

Car Insurance Survey 2018

Press Release

MoneyExpert

29% of Drivers Lose Money by Letting Their Car Insurance Auto-Renew

A survey conducted by Forefront Market Research on behalf of Money Expert has shown that a little under a third of drivers let their car insurance policies auto-renew, losing out on several opportunities for saving along the way.

The results of our survey show that customers who let their car insurance auto-renew pay more for their cover than those who don't. This isn't surprising. What is interesting however is that two in five customers who auto-renewed still believe that they're getting the best deal possible. The results of this survey, and others, suggest otherwise.

Slightly more than two in five drivers who auto-renewed did so for convenience's sake, believing that switching to a new policy or provider was not worth the hassle. This trend of leaving well enough alone was seen throughout the behaviour of those who let their car insurance auto-renew, going hand in hand with general disengagement.

For example, those who auto-renewed were more likely to not know the difference between the cost of their current policy and their previous one, and they were more likely to pay their premiums monthly instead of annually.

The cost of a car insurance policy is greatly reduced by paying for the whole year up front (if the lump sum can be afforded). This is one of many opportunities for cost reduction that are available for those who take the initiative and engage with the market; opportunities missed by those who let their car insurance simply tick over year-on-year.

Many customers who auto-renewed had use a price comparison website in the past, but then proceeded to take a step back and let their policy roll over. This seems to show a persistent belief that comparing once is enough, a belief that our data contradicts.

The fact that, in total, 71% of survey respondents are engaging with the market either by comparing policies online or negotiating deals with their suppliers is good news, but our data show there is still room for improvement.

"We found that, by auto-renewing, drivers were twice as likely to be paying over £800 for their car insurance than if they found a new policy by other means, and 35% more likely to pay over £400. Drivers should use a comparison site to compare quotes annually and switch where necessary to make sure they are getting the best rates"

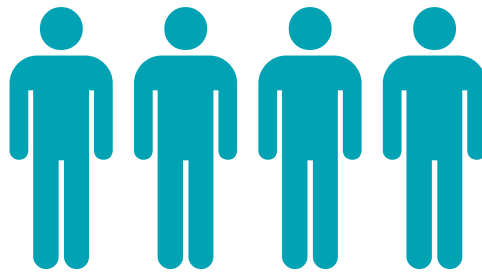
Mike Rowe, Director at Money Expert

Key Findings



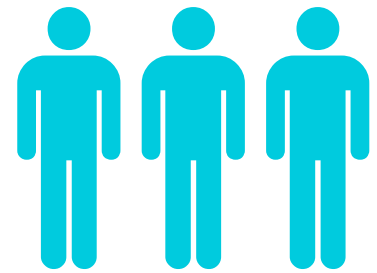
29% of drivers

let their car insurance policy **auto-renew** when it ran out most recently



41% of drivers

searched online for the best deal



31% of drivers

negotiated a new deal with their current supplier

Of those who auto-renewed:

44% didn't want to "deal with the hassle" of comparing and finding a new deal, but were aware of the savings that could have been made by doing so

41% believed that they were "getting the best deal possible by auto-renewing"

15% were unaware that they could have saved money by comparing insurance policies online



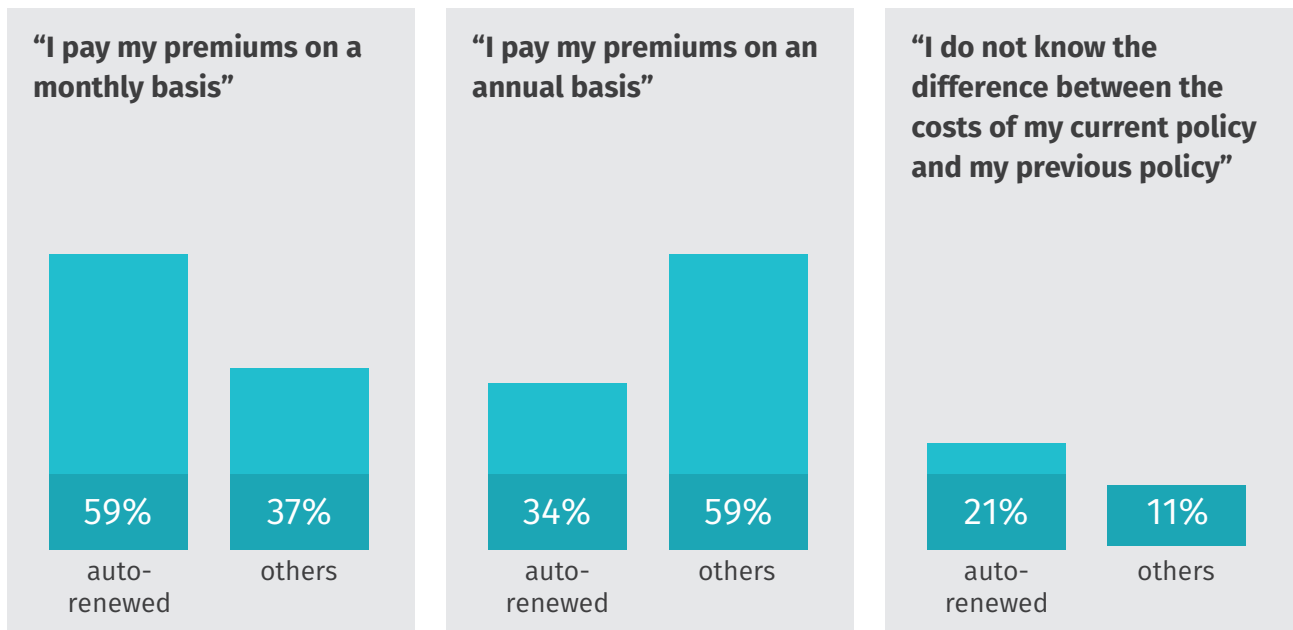
Drivers who auto-renewed their policy **were twice as likely to be paying more than £800 for fully comprehensive cover** than those who didn't, although the likelihood was still low (**12%** compared to **6%**)

Drivers who auto-renewed were **35% more likely to pay more than £400** for their cover than those who didn't (**38%** compared to **28%**)

Overall, **68%** of respondents with fully comprehensive policies were **paying under £400** for their car insurance.

Divers who shopped around online were most likely to pay under £200 for their cover (**11.6%** compared to **8.8%** of those who negotiated with their current supplier, and **7.8%** of those who auto-renewed)

72% of those who auto-renewed have **previously used a price comparison website** to switch car insurance providers, but more than half (**54%**) have been with their current supplier for **more than 2 years**



Customers who **auto-renewed** were far **more likely** than others to **pay their premiums monthly**

Customers who **auto-renewed** were far **less likely** than others to **pay their premiums annually**

Customers who **auto-renewed** were almost **twice as likely** as other drivers to **not know the difference between the cost** of their current policy and their previous policy

Notes

Comment

“We found that, by auto-renewing, drivers were twice as likely to be paying over £800 for their car insurance than if they found a new policy by other means, and 35% more likely to pay over £400. Drivers should use a comparison site to compare quotes annually and switch where necessary to make sure they are getting the best rates”

Mike Rowe, Director at Money Expert

Note on methodology

Money Expert conducted an online survey of 600 people in the UK who had renewed their car insurance in the last 6 months. Respondents collected are representative of UK demographics for age and gender.

For more information on methodology or for a look at the data tables contact michael.hantman@forefrontmr.com

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