

Terms regarding the responsibilities and liabilities of insurance comparison websites for providing their service

We have published four undertakings from four different insurance comparison websites regarding their responsibilities and liabilities for providing their comparison service. These undertakings show that terms in standard-form consumer contracts should set out the liabilities of firms clearly and fairly.

In particular, firms should not exclude or limit their liability in potentially unfair circumstances, such as where the firm is more appropriately liable. For example, a term excluding all liability for errors caused by the firm's technology, where consumers do not have a choice in the technology the firm uses.

Also, firms should draft terms setting out their liabilities clearly. This includes avoiding wording that excludes or limits their liability 'to the extent permitted by law', the meaning and consequences of which might not be understood by consumers.

The undertakings show the changes the firms have made to improve the fairness and clarity of each contract. We publish undertakings to help firms understand their obligations to have fair contract terms and treat their customers fairly. As such, we encourage all firms to review these undertakings and consider their own contracts in light of them.

The four firms were fully co-operative with the FSA.

Undertakings

GoCompare:

"We have removed this undertaking from the website while we investigate new concerns that have been raised. These new concerns relate in part to the potential of the revised term to limit liability for death or personal injury. They do not affect the firm's obligation to comply with the substance of the undertaking by addressing the concerns we originally raised."

Insurancewide:

"We have removed this undertaking from the website while we investigate new concerns that have been raised. These new concerns relate in part to the potential of the revised term to exclude liability for breach of statutory duty. They do not affect the firm's obligation to comply with the substance of the undertaking by addressing the concerns we originally raised."

Moneysupermarket:

"We have removed this undertaking from the website while we investigate new concerns that have been raised. These new concerns do not affect the firm's obligation to comply with the substance of the undertaking by addressing the concerns we originally raised."

Uswitch:

"We have removed this undertaking from the website while we investigate new concerns that have been raised. These new concerns do not affect the firm's obligation to comply with the substance of the undertaking by addressing the concerns we originally raised."