

Price Comparison Websites Get Regulation

To find the best deal for financial products like loans, credit cards, mortgages and insurance price comparison websites are very popular among the consumers. These websites have many benefits as users can compare the price of different products at one place before making any decision.

Now the question arises, that how these websites earn money.

Price comparison websites earn money, as a commission, when the customers buy or click on any product through the website. Price comparison websites also get payments from the product providers if their products are featured prominently. It is not uncommon for these websites to promote products on the basis of their commission and it misleads the consumers as the real best buy is not at all projected. It should also be noted that some of the big insurers like Direct Line, Churchill and Privilege are not featured on price comparison websites.

[Eric Galbraith](#), chief executive British Insurance Brokers' Association (**BIBA**), says: 'So many of these sites are offering services that are misleading and ultimately it is the consumer who will suffer. However, there are some price aggregation sites that want to get rid of any malpractices and prove that they are accurate and fair.'

Financial Services Authority (FSA) published a report that urges price comparison websites to provide consumers 'clear and fair information.' FSA is also considering bringing in some stringent rules for comparison websites.

Major price comparison websites have realised the upcoming challenge and are preparing to launch a code of practice. Richard Mason, former executive from Moneysupermarket.com, has launched The Comparison Consortium in February, 2009 and is now all set to disclose practice code for online insurance aggregators and professional guidance for insurers who use them.

Major price comparison websites in UK like [Confused](#), [uSwitch](#), [Moneyextra](#), [Tesco Compare](#), [Direct Line](#), [Beat That Quote](#) and [Moneyexpert](#) have already been registered with the consortium.

“The Comparison Consortium’s committee...collectively has over 45 years experience in the price comparison industry, acquired from the UK’s biggest aggregators, Moneysupermarket, Confused, uSwitch, Moneyextra, Tesco Compare, Beat That Quote and Moneyexpert,” said [Jennifer Rose](#), a spokeswoman for the consortium.

However, some high-profile aggregators like Moneysupermarket.com and GoCompare.com have denied their association with the consortium. Along with insurers, brokers and consumer groups Moneysupermarket.com is individually discussing the concerns over fair and clear comparison practices.