

Insights

## NEW CMA DRAFT GUIDANCE ON PRICE TRANSPARENCY: WHAT YOU NEED TO KNOW

Jul 18, 2025

### SUMMARY

On 3 July, the CMA issued its [draft guidance](#) on the price transparency provisions in the Digital Markets, Competition and Consumers Act 2024 (**DMCCA**), and launched a [consultation](#) on this draft guidance (to close on 8 September 2025). The new guidance is a supplement to the [Unfair Commercial Practices guidance](#) (CMA207).

The draft guidance forms part of the revised consumer protection regime introduced by the DMCCA in the UK (see our articles: [New UK consumer protection regime to go live 6 April 2025](#); [Digital Markets, Competition and Consumer Act – What can we expect from the CMA?](#)), large parts of which came into force in April 2025. Under the DMCCA, the CMA now has, for the first time, the power to enforce consumer protection laws directly through administrative proceedings (rather than having to enforce consumer rights in a court process). The CMA also has new powers to impose fines of up to 10% of global turnover for breaches of consumer protection law.

The CMA had previously previewed that it aimed to produce finalised guidance on price transparency in Autumn 2025 and, until this final guidance has been produced, stated that it will only take enforcement action against “*genuinely unexpected and untrailed mandatory charges added on at the end of a purchasing journey*.”

### WHY IS PRICE TRANSPARENCY IMPORTANT?

The DMCCA updated the law to protect consumers from unfair trading, including strengthening the rules on price transparency in the context of invitations to purchase (**ItP**). The CMA has stated that when businesses do not display their prices accurately or leave out essential pricing information that consumers need to know, it can make products appear cheaper than they are; this can undermine consumers’ trust when they find out the real cost, and prevent businesses from

competing on a level playing field. Price transparency therefore not only benefits consumers but, by promoting competition, it also benefits businesses and the wider economy.

## **WHAT ARE KEY TAKEAWAYS IN THE DRAFT GUIDANCE?**

The concept of an ItP is to be cast very widely to enable consumers to be able to compare products quickly and make informed purchasing decisions. The draft guidance states that the rules will cover pricing shown in advertisements, text message promotions, posters, website listings and banners appearing in-app, including before it is possible to make a purchase and even where information given is far from complete. Where no price is included or if the characteristics of the product are not indicated, it will not be an ItP – but will still be subject to a requirement to provide certain information, if required for a consumer to make an informed decision.

The guidance indicates that a price presented to the consumer in an ItP should be ‘realistic, meaningful and attainable for the product being advertised’ and presented in a clear and timely way. This means that if the ItP displays a particular version of a product, the price shown should reflect what a consumer would pay to obtain that particular product. A clear steer is given that if the product cannot be purchased at the advertised price, is only available at that price in very limited quantities or can only be purchased on significantly different terms to those presented in the ItP, then the advertised price is likely to be misleading.

## **USE OF INDICATIVE PRICING**

Indicative and ‘from’ pricing are permissible, provided the pricing ‘band’ which is applied to the relevant goods/services is meaningful and not misleading. The guidance gives the example of a hotel advertising a weekend break (when prices are more expensive) using a ‘from’ price based on a (cheaper) midweek stay in the ItP – this would likely be misleading, if a consumer could not purchase a weekend break at the ‘from’ price.

The guidance also includes a number of helpful practical case studies, clarifying those ItPs whose pricing offers will comply with the DMCCA and those which risk being misleading. This includes the example of admission prices for attractions priced ‘from £12’ when this price only applies to children under 10, when this age group of consumer is unlikely to visit the attraction without an accompanying adult (for whom tickets are priced at £25). Equally, advertising a new model of car with a ‘from’ price (where the ItP emphasises that the car has advanced driver assistance features) when the version of the car available at the ‘from’ price does not include these particular features and consumers would have to pay significantly more to obtain them, is likely to be misleading as it is not reflective of what the consumer would have to pay to purchase the version of the product advertised in the invitation to purchase.

## HEADLINE PRICES

The draft guidance also provides an example of how to present a headline price, when some, but not all of the price is calculable. This confirms that the information about the additional charges should be set out in the invitation to purchase next to the headline price of the product, (e.g. immediately underneath or next to, rather than somewhere else on the page) and should be provided so it is as prominent as the part of the total price that *is* calculable in advance. This suggests providing the information so that it is not visible at all times to consumers (e.g. using hover text or pop-up text) is unlikely to comply with the DMCCA rules:



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## DRIP PRICING AND PRESENTATION OF MANDATORY CHARGES

The CMA also reiterates the prohibition on drip pricing, which prevents a business displaying in an ItP an initial headline price which does not include mandatory charges which are added incrementally as the customer proceeds with a transaction.

Businesses are also put on notice to avoid 'partitioned' pricing, where the component parts of a price are displayed without giving the overall total, as this also risks misleading consumers as to the true price and reduces the possibility to compare prices on a like-for-like basis. The CMA reiterates that it is not enough to present the individual price components and expect the consumer to calculate the total price. This mode of pricing presentation is only permitted in certain limited circumstances.

The guidance sets out examples of charges which will be mandatory (including fees relating to additional services which cannot be avoided, delivery charges (which will be considered mandatory where consumers cannot arrange for their own collection/delivery and if the consumer cannot purchase a product without paying an additional mandatory charge to cover the cost of delivery), local taxes, joining fees payable by new members) and which must be included in the total price displayed to consumers.

The CMA also considers the way a consumer may interact with the trader in the course of a transaction, particularly online, where a consumer may be presented with multiple ItPs. If the total price cannot reasonably be calculated, the information needed to enable the consumer to calculate the total price should be included for each ItP until the total price can be calculated. The CMA notes that it is not sufficient to present this information once (e.g. on the front page of the website) and then omit it at later stages of the purchase process. Once the total price becomes calculable, it must then be presented from that point onwards. The guidance also sets out a number of methods a trader can adopt to ensure it has presented the relevant information, in situations where the total price cannot reasonably be calculated (one of which proposes not including prices at all until sufficient information received from consumer to be able to calculate the total price applicable to that consumer). Alternatively, a trader could structure its purchasing process to obtain the information required to calculate a total price from consumers at the outset. The specific example given is that of car hire, the price of which can vary greatly and depends on a range of factors, in particular, the intended pick-up and drop-off locations, proposed dates and times and driver's age. The guidance states that *'providing prices without knowing this information is likely to result in misleading pricing, so car hire companies should obtain the customer's main requirements at the outset.'*

The CMA has not provided further guidance on the approach to take where a limitation in the communication method being used which affects how pricing information is displayed (e.g. limitations of space or the constraints posed by radio advertising), with the CMA merely confirming

that where it is genuinely not practicable to present all the required pricing information on the face of the ItP, the trader should take steps to overcome these limitations in order to provide the consumer with the required pricing information by another means. No examples are given in the guidance to give a steer to businesses.

## **PER-TRANSACTION CHARGES**

The CMA also provides some useful guidance about presentation of information about specific charges (such as the need always to include per-transaction charges and delivery charges in the ItP (and early stage advertising) as well as providing a running total cost throughout the purchase process.

Per-transaction charges is the term used to refer in the guidance to mandatory (often fixed) additional charges which are linked to a purchase rather than the specific products purchased. Examples given in the guidance include a one-off flat booking fee for the purchase of multiple cinema tickets, an administration fee or a cleaning fee. Details of these mandatory per-transaction charges should always be included in an invitation to purchase and, wherever possible, included in the total price – even in early-stage advertising.

For example, where a trader advertises event tickets, with the price for a single ticket at the cheapest rate being £20, where there is a per-transaction fee of £2.50, the price shown should be the total price, including any per-transaction charges, that a consumer would be required to pay to purchase the minimum possible number of tickets (i.e. a ticket for one person). This means, in this case, the ItP would need to include the statement ‘from £22.50’. Meeting this obligation may therefore involve some re-configuring of the purchasing journey to enable the relevant totals to be displayed throughout, given that each separate stage is likely to be seen as an ItP.

The CMA appears to have listened to issues raised by online retailers who offer multiple products to be selected and purchased together and who may apply one or more different per-transaction charges (i.e. an online clothing retailer, event organiser or groceries for home delivery). It recognises that, in these circumstances, it may not always be realistic or meaningful to include all mandatory per-transaction fees in the headline price of each product when these charges would only be paid once. It therefore suggests a trader could achieve compliance by presenting the consumer with a running total for their order throughout the purchase process. This should be clearly visible to the consumer and begin with the per-transaction charges (as well as any other mandatory charges) included. How to best present the running total may differ between products and websites. The guidance includes some mechanisms which would ensure compliance with the rules, such as a ‘floating basket’ displayed prominently which stays on the screen and updates in real time. It also includes mocked up screen shots of its suggested solutions, as well as examples of compliant means of displaying variable delivery charges. For example, where a trader reduces or waives delivery charges if a consumer reaches a certain spend threshold, it must include the full

delivery fee in the total price until the consumer's basket of products reaches the spend threshold to qualify for a lower (or free) delivery charge.

The guidance also sets out how traders should deal with local charges and taxes when presenting the initial price for travel and accommodation services, as well as how to present these charges where they are payable locally in a foreign currency (showing the exchange rate used to calculate the local charges).

## **SPEAK TO US**

BCLP's Consumer Team has been assisting businesses to prepare for the advent of the DMCCA and our specialists can help you navigate the UK's new consumer protection regime.

Please contact us if you would like to hear more, or you would like us to assist you in responding to the CMA consultation on the draft price transparency guidance.

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