

## UK's new consumer protection regime – What to expect from future enforcement

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The UK's new consumer protection regime equips the CMA with extensive new direct enforcement powers, establishes additional banned practices, and provides for penalties as high as 10% of a business's annual global turnover. In one of the first decisions under the new regime, the CMA has accepted undertakings from a leading online retailer to tackle fake reviews. This client update highlights the key issues that consumer-facing businesses active in the UK should consider to ensure compliance.

### Overhaul of the consumer protection regime

On 6 April 2025, the consumer protection provisions of the Digital Markets, Competition and Consumers Act 2024 (DMCC Act) came into force. The UK Competition and Markets Authority (CMA) can now directly pursue enforcement action without going through the courts (as with competition law investigations), including issuing fines, ordering businesses to improve their practices, and making them pay redress to affected consumers.

This marks a further increase in the CMA's already extensive powers. The DMCC Act had already established an *ex ante* regime for the regulation of digital firms whose activities have 'strategic market status' and made it easier for the CMA to assert jurisdiction to review cross-border mergers. However, following the UK Government's May 2025 'strategic steer' to the CMA to focus on economic growth, an increased focus on consumer protection (relative to less investment-friendly and more resource-intensive competition law enforcement) is now expected. This consumer enforcement work will complement existing CMA initiatives such as the dynamic pricing project (which considers how dynamic pricing is being used across sectors and how it might create challenges for consumers and competition).

In this increased enforcement context, it will be more important than ever for businesses providing goods, services, or digital content to consumers in the UK to familiarize themselves with the latest consumer law obligations and update their compliance practices and procedures. This briefing identifies likely enforcement trends to consider when navigating compliance.

### Banned practices

While the DMCC Act largely restates existing consumer law, it has also introduced new infringements, including:

- **Drip pricing.** Fees hidden until late in the purchasing process. Businesses should ensure that taxes, delivery fees, admin charges, service charges, and other pricing elements are displayed early in the checkout process. Website terms may also need to be updated to disclose all charges.
- **Posting or commissioning fake or misleading reviews.** The new rules do not only affect the companies to which the reviews relate, but also third-party platforms which publish reviews. The CMA has recently confirmed that it is actively sweeping review platforms as it considers what enforcement action to pursue.

Both drip pricing and publishing or commissioning fake reviews are so-called '**banned practices**' that are automatically presumed to be unfair and therefore illegal, no matter the circumstances. **In total, there are 32 banned practices.** These include false urgency claims (e.g., falsely stating that a product will only be available for a limited time), false price reduction claims, directly appealing to children to buy products in ads, and pyramid promotional schemes.

Another key area of CMA focus will be '**subscription traps**'. The new rules – which will not come into force until spring 2026 at the earliest – require businesses offering subscription contracts to provide consumers with specific pre-contract information (including about any auto-renewal mechanism, any post-trial period charges, the frequency and amount of payments, and details of how to cancel a subscription), to send reminders during the contract before trial periods end or auto-renewals begin, and to facilitate the cancellation of subscription contracts (it should be as easy to exit as it is to enter).

## Investigatory powers, sanctions and remedial action

The DMCC Act provides the CMA with new investigatory powers, options to impose severe sanctions, and various remedial tools:

- **Investigatory powers.** The CMA has far-reaching extra-territorial investigatory powers to assist in its enforcement activities. These include issuing information notices (including to companies not subject to investigation) and entering premises (without notice or warrant) to search or inspect products, test equipment, seize documents, etc.
- **Fines.** New direct enforcement powers enable the CMA to impose fines on businesses for breaches of **up to 10% of global turnover**. Non-compliance with information notices may result in fines of **up to 1% of global turnover**, while the breach of an undertaking given to the CMA can result in fines of **up to 5% of global turnover**. Individuals may also be fined as part of the regime.
- **Criminal prosecution and director disqualification.** Some, but not all, breaches of consumer protection laws also carry risk of criminal sanctions (e.g., failure to provide information about initial cooling-off rights in off-premises subscription contracts, engaging in misleading advertising to traders, and certain unfair commercial practices). Directors can also be disqualified for a period of up to 15 years.
- **Other remedial action.** The CMA can issue a variety of notices to companies in breach, including ordering a company to compensate or otherwise provide redress to affected consumers, improve compliance, reduce likelihood of further breaches, and help consumers obtain relevant market information. To avoid such orders, companies can also proactively offer legally binding undertakings to modify their practices (while not admitting wrongdoing).

## Looking ahead

On 7 April 2025, the CMA published [informal guidance](#) setting out how it will exercise its newfound powers in the first 12 months. This informal guidance provides that:

- **Early enforcement action will focus on the most egregious practices**, including aggressive sales practices targeted at vulnerable people, providing objectively false information to consumers, fake reviews, drip pricing, and clearly unfair contract terms including exit charges on consumers. Sectors in focus will be areas of essential spend and innovative and fast-moving sectors. While not explicit in the guidance, the CMA is also expected to continue its focus on tackling 'greenwashing' (i.e., unfounded green claims).
- **Fines are likely to be lower initially.** When determining the fine, the CMA will consider where businesses have taken proactive and meaningful steps in good faith to correct infringing conduct. Documenting compliance efforts is therefore critical.
- **Recognizing that the new fake review provisions may require changes to systems and compliance policies**, the CMA noted it will focus on supporting businesses with compliance efforts rather than enforcement action in the first three months (i.e., April-June 2025).

## What businesses can do to mitigate risk

The new consumer protection regime adds significant compliance risk. To navigate this and reduce likelihood of investigation, there are a variety of steps that businesses can proactively take:

- **Ensure robust internal compliance policies** are in place to minimize the risk of a consumer law investigation and the associated reputational damage. The CMA will routinely publish information about its enforcement activities (even

if no breach is ultimately established). Policies should be updated regularly in line with the CMA's guidance and enforcement activity.

- **Conduct regular tailored training** for sales, marketing, customer services, and communications teams, including on drip pricing and fake reviews. Staff can also be provided with outside counsel helpline email addresses in case of urgent compliance queries.
- **Periodic compliance audits** including, e.g., a review of contractual terms for any consumer-facing services (and in particular for subscription services), testing of online purchasing journeys, the monitoring of pricing comparisons to ensure that they adhere to CMA guidance on volume and duration requirements, the review of marketing materials to ensure they are not misleading, or the inspection of goods to ensure they are accurately described.
- **Periodic reviews of website, marketing materials, and social media pages for any environmental claims.** As noted, the CMA is expected to continue to focus on greenwashing.
- **Establish reasonable safeguards targeted at avoiding fake reviews.** Businesses must ensure that 'reasonable steps' are taken to prevent the publication of fake reviews. Recent CMA commitment decisions provide guidance on how platforms can ensure they are doing enough to detect and remove fake reviews and properly sanction reviewers and businesses taking part in fake review activity (including, for example, banning offending accounts).
- **Provide an effective system so customers can quickly raise queries or complaints** with a customer services team. This will decrease the likelihood of complaints to the CMA.

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