

A New Dawn for UK Consumer Law: The New Regime is Now Live

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On 6 April 2025, new rules that overhaul the UK's consumer law regime came into force.

Prior consumer law protections were notoriously difficult to enforce. That has changed because the UK Competition and Markets Authority (**CMA**) now has direct enforcement powers to impose significant fines of up to 10% of global turnover on businesses who infringe consumer law, to require redress to consumers, and/or to issue "directions" to those businesses to correct their behaviour.

In short, consumer law is now more than a reputational risk.

The revamped regime also sharpens consumer protection through an outright ban on "drip pricing", "fake reviews" and (from Spring 2026) on subscription contract traps, and strengthens rules against unfair commercial practices.

The new rules apply to all consumer-facing businesses, but **online businesses are expected to be its prime targets.**

According to the CMA, the new rules are consistent with the CMA's pro-growth agenda, as they are intended to drive consumer confidence and spending across the economy, and to ensure a level playing field for businesses, thereby boosting business investment and enhancing growth in the UK economy.¹

Further details on the revamped consumer law regime and the CMA's direct enforcement priorities for the next 12 months are set out below.

1. A regime with new teeth: the CMA's direct enforcement powers

Previously, the CMA was required to take businesses to court to enforce consumer law protections² and most investigations resulted in the CMA accepting "voluntary" undertakings from businesses, without any finding of liability or meaningful sanction. The result was that consumer law breaches were primarily a matter of reputational risk.

From 6 April 2025, the CMA obtained new powers under the Digital Markets, Competition and Consumers Act (2024) (**DMCCA**) – while it retains the option to enforce consumer laws in court, it may now alternatively take direct enforcement action itself (just as it does with antitrust infringements, for example).

Specifically, the CMA is now empowered to:

- Investigate potential infringements more thoroughly, with investigative powers akin to antitrust investigations (comprising information gathering powers, and sanctions for failure to comply);
- Determine whether a business has breached consumer law;
- Impose monetary penalties for breaches of up to £300,000 or 10% (if higher) of the business' global turnover (or £300,000 if the business has no turnover). This level of fines is on par with antitrust infringements;
- Require an infringing business to compensate consumers, provide other redress or take other remedial steps;
- Order payment to charity of equivalent loss or require businesses to fund a scheme or educational programmes for consumers if it is impossible or disproportionate to identify affected consumers;

¹ In its [Annual Plan](#), published on 27 March 2025, the CMA explains that: "*effective consumer protection gives people the trust and confidence to be active participants in markets, driving spending across the economy. At the same time, businesses can feel confident that their competitors are playing by the same rules and cannot gain an advantage by breaking the law*". See also: the CMA and the UK government's [joint statement on consumer protection](#), published on 7 April 2025; and the [CMA's approach to consumer protection](#) document published on 7 April 2025, which states that the CMA's ambition for consumer enforcement is "*to promote trust and confidence - helping to grow the economy while deterring poor corporate practices*".

² See Part 8 of the Enterprise Act 2002.

- Require that consumers are given the option to terminate contracts; and/or
- Accept undertakings from a business to bring the infringement to an end. The CMA can also impose direct fines for any breach of these undertakings.³

While the rules affect conducts from 6 April 2025 (except the ban on subscription traps which will come into force from April 2026), the CMA may take account of existing practices that continue after 6 April 2025 when fixing fines.

2. Sharper tools: substantive changes to consumer protection rules under the DMCCA

While the DMCCA broadly maintains the scope and effect of existing consumer law rules, there are some notable additions to tackle certain harms the CMA considers the most egregious, particularly in the online economy:

- Prohibition on “drip pricing” – showing customers a cheaper headline price for a product in the invitation to purchase, only to subsequently add non-optional charges to the initial price at the end of the purchasing process, is now automatically deemed unfair and is prohibited. Consumers must be provided with the total price of the product in the invitation to purchase, which includes any fees, taxes, charges, or other payment that the consumer will necessarily have to incur if the product is purchased. Genuinely optional charges (e.g. breakfast option that can be added to the price of a “room only” deal) do not have to be included in the headline price;
- Prohibition on “fake reviews” – submitting or publishing a consumer review that “*purports to be, but is not based on a person’s genuine experience*”,⁴ in a misleading way or without having taken reasonable and proportionate steps to verify it, or commissioning another person to write fake reviews, or offering services to businesses to facilitate or to submit, commission or publish such fake reviews, are all banned; and
- New rules on subscription contracts – from April 2026, new rules will ban subscription contract traps, with new obligations requiring businesses to provide consumers with clear pre-contract information, reminders before automatic renewal, offering consumers a ‘cooling off’ period on renewal and ensuring the cancellation process is quick, straightforward and easy.⁵

These practices are not new and have been on the CMA’s radar for a number of years,⁶ but the CMA’s new enforcement powers bring significantly more scope for action.

³ Of up to 150,000 or 10% (if higher) of worldwide turnover.

⁴ [Fake review guidance](#), CMA208 (published 4 April 2025), paragraph 2.5.

⁵ The CMA has just closed its consultation on the implementation of the new subscription contracts regime on 10 February 2025 (see [CMA consultation page](#)), and will use this to adopt more detailed secondary legislation on subscription contracts.

⁶ See, for example, CMA’s investigation into practices in the online console video gaming sector, fake online reviews on social media platforms and price display on online hotel booking websites.

To give businesses the chance to gear up and assist them with their compliance efforts, on 4 April 2025, the CMA published updated guidance on unfair commercial practices,⁷ and separate guidance on fake consumer reviews,⁸ including steps that businesses need to take to comply with the new rules.⁹

3. The CMA's enforcement priorities and likely focus

In line with the CMA's objective to improve Pace, Predictability, Proportionality and Process (the new 4P mantra) across its work, the CMA has provided further information on its enforcement priorities in the next 12 months.¹⁰

Acknowledging that the risks for businesses of getting it wrong "*are changing substantially*", the main focus of the CMA will initially¹¹ be on supporting businesses that are working to ensure compliance with the law, including through direct engagement.

That said, the CMA will also be looking to bring its first precedent-setting enforcement cases in short order, focusing on the most egregious breaches in areas of "*essential spend for households*". Such breaches should be easy to spot for businesses as they are expected to have been previously addressed by the CMA (or other enforcers such as the Advertising Standard Authority). These include:

- **Aggressive sales practices that prey on consumers in vulnerable positions;**¹²
- **Information being given to consumers that is objectively false** – such as false urgency and price reduction claims including countdown timers¹³ or false environmental claims;¹⁴
- **Unfair online choice architecture** – for example, the use of pre-ticked boxes leading to additional unintended purchases by consumers;¹⁵
- **Unfair and unbalanced contract terms** in breach of the Consumer Rights Act 2015, which remains unchanged;
- **Banned practices** – the CMA will continue investigating breaches of the existing 31 banned practices under the existing consumer protection regime. However, it recognises that businesses will need more time

⁷ [Unfair commercial practices guidance](#), CMA207 (published 4 April 2025).

⁸ [Fake review guidance](#), CMA208.

⁹ See the CMA's [short guide for businesses](#) on publishing consumer reviews and complying with consumer protection law (published 4 April 2025).

¹⁰ The [CMA's approach to consumer protection](#) published on 7 April 2025. To be read in parallel with the CMA's guidance in [consumer protection enforcement](#), CMA58.

¹¹ The CMA is also planning a programme for engagement with businesses and consumer organisations running from April to July 2025.

¹² See, for example, the CMA's investigation into [will writing and other unregulated legal services](#).

¹³ See, for example, the CMA's actions against [Emma Sleep and Simba Sleep](#). Following Emma Sleep's refusal to offer undertakings, the CMA has issued court proceedings against it under the old regime (pending).

¹⁴ See the greenwashing [case](#) against ASOS, Boohoo and Asda resolved with undertakings, March 2024.

¹⁵ See the [case](#) against the Wowcher Group, which was resolved with undertakings in July 2024.

to review their existing business practices in relation to ‘fake reviews’. As such, any enforcement against the new banned practice of fake reviews will be delayed until July 2025 to give businesses the opportunity to first engage constructively with the CMA in their compliance efforts; and

- **Fees that are hidden until late in the buying process** – the CMA will take a “*phased approach*” with regards to “drip pricing”. At this stage, the CMA will only focus on aspects of the practice that are clearly prohibited.¹⁶ Broader enforcement will only kick in, in earnest, after the publication of a specific guidance on this topic (expected Autumn 2025).

The CMA is also expected to work closely with other enforcers nationally (e.g. Trading Standards) and internationally (e.g. the EU Consumer Protection Cooperation network) as well as consumer groups (e.g. Which, Citizens Advice) to maximise the impact for consumers.

Further details on the new powers listed above, as well as the procedures which businesses can expect when the CMA is investigating concerns are set out in the CMA’s direct consumer enforcement guidance.¹⁷

¹⁶ Unfair commercial practices guidance, CMA207, paragraphs 4.18 to 4.28.

¹⁷ Direct consumer enforcement guidance, CMA200 (published 14 March 2025).

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