in energy prices was not far behind however, rising from an average of £1,289 in 2015, to £1,383 in 2016. It's clear that significant increases in bills throughout 2016 have undone what was an extremely positive year for consumers in 2015.

Region	Energy	Home	Car	Total	YoY Increase
East Anglia	£1,350.22	£142.47	£643.97	**£2,136.66**	13%
East Midlands	£1,295.65	£134.27	£642.62	**£2,072.54**	4%
Greater London	£1,322.88	£189.16	£1,103.60	**£2,615.64**	11%
North East	£1,444.91	£120.81	£642.52	**£2,208.24**	10%
North West	£1,467.39	£138.19	£797.48	**£2,403.06**	11%
Scotland	1,359.64	£138.79	£514.18	**£2,012.61**	8%
South East	£1,397.16	£145.02	£629.14	**£2,171.32**	5%
South West	£1,384.39	£131.07	£536.09	**£2,051.55**	14%
Wales	£1,434.89	£135.55	£607.35	**£2,177.79**	12%
West Midlands	£1,417.60	£129.05	£772.24	**£2,318.89**	10%
Yorkshire & The Humber	£1,344.72	£141.98	£721.12	**£2,207.82**	10%

Motor

Annual car running costs for young drivers hits new record

The cost of running a car for young drivers has increased by 4.2% in the last six months, now standing at £2,397. The biggest driver of this has been the continued recovery in the price of oil over the past year, which has led to a £140 jump in petrol costs. Despite this, insurance remains the most significant bill for young drivers, rising by 3.9% to an average of £1,306. To add to this, IPT has been raised three times in the past 18 months from 6% to 12%, and insurers are likely to price in the latest 2% rise in the lead to implementation in June 2017. These rises are disproportionately hitting young people, as the tax is based on the total value of policies, which is typically highest among the younger generation.

Take a look at our Young Drivers report here.

Ogdren rates hit young drivers the hardest

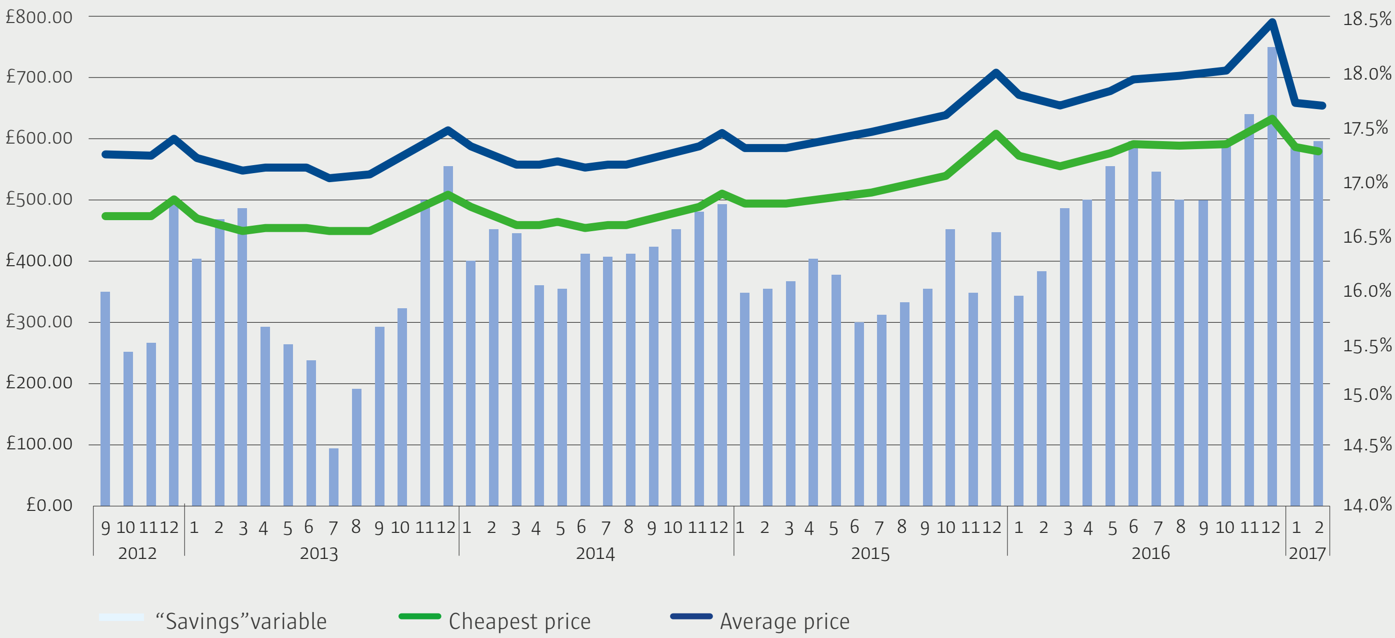
The changes to the Ogden rates will hit those that can least afford to run a car the hardest, with our estimates suggesting young drivers are set to pay around £107 more a year.

The average 17 – 24-year-old could save around £265 on car insurance if they were to switch to the cheapest deal available to them. Although it is not a silver bullet, the savings would go a long way to making driving more accessible for many.

Older drivers who fail to switch provider each year add £55 to their bill

It's not only young drivers who have experienced rising premiums in the last year. Our latest Premium Drivers report found that the cost of motor insurance is also taking its toll on drivers over the age of 50, as premiums for that age group rose to an average of £398 – a £40 year on year increase. When our records began four years ago, premiums for older drivers was £334, meaning there has been a total rise of £63 in that time. A rise in whiplash claims and increases to Insurance Premium Tax (IPT) have partly contributed to the rise in premiums as insurers look for ways to absorb increased costs.

Read our full Premium Drivers report here.



Expert View

Expert view: Another hike to Insurance Premium Tax comes into effect in June this year and, combined with the impact of the changes to the Ogden Discount Rate, drivers can therefore expect prices to continue to rise well into 2017.

Drivers of all ages can save money by switching motor insurance provider but it seems the older we get the more likely we are to stick with one insurer. This lack of competition can lead to a market where providers use factors like IPT hikes and changes to the Ogden Discount Rate as an excuse to increase prices and rely on consumer inertia to maintain market share.

One of the most effective ways of injecting more competition into the market, is by encouraging consumers to search out the best deal for them.

Energy

Energy Snapshot – February 2017

The latest Energy Snapshot – which provides an overview of trends in consumer energy switching habits – has found the North West region topping the leader board for proportion of switches with roughly 14%. East Anglia had the fifth highest share of switches, but consumers there were able to achieve the best average saving at almost £368. Surprisingly, the North East had the least share of switches, but the second highest switching variable.

Most popular tariffs

Tariff	No.of switches
#1 Scottish Power Online Fixed Price Energy June 2018 v2 - **£140.38**	10.76%
#2 Sainsbury's Energy Fixed Price February 2018 **£481.18**	8.57%
#3 PFP Energy Together - February 2018 - fixed 44 Paperless - **£359.41**	7.62%
#4 PFP Energy Together - March 2018 - fixed 45 Paperless - **£344.39**	7.24%
#5 SSE SSE 1 Year Fixed v9 **£242.46**	7.20%

Switches by area

Rank	region	% of switches	Average savings
1	North West	13.71%	£242.54
2	South East	13.36%	£279.33
3	Yorkshire & The Humber	11.76%	£259.64
4	West Midlands	10.24%	£295.09
5	East Anglia	9.93%	£367.64
6	South West	9.71%	£246.53
7	Scotland	7.92%	£175.96
8	East Midlands	7.57%	£263.80
9	Greater London	6.07%	£250.39
10	North East	5.18%	£363.33

Expert View

Expert View: Despite the fall in wholesale energy prices, the falling pound, caused by the Brexit vote, has made importing energy more expensive and inevitably, the higher costs are being passed straight on to the consumer, adding almost £100 to people's annual energy bill. The weather may be getting warmer but with further price hikes likely, consumers should not turn off to the fact that switching supplier saves, on average, more than £200.

A third of OAPs may have rationed their energy usage this winter

While we're now in spring, it is clear that many older people have endured a difficult winter due to the rising energy costs. A third of people aged 65 and over expected to have to ration their usage to keep costs down, and even more alarmingly, the vast majority believed that the cost of energy presented a real threat to their health. For more information, including the top concerns in your area, click here.

Further Information

If you would like any further information about anything in this briefing or about the wider work of **compare**the**market**.com please contact

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