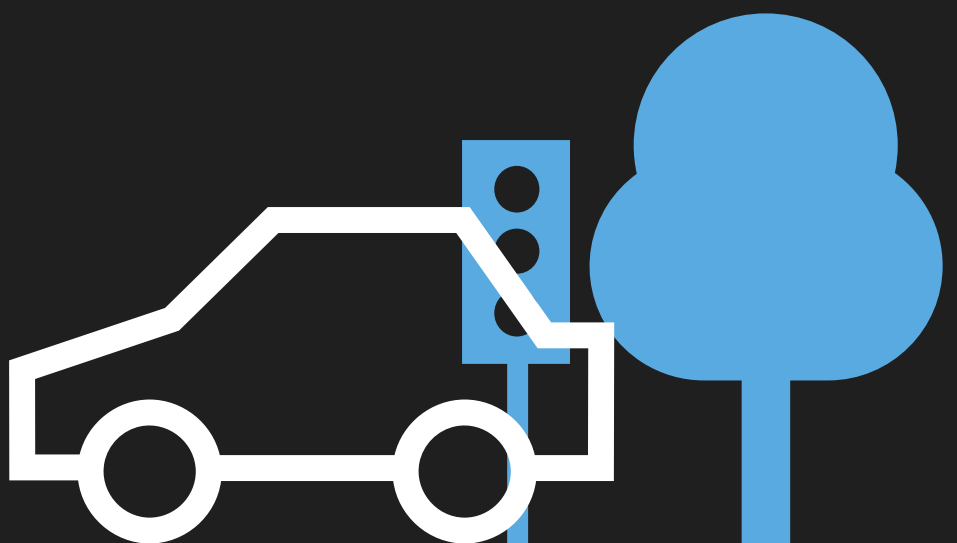




# Confused.<sup>com</sup> car insurance price index

The most comprehensive analysis  
of car insurance pricing in the UK

**Q4 2022**



# Executive summary

## Car insurance prices at 3-year high following £100 increase – but motorists who shopped around saved money

The Confused.com car insurance price index began in 2006 and is the most comprehensive analysis of car insurance pricing in the UK. Published every 3 months, it looks at more than 6 million car insurance quotes per quarter to provide insight and analysis across the market.

The latest index covers the fourth quarter of 2022 and shows that UK drivers can now expect to pay £629 on average for an annual car insurance policy.

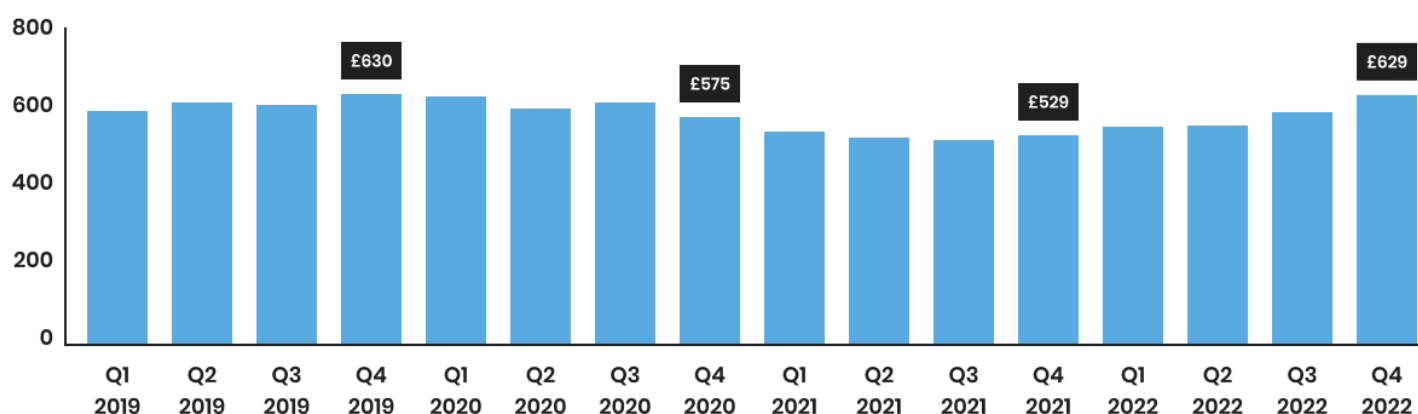
That's just £34 (5%) less than the most expensive price recorded by the Confused.com car insurance price index. Prices have increased by 19% in the last 12 months, making this the steepest annual increase reported since Q2 2016.

Louise O'Shea, Confused.com's Chief Executive Officer, reminds motorists to shop around for insurance rather than renewing. She comments: "...car insurance is one expense where you can save some money. It might be tempting to look at your renewal and accept it, especially if it's around the same price as last year. But it's also likely that there's another insurer out there that can offer you a better price – and the only way to know is to shop around. We're so certain that there are cheaper options out there for you that we guarantee to beat your renewal, or give you the difference, plus £20(4)! That way, you'll actually make money!

# The bigger picture

## How prices have changed

**The latest Confused.com price index reveals car insurance now costs £629 on average**



Powered by WTW, the Confused.com price index for the fourth quarter of 2022 reveals the average price of car insurance in the UK is now £629. Prices have increased by £100 (19%) in 12 months and are only £34 (5%) lower than the highest prices recorded since the car insurance price index began.

Prices are now close to returning to pre-Covid figures. During the pandemic prices peaked at £630 before falling the following quarter. This was largely due to there being fewer drivers on the road and fewer claims made as a result. But as people return to normal driving habits, prices have increased by £43 (7%) in just 3 months. This makes this the steepest quarterly increase in more than 5 years.

The increase is also likely to be partially as a result of insurers adjusting their pricing to comply with the Financial Conduct Authority's (FCA) new regulations last January<sup>(1)</sup>. To prevent insurers from overpricing loyal customers, all prices offered must be fair and based only on a driver's profile. Unable to inflate returning customer costs, insurers adjusted their pricing. As a result, new business prices are likely to have increased.

# The bigger picture

## How prices have changed

However, further research shows how drivers are still able to save money by shopping around. Results from our survey of 2,000 UK drivers renewing in the last quarter<sup>(2)</sup> show that 1 in 2 (50%) found their renewal price had increased compared to the previous year, by £46, on average. Of these, 2 in 5 (40%) were able to save £55, on average, by shopping around. While 1 in 5 (20%) found their renewal to be £38 cheaper, on average, more than 1 in 3 (34%) of these went on to shop around and switch insurers, saving £59 on average.

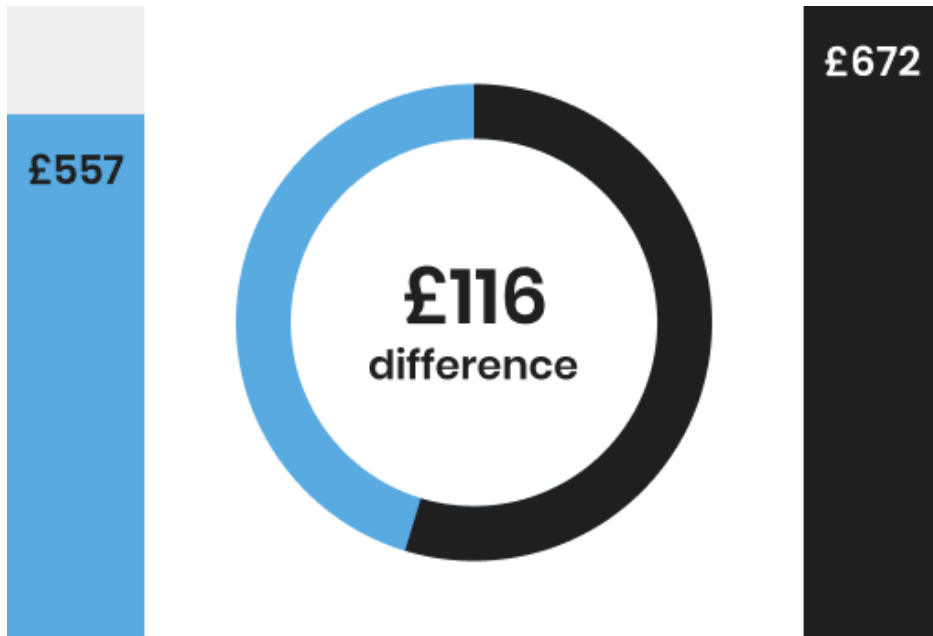
Shopping around has saved customers significant sums whether their renewal prices increased or decreased. For example, Mr Allen saw his insurance costs drop from £306 to £285. But, by shopping around he was able to secure a new price of £248. In another case where their renewal increased by £200, totalling at £720, shopping around saved them a staggering £240.

In addition to shopping around to save money, drivers can also:

- Pay annually instead of monthly
- Be accurate with their mileage
- Improve their car security

# Prices by gender

Do men or women pay more?



While all drivers are seeing price increases this quarter, men are now paying £672 – a £44 increase in 3 months, and £105 year-on-year.

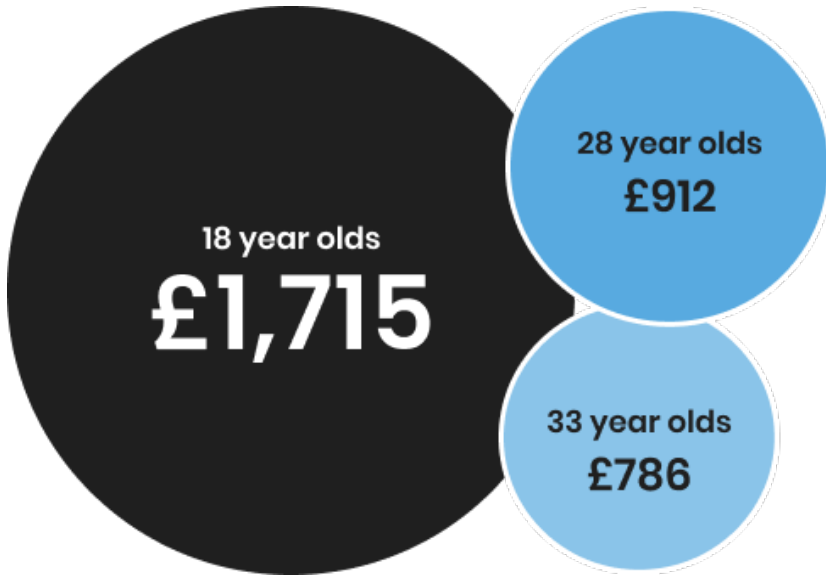
Women are now paying £557, with prices now £90 more expensive, on average.

Insurers can't calculate insurance prices based on a person's gender, following the EU Gender Directive in 2012(3).

However, men normally pay more for their car insurance. This is because men tend to choose more expensive cars with bigger engines and more technology. So if they have an accident then their insurance claim tends to be for a higher amount.

# Prices by age

## What do younger and older drivers pay?



Drivers of different ages are also seeing major hikes in their insurance costs. Younger drivers tend to pay the most for their insurance but this quarter some are seeing annual rises of up to £200.

18-year-olds have been hardest hit with costs increasing by a staggering £307 (22%) over the past 12 months. The average car insurance cost for drivers this age is £1,715, making 18 the most expensive age for car insurance.

28-year-olds are also seeing annual increases of £130 (17%) putting their average insurance price at £912. This is the most expensive price on record for this age.

33-year-olds are also facing a record-high for their age group at £786, on average, after a £123 increase.

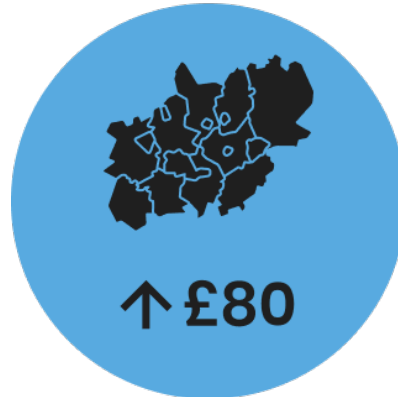
# Prices by region

Which areas have seen the biggest rises?

## Central Scotland



## North Midlands



The rate at which prices increase across the UK varies by region, with some areas paying the highest prices on record.

Drivers in Central Scotland are now paying £547 on average after a £100 (22%) rise in prices in the past 12 months. Drivers in East & North East Scotland, and the North Midlands are paying £80 more than last year (21% and 16% respectively). This brings the average price paid to £456 and £578, respectively.

# Prices by region

Which areas have seen the biggest rises?

Inner London



Outer London



Northern Ireland



The steepest increases are seen by drivers in Inner London, Outer London and Northern Ireland.

Drivers in Inner London have seen a 22% increase, raising costs by £183 in 12 months. The average insurance cost is now £1,008. This is the first time in more than 5 years that prices have exceeded £1000 in this area. Those in Outer London are paying £808, on average, following a £143 (22%) increase year-on-year.

Drivers in Northern Ireland are also paying 22% more than last year. Prices have increased by £120 to £688, on average.

On a more granular level both West Central and East London have seen prices rise by more than £200 in the past 12 months. South West and South East London, Romford and Croydon are among 19 postcode areas that have reached the highest prices on record.

Outside of London, motorists in Bradford and Manchester are seeing the biggest change in their car insurance costs. Prices in these areas have increased by £125 (17%) and £124 (16%) respectively. Car insurance now costs £879 in Bradford and £883 in Manchester.



# Expert view

**Louise O'Shea, CEO at Confused.com, says:**

“We are living through a financially difficult time. And like everything else, the cost of car insurance is increasing rapidly and this will hit us all hard. It's times like this where it's really important for the FCA to be calling out companies who are not supporting consumers. So it's good to see the FCA's introduction of its new Consumer Duty, setting higher and clearer standards of consumer protection across financial services, which will require firms to put their customers' needs first.

“It's also important to remember that each year you could be in a position to update your policy so that you're able to save some money. Our tips on how to get [cheap car insurance](#) outlines how to do this. For example, if you're in a position to be able to then, paying annually for your policy should cost less. Or if you're driving less, then updating your mileage could save you money too. However, only make changes that are accurate, otherwise you could invalidate your policy.”



# Note to editors

More than 6 million quotes are used in the construction of each quarter's insurance price index – this makes it the most comprehensive insurance index in the UK. Unless otherwise stated all prices referred to are for comprehensive cover.

The following web pages will be updated to reflect the new figures and can be linked to:  
<http://www.confused.com/car-insurance/price-index>

1. The introduction of the FCA pricing changes came into effect on 1 January 2022, putting a stop to insurers offering both new and renewing customers varying prices on both their car and home insurance. Under the new rulings, insurers must offer drivers the same price they would receive as a new customer buying in the same way, banning what was previously known as a new customer discount. More information: <https://www.fca.org.uk/news/press-releases/fca-confirms-measures-protect-customers-loyalty-penalty-home-motor-insurance-markets>
2. Research carried out by One Poll on behalf of Confused.com of 2,000 UK drivers who have car insurance policies. This was conducted between 9 and 12 January 2023
3. While the EU gender directive prohibits insurers from assessing a driver based on their sex, there are other risk factors which cause men to have higher costs. For example, men tend to drive more expensive cars with larger engines and loaded with new technology, on average, which makes for higher-value claims. They also tend to have significantly more motoring convictions than women.
4. <https://www.confused.com/beat-your-renewal/terms-and-conditions-car-insurance> – T&Cs apply. Must be a like for like policy.

# Media information

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## **For further information**

[www.confused.com/car-insurance/price-index](http://www.confused.com/car-insurance/price-index)

<https://www.confused.com/car-insurance/guides/tips-for-cheaper-car-insurance>

## **About Confused.com**

Launched in 2002, Confused.com was the UK's first digital marketplace for car insurance and is one of the leading brands in the sector, generating over one million quotes per month. It has expanded its range of comparison products over the years to include home insurance, van insurance, motorcycle insurance, and car finance comparison, as well as a number of tools designed to save consumers money.

Confused.com is not a supplier, insurance company or broker. It provides an objective and unbiased service. By using cutting-edge technology, it has developed a series of intelligent web-based solutions that evaluate a number of risk factors to help customers with their decision-making, subsequently finding them great deals on a wide-range of insurance products, financial services, utilities and more. Confused.com's service is based on the most up-to-date information provided by UK suppliers and industry regulators.

# Media information

## About the index

The index is compiled using anonymous data from all enquiries submitted on Confused.com. In line with the draft Office of Fair Trading (OFT) commitments on the use of competitor price data, the prices used for calculating the index are based on an average of the best five quotes received on Confused.com. The OFT closed on 1 April 2014 and the commitments are now governed by the Competition and Markets Authority (CMA).

## About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees in more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at [willistowerswatson.com](http://willistowerswatson.com).