



Competition and consumer law reform: the Digital Markets, Competition & Consumers Bill is passed by UK Parliament

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The Digital Markets, Competition & Consumers Bill (**DMCCB**) was first introduced in April 2023 and now, over a year later in May 2024, it has been officially passed by Parliament. The DMCCB is set to significantly enhance consumer protection rights and transform regulation of competition in digital markets. We summarise below the key consumer law developments for which consumer-facing businesses should be aware.

We've also covered DMCCB developments in previous articles, for which see [here](#) and [here](#).

- 1. Subscription contacts.** The DMCCB contains its own Chapter dedicated to regulating subscription contracts. Subscription businesses transacting with UK subscribers will need to consider:
 - 1. Pre-contract information obligations.** The DMCCB introduces new, specific pre-contract information obligations for subscription contacts (termed “key pre-contract information” and “full pre-contract information”). Some notable examples include how the consumer can cancel the subscription (including who to contact), how the business may change its prices or frequency of prices and how much notice the consumer needs to give to terminate.
 - 2. Cooling-off rights.** The DMCCB also establishes new 14-day ‘renewal cooling-off periods’ during which consumers can cancel their subscriptions for any reason without penalty. A renewal cooling-off period will apply: (i) after a free/lower initial trial period expires; and (ii) after a renewal where the consumer won't be liable for another payment until after 12 months. The Government intends to consult and use secondary legislation to address concerns over refund rules in case a consumer uses the subscription during the renewal cooling-off period. Businesses will also need to send renewal cooling-off reminder notices once the period renewal cooling-off period begins.
 - 3. Reminder notices.** Businesses will need to send prior reminder notices to consumers in respect of: (i) the end of a free/lower cost initial trial; (ii) six-month intervals where a ‘relevant renewal payment’ is due; and (iii) prior to a renewal payment where the consumer won't become liable for a further payment until 12 months.
 - 4. Termination rights.** Businesses must enable consumers to cancel a subscription in a straightforward way and without having to take any steps which are not reasonably necessary for ending subscription. DMCCB guidance provides the following as examples of unreasonable steps: (i) filling in a mandatory text box prior to cancellation; (ii) having to phone the business to cancel where the consumer signed up online; and (iii) making consumers complete an excessive number of steps in a cancellation journey.

2. **Drip pricing.** The DMCCB introduces new rules to tackle ‘drip pricing’. This occurs when a consumer sees an initial price for a product or service but subsequently discovers that additional costs are added into the price as they complete the customer checkout journey (for example, a service fee or booking fee). An invitation to treat (such as an ad or product listing) must include the total price (including all additional fees, taxes and other charges that the consumer will necessarily incur). If those fees can’t be reasonably calculated in advance, the invitation to treat must explain how those additional prices will be calculated. Importantly, the law will no longer require proof that the omission effected a consumer’s transactional decision, making it easier for the CMA or Trading Standards to enforce.
3. **Fake reviews.** Schedule 19 of the DMCCB contains a list of automatically banned commercial practices (as carried over from the current The Consumer Protection from Unfair Trading Regulations 2008 and updated accordingly). Paragraph 13 of this list contains various items aimed at tackling fake reviews, such as: (i) a prohibition on submitting or commissioning fake reviews or a review which conceals the fact it has been incentivised; (ii) a prohibition on publishing reviews in misleading ways; and (iii) failing to take reasonable proportionate steps to prevent fake or misleading reviews. The last item will be of particular interest to platform operators who will need to grapple with what “reasonable steps” means in practice where those platforms disseminate third party seller reviews.
4. **Fining powers.** Lastly, but far from least, are new direct fining powers for UK consumer regulators, with consumer law enforcement bodies adopting an administrative model. These include: (i) up to £300,000, or 10% of a businesses’ annual turnover (whichever is higher) for consumer laws infringements; and (ii) up to 5% of a business’s annual global turnover for failing to comply with an undertaking or direction.

In conclusion, the Digital Markets, Competition & Consumers Bill will soon become the Digital Markets, Competition & Consumers Act. The rules applying to businesses that sell to, or otherwise interact with, consumers will change significantly, as will the risk related to enforcement proceedings being brought for infringing actions. The implementation period for the DMCCB is the right time for consumer-facing businesses to ensure their consumer terms and customer experience complies with the new rules.

Please see our separate article for insight into the reforms that the Digital Markets, Competition and Consumers Act will have on competition law and digital markets [here](#).