

Amazon's home insurance comparison tool expands its reach in the UK financial sector

Article

The news: Amazon took a step deeper into the financial world by launching a [home insurance comparison platform](#) in the UK, per Insurance Journal.

How does it work? Through the **Amazon Insurance Store**, the US-based company partnered with three major UK insurers: **Ageas UK, Co-op, and LV=**.

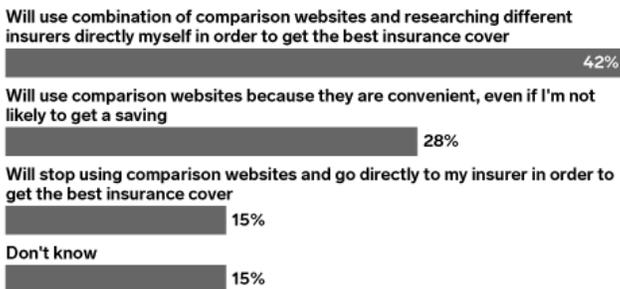
- The platform lets customers compare home insurance prices among the three insurers. They can also access customer reviews, insurance company ratings, and the rates at which claims were accepted for the policies offered.
- Amazon earns a commission on each sale made on the platform.

Amazon has been hinting since 2018 that it would offer an insurance comparison tool in the UK. Now that it's launched, Amazon is working on adding more insurers to the platform early next year.

Price comparison competition: Four major insurance price comparison websites are already available in the UK. In addition to home insurance, they allow customers to compare prices on energy, car insurance, travel insurance, mortgages, credit cards, and loans.

- Each of these comparison platforms—**Moneysupermarket, Comparethemarket, GoCompare, and Confused.com**—lets customers compare prices from more than 100 different insurers.
- **In 2021, nearly 30% of UK consumers purchased home insurance through a price comparison website**, according to GlobalData.
- Moneysupermarket, the predominant site, recently reported outstanding Q3 results, citing the cost of living crisis in the UK as a driver behind the **42% growth in its Money division**, which helps users compare prices on credit cards, loans, and mortgages.

Methods of Researching and Buying Policies According to UK Insurance Customers, May 2022
% of respondents



Note: based on UK regulations that came into effect in early 2022 that prevent insurers from offering new customers heavy discounts on insurance compared to their existing customers
Source: Guidewire, "The 2022 State of the UK Insurance Customer Attitudes Study," June 28, 2022

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Amazon isn't the first Big Tech company to give the UK insurance market a try. **Google** launched a tool called **Google Compare** in 2012, which compared credit cards, mortgages, and care insurance. The platform was shut down in 2016 after not gaining much traction and [producing little revenue](#).

Amazon takes on the financial markets: The Big Tech firm is no stranger to the UK financial markets, so the new product launch doesn't come as a huge shock.

- Last year Amazon partnered with **Barclays** to offer a [buy-now pay later product](#).
- It also partnered with another UK broker, **Superscript**, to provide [insurance to small- and medium-sized businesses](#) last year.
- In Europe, Amazon offers [product warranty insurance](#) in partnership with the London General Insurance Company.

Our take: Amazon's competitors appear to be well-established, with many of them benefitting from an uptick in consumers searching for price deals amid rising inflation. But the Big Tech firm has an advantage: Many UK citizens are already familiar with the brand and regularly use its other platforms, like e-commerce. If Amazon is able to implement its tool within its existing user experience and deepen its relationship with UK insurers, it will likely end up winning a good part of the market share relatively easily.

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