

Insights

NEW UK CONSUMER PROTECTION REGIME TO GO LIVE 6 APRIL 2025

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The CMA's new enforcement powers granted under the Digital Markets, Competition and Consumers Act 2024 ("DMCCA") come in to force on 6 April 2025, bringing major change to the consumer protection regime. Provisions relating to drip pricing and fake reviews also come in to force on this date.

Under the DMCCA, the CMA will, for the first time, have the power to enforce consumer protection laws directly through administrative proceedings (rather than enforcing consumer rights in a court process). This includes the ability to impose fines of up to 10% of global annual turnover, as the CMA can do in competition law cases. Apart from financial penalties, other enforcement tools at the CMA's disposal include enhanced consumer measures and online interface notices, the latter of which can require a party to remove or modify content, disable or restrict access, display a warning or delete a domain name. Our articles "Digital Markets, Competition and Consumer Act — what can we expect from the CMA?" and "Major changes to consumer and competition rules, a new digital regime and more power to the CMA" provide more information on the CMA's new enforcement powers and its guidance on how it will use them.

The CMA has indicated that it will imminently publish an approach document which will include detailed information on its enforcement priorities during the first 12 months of the regime. Ahead of this, the CMA has published a blog, providing a welcome steer on enforcement priorities. The focus will, at least initially, be on breaches that the CMA considers to be 'most egregious', including:

- aggressive sales practices that prey on vulnerability
- providing information to consumers that is objectively false
- contract terms that are very obviously imbalanced and unfair
- behaviour where the CMA has already put down a clear marker through its previous enforcement work
- where the law tells us that a practice is always unfair

The CMA's blog post follows the Department of Business and Trade's draft strategic steer directed to the CMA and published 13 February 2025, setting out the government's priorities for the CMA. The strategic steer called for, amongst other things, the CMA to deliver investment and economic growth by using its range of tools, whilst "focusing on markets and harms that particularly impact UK-based consumers and businesses." The draft steer also provides guidance on the considerations the CMA should have in mind where it has discretion on which issues to tackle, and how best to intervene or design remedies.

Although provisions relating to drip pricing and fake reviews are also due to come in to force on 6 April 2025, the CMA will not seek to enforce the new rules on fake reviews for the first three months of the new regime in response to feedback that businesses will need more time to implement mechanisms to detect and remove fake reviews, as well as revising internal processes for handling reviews and complaints made about the review process. In these three months, the CMA will instead focus on supporting businesses with their compliance efforts.

The CMA has also confirmed that it will run a further consultation on drip pricing in Summer 2025, with a view to producing finalised guidance in Autumn 2025. Until this final guidance has been produced, the CMA have stated in their blog post that they will only take enforcement action against "genuinely unexpected and untrailed mandatory charges added on at the end of a purchasing journey."

If you would like to discuss how the DMCCA could affect your business, please contact the authors or your usual BCLP contact.

Webinar

Transact Globally, Comply Locally - Consumer Protection Issues in eCommerce in the US, UK, & EU

Consumer protection law and its enforcement are changing in many jurisdictions around the world. BCLP panellists from the US, UK and the EU will discuss legal pitfalls to avoid when mapping out the customer journey. Topics covered will include:

- Overview of some Recent Legal Changes and Enforcement Trends
- Price Transparency and 'Drip' Pricing
- Fake or Compensated Reviews
- Subscription Contracts: Enrollment and Exit Mechanics

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MEET THE TEAM



Marieke Datema

London

marieke.datema@bclplaw.com +44 (0) 20 3400 2132



Alexandra Hildyard

London

alexandra.hildyard@bclplaw.com +44 (0) 20 3400 3767



Anna Blest

London

<u>anna.blest@bclplaw.com</u> +44 (0) 20 3400 4475



Tanvi Wadhwa

London tanvi.wadhwa@bclplaw.com +44 (0) 20 3400 2146

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