

CMA's Actions Signal New Spotlight On UK Consumer Law

By **Andrew Morrison, Deirdre Carroll and Tom Evans** (May 18, 2026)

The Competition and Markets Authority has made the enforcement of U.K. consumer law a key area of focus since it received new direct enforcement powers in April 2025 under the Digital Markets, Competition and Consumers Act 2024, or DMCCA.

Rather than prioritizing specific sectors, the CMA's efforts have applied broadly, focusing on tackling what the CMA considers the most egregious breaches of U.K. consumer law affecting consumers day to day.

Here we consider what the first substantive fining decision against the AA, the motoring association, tells us about the direction of the CMA's broader consumer protection agenda, how businesses should adapt their commercial practices in light of the CMA's current enforcement priorities and guidance, and highlight compliance measures to ensure businesses can engage with the CMA constructively in the event of inquiries.

The CMA's Consumer Protection Agenda

Under the DMCCA's direct consumer enforcement regime, in force since April 2025, the CMA can impose sanctions for breaches of consumer law without going through the courts, including fines of up to 10% of global turnover and ordering consumer redress.

In November 2025, the CMA launched a major consumer protection initiative targeting online pricing and pressure-selling practices, opening investigations into eight businesses across four sectors and sending advisory letters to 100 businesses across 14 sectors.[1]

The CMA built on this by opening further investigations into misleading advertising and unfair subscription terms and has also shown a willingness to use the DMCCA's procedural powers to address noncooperation by businesses under investigation, fining Euro Car Parks £473,000 (approximately \$645,000) for failing to comply with an information notice.[2]

The CMA has made championing consumers through effective use of its new consumer protection powers a core objective of its 2026-2027 annual plan, with the CMA targeting what it considers the most egregious practices, such as drip pricing, fake reviews and pressure selling.

The AA Decision

On April 15, the CMA issued its first infringement decision using its new direct enforcement powers, fining the AA through its trading businesses, AA Driving School and BSM Driving School, for illegal drip-pricing practices.

The CMA imposed a £4.2 million penalty and ordered the AA to refund illegal fees charged



Andrew Morrison



Deirdre Carroll



Tom Evans

on driving lessons booked between April and December 2025.[3]

In that time, two major U.K. driving-school businesses owned by the AA advertised lesson prices that excluded a mandatory £3 booking fee. The fee was introduced only at the final checkout stage, after customers had selected lessons, chosen time slots and entered personal details.

The CMA concluded that the failure to disclose the mandatory booking fee upfront was contrary to the requirements of the DMCCA that all mandatory charges are identified in advertised prices. The failure therefore amounted to unlawful drip pricing.

It is notable that the CMA resolved this case quickly, reaching a decision within five months of opening the case. This was facilitated by the AA's cooperation with the CMA's investigation. Not only does it appear that the AA acted quickly to respond to the launch of the CMA investigation and remove the booking fees, as evidenced by the infringement having ended in December, but it also opted to settle the case rather than oppose the CMA's findings.

As a result of this cooperation, the AA received a 40% settlement discount, seeing its fine reduced to £4.2 million from an initial £7 million. The AA decision clearly illustrates the substantial potential benefits of engaging with the CMA to resolve concerns.

The AA decision also provides redress for affected customers. In particular, the CMA ordered the AA to refund consumers more than £760,000, an average of around £9 per customer. This will require the AA to identify all affected customers and issue refunds either to the original or an alternative payment method. The AA must also report back to the CMA on the ongoing implementation of the refunds.

The AA ruling marks the first substantive enforcement decision by the CMA using its direct enforcement powers under the DMCCA, with further enforcement action expected. The investigation was opened as part of the CMA's "major consumer protection drive" launched in November last year, as outlined.

Fake and Misleading Reviews

The CMA has open investigations into five businesses over fake and misleading online reviews, and has also launched an investigation into Adobe in relation to certain early termination fees payable on subscriptions contracts.

The DMCCA expressly prohibits fake or misleading reviews, including the commissioning of fabricated reviews, paid-for reviews that are not clearly disclosed as incentivized, and the selective publication of reviews. These investigations mark the continuation of the CMA's pre-DMCCA focus on eliminating fake and misleading reviews.[4]

Subscription Contracts

Although the subscription-specific provisions of the DMCCA are only expected to enter into force in spring 2027, the CMA has already begun scrutinizing subscription practices through an investigation into Adobe.

Under Adobe's annual billed monthly plan — where customers commit to a yearly contract, but pay on a monthly basis — customers who cancel more than 14 days after signing up are required to pay 50% of the remaining annual cost while losing access to the product after

the end of the current monthly billing period.

The CMA is investigating both the fairness of these terms and the extent to which information about the early cancellation fee is properly communicated to customers on sign-up.

Consistent with the CMA's clear desire to use its expanded tool kit for the benefit of U.K. consumers, businesses should expect further actions in relation to unfair subscription practices in the coming months — with scrutiny only expected to increase as stricter rules around the provision of precontract information, cooling-off periods, and facilitation of subscription termination and nonrenewal come into force.

Procedural Enforcement

The CMA has also been quick off the mark to sanction procedural breaches. The CMA imposed a £473,000 fine on Euro Car Parks in February for failing to respond to a formal CMA information request. The CMA's notice to the business had gone unanswered for three months, despite seven follow-ups by the CMA in person, by registered post and over email.

The company ultimately responded to the CMA only after the authority had indicated its intention to impose a penalty. In its response, the company sought to mitigate its liability, on the basis that it did not immediately recognize the importance of the CMA as an enforcer of U.K. consumer law, the lack of office attendance by the named director, and their mistaken belief that the CMA's correspondence was an attempt at fraud.

The decision is the first penalty for noncompliance with information requests under the DMCCA. Notably, the fine represents approximately 75% of the maximum fixed penalty available to the CMA, which is up to 1% of a company's annual turnover.

This sends a clear signal that procedural failures constitute enforcement risks in their own right, even before formal opening of an investigation, and emphasizes the importance for businesses to have in place both clear education on U.K. consumer law for directors and employees, and established processes to escalate information notices to in-house legal teams.

What Businesses Should Do Now

Viewed together, the CMA's decision in the AA and Euro Car Parks cases alongside the CMA's ongoing enforcement action against Adobe point to a set of immediate compliance priorities for businesses selling to U.K. consumers.

Get Payment Journeys Right

Business should conduct a comprehensive review of the consumer purchasing journey across channels to ensure compliance with the CMA's detailed guidance on price transparency, and ensure design choices do not nudge consumers into incurring additional charges.

In this regard business should consider the following important factors:

- All mandatory fees are included in the headline price. If a customer cannot complete a purchase without paying a fee, that fee must be included in the first price shown.

- Genuinely optional extras, such as service upgrades or premium delivery, need not be included in the headline price.
- Optional extras must not be bundled or preselected by default.
- Where there are charges that are genuinely unquantifiable, for example charges based on product weight or distance-based delivery charges, the guidance provides helpful examples of how to manage this while remaining compliant with U.K. consumer law.[5]

Audit Online Review Practices

Businesses should ensure that reviews are genuine and sourced from appropriately identified customers, as opposed to false reviews from employees or paid-for reviews, and they should make sure that incentivized reviews are fairly disclosed.

Published reviews must be representative and not cherry-picked, nor should star ratings be based on selectively chosen reviews in order to present an unjustifiably favorable impression of the business.

Review Subscription Models

Businesses can prepare for the upcoming changes mentioned by reviewing their existing subscription practices to ensure compliance with areas of best practice already identified by the CMA. These include incorporating the following measures:

- Ensure that their systems are set up to provide appropriate precontract disclosures, and to issue renewal reminder notices, cooling-off notices and end-of-contract notices. In each case, these should be in a format that makes the purpose and effect of the notice immediately apparent to consumers.
- Review existing subscription terms to remove provisions that hinder cancellation, particularly in auto-renewal contexts.
- Assess cancellation mechanisms and consumer journeys to ensure that exercising exit rights is clear and straightforward, and no more onerous than entering into the contract.

Consumer Law Education for Employees

Individuals responsible for the consumer purchasing experience, reviews, and marketing and setting subscription terms should be trained in the relevant requirements of U.K. consumer law as they relate to their day-to-day roles.

Staff at all levels should be trained to recognize and escalate CMA outreach, so that requests are not overlooked or inadvertently filtered out. Between April 2025 and April this year, the CMA issued more than 40 such notices in connection with consumer protection enforcement alone.

Conclusion

Since April 2025, consumer protection has become a key focus for the CMA, which has used its clear mandate and direct enforcement powers to drive better outcomes for U.K. consumers. It is clear that businesses, to the extent they have not done so already, would be well advised to review whether their practices are compliant with U.K. consumer law.

In addition to the threat of increased public enforcement of U.K. consumer law, the U.K. government has asked the Law Commission to assess whether the enforcement of U.K. consumer law could be enhanced by the introduction of a consumer class action regime.[6]

This idea was originally suggested as part of the introduction of the DMCCA, but was ultimately not pursued. While the proposals are at very early stage, the potential for privately funded consumer class actions in the future provides a further opportunity for substantial consumer redress and should only reinforce the need for businesses to take their U.K. consumer law obligations seriously.

Andrew Morrison is of counsel, Deirdre Carroll is a partner and Tom Evans is of counsel at Wilson Sonsini Goodrich & Rosati PC.

Wilson Sonsini associate Hedi Thlibi contributed to this article.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of their employer, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.

[1] <https://www.gov.uk/government/news/cma-launches-major-consumer-protection-drive-focused-on-online-pricing-practices>.

[2] <https://www.gov.uk/government/news/fake-and-misleading-reviews-5-businesses-under-cma-investigation>; <https://www.gov.uk/government/news/cma-investigates-adobe-over-concerns-about-cancellation-fees>; <https://www.gov.uk/government/news/cma-fines-euro-car-parks-473k-for-failure-to-comply-with-legal-information-notice>.

[3] https://www.gov.uk/government/news/cma-orders-the-aa-and-bsm-driving-schools-to-refund-learner-drivers-over-drip-pricing?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=6ffb723e-070d-49f2-9030-679875fd266e&utm_content=immediately.

[4] <https://www.gov.uk/cma-cases/online-reviews>.

[5] https://assets.publishing.service.gov.uk/media/698f4e3e7da91680ad7f4417/CMA209_Unfair_commercial_practices_price_transparency_13.2.26.pdf.

[6] <https://lawcom.gov.uk/news/law-commission-to-consider-the-potential-introduction-of-a-consumer-class-actions-regime/>.