



Publication of the Digital Markets, Competition and Consumers Act 2024 and what this means for financial services firms

3 July 2024

On 3 June 2024, the Digital Markets, Competition and Consumers Act 2024 (DMCCA) was published on legislation.gov.uk. The DMCCA amends the Competition Act 1998 and the Enterprise Act 2002 to boost competition in digital markets currently dominated by a small number of firms. In the following section we discuss some of the key changes brought by the DMCCA and how these changes will impact financial services firms.

The DMCCA was [published](https://legislation.gov.uk) on legislation.gov.uk on 3 June 2024. It amends the Competition Act 1998 and the Enterprise Act 2002 to boost competition in digital markets currently dominated by a small number of firms with substantial and entrenched market power and imposes specific conduct requirements on those firms.

It increases the Competition and Markets Authority's (CMA) powers under which the regulator will be able to directly enforce consumer law rather than go through lengthy court processes. The CMA will be able to award compensation to consumers and directly impose financial penalties on firms. It will be able to impose fines of up to 10% of global annual turnover on businesses found to have infringed consumer law.

The DMCCA also creates new types of unfair commercial practices that mislead consumers into spending, including subscription traps, drip-pricing and fake reviews.

The DMCCA received Royal Assent on 24 May 2024 and will largely be brought into force by regulations.

What this means for financial services firms?

- **FCA will be able to make recommendations to the CMA for regulatory intervention.** The DMCCA enables the Financial Conduct Authority (FCA) to make recommendations to the CMA to exercise its powers under the Act. This mechanism could for example be used in cases where the FCA identifies a potential competition concern specifically in digital markets, for which the CMA is considered to have the most suitable powers to take action.
- **FCA will be able to obtain enforcement orders against firms under its remit.** The DMCCA also simplifies and enhances the civil court based enforcement regime for consumer protection law currently set out in Part 8 of the Enterprise Act 2002. This allows certain enforcers to seek a civil remedy, i.e., an enforcement order from the court against a trader for infringement of consumer protection legislation. DMCCA designates the FCA as one of the public designated enforcers for consumer protection orders and undertakings. In broad terms, the FCA may apply to the appropriate court for an enforcement order if it considers a person has engaged in a commercial practice in breach of various enactments including the Consumer Credit Act 1974, Consumer Rights Act 2015, and the Payment Accounts Regulations 2015.

- **Addition to the unfair commercial practices list and new offence:** The DMCCA also re-states and revises the Consumer Protection from Unfair Trading Regulations 2008 and makes the omission of material information from an invitation to purchase a separate unfair commercial practice and an offence. Such material information will include clearer pricing information on products, so for example, e-commerce sellers and platforms should ensure that prices in adverts and product listings are transparent regarding the actual costs of the product to the consumer. Therefore the DMCCA prohibits the 'drip pricing' of unavoidable fees by requiring traders to set out in an invitation to purchase the total price of a product including any mandatory fees, taxes and charges that apply to the purchase of a product.
- **Specific exclusions for financial services:** The DMCCA provides consumers with significant new rights in relation to subscription contracts and consumer savings scheme contracts. However most financial services contracts and activities have been excluded from these requirements.

Next steps

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