

CONSUMER LAW UPDATE – JANUARY 2025

Digital Markets, Competition and Consumers Act 2024 (DMCCA)

The Digital Markets, Competition and Consumers Act 2024 (“**DMCCA**”) was enacted on 24 May 2024. The DMCCA contains important changes to consumer law which will come into effect in 2025 and 2026, including updated rules relating to unfair commercial practices, enhanced enforcement powers for the Competition & Markets Authority (“**CMA**”), and new requirements for paid subscriptions. These changes are relevant to any organisation which sells goods, services or digital content to consumers, so will apply broadly across sports rightsholders.

Unfair commercial practices are prohibited. A commercial practice is unfair if it:

- › is likely to encourage the average consumer to take a transactional decision they would not otherwise have taken as a result of the practice, involving: a misleading action or omission, aggressive practice or a contravention of professional diligence requirements;
- › omits material information from an invitation to purchase; or
- › falls under the list of “blacklisted” practices which are unfair in all circumstances.

Background

The DMCCA was introduced by the previous Conservative Government to update and enhance the CMA’s power to investigate and enforce consumer protection law and resolve consumer disputes; and give consumers adequate protections in respect of unfair commercial practices. It also introduces new provisions regarding digital markets and competition law, which are beyond the scope of this note.

Whilst we await secondary legislation bringing the consumer aspects of the DMCCA into effect, changes regarding unfair commercial practices and enhanced enforcement powers for the CMA are due to begin entering into force in April 2025, with the new regime for subscription contracts anticipated to follow some time from Spring 2026.

Unfair Commercial Practices

The DMCCA repeals and restates the Consumer Protection from Unfair Trading Regulations 2008.

Key changes include the following:

- › A new blacklisted practice has been added which covers several practices relating to **fake reviews**, including: submitting or commissioning a fake review; commissioning a review that conceals the fact it has been incentivised; and publishing or providing access to reviews without taking reasonable and proportionate steps to prevent the publication of fake reviews or reviews which conceal that they have been incentivised.
- › A new prohibition on **‘drip pricing’** (where consumers are enticed by lower headline prices with additional charges later revealed in the checkout process) has been introduced. Businesses must now include all mandatory costs of purchase (including taxes, booking fees and delivery costs but excluding additional voluntary costs) in the price provided upfront.
- › The scope of the blacklisted practice concerning **limited time only offers** has also been expanded: while it was previously prohibited to falsely state that a product will be available for a “very limited time” only, the prohibition now covers false statements about a product being available for a “limited time”. As such, businesses should be careful with any wording used when advertising products online with reference to stock levels or period of availability.

The DMCCA makes it easier for the Government to add new prohibited practices to the UK’s unfair commercial practices regime, and it is expected that further blacklisted practices will be added in future.

The CMA is also [consulting on draft guidance](#) on the protection from unfair trading provisions (closing on 22 January 2025).

Enhanced CMA Enforcement Powers

The DMCCA introduces significant changes to the enforcement of consumer law. Previously, the CMA could investigate breaches of consumer laws and negotiate undertakings with businesses. However, it would have to bring a case before a court to enforce consumer protections in contested cases.

The CMA will now be able to directly enforce consumer law by: issuing infringement notices; issuing potentially considerable fines of up to the higher of £300,000 or 10% of a company's global turnover; directly enforcing undertakings given by companies; and awarding compensation to consumers.

Subscription Contracts

New rules introduced by the DMCCA aim to reduce the prevalence of consumer subscriptions that renew without active usage or the subscriber's knowledge. They will apply to paid subscription contracts for the supply of goods, services or digital content. A sports rightsholder's paid membership or content subscription would, for example, be caught by the new rules.

- › Businesses will be required to provide **pre-contract information** about any auto-renewal, charges after trial periods, details of how to terminate, a summary of 'cooling-off' rights, details regarding the business' identity, the time by which the relevant service will be provided and the business' complaints handling policy.
- › Businesses will also be required to send **reminder notices**, in particular before a renewal, with reasonable notice. The reminder notice must be more prominent than the other information and, where a renewal occurs after a 12-month period, two reminder notices must be sent. The purpose of sending reminder notices with reasonable notice is to allow consumers sufficient time and information to exercise their choice to exit the contract.
- › **Ending contracts** must be straightforward, enabling consumers to cancel a subscription without having to take steps that are not reasonably necessary.
- › Enhanced **cancellation rights** will enable consumers to cancel a subscription contract without any

penalty: within 14 days of entering the contract (the *initial cooling-off period*); and within 14 days of the expiry of an initial free or discounted period or of any renewal which commits the consumer to a further period of at least 12 months (the *renewal cooling-off period*).

- › The initial cooling-off period is not a novel concept as it already applies to contracts under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. However, the renewal cooling-off period is a new introduction under the DMCCA.
- › We await secondary legislation providing more detail on the scope of the cooling-off rights, for example regarding limitations where services have been delivered before the end of the cooling-off period. The consultation notes that the approach is intended to provide that neither the consumer nor the trader should be unfairly out of pocket.
- › Businesses will also be required to provide consumers with a 'cooling-off' notice which sets out their right to cancel in the cooling-off period.

These rules are anticipated to enter into force in Spring 2026, so businesses have some time to update terms and implement processes accordingly.

An open [consultation](#) on the implementation of the new subscriptions contracts regime, which will inform secondary legislation, is currently in progress and due to close on 10 February 2025.

Key Takeaways and Next Steps

Whilst we await secondary legislation and further guidance, businesses should consider the following steps in order to comply with the new requirements once in force:

- › **Prior to April 2025:** Review advertising materials to ensure that there are no unfair practices e.g. around fake reviews, drip pricing or limited time only offers; and
- › **Prior to April 2026:** Review subscription terms and membership processes (from sign-up, through the term of the subscription, and regarding cancellation) to assess against the new rules.