

Pricing Practices

Reference pricing and discounted offers



WHAT are the obligations?

Drip pricing involves showing customers an initial price for a product which is not the total or final price e.g. when additional fees are introduced as the consumer proceeds with a purchase or transaction.



Drip pricing is prohibited under UK consumer protection law.

- When providing pricing and product information to consumers, traders must provide the required information clearly, in a timely way, and in a way that the consumer is likely to see it.
- Drip pricing prevents consumers receiving timely and accurate pricing information and creates unexpected additional charges late in the purchase process. This can lead to consumers buying more and / or overspending, as well as hindering effective price competition.

Businesses should therefore ensure that:

- pricing strategies do not involve drip pricing;
- any headline prices incorporate any fixed mandatory fees that must be paid by consumers; and
- the existence of any variable mandatory fees and how they will be calculated are disclosed.

WHAT should businesses do now?

- Review your current pricing claims to determine if they are compliant.
- See the **“How to Comply” section below for compliance guidance / tips.**
- Consider training and guidance for sales / marketing and other staff involved in pricing strategies and communications.



HOW to comply?

The basics:

- When you give information to consumers about the characteristics of a product and its price, this is normally an **invitation to purchase**.
- Where an invitation to purchase provides pricing information, this must be presented **clearly**, in a **timely** manner and in a way that the consumer is **likely to see it**.
- The headline price in an invitation to purchase should include any **mandatory charges** (i.e. including any fees, taxes, charges or other payments that the consumer will necessarily incur if the consumer purchases the product).
- Genuinely **optional services** do not need to be included in the headline price. However, optional charges should be included in the total price if it is reasonably foreseeable that most consumers will need to pay them – failure to do so may be a misleading omission.
- Where the price (or part of it) **cannot be reasonably calculated in advance** due to the nature of the product (e.g. it depends on the consumer's requirements by weight, length, time or distance):
 - the invitation to purchase must give the consumer the information needed to enable them to calculate the total price for themselves. This information must be given as much prominence as the calculable (parts of the) price; and
 - once the total price becomes calculable, it must then be presented from that point onwards.
- **Partitioned pricing** (i.e. providing only price components without giving the overall total) is generally prohibited. If the total price is not fully calculable, a trader must provide a headline price inclusive of all calculable elements, with remaining charges set out with equal prominence.

How does this apply to specific types of charges:

The CMA has provided guidance on specific areas, as summarised below:

Type of charge	What does the guidance say?
Per-transaction charges (e.g. administration or booking fees)	<ul style="list-style-type: none">• Mandatory per-transaction charges must be included in an invitation to purchase, wherever possible, in the total price (even in early stage advertising)• Third party booking platforms should not charge additional sums and their costs must be included in the product's headline price or presented at all marketing stages
Delivery charges	<ul style="list-style-type: none">• If mandatory, delivery charges should be included in the total price• If incalculable, the trader must provide the calculation method• Optional delivery charges must be provided in an invitation to purchase, but may be disclosed separately to the total price• If a delivery fee is mandatory, the outset price should include the cheapest delivery option, until the customer selects a different one
Local charges and taxes	These are typically calculable in advance and should be included in the total price, with an explanation of the exchange rate used where necessary
Periodic contracts (e.g. rolling or monthly contracts)	<ul style="list-style-type: none">• For rolling contracts, the total price is the price per period (e.g. £20 per month)• For minimum term contracts, the trader can present either: (i) the cumulative price (inclusive of all mandatory charges over the term); or (ii) the total price per period alongside a prominent statement setting out the minimum commitment period• Some products may also be subject to more prescriptive rules which require specific pricing information, e.g. subscription contracts
Consumer baskets	When a consumer views their basket online, they should be shown the total price based on the products selected at that point. If the trader wishes, this may be accompanied by a breakdown of the delivery charges and any other mandatory charges



WHERE are these obligations set out?

- **The UK Digital Markets, Competition and Consumers Act 2024 (DMCC Act):** this contains provisions to protect consumers by prohibiting unfair commercial practices. This includes specific requirements covering the information traders need to provide as part of an 'invitation to purchase'. It gives the CMA the powers to directly enforce consumer law.
- **CMA guidance:** on 18 November 2025, the CMA published:
 - updated Unfair commercial practices guidance: "[Guidance on the protection from unfair trading provisions in the DMCC Act](#)";
 - price transparency guidance: "[Guidance for businesses on the price transparency provisions of the DMCC Act](#)"; and
 - additional guidance for "[Getting consent for additional charges when selling online](#)" [misleading pricing claims](#)".



Anything else?

- This guidance focusses specifically on drip pricing – however, it may be necessary to include additional information (including non-price information) in an invitation to purchase in order to fully comply with the DMCC Act's prohibitions on misleading actions and omissions or other relevant legislation.
- The CMA has stated that clear instances of drip pricing are a priority area for enforcement. On 18 November 2025, the CMA launched its first [consumer direct enforcement actions](#) under the DMCC Act, including:
 - an investigation into Gold's Gym relating to the presentation of a one-off joining fee for annual memberships (with the CMA noting that the fee is displayed part-way through the consumer sign-up process and not factored into its advertised membership cost); and
 - advisory letters to businesses operating in sectors where drip pricing is prevalent (e.g. event tickets, cinema tickets and gym memberships).
- Different rules apply in different jurisdictions, therefore, if you are considering pricing strategies in other countries, those rules will need to be considered.

