

## Insights

# UK GOVERNMENT TARGETS SUBSCRIPTION TRAPS: WHAT BUSINESSES NEED TO KNOW

Apr 20, 2026

## OVERVIEW

The UK government has announced a significant package of new consumer protection measures to tackle so-called "subscription traps" – subscription arrangements that are difficult to cancel, involve opaque auto-renewals, or silently convert participants on free trials into paying subscribers. The measures, announced on 2 April 2026, are expected to come into force in Spring 2027 and implement provisions of the Digital Markets, Competition and Consumers Act 2024 (DMCCA), with supporting guidance to be issued to support implementation.

The announcement reflects a growing policy consensus that UK subscription markets have created material consumer harm, at a time when consumers face costs pressures. There are around 155 million active subscriptions in the UK – roughly 2.9 per adult – in non-regulated sectors worth approximately £26 billion per year. Research indicates that approximately 5.8% of active subscriptions are unwanted, equating to an estimated 9.7 million unwanted subscription contracts at any one time, with consumers spending around £1.6 billion annually on subscriptions they do not want. The government anticipates that the new rules will save consumers around £400 million every year.

The policy rationale centres on information failures and behavioural biases, including inertia and default bias, that cause consumers to remain subscribed for goods and services longer than they intend. Difficult cancellation processes and auto-renewal structures also raise competition concerns, since friction can artificially retain customers and reduce incentives for providers to compete on quality.

The Impact Assessment accompanying the reforms identifies the main sources of unwanted subscription spending:

- Rollovers from free or discounted trials account for an estimated £602 million per year (around 37% of total unwanted spending).
- Forgetting to cancel a contract accounts for a further £573 million.

- Consumer inertia, where consumers are aware of a subscription but do not take action to cancel, contributes an estimated £692 million.
- Difficulty cancelling a subscription accounts for approximately £382 million in unwanted spending annually.

## **THE NEW RULES: WHAT WILL CHANGE?**

The government's preferred policy package combines four key measures: enhanced pre-contract information, reminder notices, straightforward exit mechanisms, and additional cooling-off rights. Once in force, businesses offering subscription services will be required to:

### **PROVIDE CLEARER PRE-CONTRACT INFORMATION**

Businesses must provide consumers with clear, detailed information before they sign up to a subscription, ensuring that terms, costs, and renewal arrangements are transparent from the outset. If a business fails to inform a consumer about their cooling-off rights, the cooling-off period will be extended to 14 days after the information has been provided, up to a maximum of 12 months.

### **ISSUE TIMELY REMINDER NOTICES**

Reminders must be sent before free or discounted trial periods end and before automatic renewals of contracts of 12 months or longer, giving consumers a meaningful opportunity to act before further payments are taken.

### **OFFER STRAIGHTFORWARD CANCELLATION**

Consumers who sign up online must be able to cancel online, ending practices such as requiring customers to navigate lengthy telephone queues to exit a contract entered into with a single click. Businesses will be prevented from including contractual terms which have the purpose or effect of making it disproportionately difficult for consumers to cancel auto-renewal, and the legislation will ensure that businesses cannot make consumers liable for payment before a rolling contract actually renews onto a new contract period. The government has indicated it will provide guidance on how easy exit, online exit, and the making of offers and the seeking of consumer feedback are to work in practice (i.e. if a business asks for feedback as part of the cancellation process).

### **NEW 14-DAY COOLING-OFF RIGHTS**

An additional 14-day cooling-off period will apply when a free or discounted trial converts to a full price contract, or when a subscription contract of 12 months or more automatically renews. This provides a backstop for consumers who miss a renewal date. Refunds will be available on a full or

proportionate basis, ensuring businesses are not required to refund amounts attributable to services or digital content already supplied during the initial or any renewal cooling-off window.

## **SCOPE, EXEMPTIONS AND IMPLICATIONS FOR BUSINESS**

The measures will not apply universally. Regulated sectors subject to equivalent or higher consumer protection standards are intended to be exempt, or largely so. These include areas regulated by Ofcom's General Conditions (Part C), financial services and insurance within the scope of FCA regulation, regulated utilities, and certain medicines and medical products supplied by a prescriber or healthcare professional. The government has also confirmed that certain charitable cultural and heritage memberships will be excluded – broadly, contracts between a charity and a consumer that allow consumers to attend performances, view collections, or visit places (such as museums, galleries, historical properties, landscapes, wildlife, and performing arts venues) related to the charity's charitable purpose. The reforms are designed to avoid disadvantaging digitally excluded or vulnerable consumers: offline cancellation routes will be retained, and reminder notices must be sent via the consumer's preferred communication method or, failing that, by email or SMS.

For businesses within scope, significant compliance costs are anticipated. One-off implementation costs across the approximately 236,000 affected businesses are estimated at between £281 million and £467 million, with an equivalent annual net direct cost to business of £171 million. These costs span staff training and familiarisation, legal and IT work, updates to terms and conditions, and changes to internal processes. The government acknowledges that some businesses may respond by adjusting their subscription offerings, for example, by raising prices or reducing the availability of free trials – which could partially offset consumer savings, though such effects have not been quantified.

Compliance will be enforced through both private civil enforcement and public enforcement routes, including by the CMA under Chapters 3 and 4 of Part 3 of the DMCCA, which replaces the previous enforcement regime under Part 8 of the Enterprise Act 2002. No new criminal offences are proposed in connection with these measures.

The measures are expected to come into force in Spring 2027. Further regulations will follow, covering the technical operation of initial and renewal cooling-off refunds, information and notice requirements, and the consequences and remedies for breach, with a view to ensuring consistency with the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 where possible.

---

*The authors would like to thank Trainee Solicitor Edward Boswell for his support in writing this Insight.*

## RELATED CAPABILITIES

- Retail & Consumer Products

## MEET THE TEAM



### **Richard Shaw**

Partner, London

[richard.shaw@bclplaw.com](mailto:richard.shaw@bclplaw.com)

[+44 \(0\) 20 3400 4154](tel:+442034004154)



### **Anna Blest**

Knowledge & Innovation Counsel,  
London

[anna.blest@bclplaw.com](mailto:anna.blest@bclplaw.com)

[+44 \(0\) 20 3400 4475](tel:+442034004475)

---

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be “Attorney Advertising” under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP’s principal office and Kathrine Dixon ([kathrine.dixon@bclplaw.com](mailto:kathrine.dixon@bclplaw.com)) as the responsible attorney.