



The Consumer Voice in Europe

## Comparison Websites

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## Summary

This document summarises the requirements that comparison websites have to meet as a general rule in order to adequately respond to legitimate consumer expectations. They concern different aspects, such as :

- Transparency of business model
- Coverage
- Up-to-datedness
- Verifiability and reliability
- Accuracy
- Independence of the information provider
- Clarity and user-friendliness
- Accessibility
- Reporting
- Supervision.

## Comparison websites

### **BACKGROUND**

To take advantage of competitive markets, consumers need to be equipped to shop around in order to obtain the best deal. In this context, comparison websites offer a huge potential for enhancing consumer access to information and hence consumer mobility. Comparison websites can therefore be a tool for more competitive markets.

This document provides for best practices that BEUC and its member organisations consider to be key for comparison websites to deliver added-value to consumers.

### *Context*

More and more comparison websites exist on the internet and they are promoted as assisting consumers in their search for the best offer, by centralizing the information available from different providers, within a given country or across the board. There are therefore considered to carry the potential of enhanced consumer choice and also encouragement of cross-border e-commerce.

Consumers often trust the information available on the internet and are not aware that some of this information, also that produced by CW, can be biased for different reasons.

Therefore, in order to promote consumer trust in CW, it is essential that those respect specific requirements that are listed below.

It is important to distinguish comparison websites from “reviews”, where “consumers” indicate their assessment of products or services: these web-pages, which are often trusted by consumers, cause a lot of problems of credibility: their validation process is not guaranteed, a lot of fake consumers participate to the process, the uploading of negative comments is sometimes prevented. These types of shortcomings lead to consumer detriment and put into question the credibility of the more serious websites. Therefore it is essential to also regulate and monitor the respect of rules of consumer information, absence of misleading messages and unfair marketing practices for those web-pages.

### **REQUIREMENTS FOR CONSUMER EMPOWERING CW**

#### *Transparency on business model*

As already indicated, it is essential that the CW indicates in a prominent and easily understandable way to the consumer its different characteristics. This will allow consumers to assess the impartiality of the advice.

- the ownership of the CW (or shareholders)
- the financing model (who pays for what service)
- Frequency of updating
- Geographic coverage
- Methodology (ranking factors, source of information...)

- o Coverage of sector (all providers, percentage of sector concerned, only those who participate in the scheme, why some providers do not participate in the scheme...)

### *Coverage*

The more exhaustive the website, in terms of providers/products of the category searched for by the consumer, the more extensive the consumer choice. However, in some sectors, it is essential that this exhaustivity is combined with search and ranking factors that will make it possible for the consumer to focus on a specific segment that corresponds to his expectations. However, it is important not to overfocus on the quantity of information, but to concentrate on the information that meets the consumer's real needs and expectations and its suitability should be gauged in line with specific purpose, content, presentation and context.

The notion of coverage also extends to the geographical scope of the CW: for it to deliver potential cross-border benefits to consumers, it would be interesting to include offers from different countries. While it would be good to highlight good deals from other countries, CW can however not be expected to provide for exhaustive listings in this context.

### *Up-to-datedness*

The rapidity of internet implies that the consumer expects all information on line to be updated. It is therefore essential that the consumer is prominently informed about frequency of updating as well as of last update

### *Verifiability*

The information provided by the CW must be easily verifiable by the consumer, i.e., via a link to the provider concerned, every time it is possible.

### *Accuracy*

A major ranking factor being the price, it is essential to include as much as possible the final price (charges, fees, delivery costs, taxes). Partitioned pricing should be allowed only in cases where it is not possible to provide a general global price for all searches. The key concept in this respect is the comparability : even if it is true that certain costs vary significantly depending on factors such as the place of residence of the consumer, the delay for delivery etc, there should always be a common ground for comparison (eg inclusion of the cheapest delivery cost). This of course depends on the product sector concerned : in some sectors, like airline tickets, the final price should be displayed, while in some other sectors, costs can vary significantly depending on where the consumer resides or on the delivery deadline.

Also, if the default ranking takes place according to another factor than the price (e.g. payment by provider to be ranked high), this must be prominently displayed to the consumer.

### *Exhaustivity*

A well functioning CW must clearly state for each offer the main terms of subscription, fees and special clauses, and indicate clearly if they are unusual or burdensome. This information should be presented in a comparable format for all

offers, to make it easy for consumers to have an overview.<sup>1</sup> This element is key, because if too much emphasis is put on prices, companies could be tempted to lower prices in order to look more attractive on the website), by worsening the other terms of subscription, which the consumer will become aware of only afterwards. Also, price information should include discounts, as well as information on the termination date and conditions for the discount.

### *Independence*

The provider of the comparison website must be independent from the individual companies that are surveyed on the site, in order to provide for a non-discriminatory overview of the market.

### *Reliability*

Consumers must be able to trust the information that is provided. The CW must in no way mislead the consumer as to the accuracy of the information displayed.

### *Clarity and user-friendliness*

Fundamentally, the information provided by the CW must be precise, relevant, understandable and readable. Difficult legal and technical concepts must be avoided wherever possible.

The CW must be displayed in a way that informs the consumer clearly about the main features of the CW and the comparison it provides. In this respect, it is essential that user-interfaces be built in a user-friendly way, and in ways that actually seem appealing for users and facilitate non-experienced users to interact with the website.

### *Accessible also to vulnerable consumers*

CW must use technical features that enable visually impaired or other disadvantaged consumers to use the device, in line with the WCAG standards (web content accessibility guidelines). Also, it is important to make comparative information available for consumers that do not have access to the internet for free or at a minimal cost (regular printed reports, printed version sent on request, by telephone, etc.)

### *Reporting*

When a comparison has taken place and is limited in time, a report should be made available to the different providers and to market authorities in order to check methodology and market coverage.

When a comparison is unlimited in time, regular reports should be made available, at least on a monthly basis, on methodology and market coverage.

### *Supervision*

Supervisory authorities, either in charge of general consumer protection policy or more sector specific, such as in telecoms or in the energy sector, should proactively monitor the respect of these conditions in order to enhance consumer trust in the information provided by CW.

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<sup>1</sup> A red triangle is used in the Danish Electricity Price Portal to indicate that an usual term of subscription is part of the offer. The consumer can check by clicking the symbol, what this term is.