

**Competition Commission:**

**Private Motor Insurance Market Investigation**

**Response from the Motor Accident Solicitors Society**

**January 2013**

**Introduction**

This response is prepared on behalf of the Motor Accident Solicitors Society (MASS) and submitted by the Chairman, Craig Budsworth.

MASS is a Society of solicitors acting for the victims of motor accidents, including those involving personal injury (PI). MASS has over 180 solicitor firm Members, representing over 2000 claims handlers. We estimate that member firms conduct upwards of 500,000 PI motor accident claims annually on behalf of the victims of those accidents. The Society's membership is spread throughout the United Kingdom.

The objective of the Society is to promote the best interests of the motor accident victim. This is central, and core to our activity. We seek to promote only those policy and other objectives which are consistent with the best interests of the accident victim. We seek to set aside any self interest in promoting these arguments, recognising that we are in a position of trust, and best placed to observe the best interests of motor accident PI victims first hand. We are a not for profit organisation, which requires specialism in motor accident claimant work as a pre-requisite for membership. We also have a Code of Conduct which member firms are required to abide by, which is directed to the best interests of the motor accident victim.

-----  
**Contact:**

If you have any queries or would like further information, please contact at first instance - Jane Loney at:

MASS  
St Bartholomew's Court  
18 Christmas Street  
Bristol  
BS1 5BT

Tel: 0117 925 9604  
Email: [jane@mass.org.uk](mailto:jane@mass.org.uk)  
[www.mass.org.uk](http://www.mass.org.uk)

MASS submits this response in conjunction with a paper that we submitted in October 2012, summarising the main views of the Society on the Competition Commissions inquiry into the Private Motor Insurance Industry.

In addition to that paper, MASS was invited to meet with various members of the Competition Commission on 28 November 2012, during which full discussion took place on the various concerns and points of investigation that the Competition Commission are working on.

Consequently we only have a few additional comments to make.

#### ToH 1: Harm arising from the separation of cost liability and cost control (moral hazard)

In respect of ToH1, MASS is firmly of the opinion that the law in respect of choice and control is sufficient to ensure that costs are not increased beyond a level that cannot be justified in a court.

MASS is concerned to note practices of some insurers that causes repair standards to be put at risk in order to drive down costs. Accident victims should have the security that their vehicle is repaired to a proper standard and not compromised in order to achieve costs savings, as highlighted in the Channel 4 Dispatches program on 7/1/13.

#### ToH 4: Harm arising from providers' strategies to soften competition

ToH4(c) - When taking out an insurance policy, a common misperception by consumers is that when purchasing a 'comprehensive policy' means that all the 'add ins' (for example, legal expenses insurance, courtesy car, roadside recovery) are included. This is not often the case, and for such 'add-ins' to be included, the consumer would need to ensure they have a 'fully comprehensive' policy. Perhaps therefore an alternative would be when purchasing policies, the consumer should be provided quotes for comprehensive and fully comprehensive cover separately, detailing what exactly is included and excluded under each policy.

ToH4(d) - There seems to be no mention relating to Claims Underwriting and Exchange (CUE). Although this is outside the direct knowledge of MASS, it is our understanding from articles such as [http://www.bbc.co.uk/blogs/watchdog/2011/10/insurance\\_exclusions.html](http://www.bbc.co.uk/blogs/watchdog/2011/10/insurance_exclusions.html) and <http://www.insurancedatabases.co.uk/default.aspx> that insurers are able to check the information being given in relation to any claims history.

MASS would encourage the Commission to explore further the impact CUE would have when making enquiries on switching policies and clarifying NCB's with prospective new insurers.