

# Our guide to the Digital Markets, Competition and Consumers Act 2024 – focusing on consumer law



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The [Digital Markets, Competition and Consumers Bill](#) was introduced to the UK parliament on 25 April 2023, following a Green Paper back in 2018 and consultation by the government in 2021. The government said that one of its primary purposes is to protect consumers by *strengthening* the enforcement of consumer protection law (including by giving the CMA significant new powers and the prospect of GDPR style fines) and introducing *new consumer rights*, including by tackling subscription traps that it says currently cost consumers £1.6 billion.

In addition to updating consumer laws, the new legislation introduces new provisions relating to digital markets and competition law. However, this Guide focuses on the rules about consumer law.

Sarah Cardell of the CMA has called the new legislation a “watershed moment” in protecting consumers.

The Act was finalised during the wash-up preceding the 2024 General Election and received Royal Assent in May 2024. The timetable for implementation will be up to the new government. The outgoing government had clarified that the additional rules on subscriptions will be delayed to spring 2026, to give businesses more time to prepare for the changes.

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### Consumer protection from unfair trading

The Act repeals and reinstates the Consumer Protection from Unfair Trading Regulations 2008 (SI 2008/1277) (CPRs). There are some changes: the Act amends and supplements the list of commercial practices that are always considered unfair to reflect the fact that consumers and traders increasingly interact online. In addition, it amends some the definitions in the CPRs, such as “average consumer” “commercial practice” and “transactional decision”. Although the changes are minor in themselves, cumulatively they enhance consumer protection.

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### Commercial practices that are always considered unfair

Schedule 1 of the CPRs contains a list of ‘blacklisted practices’ – these are practices that are considered unfair in all circumstances, without the need to show they affect a consumer’s purchasing decision. Many of these have been largely replicated in the Act, but in some cases the wording has been slightly tweaked, resulting in a wider application.

For example, the banned practice of “falsely stating that a product will only be available for a very limited time, or that it will only be available on particular terms for a very limited time, in order to elicit an immediate decision and deprive consumers of sufficient opportunity or time to make an informed choice” has been amended to remove the words “very”, making this unfair practice wider in scope. This change aligns with the broader regulatory movement to crack down on “[Online Choice Architecture](#)” or “Dark Patterns”.

A more detailed breakdown of the changes to the “blacklisted practices” is available on request.

Given that there are powers to amend the list of unfair commercial practices (see below), additional banned practices might follow in the future.





## Power to amend the list of unfair commercial practices

The Secretary of State has the power to add to the current list of automatically unfair practices using secondary legislation. This aims to allow consumer laws to adapt more quickly than has been possible under previous legislation to changes in the market, consumer practices, and technology. As the banned practices are treated as strict liability offences, without the need to prove consumer harm, any new additions will need to be carefully assessed by the Secretary of State to ensure there isn't room for misapplication.

### Fake reviews and drip pricing

However, important changes to the list of banned practices were made during the legislative process. The government consulted on, and agreed to create, the following new banned practices:

- ▶ submitting a fake review, or commissioning or incentivising any person to write and/or submit a fake review of products or traders;
- ▶ offering or advertising to submit, commission or facilitate a fake review; and
- ▶ misrepresenting reviews, or publishing or providing access to reviews of products and/or traders without:
  - taking reasonable and proportionate steps to remove and prevent consumers from encountering fake reviews.
  - taking reasonable and proportionate steps to prevent any other information presented on the platform that is determined or influenced by reviews from being false or in any way capable of misleading consumers.

These additions bring the UK position closer to that of the EU where the Enforcement and Modernisation Directive (also known as the "Omnibus Directive") brought in similar prohibitions on fake reviews and endorsements. Although most of the existing banned practices constitute criminal offences, the new banned practices on fake reviews will not, so the main risks for businesses will be civil liability, including potentially large fines.

The Act also deals with so-called "drip pricing" practices. Drip pricing is where only part of an item's price is shown during the early part of the consumer journey, and the total amount to be paid is revealed at or near the end of the buying process, by which time the consumer may feel committed to the purchase. This is a practice the CMA has already declared potentially harmful as part of its investigations into online choice architecture. However, the Act does not cover optional fees.

These changes aren't in the banned practices, but are dealt with by the provisions about "material information" that must be considered when assessing whether there has been a misleading action or omission.

## Subscription contracts

For some time, regulators have been concerned about so-called subscription traps, and estimate that they cost consumers over \$1.6 billion a year. Therefore, the Act includes new rules for subscription contracts with consumers which are similar to the more general rules in the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs).

There are various excluded contracts, including contracts for the supply of utilities, financial services, certain healthcare and medical contracts, contracts for the supply of services regulated by Ofcom, residential accommodation rental contracts, leisure activities on a specific date, package holiday and package travel contracts, and contracts for the supply of childcare and school age education. Charity subscriptions which qualify for Gift Aid are also excluded.

The government did not include in the Act everything that it proposed during the consultation:

What's in the Act	What's not?
"Key" and "full" pre-contract information requirements	Obligation to give consumers a right to opt out of auto-renewal
Reminder notices relating to auto-renewal of subscriptions	Obligation to obtain consent to continue subscription after free trial or intro offer
Cancellation rights: "easy exit", initial cooling off rights, renewal cooling off rights	Obligation to suspend and stop charging where there is evidence



	of inactivity
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What pre-contract information must be provided?

Key pre-contract information	Full pre-contract information
What? Amount & frequency of payments, charges after trial period, minimum total amount payable, auto-renewal mechanism, termination process and notice periods, cooling off rights, info re reminder notices	What? General information broadly mirroring the CCRs
When? As close in time to entering into the contract as is practicable	When? Provided or made available before contract is formed and confirmed after contract is formed
How? Given all together, in writing, separately from full info, without the need to click links or download	How? Provided or made available before. Copy provided in a durable medium after contract is formed

Reminder notices

To help reduce “zombie” subscriptions, traders must send reminder notices about renewals which state:

- The amount of the renewal payment;
- When it will be payable;
- How it differs to the last renewal payment;
- When the next renewal payment will be due; and
- How to end the contract to avoid liability for the renewal payment.

Exiting the contract

Consumers must be given a 14-day cooling off period, as well as the ability to exit the contract “easily” – ie with a single communication (so-called anti-sludge). “Dark patterns” such as continually asking consumers if they are sure, or if they are happy to “lose their benefits” are unlikely to comply with the new requirements. Consumers will have the:

- Right to cancel at start of contract (as under the CCRs);
- Right to cancel after a free trial; and
- Right to cancel when they renew.

The detail on return and refund rules will be set out in secondary legislation and the Government has committed to consult publicly on those rules.

Other changes

The Act also reforms Christmas Club savings schemes and alternative dispute resolution schemes.



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## Enforcement changes

So, what happens if you don't comply with the above? The Act substantially enhances the CMA's role in enforcing the consumer protection regime. Currently, the CMA must rely on court proceedings to enforce any breaches of consumer law, which it says causes delays and limits its impact. However, the Act allows the CMA to directly investigate suspected infringements and practices that may harm the collective interests of consumers in the UK, and issue enforcement notices without going to court first. Other regulators such as the FCA will also have enhanced rights but will have to go to court first.

The CMA will have powers to:

- ▶ issue provisional and final infringement notices where the respondent has engaged or is an accessory to a relevant consumer law infringement;
- ▶ take enhanced 'consumer measures', taking into account the likely benefit and associated costs of any issued measures;
- ▶ issue online interface notices to traders operating websites, apps or other digital content promoting the sale of services, goods or digital content which may (among other things) require the removal of certain content or the deletion of a domain name;
- ▶ seek undertakings after an investigation (instead of issuing an infringement or online interface notice) and issue enforcement notices if they are not complied with;
- ▶ enforcement directions; and
- ▶ information notices.

The CMA will also have the power to impose significant fines of up to:

- ▶ £300,000 or 10% of annual global turnover (whichever is higher) in relation to final infringement notices;
- ▶ £150,000 or 5% of annual global turnover (whichever is higher), plus an additional daily penalty if breach persists thereafter of up to £15,000 or 5% daily global turnover (whichever is higher) for failure to comply with an enforcement direction or a breach of an undertaking made to the CMA under the Act; and
- ▶ £30,000 or 1% of annual global turnover (whichever is higher), plus an additional daily penalty if breach persists thereafter of up to £15,000 or 5% daily global turnover (whichever is higher) for non-compliance with an information notice or for the provision of materially false or misleading information.

Individuals may also be fined as part of this new regime.



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### What isn't in the Act?

Other than some changes to subscription contracts, there are other items which were anticipated to be in the Act but have been omitted. For example:

- ▶ In August 2022, the CMA had asked for new rules around secondary ticketing but the government rejected this, even when the Lords asked for changes as part of the legislative process;
- ▶ It does not cover specific rules about greenwashing, as the government has said this can be dealt with as a misleading practice;
- ▶ There are only limited changes in respect of Online Choice Architecture / Dark Patterns.

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### What happens next?

The Act will come into effect as soon as possible following Royal Assent. Secondary legislation and guidance will be issued.

The new consumer protection measures of the Act are intended to apply to the whole of the UK. Consumer protection policy is devolved to Northern Ireland but reserved for Scotland and Wales. As a result, legislative consent is required from the Northern Ireland Assembly.

The Act will only apply to contracts entered into after it comes into force.

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### What does this mean for businesses?

With the finalising of the Act, the UK is entering into a new era for consumer protection. The CMA has already been making moves to improve and modernise how it works – a point it highlighted in last year's [annual plan](#). With its new powers under the Act, businesses can expect more regulatory action. With potentially eye-watering fines on the table, many companies who previously took a "risk-based approach" to compliance with consumer laws will need to reassess their position. Cross-border businesses will also now need to take account of the divergence in consumer law between the UK and EU.







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