

PRIVATE MOTOR INSURANCE MARKET INVESTIGATION

Notice of the Competition Commission's intention to open a data room to allow review of documentation and data relating to the research carried out by MSX International Limited

As part of its investigation into private motor insurance (PMI), the Competition Commission (CC) has engaged MSX International Limited (MSXI) to carry out inspections of vehicles which have been involved in accidents and repaired.

The objectives were to assess the quality of repairs which have been made on vehicles involved in accidents through physical inspection of the vehicles; and to identify any parts damaged through the accident which have not been repaired.

MSXI responded to a tender document and were subsequently contracted to carry out the inspection programme. The sample of vehicles available for inspections was generated, as set out in paragraph 6 and 7 of the working paper "ToH 2: MSXI Vehicle Inspection Report", by the CC and MSXI on the basis of the responses from the non-fault consumer survey conducted by IFF research. An Excel spreadsheet (the Database) was produced by IFF and the CC for use by MSXI. The Database contains relevant information relating to consumers who had agreed to have their vehicles inspected. In order to assess the pre-accident condition of each vehicle, the CC obtained from insurers, and passed on to MSXI, estimation system documentation (the Estimation System Documentation) relating to the vehicles in the Database, including all iterations of the estimate as well as any photos of each vehicle.

The working paper "ToH 2: MSXI Vehicle Inspection Report" published on the CC's website on 31 October 2013 describes the main findings of this research. MSXI also provided to the CC an individual report (the Individual Report) for each inspected vehicle. These Individual Reports have not been published.

Several parties have requested the disclosure of documentation or data underlying this working paper. This documentation and data contains information that is specified information within the meaning of section 237 and 238 of the Enterprise Act 2002 (the Act). Its disclosure is therefore restricted. Pursuant to section 241 of the Act, the CC may disclose specified information for the purpose of facilitating the exercise by it of its statutory functions. Within this context, the CC must have regard to the considerations set out in s.244 of the Act.

The CC now proposes to open a data room to grant parties access to the following information, on an anonymised basis (see further below)

- The tender document and MSXI proposals (stage 1 and stage 2)
- the Database;
- the Estimation System Documentation relating to each vehicle inspected by MSXI (linked to the relevant vehicle in the Database);
- the Individual Report relating to each vehicle inspected by MSXI (and linked to the relevant Estimation System Documentation).

For the avoidance of doubt "anonymised" means that the following information will be redacted:

- any information identifying, or that could be used to identify, individual vehicle owners (for example names and other personal details, vehicle registration numbers);

- information identifying the repairer who performed the repair: and
- the name of the insurer who managed the relevant repair.

However, if a party attending the data room provides appropriate reasons justifying a request to be informed which anonymised reports relate to vehicles for which they managed the repair, we are minded to identify to them the relevant anonymised Individual Reports and linked Estimation System documentation.

It is currently planned that the data room will be open from Monday 13 January to Friday 17 January 2014 and, if parties request it, on Thursday 30 January and Friday 31 January, from 9 am – 4 pm, depending on circumstances, for instance the number of interested parties requiring access.

In line with usual data room procedures, the CC will operate strict rules governing access to the data room. We propose that access will not be limited to external advisers and that appropriate personnel from interested parties will be granted access if requested. A detailed protocol for accessing and using the data room as well as draft CC confidentiality undertakings will be sent in advance to those who register an interest. Access will be granted only to individuals (whether external advisers or members of staff) who have signed the CC confidentiality undertakings, which will include an undertaking not to seek to identify or contact those individuals or repairers to which the repairs relate in relation to the subject matter of the MSXI report. Numbers of individuals allowed access to the data room both generally and at any one time will be limited.

Please register your interest in attending the data room by Friday 13 December 2013 at 5pm. Any representations in relation to the scope of, and process for the disclosure, as well as confirmation of interest to make use of the data room, must be sent by 20 December 2013 at 2 pm at the very latest to the private motor insurance investigation team at PMI@cc.gsi.gov.uk. If you wish to comment on the scope of and process for disclosure please ensure any comments are supported by appropriate explanation and reasons so that we are able to consider such representations properly. When registering a confirmation of your interest please explain the basis of your interest in gaining access to this information and the role of those for whom access is requested (e.g external legal adviser, internal repair audit engineer etc).

9 December 2013