

Transcript

General Insurance Pricing Practices

The home and motor insurance markets are not working well for all consumers, especially those who remain loyal over a number of years.

We want that to change.

We have published the final findings from our study of how home and motor insurance firms set prices.

Firms increase prices for customers who renew with them year on year. Many customers don't know this is happening.

And firms do not always offer regular switchers their lowest prices.

We identified 6m policyholders were paying high or very high margins in 2018. If they paid the average for their risk, they would have saved £1.2 billion. Some of this is caused by harmful pricing practices that we want to tackle.

To make these markets work better for consumers, we have published a proposed package of remedies.

Our package aims to ensure customers get fair value, improve competition and increase trust in these markets.

Under our proposed pricing remedy, your home and motor insurance should cost you no more at renewal than it would if you were a new customer through the same sales channel.

For example, if you bought the policy online, you would be charged the same price as if you were a new customer buying online.

There will still be a wide range of products and prices available from different insurers. So, like all customers, you could still benefit from shopping around when it's time to renew your policy and we encourage you to do so.

Overall, our proposals will benefit loyal customers and improve competition. We estimate our proposals would save consumers £3.7 billion over ten years.

Search general insurance pricing practices at **fca.org.uk** to find out more.

Financial Conduct Authority.