

Unfair commercial practices: price transparency

CMA209

**Guidance for businesses on the price transparency
provisions of the Digital Markets, Competition and
Consumers Act 2024**

18 November 2025

© Crown copyright 2025

You may reuse this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gov.uk.

Contents

1. Introduction	3
Who is this Guidance for?	3
Why is this Guidance important?	4
What does the DMCC Act require?	5
Common pricing terms used in this Guidance	6
2. What is an invitation to purchase?	7
When are commercial practices not invitations to purchase?	9
Who is responsible for the invitation to purchase?	9
3. What pricing information must be included in an invitation to purchase?	11
Is the price misleading?	11
Is there specific pricing information that must be included?	14
What should I avoid?	16
Drip pricing	16
Partitioned pricing	18
Does this affect how I take payment?	19
4. Total price: core principles	21
When are charges mandatory versus optional?	21
When might it not be possible to calculate the total price?	24
Limitations resulting from the means of communication	30
5. Guidance on specific charges	32
How should delivery charges be presented?	33
Mandatory delivery charges	33
Optional delivery charges	36
Variable delivery charges which are mandatory	38
E-commerce websites and apps	38
Other considerations	42
How should 'per-transaction' charges (eg administration or booking fees) be presented?	45
How should periodic pricing be displayed (eg monthly contracts)?	48
How should local charges and taxes be presented?	52
Do costs paid to other traders need to be included?	57
How should targeted price reductions be presented?	57

1. Introduction

Summary at a glance

- This Guidance is for **anyone who advertises, markets, sells or otherwise promotes products to consumers**.
- Consumers should be given the information they need to make informed decisions, shop around and compare the prices of competing products.
- When a trader gives information to consumers about a product and its price, this will normally be an **'invitation to purchase'**.
- Prices must not be misleading and should include any fees, taxes, charges or other payments that the consumer will necessarily incur if the consumer purchases the product.
- **Drip pricing** – the prohibited practice of not including mandatory charges in the initial price shown to consumers but instead introducing these as additional charges later in the purchase process.
- **Partitioned pricing** – the practice of providing a breakdown of fees and charges without also providing the total price, which should only be used in invitations to purchase where the total price cannot reasonably be calculated in advance.

Who is this Guidance for?



- 1.1 This Guidance is for **anyone who advertises, markets, sells or otherwise promotes products to consumers** at any point in a purchase process, from early-stage advertising to final purchase.
- 1.2 It will also be of use to trade associations and industry bodies, legal advisers, enforcers and consumer advisers.

What is in this Guidance?



- 1.3 **Chapters 1 to 4** of this Guidance explains what traders should, and should not, do when telling consumers what the price of their product is.
- 1.4 **Chapter 5** of this Guidance provides additional information about the presentation of specific charges and pricing practices:

- Delivery charges;
- Per-transaction charges (eg administration and booking fees);
- Periodic payments;
- Local charges and taxes (including so called ‘tourist taxes’);
- Charges paid to other traders; and
- Targeted price reductions (eg introductory offers).

1.5 Traders should refer to these sections where relevant.

Why is this Guidance important?



- 1.6 When a trader gives information to consumers about a product and its price, this will normally be an ‘invitation to purchase’. Invitations to purchase are important because it is vital that shoppers can access clear and timely pricing information. Knowing what a product will cost is fundamental for them to make good purchasing decisions like working out which product is best for them, and where to buy it.
- 1.7 When businesses do not display their prices accurately or leave out essential pricing information that people need to know, it can make products appear cheaper than they are. This can undermine people’s trust when they find out the real cost, and prevent businesses from competing on a level playing field. Price transparency therefore not only benefits consumers but, by promoting competition, it also benefits fair-dealing businesses and the wider economy.
- 1.8 The Digital Markets, Competition and Consumers Act 2024 (DMCC Act) updated the law to protect consumers from unfair trading (the UCP provisions),¹ including strengthening the rules on price transparency in the context of invitations to purchase.² This Guidance will help businesses comply with these requirements.³
- 1.9 This Guidance highlights the principles set out in legislation and illustrates how the law may apply in practice. The examples used in this Guidance are non-exhaustive. There may be other ways businesses can comply with the

¹ Chapter 1 of Part 4 DMCC Act .

² Section 230 DMCC Act.

³ This Guidance uses ‘unfair commercial practices provisions’ or ‘UCP provisions’ as a shorthand for the provisions contained in Chapter 1 of Part 4 of the DMCC Act.

legislation. This Guidance is not intended to be a substitute for, or definitive interpretation of, the law and should be read in conjunction with it.⁴



What does the DMCC Act require?

- 1.10 Prices should not be misleading and, whenever possible, consumers should be presented with the total price of the product at the outset.⁵ Traders are prohibited from showing consumers an initial headline price for a product and then introducing additional mandatory charges as consumers proceed with a purchase or transaction. This is sometimes called ‘drip pricing’. A trader which provides the component parts of a price without giving the overall total – sometimes called partitioned pricing – also risks misleading consumers as to the true price and reduces the possibility to compare prices on a like-for-like basis.⁶ Partitioned pricing is also prohibited, save in certain circumstances discussed in this Guidance.
- 1.11 Traders may also need to include other pricing information in an invitation to purchase, including information that is required by the UCP prohibitions on misleading actions⁷ and omissions⁸ (see paragraph 1.12 below) or required by other relevant legislation.
- 1.12 This Guidance supplements the Competition and Markets Authority’s (CMA) *Unfair commercial practices guidance (CMA207)* which provides further guidance on the UCP provisions, both in the context of invitations to purchase and more generally. In particular:
- Chapter 2 of CMA207 provides more guidance on core concepts of the UCP provisions – ‘trader’, ‘commercial practices’, ‘consumer’, ‘average consumer’ and ‘transactional decisions’;
 - Chapter 4 of CMA207 provides guidance on other (non-pricing) information that the UCP provisions require traders to provide in an invitation to purchase; and

⁴ This Guidance may be revised from time to time, including to reflect changes in the interpretation of the law as a result of enforcement action taken by the Competition and Markets Authority (CMA) or others.

⁵ Section 230(2) DMCC Act.

⁶ Total price comparability is especially important where prices are being directly compared, for example on a price comparison website.

⁷ Section 226 DMCC Act.

⁸ Section 227 DMCC Act.

- Chapters 5 and 6 of CMA207 provide more guidance on the prohibitions on misleading actions and misleading omissions respectively.

1.13 Other unlawful pricing practices such as misleading reference pricing and banned practices such as bait and switch advertising must also be avoided, but are outside the scope of this Guidance.

Common pricing terms used in this Guidance



This Guidance uses the following terms to refer to types of prices that might be presented to consumers in an invitation to purchase.

- **Base price** – the initial price of a product or service before any additional charges, fees or taxes are added. It might be the base price for one item or a collection of items in a basket.
- **Headline price** – the main price most prominently promoted or communicated to a consumer in an invitation to purchase. In most cases this will be the total price but, in some cases, it might be the base price or the base price plus some additional charges.
- **Total price** – the ‘fully inclusive’ price of the product including any fees, taxes, charges or other payments that the consumer will necessarily incur if the consumer purchases the product. The total price of the product does not include any optional add-ons the consumer may select.
- **Final price** – the price that an individual consumer will actually pay for the product, including any optional add-ons.

2. What is an invitation to purchase?

Summary at a glance

- When a trader gives information to consumers about a product and its price, this will normally be an 'invitation to purchase'.
- The trader making an invitation to purchase is responsible for ensuring that it complies with the requirements of the UCP provisions. Any trader in whose name, or on whose behalf, the invitation to purchase is being made is also responsible for ensuring it complies with the UCP provisions.
- An invitation to purchase does not need to include an actual opportunity to enable the consumer to purchase the product (eg a TV, radio, print or online advertisement).
- A consumer may be presented with an invitation to purchase at multiple points during the process of deciding whether to purchase a product.

2.1 When a trader gives information to consumers about a product and its price, this will normally be an 'invitation to purchase'.⁹ At this point, the consumer should be given the key information they need to make an informed transactional decision.¹⁰ When traders provide consumers with an invitation to purchase, they must ensure they comply with the relevant UCP provisions.

2.2 Invitations to purchase, where the product's price and characteristics are given, include:

⁹ The UCP provisions define an invitation to purchase as a commercial practice involving the provision of information to a consumer which: (1) indicates the characteristics of a product and its price and (2) enables, or purports to enable, the consumer to decide whether to purchase the product or take another transactional decision in relation to the product. Section 230(10) DMCC Act.

¹⁰ A transactional decision is defined as any decision made by a consumer relating to: (1) the purchase or supply of a product (including whether, how or on what terms to make the purchase or supply); (2) the retention, disposal or withdrawal of a product (including whether, how or on what terms to retain or dispose of it); or (3) the exercise of contractual rights in relation to a product (including whether, how or on what terms to exercise such rights). Section 245 DMCC Act. There does not need to be an actual transaction between the consumer and trader for there to be a transactional decision. See Chapter 2, Unfair commercial practices guidance ([CMA207](#)).



- a price on a product in a shop;
- an item listing on a website such as an online store or marketplace or a product appearing in a consumer's online 'basket';
- a menu (including a physical menu card or a digital menu that can be accessed through the scanning of a QR code) in a restaurant;
- an advertisement of a product on TV, radio or in a social media post;
- an email or text message promotion;
- an advertisement in a newspaper displaying a car with a 'drive away from' price;
- an online advertisement;
- a banner that appears within a mobile application advertising an ad-free version of the app or in-app purchases.

- 2.3 An invitation to purchase can exist before the consumer makes an in-principle decision to purchase a product¹¹ and before it is possible to make a purchase.
- 2.4 An invitation to purchase does not need to include an actual opportunity to enable the consumer to purchase the product.¹² For example, a poster above the seats in a train carriage which advertises a product and its price will still be an invitation to purchase, even if the poster does not explain where or how to buy the product.
- 2.5 An invitation to purchase can exist even where the information indicating the price and characteristics of a product is minimal or incomplete. This includes, for example, where a trader indicates the lowest price for which the advertised product can be bought or where a single visual reference is used to describe a product that is available in a variety of forms.¹³
- 2.6 A consumer may be presented with an invitation to purchase at multiple points during the process of deciding whether to purchase or take another transactional decision about a product.

¹¹ See 'Transactional decision' section in Chapter 2 of CMA207 (Core concepts).

¹² Paragraph 1375 DMCC Act explanatory notes.

¹³ Paragraph 1374 DMCC Act explanatory notes.

- 2.7 If an invitation to purchase is directed at UK consumers, it must comply with the relevant UCP provisions, even if the trader making the invitation to purchase is located outside the UK.¹⁴

When are commercial practices not invitations to purchase?



- 2.8 Traders may have a choice whether to include pricing information in their advertisements and marketing. A commercial practice which does not include a price is not an invitation to purchase. Where a commercial practice does not indicate the characteristics of a specific product, through text, image or otherwise, it will not be an invitation to purchase. In many cases, advertisements which promote a trader's 'brand' rather than any particular product(s) will not be invitations to purchase.
- 2.9 It is important to note that if a commercial practice is not an invitation to purchase, a trader may still be required to provide certain information if consumers need it to make an informed decision. Failure to do so may constitute a misleading omission, if it is likely consumers would take a different transactional decision if the information were provided.¹⁵

Who is responsible for the invitation to purchase?



- 2.10 The trader making an invitation to purchase is responsible for ensuring that it complies with the requirements of the UCP provisions. This will be the case even if they are not the person actually selling the product to consumers. Examples of this include:
- a brand owner advertising a product which is sold to consumers by third party retailers or their franchisees;
 - price comparison websites;
 - the operator of an online marketplace presenting information about the products listed by other traders or consumers on that marketplace; or
 - an influencer promoting a brand's product to their followers.

¹⁴ By way of Section 184(3) of DMCC Act and Schedule 5, paragraph 17A of Consumer Rights Act 2015 (as amended by Section 339(1) of the DMCC Act), the CMA is empowered to enforce the UK's consumer protection laws against a trader based outside the UK, if the trader carries on business in the UK, or by any means directs activities in the course of carrying on a business to consumers in the UK.

¹⁵See Chapter 6 of CMA 207 (Misleading omissions).

2.11 Additionally, if the product is being marketed on the seller's behalf or in their name, the seller may also be responsible if the invitation to purchase fails to comply with the requirements of the UCP provisions. For example, if a trader lists a product for sale on an online marketplace, *both* the trader operating the marketplace and the trader selling the product may be held responsible if the invitation to purchase fails to comply with the relevant UCP provisions. It is therefore important that traders using other businesses to market their products ensure that:

- they have provided those businesses with all the information required by the DMCC Act; and
- those businesses are complying with their obligations under the DMCC Act.

2.12 A trader is not liable for the actions of an independent third party, simply because that third party has purchased the trader's product and is reselling it.

3. What pricing information must be included in an invitation to purchase?

Summary at a glance

- Traders are responsible for ensuring that the prices of the products presented in an invitation to purchase do not mislead consumers, in particular, the price presented should be realistic, meaningful and attainable for the product being advertised.
- The total price should be presented in the invitation to purchase in a clear and timely way that the consumer is likely to see and must include any fees, taxes, charges or other payments that the consumer will necessarily incur if the consumer purchases the product.
- Mandatory charges must be included in all invitations to purchase, even early-stage advertising. If a consumer is later presented with new mandatory charges that were not disclosed at the outset, this is likely to breach the UCP provisions.

Is the price misleading?



- 3.1 Traders are responsible for ensuring that the prices of their products presented in an invitation to purchase do not mislead consumers.¹⁶ The DMCC Act has not substantively changed the law on misleading practices. The following guidance is intended to summarise the principles established by the legislation and existing case law as they apply to the presentation of prices in an invitation to purchase.
- 3.2 The price of a product is likely to be misleading if it is not a realistic, meaningful and attainable price (that is, it is not a price at which most consumers would be able to purchase the product). The price is also likely to be misleading if it is not set out in a clear and timely way,¹⁷ or if it is presented in a misleading way.¹⁸

¹⁶ Sections 226 and 227 DMCC Act. See also Chapters 5 and 6 of CMA207 (Misleading actions and Misleading omissions).

¹⁷ Section 227(4) DMCC Act.

¹⁸ Section 226(2) DMCC Act.

- 3.3 For many products, a price will be realistic, meaningful and attainable if the headline price includes all mandatory charges that consumers will need to pay to purchase the product.¹⁹ Further guidance on what should be considered a mandatory charge is set out in the following sections, particularly paragraphs 4.2 to 4.8 below. Presenting a fully inclusive total price in a clear and timely way will normally be enough for traders to comply with the requirements of the UCP provisions. However, if the price is presented in a way that would mislead consumers for other reasons, it may still be unlawful.
- 3.4 In particular, the price must relate to the product that is being advertised. For example, if an invitation to purchase presents a particular version of a product such as a car or phone model, or advertises the product as having certain features, the price should reflect what the consumer would need to pay to obtain that version of the product. Additionally, if a trader provides an indicative price for a customisable product or a bundle of services (such as a set of subscription television channels), that price should reflect the total price the consumer would have to pay to purchase all the elements advertised in that bundle, regardless of whether the consumer could opt to later remove or vary what was included.
- 3.5 Indicative and ‘from’ pricing can be a useful tool that can help make complex pricing accessible to a consumer. For example, prices for a hotel which may differ depending on the type of room or the dates stayed can be presented as being ‘from’ the cheapest prices available for a basic room. However, if not used appropriately, indicative pricing can increase the risk that consumers are misled. For example, if the hotel were advertising a weekend break when prices are more expensive, it would be misleading to use a ‘from’ price based on staying midweek. The same principle would also apply, for example, if advertising a summer (peak season) break using winter (off-season) pricing.
- 3.6 If products will not be offered for supply at the advertised price in reasonable quantities for a reasonable time, any limitations on availability should be made clear.²⁰ If a trader is advertising a travel promotion using a ‘from’ ticket price, they should be able to demonstrate that a significant proportion of the tickets

¹⁹ Sections 230(2)(b) and (4) DMCC Act.

²⁰ It is a banned practice to make an invitation to purchase products at a specified price where: (a) the trader has reasonable grounds for believing that it will not be possible for the trader to offer those products, or equivalent products, for supply at that price, in reasonable quantities, for a reasonable period of time (or to procure another trader to do so); and (b) the trader does not disclose that fact. Schedule 20, paragraph 5 DMCC Act. Banned practices are always unlawful.

will be available at that price.²¹ An invitation to purchase is also likely to breach the UCP provisions if the advertised product can only be purchased on significantly different terms to those presented in the invitation to purchase.

- 3.7 A price is also likely to be misleading if it is given in relation to a product that purports to meet the consumer's stated requirements (once the trader knows them) but in fact does not, and the consumer ends up having to pay more for the product actually requested. For example, where a product is presented as being delivered to the consumer, the stated price should include the cost of delivery.
- 3.8 Ensuring a price is realistic, meaningful and attainable may sometimes require traders to include one or more charges which, while not necessarily incurred by every customer, would be unavoidable for most consumers (for example, erecting scaffolding to enable work for certain home improvements). Traders should include these charges in the total price if it is reasonably foreseeable that most consumers will need to pay them and omitting them from the advertised price would be misleading.
- 3.9 It is important that traders ensure their invitations to purchase comply with all their obligations under the UCP provisions (and any other relevant legislation). Further detail about the prohibitions on misleading actions and omissions can be found in [CMA207](#).²²

Examples of *realistic, meaningful and attainable* pricing



- A travel agent advertises an indicative price for a cruise based on parameters such as specified dates, cabin class and number of people travelling. The total price stated in the advertisement is the total price for that package holiday. There is availability on the advertised dates, at the stated price. This pricing is realistic, meaningful and attainable.
- An indicative quote for installing solar panels on a consumer's roof includes the cost of scaffolding (and other unavoidable charges). The trader does not know with certainty if scaffolding will be required but knows that it will be for most consumers. Therefore, omitting it from the initial headline price would be likely to mislead consumers. The price, inclusive

²¹ Further guidance on these points can be found in the Committee of Advertising Practice's (CAP) published guidance for advertisers. If a practice breaches the CAP's guidance on prices, it is also likely to breach the UCP prohibitions.

²² See Chapters 5 and 6 of CMA207 (Misleading actions and Misleading omissions).

of scaffolding, is realistic, meaningful and attainable. If it subsequently becomes clear that scaffolding would not be required, or that the consumer will source this from a third party, the trader can then update the quote accordingly.

Examples of pricing that is not realistic, meaningful or attainable

- A consumer searches a fashion retailer's website for baby clothes, filtering by size 9-12 months. The retailer provides a list of search results with prices. However, when the consumer tries to purchase their desired item, they find that the stated price is only available for size 0-6 months. They have to pay more to purchase the product in size 9-12 months. The originally advertised price was not realistic, meaningful and attainable, and is therefore likely to be misleading.
- A zoo advertises tickets 'from £12'. When a consumer tries to purchase these tickets, they find that the £12 is only for children under the age of 10. Adult tickets are £25. Children under the age of ten are unlikely to go to the zoo on their own so advertising that price without making clear it is the price of a child's ticket is not realistic, meaningful and attainable and therefore likely to be misleading.
- A car manufacturer advertises a new model of car and gives a 'from' price for purchasing it. The invitation to purchase makes a point of emphasising that the car has advanced driver assistance features. However, the version of the car available at the 'from' price does not include these features and consumers would have to pay more to obtain them. The 'from' price is therefore not realistic, meaningful and attainable because it is not reflective of what the consumer would have to pay to purchase the version of the product advertised in the invitation to purchase. This is likely to be misleading.

Is there specific pricing information that must be included?



- 3.10 When a trader gives information to consumers about a product and its price, this will normally be an 'invitation to purchase'. In addition to the general requirement that prices must not be misleading, the UCP provisions set out that certain pricing information is 'material information' where traders make invitations to purchase. To comply with the law, this material information must

be included in the invitation to purchase as set out below.²³ These requirements are contained in section 230 of the DMCC Act.

- 3.11 In an invitation to purchase, traders must tell consumers **the total price of the product**²⁴ which **includes any fees, taxes, charges or other payments (collectively referred to as charges) that the consumer will necessarily incur if the consumer purchases the product.**²⁵
- 3.12 Alternatively, if, because of the nature of the product, the price (or a part of it) cannot reasonably be calculated in advance, **the invitation to purchase must include information that enables the consumer to calculate the non-calculable (parts of the) price.**²⁶ This will most commonly apply when the nature of the product means that the total price will depend on a consumer's requirements. The information must be provided with as much prominence as the part of the total price that is calculable in advance and given in the invitation to purchase.²⁷
- 3.13 The total price, or where applicable the information about how to calculate it, must be provided to the consumer in a clear and timely way, and in such a way that the consumer is likely to see it. If it is not, the information may be deemed to have been omitted from the invitation to purchase.²⁸
- 3.14 The diagram below shows what pricing information must be included in the price stated in the invitation to purchase (the total price).

²³ Other information that must be included in an invitation to purchase is described in paragraphs 4.13 to 4.17 of CMA 207.

²⁴ Section 230(2)(b) DMCC Act.

²⁵ Section 230(4) DMCC Act.

²⁶ Section 230(5)(a) DMCC Act.

²⁷ Section 230(5)(b) DMCC Act.

²⁸ Section 230(9) DMCC Act.

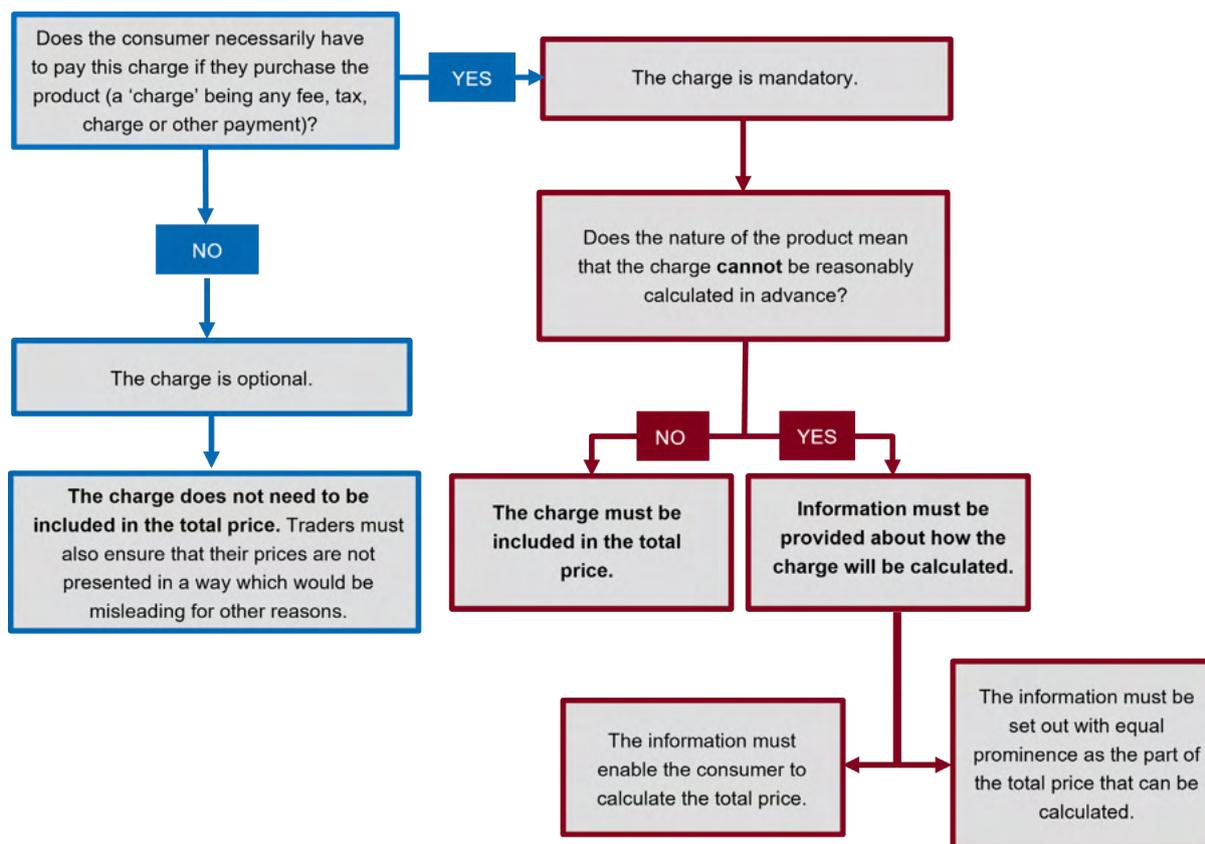


Figure 1: Pricing information that must be included in the price stated in the invitation to purchase (the total price).

- 3.15 A consumer may be presented with an invitation to purchase at multiple points during the process of deciding whether to purchase or take another transactional decision about a product. **Each commercial practice that is an invitation to purchase, even if taking place early in the consumer journey, must be lawful.**
- 3.16 Chapters 4 and 5 of this Guidance explain the core principles traders should follow when calculating and presenting the total price of their products in an invitation to purchase. These chapters also deal with common issues that may arise when doing so.

What should I avoid?



Drip pricing

- 3.17 **The practice of showing consumers an initial headline price for a product and subsequently introducing additional mandatory charges as consumers proceed with a purchase or transaction – sometimes called ‘drip pricing’ – is prohibited under the UCP provisions.**

- 3.18 **An invitation to purchase** – namely when a trader gives information to consumers about a product and its price – **must provide the required pricing information clearly, in a timely way and in a way that the consumer is likely to see it.**²⁹
- 3.19 This provision makes sure that consumers know up front what they will end up paying and that they have accurate and timely pricing information. It also ensures that consumers are not faced with unexpected mandatory charges only later in a purchasing journey. This is important, because businesses usually compete for customers on headline prices.
- 3.20 Where any part of the price cannot reasonably be calculated in advance, there are specific rules around prominence. These rules mean that the information enabling the consumer to calculate the total price must be given with as much prominence as the headline price.³⁰

Examples of prohibited drip pricing practices



- A hotel provides a price of £100 per room, per night, on their website. The consumer inputs the dates of their two-night weekend stay into the hotel's website and is provided with a total price of £200 for the entirety of their stay. The consumer navigates through several webpages of optional extras, such as upgrading the room to one of a bigger size and adding a bunch of flowers to the room. The consumer does not choose to add any additional extras to their stay. After the consumer completes their choices, they are informed of a 'weekend surcharge' of £25 per night. The total price of the stay is actually £250, which is higher than the original price they were given.
- A company offers an online learning course in a specific subject area for £100. When the consumer prepares to pay the £100 total, they are informed of an additional mandatory £40 'enrolment fee' to access the course content. The consumer should have been presented with the total price of the course which is £140 at the outset.
- A hairdresser displays a pricing list, within a hairdressing salon, which lists the cost of several different services. A consumer chooses a haircut which is shown as £50 on the pricing list. When the consumer pays for the haircut, they are charged an additional £25, 'long hair' fee. The total price of the

²⁹ Section 230(9) DMCC Act.

³⁰ Section 230(5) DMCC Act.

haircut is therefore £75. The higher price was not presented to the consumer until the very last stages of the purchase.

- A car hire company website displays the cost of hiring a car as £60 for 24 hours. The consumer pays the £60 total cost online to hire the car. When the consumer goes to pick up the car, the consumer is told there is an additional mandatory 'pick-up fee' of £40. The consumer was initially given a headline price for the car hire of £60 while the total price to hire the car is actually £100. The 'pick-up' fee is mandatory because a customer cannot use a hire car without picking it up so the website should have displayed the cost of hiring the car as £100 rather than £60. Although the 'pick-up fee' was included in the small print terms and conditions, it was not included in the headline price.

Partitioned pricing

- 3.21 The new provisions in the DMCC Act mean that **partitioned pricing – the practice of providing the component parts of a price without giving the overall total** – will generally be prohibited since it is not consistent with providing the 'total price' of the product.
- 3.22 For example, where the total price is made up of several components, which are also each listed, the cost of those components must be added together for the consumer into a total price and it must be shown to them in the invitation to purchase in a clear and timely way.³¹ It is not enough to present the individual price components and expect the consumer to calculate the total price.
- 3.23 Where, owing to the nature of the product, some, but not all, of the price is calculable, the trader should provide a headline price inclusive of all the calculable elements. Any remaining charges should be set out with the same prominence as the headline price.³² Further detail on when this exception may apply can be found at paragraphs 4.9 to 4.19.

Examples of prohibited partitioned pricing



- A theatre advertises tickets for a show in an online advertisement. The price of a ticket is £50. There is a mandatory booking fee of £1 per ticket. The headline price for each ticket is shown as

³¹ Section 230(9) DMCC Act.

³² Sections 230(2)(c) and 230(5)(b) DMCC Act.

'£50*'. Further down the page there is text explaining that there is a mandatory £1 booking fee per ticket. The £1 fee should be included in the headline price of each ticket so that the cost of each ticket is £51. The trader can state that the price includes a £1 booking fee per ticket.

- An online hotel booking site lists a hotel with the price of £100 per night. There is a mandatory resort fee of £20 per person, per night (on top of the room price) and a one-off cleaning fee of £100 per stay. The website advertises a headline price of £500 for a five-night stay based on two people sharing. Below that is reference to the additional £20 per person, per night resort fee and £100 cleaning fee that the consumer would also have to pay. The resort and cleaning fees would be calculable based on the advertised assumption of 2 people staying for five nights so the total price should be given as £800 (£500 for the room, £200 for the resort fee and £100 for the cleaning fee). The trader can state that the price includes the resort and cleaning fees.
- A luggage storage provider advertises a £5 per-bag, per-day price to store a suitcase in one of a range of secure locations across the UK. Below this headline price is a statement that all bags will incur a mandatory £2 per-day 'service charge'. The £2 per-day 'service charge' should be included in the headline price so that the cost per-bag, per-day is £7. The trader can state that the price includes a £2 per-day service charge.
- An online retailer sells bedroom furniture. They charge an additional, mandatory £5 for packaging per item. A consumer looks at a bedside table. The price per item is shown as: £150 plus £5 for packaging. Since the £5 packaging is a mandatory charge for each item, it should be included in the headline price of each item so that the cost of each bedside table is £155. The trader can state that the price includes a £5 packaging fee.

Does this affect how I take payment?



3.24 No, this does not affect how a trader takes payment. The price transparency requirements in the UCP provisions are about how a product is marketed to consumers. The UCP provisions require the total price to be given but they do not regulate how or when payment is taken. For example, the requirement to provide the total price does not prevent:

- a trader taking payment for that product in instalments;
- the consumer paying part of the price to a different trader (eg a broker or other intermediary); or

- a pro-rata price being charged (eg for the use of a service such as gym membership for a shorter period than envisaged in the advert).

3.25 In some cases, traders may present consumers with different payment options for the same product (eg the choice to pay monthly or pay annually for a 12-month subscription, or to pay for a product in instalments rather than up front). If one of these options is more expensive than the other (eg the one-off payment incorporates a discount for paying up front), the trader may risk misleading the consumer if they do not make this clear. The trader might make this clear, for example, by providing an easy means of comparing the cost of the different options (eg informing the consumer of the total price of each option), or by informing consumers of the difference in the cost of different payment options (eg 'save £X').³³

3.26 The requirement to provide the total price does not prevent a trader from offering consumers subsequent discounts so that the final price ends up being *less* than the originally advertised total price. For example, this would include offering:

- discounts in a sale;
- promotional discount codes (whether tied to the specific product or a traders' products in general);
- prices by independent retailers or a trader's franchisees (as applicable) that are lower than the advertised total price;
- discounts that are negotiated with individual consumers.

³³ Some products may be subject to more specific transparency requirements (eg under provisions of Part 4 Chapter 2 of the DMCC Act on subscription contracts once they come into force).

4. Total price: core principles

Summary at a glance

- The total price of a product should include any fees, taxes, charges or other payments that the consumer will necessarily incur if the consumer purchases the product.
- If, owing to the nature of the product, the whole or part of the total cost cannot reasonably be calculated in advance, consumers must be given the information they need to calculate the total price themselves (for example, price of fabric per metre).
- The information about how to calculate the total price must be set out with 'as much prominence as' the part of the total price that is calculable in advance.
- In most cases, traders would be expected to provide material pricing information in a full and timely manner regardless of the means of communication used.

4.1 Section 230 of the DMCC Act requires that mandatory charges should always be provided in an invitation to purchase and, wherever reasonably calculable, included in the total price. This section explains the core principles traders should follow when calculating and presenting the total price of their products. It also explains what traders must do if the total price is not reasonably calculable.

When are charges mandatory versus optional?



4.2 If the consumer cannot purchase the advertised product without the payment of a charge (ie any fee, tax, charge or other payment), then that charge is mandatory. Mandatory charges should be included in the total price for the product. The total price given in an invitation to purchase should relate to the specific product being advertised (eg a weekend's stay at a hotel).

4.3 In some cases, a trader may wish to offer an optional service in addition to the product they are selling. This can be presented separately and does not have to be included in the headline price if it is genuinely optional. However, merely presenting a charge separately to the headline price or describing it as an

extra service does not make it optional. If the consumer will have to pay the additional charge in order to purchase or receive the advertised product, it is a mandatory charge. It is still a mandatory charge even if the consumer could theoretically avoid it by purchasing or signing up for an additional product, or paying an additional membership fee.³⁴

4.4 Mandatory charges include:

- purchase taxes (eg VAT);
- administration fees, however described, such as booking or processing fees, quality assurance charges, platform charges;
- fees relating to additional services that cannot be avoided (eg routine cleaning fees, venue restoration fees, mandatory cover or service charges at a restaurant);
- delivery charges where consumers cannot arrange for their own collection or delivery of the product being advertised (eg where a consumer is selecting food items for delivery from a food delivery app);
- local taxes, resort fees and other unavoidable charges that become payable on arrival or departure at hotels, ports or airports;³⁵
- pick-up or 'pay on arrival' fees or mandatory insurance cover required for renting a car; and
- joining fees that new members pay on top of their first regular payment when joining gyms or getting other subscriptions.

4.5 The total price should also include any other mandatory charges resulting from the trader's input costs. These should not be presented to consumers separately. For example, if a trader contracts with a third-party provider to supply a service to a consumer, the trader may want to charge the consumer an additional fee to cover that cost. Consumers have no control over such expenses. They cannot compare and select the third-party provider or products they use and have no way of opting out of them. The trader will therefore need to ensure that any such charges are included in their

³⁴ This does not prevent a trader who operates a membership scheme from advertising membership discounts to the existing members of that scheme but such discounts should not be used when advertising the price of a product to non-members. See also paragraph 5.50.

³⁵ Deposits or pre-authorisations on a consumer's payment card, such as those that are sometimes taken when checking into a hotel, which will be automatically refunded if not called upon would not be 'mandatory charges' for these purposes and do not need to be included in total price.

advertised headline price. If a trader wants to present the total price, together with a breakdown of how that price is made up, then that is permissible.

- 4.6 Some products may be subject to specific legislation that requires the inclusion of specific charges in the total price presented in the invitation to purchase, even if these may otherwise be considered optional. If so, these charges must also be included in the total price when advertising that product. For example, the Consumer Rights (Payment Surcharges) Regulations 2012 prevent merchants from charging a fee in addition to the advertised price of a transaction on the basis of a consumer's choice of payment instrument (eg credit card).
- 4.7 Traders who supply products to both consumers and other traders may make VAT-exclusive price lists available to trade customers, but they must ensure that any prices offered or directed to consumers include VAT (where applicable). Whether a price is directed at a consumer will depend on the circumstance of the offer. If a trader who sells to the public is advertising generally or a trader is quoting to someone who they know is a consumer, they must *always* include VAT in the total price.
- 4.8 Taxes such as vehicle tax, TV licences and council tax do not form part of the price of a product and do not need to be included in the total price. These taxes relate to the ongoing ownership of a product and can be distinguished from taxes such as VAT which do relate to the purchase of a product and must be included in the total price.³⁶

Examples of lawfully provided mandatory charges



- A hotel provides the price of a room for a three-night stay as £250. This price includes the cost of the room being cleaned, as well as the use of Wi-Fi and a safe within the room. As the room cleaning, use of Wi-Fi and safe are not offered as optional extras by the trader, they are included within the total price displayed for the room and the cost of £250 is a fully inclusive price.
- The total price of a second-hand car is provided as £2,000. This total price includes an administration fee and the cost of valeting the car. As the administration fee and car valeting are not offered as optional extras by the

³⁶ Paragraph 4.8 is subject to any specific regulatory requirements which require that specific taxes or other charges relating to ownership be included in the price of a product. For example, there is a legal requirement for the first year of Government Vehicle Excise Duty (vehicle tax) to be included in the price of a new car. As it is a legal requirement this tax would be a mandatory charge in this context and will form part of the total price of the new car.

trader, they are included within the total price displayed for the car and the cost of £2,000 is a fully inclusive price.

- A bike retailer provides the cost of a second-hand bike as £100. This total price includes full servicing of the bike. As the full service is not offered as optional by the trader, it is included within the total price displayed for the bike. The £100 is therefore a fully inclusive price.
- A café charges £3.70 for coffee including 20p for use of a disposable coffee cup, if the customer has not brought their own reusable cup. The total price listed on the menu is £3.70 as this is what the customer will have to pay in order to receive the coffee, which realistically cannot be purchased without a cup. The price list states that customers who bring reusable cups will receive a 20p discount.

Examples of lawfully provided optional charges

- A hotel displays the price of a 'room only' for one night as £80. This price does not include breakfast as guests can stay overnight at the hotel for the headline price and decide whether they want to pay for breakfast based on their individual preference. As the additional service of breakfast, is optional, it does not have to be included within the headline price.
- An electronics retailer displays the price of a television for £350. This price does not include an extended warranty. Consumers can purchase the television for the headline price and decide whether they want to pay for the extended warranty. As the additional service of an extended warranty, is optional, it does not have to be included within the headline price.

When might it not be possible to calculate the total price?



- 4.9 For most products the total price of a product will be clear and easily calculable. However, there are some products for which this may be more difficult.³⁷
- 4.10 'If, owing to the nature of the product, the whole or any part of the total price cannot reasonably be calculated in advance', the UCP provisions require that consumers are given information about 'how the price (or that part of it) will be calculated'.³⁸ The information about how to calculate the total price must be

³⁷ Sections 230(2)(c) and (5) DMCC Act.

³⁸ Section 230(2)(c) DMCC Act.

set out in the invitation to purchase³⁹ with ‘as much prominence as’ the part of the total price that is calculable in advance.⁴⁰

- 4.11 This exception will most commonly apply when the nature of the product means that the total price will depend on a consumer’s requirements, and the trader has not yet been provided with those requirements by the consumer. This includes products sold by:
- weight – for example, minced meat;
 - length – for example, rope;
 - time – for example, venue hire charged by the hour; or hotel stays charged per night; and
 - distance – for example, airport transfer services charged according to the distance from the pick-up location to the airport.
- 4.12 As soon as the trader has been provided with the consumer’s requirements, the trader should give a fully calculated total price – see below paragraph 4.17.
- 4.13 Not all parts of a price will necessarily be linked to ‘the nature of the product’. For example, additional charges (such as an administration or service fee), which a trader applies to multiple different products, are unlikely to depend on the nature of the product. The application of these types of charges are commercial decisions on pricing structure that are made by traders and must comply with the law. Such charges should therefore be set in a way that allows the trader to calculate them in advance, so they can be included in the total price.
- 4.14 **If the nature of a product means that its total price cannot reasonably be calculated in advance, the trader must instead give the consumer the information needed to *enable the consumer to calculate the total price themselves*** (eg the price per kg or the price per person).
- 4.15 As noted above, where some, but not all, of the price is calculable, information about how to calculate the total price should also be set out with ‘as much prominence as’ the part of the total price that is calculable in advance.⁴¹ In practice, this means the information about different parts of the price

³⁹ Section 230(5)(a) DMCC Act.

⁴⁰ Section 230(5)(b) DMCC Act.

⁴¹ Section 230(5)(b) DMCC Act.

(including any additional mandatory charges that may apply) should normally be set out next to each other in the invitation to purchase (eg immediately above, below or next to the calculable part of the price, rather than somewhere else on the page). An illustrative example showing this is set out below.⁴²



Figure 2: Early-stage advertising displaying unit pricing when a total price cannot reasonably be calculated in advance, with the information on additional delivery charges presented immediately underneath the headline price with equal prominence.

⁴² The illustrative examples provided in this Draft Guidance are intended to assist understanding of the pricing practices covered by this Draft Guidance. They should not be taken as comprehensive representations of other material information that may be required in an invitation to purchase.

- 4.16 When a consumer is going through a purchase process (such as ordering a product through a trader's website), they will normally be presented with multiple invitations to purchase. If the total price cannot reasonably be calculated, the information needed to enable the consumer to calculate the total price should be included for *each* invitation to purchase until the total price can be calculated. It is not sufficient to present this information once (eg on the front page of the website) and then omit it at later stages of the purchase process.
- 4.17 Once the total price becomes calculable, it must then be presented from that point onwards. For example, where an item is advertised by weight, as soon as the consumer inputs the quantity they wish to purchase, the total price for that quantity should be given.
- 4.18 The trader may also be unable to calculate the total price where the product is bespoke, or the total price will depend on the consumer selecting from a range of options that make it impossible to fix a standard price. For example, the price of portrait photography services may depend on factors such as the type of shoot (eg family, children, pregnancy, newborn), the duration of the photo session, the number of people being photographed, or the number and format (eg digital images and/or prints) of photos ordered.
- 4.19 If the nature of the product means that the total price cannot reasonably be calculated in advance, the trader may choose to:
- Present a full price list with the various options to enable a consumer to calculate the total price based on their requirements. In the case of the photography services example discussed above at paragraph 4.18, the trader could provide their hourly rate for the session, the price per photo, and the price for each format that the images can be ordered in.
 - Present an indicative price or 'from' price (provided the price is realistic, meaningful and attainable) or the total price of a particular selection of services. Indicative prices may take the form of a price for an illustrative product (eg the price for a two-night stay in a property or pre-packaged bundles that consumers can select between or customise). For example, applying this to the photography services example discussed above at paragraph 4.18, the trader could advertise certain 'default' bundles at different prices that can then be customised to the consumer's requirements (eg a 30-minute photo session, with 20 photos, plus digital files of all the pictures). The price for each of those bundles should be the total price required to purchase all the elements advertised in each bundle,

regardless of whether the consumer could opt to later remove them or to choose a different set of services. Further guidance on the use of indicative pricing is provided in paragraphs 3.1 to 3.9 above.

- Structure their purchase process to obtain the information required to calculate a total price from consumers at the outset. For example, car hire prices can vary greatly and depend on a range of factors, in particular, the intended pick-up and drop-off locations, proposed dates and times and driver's age. Providing prices without knowing this information is likely to result in misleading pricing, so car hire companies should obtain the customer's main requirements as soon as possible.
- Refrain from presenting prices at all until they have received enough information from the consumer to be able to calculate the total price that would apply to a particular consumer. This means the trader does not make an invitation to purchase and the requirements about total price do not apply. For example, it is common for home improvement services, removal services, courier services, cleaning services, holiday booking agents, etc. only to quote a firm price after the consumer has provided information about their circumstances and individual needs or the trader has been able to assess these. This does not prevent traders from advertising indicative prices in early-stage advertising.

Examples of lawful pricing when the total price cannot reasonably be calculated at the first stage of advertising



- A travel agency website displays the price of a holiday as 'from £1,000 per person including flights'. Immediately underneath, the website informs the consumer that the price is stated to be based on two adults sharing. This is a legitimate way of presenting the price because, at this point, the trader does not know how many people will be staying or the dates they will be staying. The consumer then inputs their requirements (two adults, two children and the dates of their stay). On the next page, the trader provides the price for the stay as a fully inclusive total cost based on those requirements (ie the total price for two adults and two children).
- A hotel offers an afternoon tea service with the per-person price of £20 for the afternoon tea and £15 extra per person to add a glass of champagne. The trader does not know the consumer's precise requirements (eg number of diners or precise beverage selection). However, as part of a marketing campaign, the hotel advertises a 'champagne afternoon tea for two' on selected dates at £70. Provided the consumer can purchase the afternoon tea, including champagne, at the stated price, this is a legitimate use of indicative pricing.

- A health insurance company advertises its affordable insurance policy 'from £35 per month'. When a consumer visits the trader's website and inputs their basic details and requirements, they are given an indicative estimate of £40 per month, which is based on their particular requirements or circumstances. This estimate is clearly stated to be subject to the insurer's checking and underwriting process and that the price may change as a result of this process, after which the company will provide a full and final quote. The consumer is offered the option to begin this process if they wish to do so. Provided that the original advertisement and the indicative estimate were both realistic, meaningful and attainable (and compliant with sector specific rules), this is a legitimate use of indicative pricing at both stages of the advertising.
- A removals company does not provide upfront prices on its website. Instead, it provides information about the services it offers and allows consumers the option to enter some basic information about their requirements (eg number and type of rooms and distance between removal addresses) and then provides an estimated price on that basis. The price is clearly stated to be an estimate based on the requirements the consumer has provided, and the final price will depend on the quantity of possessions to be moved. The estimate is an indicative but realistic amount for every part of the removal service. The trader then offers consumers the option to have an 'in-person' assessment of their requirements after which the trader provides a full and final quote.



4.20 When deciding whether a trader has omitted material information from an invitation to purchase, two factors can be taken into consideration. These are:

- any limitations that arise due to the type of communication used. This includes limitations of space or time, such as the size of packaging, the duration of a radio advertisement or the functionality of a means of communication, that may mean that the trader cannot practicably convey all the required information in relation to that product,⁴³ and
- any steps the trader takes to overcome the limitations eg by providing information in another way, or by making use of the available functionality of the means of communication.⁴⁴

4.21 Generally, these factors are unlikely to justify omitting required **pricing** information from an invitation to purchase (even if they might justify omitting other information, such as the trader's business address, for example). In most cases, traders should be able to provide the material pricing information in a full and timely manner regardless of the means of communication used. A single price figure inclusive of all mandatory charges will be able to fit on or within all types of devices and media. In addition, where the nature of the product means that the total price cannot reasonably be calculated in advance, the means of communication will often pose no barrier to prominently providing the headline price alongside information enabling the consumer to calculate the total price. For example, where products are sold by a standard unit of measurement and therefore what constitutes 'a single product' is inherently variable, giving the unit price (such as £X per kg, square metre, hour etc.) would still be possible.

4.22 When assessing whether limitations of space and time due to the means of communication mean it is not practicable to present the required pricing information, account should also be taken of the information that the trader *has* chosen to include. Information which is required by section 230 of the DMCC Act should not be omitted in favour of other, non-mandatory, information.

4.23 Even among other categories of material information set out in section 230 of the DMCC Act, the total price (or how to calculate it) will be among the most important information for consumer decision making. This means the

⁴³ Section 230(8)(a) DMCC Act.

⁴⁴ Section 230(8)(b) DMCC Act.

threshold for when limitations of time or space would justify omitting it will be high. The DMCC Act specifically requires that where part of the total price cannot be reasonably calculated in advance, the information about how to calculate that part of the price must be given to the consumer with 'as much prominence as' the rest of the price.⁴⁵ This is a specific requirement that the DMCC Act imposes *over and above* the general transparency requirements for other material information. That should be taken into account when assessing whether the limitations of the means of communication justify omitting this information.

- 4.24 Where, by exception, the means of communication used has limitations that mean it is genuinely not practicable to present all the required pricing information on the face of the invitation to purchase, the DMCC Act requires that the trader should take steps to overcome these limitations in order to provide the consumer with the required pricing information by another means.⁴⁶ The information must still be provided in a way that is clear and timely, and so that the consumer is likely to see it.⁴⁷ The importance of providing consumers with required pricing information should also be taken into account when weighing the sufficiency of any steps taken by the trader to overcome the limitations of the means of communication.

⁴⁵ Section 230(5)(b) DMCC Act.

⁴⁶ Section 230(8) DMCC Act.

⁴⁷ Section 230(9) DMCC Act.

5. Guidance on specific charges

Summary at a glance

- **Mandatory delivery charges** should be included in the invitation to purchase and, wherever it is reasonably calculable, in the total price.
- Where a consumer must choose between delivery charges (ie there is no free collection option), the trader must include the cheapest delivery option until the consumer chooses a different one.
- For websites and apps, traders can comply by providing an explanation of the delivery fees plus a running total that includes the products selected by the consumer and any mandatory delivery fees which would apply to the order.
- **Optional delivery charges** (eg where there is also a free collection option) must be provided in an invitation to purchase but do not need to form part of the total price and may be indicated separately.
- Similar principles apply for **per-transaction charges** (eg administration or booking fees). The trader should present their prices in a way that either provides the total price, or if not reasonably calculable, allows a total price to be calculated by the consumer, including in any early-stage advertising of the product.
- For **periodic contracts** (eg a 12-month gym membership), the total price may be presented as either the total cumulative price for the 12 months or the total price payable each month. In each case the total price should include all mandatory charges payable in that period.
- **Local charges and taxes** will normally be calculable and should be included in the total price.

- 5.1 This section contains case studies that explain in more detail how pricing information can be presented in an invitation to purchase in a way that complies with the UCP provisions.

How should delivery charges be presented?



5.2 The total price of a product must include any mandatory delivery charges, in the same way that it must include any other mandatory charges. If the delivery charges cannot be reasonably calculated in advance, the trader must provide information on how the charges will be calculated. Delivery charges refer to the costs of shipping a physical item to the consumer, and generally will be costs that are paid by the trader to a third party.

Mandatory delivery charges

5.3 Delivery charges are mandatory if the consumer cannot purchase a product without paying an additional charge to cover the cost of delivery.

5.4 Generally, mandatory delivery charges should be included in the total price where:

- Mandatory delivery charges are fixed (eg £4.99) for all deliveries regardless of minimum purchase thresholds or distance.
- Mandatory delivery charges are applied on a per product basis (eg £2 per item, so £4 for two items).
- When an online marketplace displays a list of items sold by different traders, each of which can be purchased individually and have their own delivery charges, the price of delivery should be included in the total price of each product.

5.5 The following example illustrates how this might be presented in store:



Figure 3: An in-store price tag which presents the total price including the mandatory delivery charge. The trader has chosen to display the base price of the product as well.

- 5.6 Traders can also present other pricing information to the consumer in the invitation to purchase, provided that the total price is presented in a clear and timely manner and in a way that the consumer is likely to see it. For example, a trader might display the base cost (exclusive of delivery) as the headline price, with the total price presented below it or they might present the total price with a breakdown of how it is calculated. Whatever traders choose to do, they should comply with other provisions of the DMCC Act and ensure their pricing presentation does not amount to a misleading action or omission.⁴⁸

⁴⁸ Section 226 and section 227 DMCC Act.

5.7 The following examples illustrate ways in which this might be done:



Figure 4: An in-store price tag which presents the base price (excluding delivery) as the headline price. The total price, inclusive of delivery, is presented prominently below this.

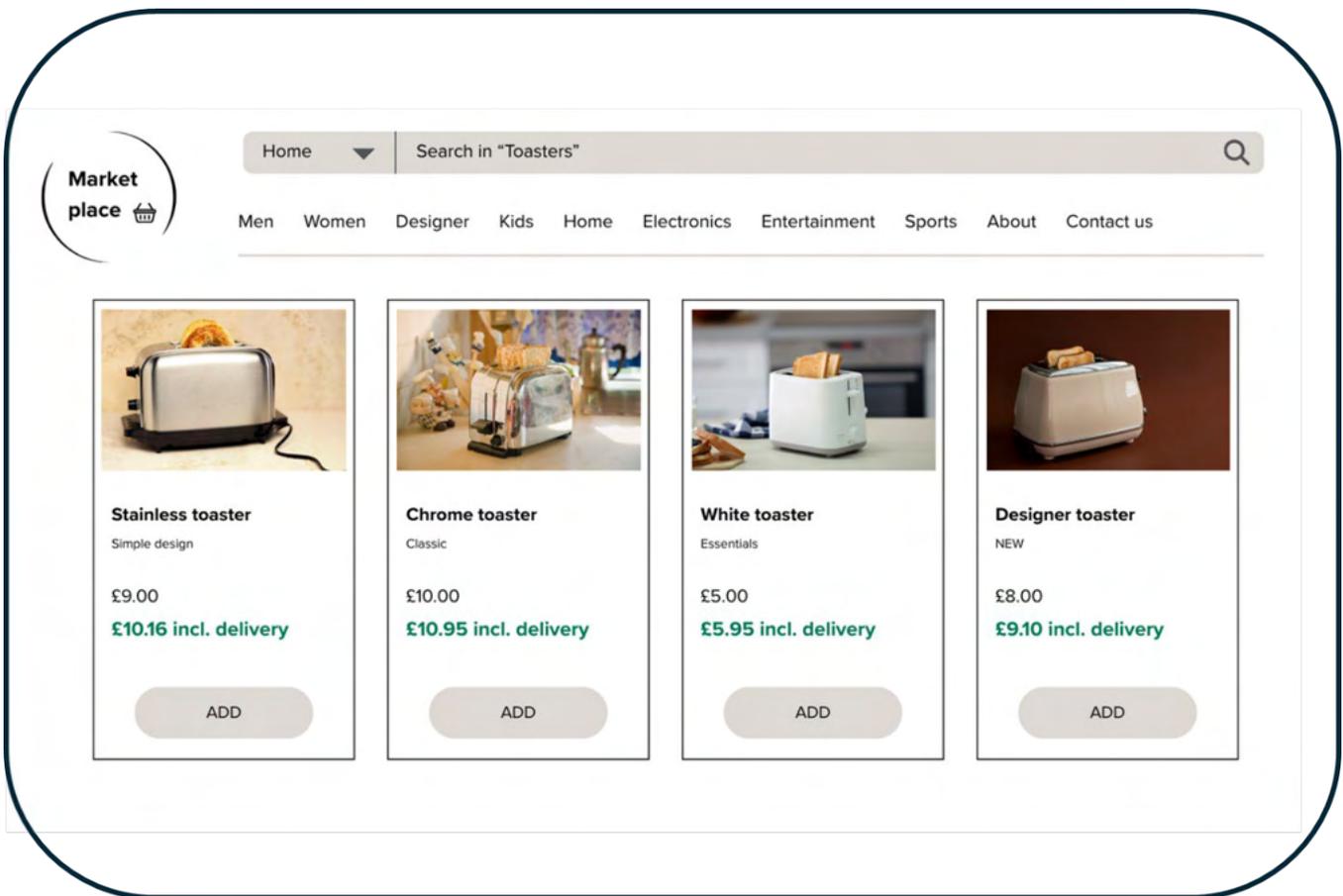


Figure 5: An online marketplace which presents the total price including the mandatory delivery charge as well as the base price of the product.

Optional delivery charges

5.8 Delivery charges will be optional if the consumer is able to purchase and receive the product without having to pay the cost of delivery (eg collecting the product in store, or from a local collection point for free). Additional charges for premium delivery options such as next day or nominated day delivery will also be optional delivery charges.

5.9 Optional delivery charges must also be provided in an invitation to purchase but are not required to form part of the total price and may be indicated separately.⁴⁹ Whether a delivery charge can be considered mandatory or optional may depend on the context, and how the product is being marketed to consumers.

5.10 Delivery charges are not optional merely because the trader offers a choice between several paid delivery options (eg standard or next day delivery). If

⁴⁹ Section 230(2)(g) DMCC Act.

the consumer must pay for delivery, the total price presented at the outset should include the cheapest delivery option. If the consumer decides to select a more expensive delivery option, the total price in any subsequent invitation to purchase should include the cost of the selected delivery option.

- 5.11 An illustrative example showing how mandatory and optional delivery charges could be presented is shown below.



Figure 6: An online advertisement promoting a product available only through delivery. The price presented is inclusive of mandatory delivery fees and optional delivery charges are presented separately.

Variable delivery charges which are mandatory

- 5.12 In some cases, delivery charges may vary. Where a mandatory delivery charge cannot reasonably be calculated in advance it will not be possible to provide the total price of the product. Instead, the trader must indicate that delivery charges are payable and how the cost will be calculated. Further, the information provided must be sufficient to enable the consumer to calculate the total price of the product themselves (including the mandatory delivery charge) and must be presented with as much prominence as the part of the price which is calculable.⁵⁰ Where the trader is unable to calculate a fully inclusive total price, mandatory delivery charges which may vary depending on factors outside the consumer's knowledge and control are not permissible because the consumer will also be unable to calculate the total cost of the product.
- 5.13 If a delivery charge cannot reasonably be calculated and therefore included in the total price, for example in early-stage advertising on TV, radio or online, it will become calculable as the purchase process progresses because the consumer has given the trader the information required to calculate the applicable delivery charge.⁵¹ The invitations to purchase that occur after that point must include the mandatory delivery charge in the total price.
- 5.14 In some cases, traders may wish to waive or reduce the delivery charge based on consumer spend (eg the trader offers free delivery over £40). This does not mean that the cost of delivery is not reasonably calculable in advance. The trader must include the full delivery fee in the total price until the consumer's basket of products reaches the spend threshold to qualify for a lower (or free) delivery charge. At this point the total price may be adjusted to reflect the reduction or waiver of the delivery charge. The trader can indicate to customers that this charge will be removed if the order exceeds £40.

E-commerce websites and apps

- 5.15 It is common for e-commerce websites and apps to allow multiple products to be selected and purchased together (for example an online clothing retailer or groceries for home delivery).
- 5.16 In some cases, delivery may only be available for orders over a certain value so it may not be possible to purchase an individual item by itself (eg an online supermarket or food delivery service). In these situations, it may not be

⁵⁰ Section 230(5) DMCC Act.

⁵¹ See paragraph 4.9 to 4.19 above on non-calculability.

possible to provide a total price for each individual item, instead the trader will need to provide the consumer with the information they need to calculate the total price of their order and should make the consumer aware of the minimum order thresholds. As described below, providing the consumer with a rolling total for their order, along with a breakdown of how the total price is calculated would be one way of doing this.

- 5.17 If a delivery charge is applied to the order of multiple items it may not be realistic or meaningful to include this charge in the *headline* price of each product when this charge would only be paid once. Instead, the trader may comply by providing the consumer with the total price of the products in another way. This might include:
- presenting the total price below or alongside a more prominent headline price that reflects the base price of the product, exclusive of the delivery charge, so consumers can see both the inclusive and exclusive price (as described at paragraph 5.6 above);
 - providing the base price of the product and information about the delivery charge, plus a clear and prominent rolling total for the order that updates as consumers add products to their basket; or⁵²
 - removing the delivery fee and incorporating the cost into the base cost of the products sold by the trader (in effect offering ‘free delivery’).
- 5.18 If the total price is provided through a running total, it should be clearly visible to the consumer and include the mandatory delivery charge (as well as any other mandatory charges). How to best present the running total may differ between products and mediums, but the following examples illustrate alternative ways in which traders could ensure compliance:
- A prominent ‘floating basket’ or ‘sticky banner’ which stays on the screen as the consumer scrolls up and down, and updates in real-time with the total price clearly visible to the consumer at all times;
 - presenting consumers with a dynamic ‘add to basket’ button on the product page which tells the consumer what the cost of adding an item to their basket will be, including any additional fees or discounts that would

⁵² As this ‘running total’ would include all mandatory charges which the consumer would necessarily incur to purchase any of the products selected, it would satisfy the requirements of section 230 for each of those products even though the consumer will only need to pay the charges once.

apply to the purchase of that item (ie the difference between the total price of the consumer's basket before and after the selected item is added); or

- automatically displaying the consumer's 'basket' with the total price (including all mandatory charges) based on the products currently selected by the consumer after each product is selected (eg through a pop-up or new webpage).

5.19 Illustrative examples showing these solutions are set out below.

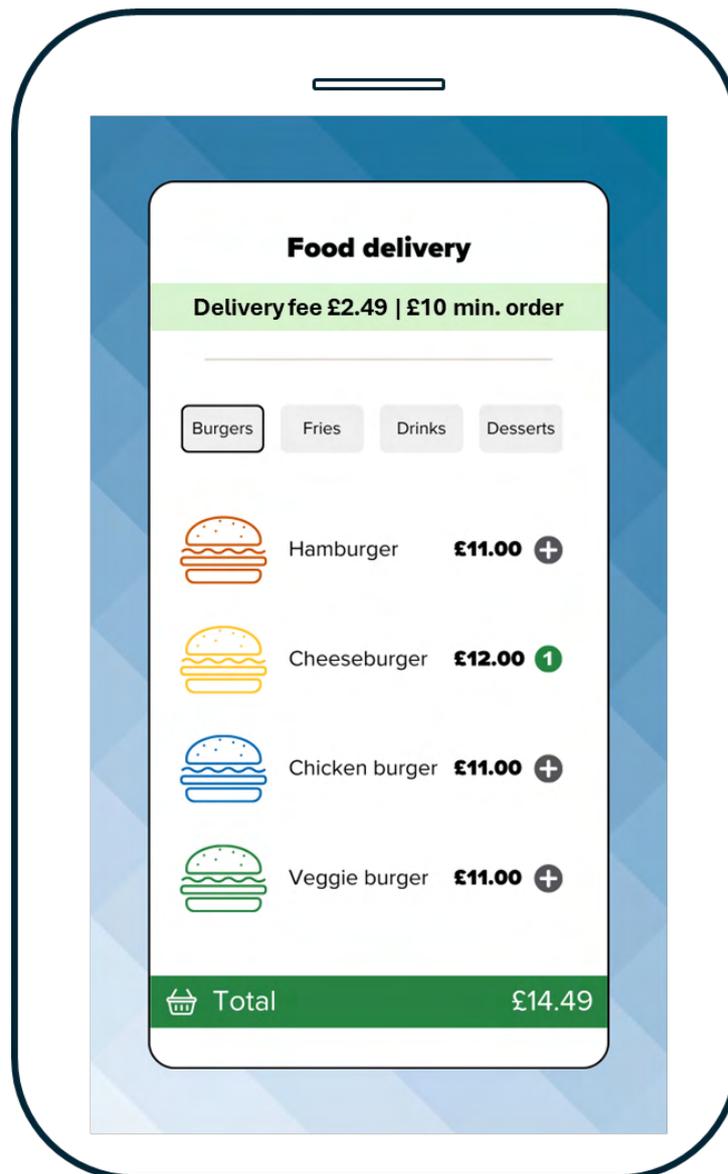


Figure 7: A food delivery app which uses 'sticky banners' to clearly display the mandatory delivery charge and the total price. The total price is £14.49 as this price includes the £12.00 cheeseburger and £2.49 delivery fee.

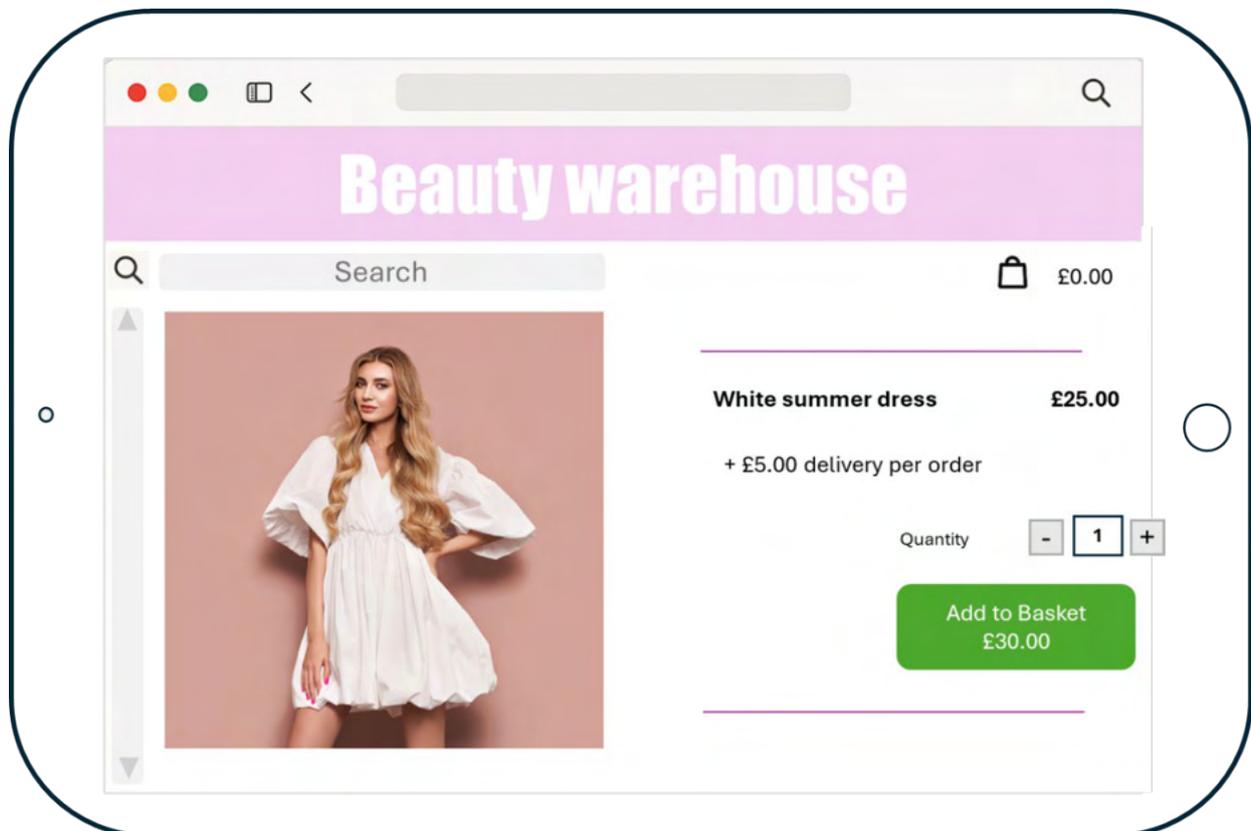


Figure 8: A product page with a dynamic 'add to basket' button showing the total the consumer will have to pay to add the selected item to their basket, including a £5.00 delivery fee.

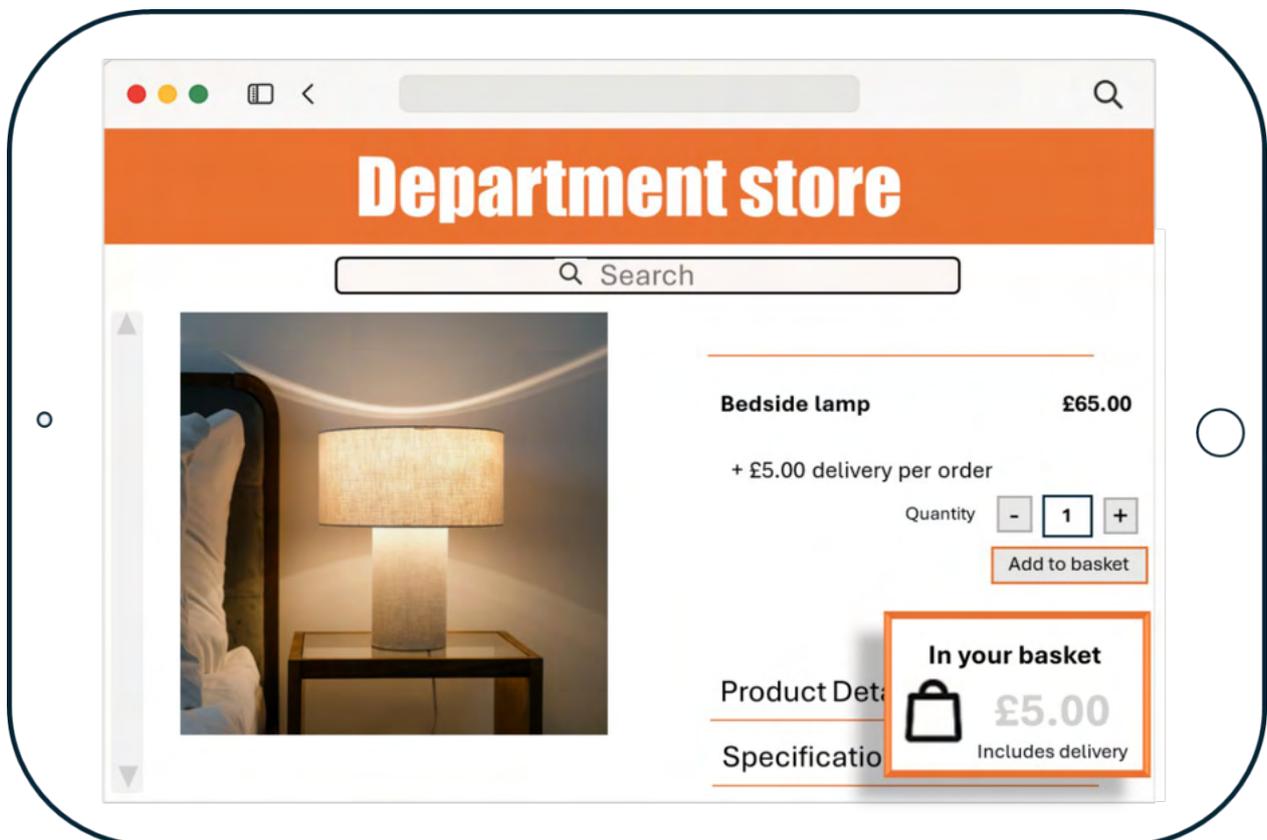


Figure 9: A 'floating basket' which displays the total price. The basket is presented prominently on each page and scrolls with the consumer so that it is always visible. The mandatory £5.00 delivery charge is included in the basket from the outset.

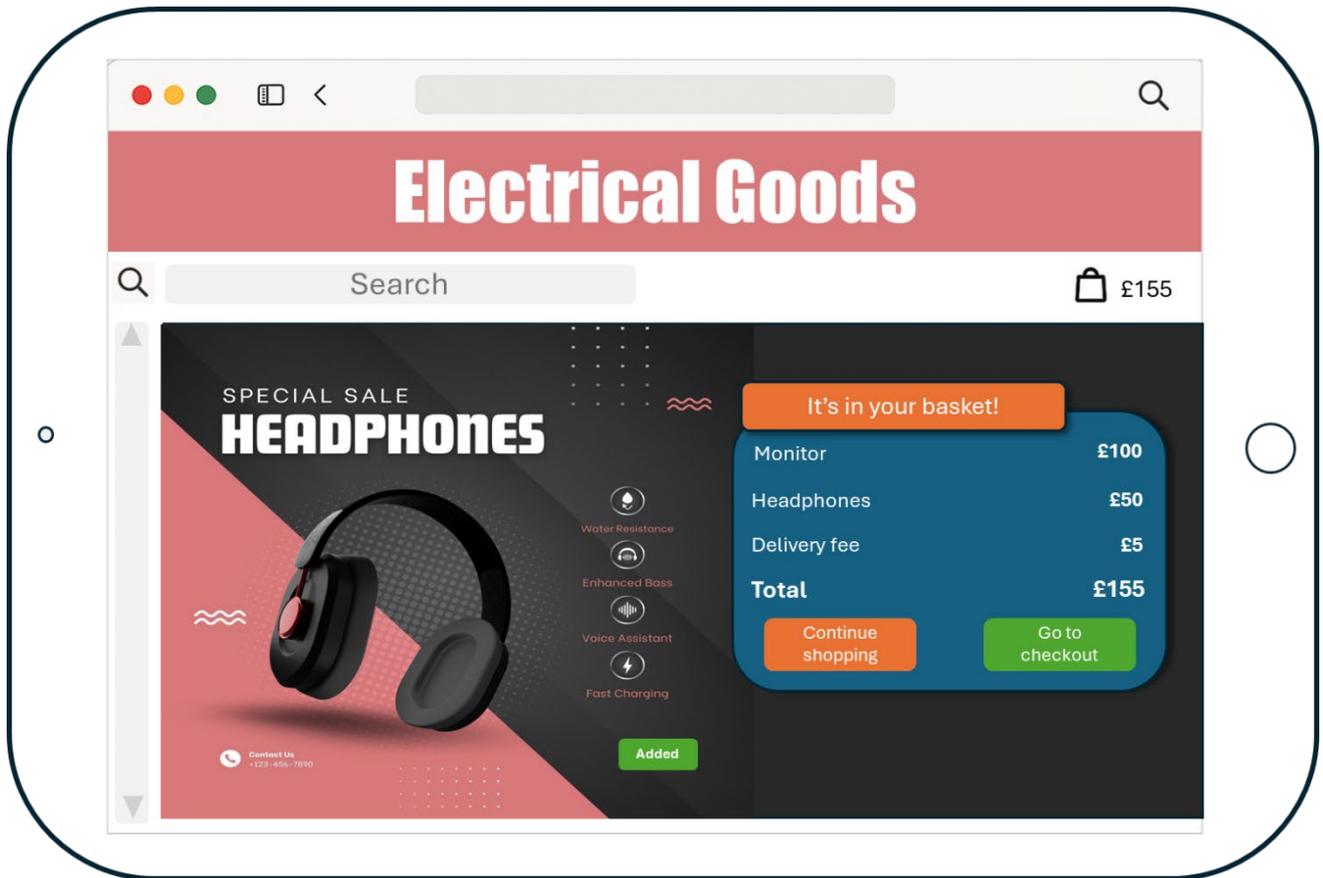


Figure 10: The consumer's basket is automatically displayed when the consumer clicks 'add to basket', with a running total of the consumer's selection and mandatory charges shown.

5.20 When a consumer views their basket, they should be shown the total price based on the products they have selected at that point. If the trader wishes to do so, the total price may be accompanied by a breakdown of the delivery charges and any other mandatory charges. If those charges would change as the consumer selects different products, the total price (and those charges) should update automatically.

Other considerations

5.21 In addition to the requirement to present the total price in an invitation to purchase, traders will also need to ensure that the way they present their delivery charges does not amount to a misleading action or omission for other reasons. Any unclear, untimely or obscure presentation of optional delivery charges (as with any mandatory charges) may amount to omission of material information from an invitation to purchase.⁵³ It may also amount to a misleading action or omission more generally and breach the UCP provisions

⁵³ Section 230(9) DMCC Act.

if the average consumer is likely to be misled about whether a delivery charge will apply or what it will cover.⁵⁴ For example, advertising free delivery on orders over a specified threshold without telling the consumer what the delivery charge will be for orders under that threshold may amount to an omission of material information from an invitation to purchase or be a misleading omission.

Examples of lawfully presented delivery charges

- A furniture store displays garden furniture in-store, available for delivery only. The price tag for each item sets out the headline price exclusive of delivery. The total price inclusive of the mandatory delivery charge is also included prominently on the price tag. 
- An online clothing retailer displays an advertisement for a dress with a base price of £20 in a search engine's results page. The retailer does not offer collection and has a £4.50 minimum mandatory delivery charge. The advertisement therefore presents the total price of the dress as £24.50, because that is the price the consumer would have to pay to purchase that dress from that retailer. The advertisement is specific to the individual dress so this is not affected by the fact that once on the retailer's website the consumer might choose to purchase other products as well.
- An online-only homeware retailer offers a flat £5.99 fee for delivery of items purchased on its website. A consumer searches for a bedside lamp costing £25 and a set of plates costing £30. The flat delivery fee of £5.99 is clearly explained alongside the headline prices of the individual products. When the consumer adds each product to their basket, they are automatically presented with a prominent pop-up in the centre of the screen that shows the items in the consumer's basket and confirms the total price of the items – including the £5.99 fee for delivery (ie £30.99 after adding the lamp and £60.99 once the plates have also been added).
- A florist in Birmingham advertises seasonal bouquets for £40 with free local delivery in a local newspaper. The advertisement also states that for flowers delivered outside the local area, a £5 delivery charge is payable. The advertisement reads: '£40 seasonal bouquets delivered locally in

⁵⁴ Whether a commercial practice amounts to a misleading action or omission depends on whether it is likely to cause a consumer to take a different transactional decision.

Birmingham for free. A £5 delivery charge applies to other areas of the West Midlands.'

- A department store sells children's toys on its website. It has five different delivery charges based on the geographical location of the delivery address: free 7-day delivery to mainland GB; Northern Ireland £5; Isle of Man £10; Channel Islands £15; Scottish Highlands and Islands £10. These different delivery charges are prominently displayed on the product page. The consumer logs into their account, which has their address recorded. After that the applicable delivery charge to deliver to their address is included in a running total which is clear and visible to the consumer.
- A food delivery app presents listings of local restaurants for customers to order food for delivery, based on the customer's location. There is an extra 'long distance' charge for consumers more than a 15-minute drive away from a restaurant. A customer opens the app and is presented with the list of local restaurants. The delivery charges (in £s) for each restaurant are shown on restaurant listings. The app has the consumer's delivery address from their account, so the delivery charges are calculated based on that address and include the 'long distance' charge (if applicable). The consumer navigates to the menu of one of the restaurants. On this page, the delivery charge associated with this restaurant is again prominently displayed in £s. As the consumer selects items, the sum of these items including the delivery charge is displayed as part of a running total for the order, which is clear and visible to the consumer. If the restaurant or platform imposes any other mandatory charges they should also be clear and visible to the consumer at the outset and included in the running total displayed.
- An online marketplace offers personalised gifts and similar items for sale. Each item is sold by different traders, and each product has their own delivery charges. A personalised photo frame with a base cost of £10 and a minimum delivery charge of £2.99 is presented to consumers with a total cost of £12.99. Another similar item with a base cost of £8 and a minimum delivery cost of £5.50 is presented to consumers with a total cost of £13.50. As the delivery costs are attributable to individual products, the marketplace has presented a headline total price for each product inclusive of the applicable delivery charge for that product.
- An online perfume retailer offers free delivery on its products, with the option to choose next day delivery for £5. A banner at the top of the website informs the consumer about the free delivery, as well as the option of paying £5 for next day delivery.

How should 'per-transaction' charges (eg administration or booking fees) be presented?



- 5.22 'Per-transaction' charges refer to mandatory (often fixed) additional charges which are linked to a purchase rather than the specific products purchased. Examples include a one-off flat booking fee for the purchase of multiple tickets, an administration fee or a cleaning fee.
- 5.23 Mandatory per-transaction charges should always be included in an invitation to purchase and, wherever possible, included in the total price – even in early-stage advertising. Depending on the type of per-transaction charge, and the stage in the marketing process, the way these charges should be presented may differ. For example:

- A trader applies a £1 charge to every product sold on their website. Because this charge can be allocated to individual products, it must be included in the headline price for each of those products, and not displayed separately.
- A trader publishes an advertisement in a magazine promoting tickets to an event. The price for a single ticket at the cheapest rate is £20. There is also a per-transaction fee of £2.50. The price shown should be the total price, including any per-transaction charges, that a consumer would be required to pay to purchase the minimum possible number of tickets (ie a ticket for one person). In this case, 'from £22.50'.
- An accommodation platform advertises the price of a property on the basis of a two-night stay at £160. The £160 should be the total price a consumer would have to pay to stay for two nights, including any mandatory administration, booking or other per-transaction charges.
- A radio advertisement for a train trip indicates it is available off-peak 'from' £26. The £26 must include any per-transaction charges that would apply to the purchase of the cheapest available tickets.

5.24 An illustrative example showing lawful per-transaction pricing is set out below.



Figure 9: Early-stage advertising with a mandatory £2 per-transaction charge included in the headline price.

5.25 The use of per-transaction charges will not, in themselves, mean that the total price of a product 'cannot reasonably be calculated in advance' owing to the nature of the product. As explained at paragraph 4.11 above, such fees will not normally depend on the nature of the product. The use of such fees is ultimately a trader's choice and, while they may reflect genuine costs incurred by the trader, there will usually be other ways for the trader to account for those costs. Traders should ensure they only use these charges if they can do so in a way which is compatible with their legal obligations under the DMCC Act.

- 5.26 Traders must use any information already supplied by the consumer to ensure that they are presented with a total price inclusive of any per-transaction charge. For example, if a consumer searches for a ‘three-night stay for two people’ on a hotel booking website, the trader should use this information to calculate the total price based on those requirements including any per-transaction charges (and any other mandatory charges).
- 5.27 In some cases, the consumer may have the option of purchasing multiple products, or different quantities of a product, as part of the same transaction. At this point in the purchase process the trader may wish to present the consumer with a running total for the transaction based on the products they select.
- 5.28 An illustrative example showing how this might be done is set out below. Further illustrative examples of this type of solution can also be found at paragraph 5.19 above.

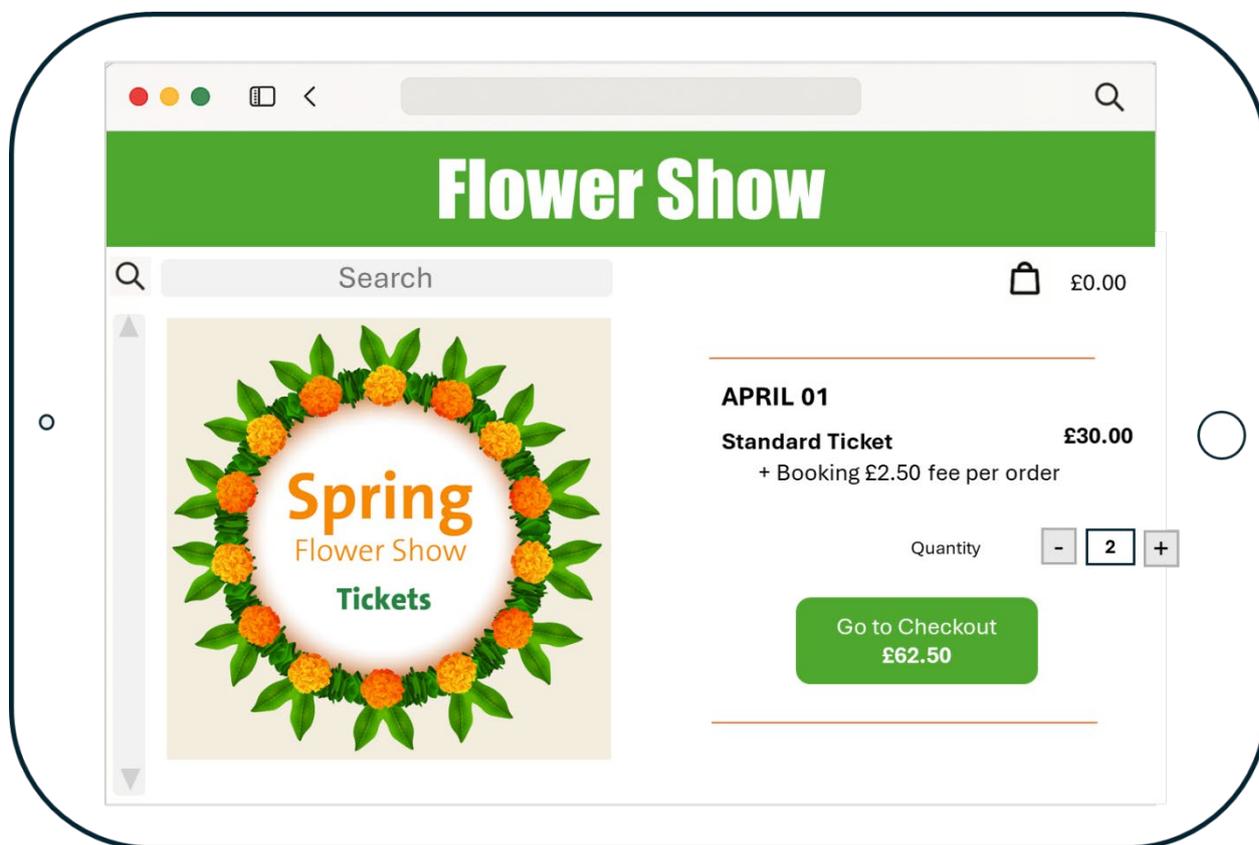


Figure 10: A product page with a dynamic ‘go to checkout’ button showing the total the consumer will have to pay to add the selected item to their basket, including a £2.50 booking fee. The total price is presented in a way that the consumer is likely to see it.

- 5.29 Where a trader uses a third party booking platform to manage orders, the platform should not charge an additional sum of money to consumers at the end of their order: the cost of using the booking platform should either be

included in the headline price of the products (in which case the trader's pricing model might have to change), or presented in the advertised prices shown to consumers at all stages of the marketing process, following the principles set out above.

Examples of lawful per-transaction charges



- A cinema offers £15 cinema tickets and charges a booking fee of £1 per ticket for online transactions. As the £1 booking fee is applied to each ticket purchased online, the price shown on the website for a cinema ticket should be £16. The cinema may choose whether to state that this price is inclusive of a £1 online booking fee.
- A coach company sells tickets between Manchester and London for £10 and has a mandatory per-transaction fee of £2.50. The company promotes tickets on social media stating 'Manchester to London – only £12.50.'
- An online ticket retailer advertises concert tickets in its weekly e-newsletter that range between £50 to £100 per ticket. There is a £3 booking fee applied to each transaction (regardless of how many tickets are purchased in that transaction). Since the minimum price that a consumer will have to pay to purchase a single concert ticket is £53, the price shown in the advertisement should be 'from £53'. The advertisement may say: 'Tickets from £53 - seats £50-100 each plus £3 per transaction).'
- An accommodation booking website offers an apartment with indicative pricing based on a two-night stay. The per night price is £100. There is also a £50 cleaning fee. The indicative price for the two-night stay is advertised as £250.

How should periodic pricing be displayed (eg monthly contracts)?



- 5.30 Some products require the consumer to make periodic payments in return for ongoing services provided in each period. In this case the 'product' is likely to be the provision of services over the course of each period, and the 'total price' is what must be paid for each period. Examples of these types of

contracts include subscriptions,⁵⁵ monthly gym memberships and broadband contracts.

5.31 Periodic contracts might be:

- ‘rolling contracts’ where the consumer is free to cancel at any time; or
- ‘minimum term contracts’ under which the consumer makes periodic payments (eg monthly) but commits to a minimum term (eg 12 months) and is required to continue to receive the services for that minimum term.⁵⁶

5.32 For rolling contracts, the total price will be the price that the consumer has to pay for each period of the contract (eg £20 per month). As with any other product, the total price must be inclusive of all mandatory charges the consumer will necessarily incur in that period.

5.33 For minimum term contracts, the trader may comply with the requirements of section 230 of the DMCC Act by advertising the ‘total price’ as either:

- The cumulative price that the consumer will have to pay over the entire minimum length of the contract, inclusive of all mandatory charges in that period (‘total cumulative price’). Traders who provide the total cumulative price for their product can be confident they comply with the total price requirements of section 230 of the DMCC Act, regardless of the pricing structure they use. Providing the total cumulative price does not prevent the trader from also providing other pricing information such as the size of the monthly payments and providing the details of any additional payments that the consumer will have to make.⁵⁷ The total cumulative price must still be presented to consumers in the invitation to purchase in a clear and timely manner that they are likely to see; or
- The total price that the consumer pays for each period of the contract in the same way as for a rolling contract (eg ‘total monthly price’), alongside a prominent statement of the number of months the consumer is committed to pay that price for. The minimum commitment period will be part of the main characteristics of the product in this case. A total monthly

⁵⁵ Subscriptions are also subject to the provisions of Part 4 Chapter 2 of the DMCC Act on subscription contracts which, when in force, will require certain providers of subscription contracts to state the minimum total amount for which the consumer will become liable under the contract. The additional rules around subscription contracts are outside the scope of this Draft Guidance.

⁵⁶ Depending on the terms of the contract, the consumer may or may not continue to receive the services after the end of the minimum term.

⁵⁷ If the consumer is required to pay monthly, the monthly fee may be either part of the main characteristics of the product, or material information that needs to be provided to the consumer.

price may be used for minimum term periodic contracts which have both monthly payments and additional fees, provided the trader is still able to present that price in a way which complies with the requirements of section 230 of the DMCC Act.⁵⁸ For example, if a periodic contract includes a requirement to pay a one-off fee (eg an administration, set up or installation fee) at the start of the contract, the advertised pricing must set out a total monthly price for the first month that includes those fees as well as a statement of how much the subsequent monthly payments will be.

- 5.34 As set out in paragraphs 3.24 to 3.26, the requirement to present a total monthly price inclusive of any relevant charges relates to how the price is advertised. It does not determine how or when payment is taken. For example, provided it does not lead to the consumer paying more overall, the requirement to provide the total monthly price does not prevent:
- a pro-rata price being charged for part of the first month (eg where a trader takes payment on the first day of the month for all its customers and a consumer signs up for a service on the 23rd of the month); or
 - a trader taking part payment of the first monthly charge at the time of sign-up, even if service will not start until a later date (eg as a deposit).
- 5.35 The guidance above relates only to the requirements of section 230 of the DMCC Act. Some products may also be subject to more prescriptive rules which require that specific pricing information (eg the total cumulative price) is *always* provided to consumers. For example, the provisions of Part 4 Chapter 2 of the DMCC Act on subscription contracts will impose additional price transparency requirements above and beyond those in the UCP provisions.⁵⁹ Where product or sector specific regulations apply traders must still ensure that they comply with the UCP requirements.
- 5.36 Fixed term contracts under which the full price is due upfront are not periodic contracts, even if the price relates to the provision of a service over a period of time or the trader takes payment of the total price in instalments. In these cases, the total price for the service must be included in the invitation to purchase. For example, if a trader offers a discounted 3-month fixed term summer gym membership but the consumer has to pay for the full 3 months

⁵⁸ If it is not possible to present the price in a way which complies with the requirements of section 230 of the DMCC Act the trader would need to either change their pricing structure or present the total cumulative price for the contract. The trader must also ensure that the consumer is not otherwise misled about the price they will have to pay.

⁵⁹ The additional price transparency obligations under Part 4 Chapter 2 DMCC Act will not apply to subscription contracts that are 'excluded contracts'. Section 255 and Schedule 22 DMCC Act.

and joining fee up front, the invitation to purchase should state the total cumulative price payable. Similarly, if a trader sells an object such as a sofa but allows the consumer to pay for it in monthly instalments, any advertising must include the total price for the sofa (rather than the monthly price payable under the contract), as the product being sold is the sofa rather than a monthly service.⁶⁰

Examples of lawfully presented monthly pricing



- A bowling club offers a 12-month membership for £30 a month. The club advertises the price of this membership as ‘£30 per month for 12 months’.
- A gym offers an annual membership for £70 a month with a £30 one-off joining fee. The price of this membership is advertised as ‘£70 per month for 12 months, plus a £30 joining fee (Total annual membership: £870)’. The total cumulative price has been given so the joining fee may be presented separately to the regular monthly charge.
- A local leisure centre offers a 12-month minimum membership for £20 a month with an additional £10 one-off joining fee. The price is presented as ‘12 months Membership: £30 for the first month, then £20 per month for the next 11 months’. The total cumulative price has not been given and the trader is relying on presenting the total monthly price as their means of complying with section 230 of the DMCC Act so the joining fee must be included as part of the first month’s total price.
- A car is advertised on a 36-month lease with an ‘initial rental charge’ of £2,400 followed by 35 monthly payments of £250. The ‘initial rental charge’ is stated to include a £300 administration fee payable to the broker. The quote is also stated to be on the basis of certain assumptions about how the car is maintained and the annual milage. The consumer may incur further charges (eg if they exceed the agreed annual milage) but these would not be ‘mandatory charges’ for the purposes of section 230 of the DMCC Act and would not need to be included in the total price.⁶¹

⁶⁰ This price must be displayed in a way that the consumer is likely to see and understand it.

⁶¹ The existence of these charges would, however, be material information that still needs disclosed to the consumer.

How should local charges and taxes be presented?



- 5.37 Mandatory charges can include local taxes, resort fees and other unavoidable charges that become payable on arrival or departure at hotels, ports or airports, pick-up fees or mandatory insurance cover required for renting a car (local charges and taxes). While commonly referred to as ‘tourist taxes’, the responsibility for paying, or at least collecting, local charges and taxes will normally sit with the local trader who provides the service e.g. the hotel, accommodation provider or car rental office.⁶² The UCP provisions therefore apply to these charges in the same way as any other mandatory charge.
- 5.38 Local charges and taxes will normally be reasonably calculable and, therefore, should be included in the headline total price. Local charges and taxes will often be calculated on a similar basis to travel or accommodation products (eg a charge per person, per night).
- 5.39 Before the trader has the consumer’s specific requirements, the local charges and taxes should, wherever possible, be incorporated into the headline per person, per night (or similar) price presented to the consumer. If indicative pricing is used, local taxes and charges should also be incorporated into those prices. For example, if taxes are charged on a per person, per night basis, and the advertisement indicates a week’s stay in a cottage for four adults, the indicative price should include the amount payable in taxes for those four people, even though the base price for the cottage might not vary depending on the number of holiday makers staying there.
- 5.40 ‘From’ pricing may also be used in some early-stage advertising with the trader providing the lowest charge the consumer might have to pay (eg when a hotel or destination has a range of accommodation options available at different price points). The ‘from’ price should include the minimum mandatory fees that a consumer would have to pay to stay there.
- 5.41 If exceptionally none of the above situations apply, and the trader is unable to reasonably calculate the total price in advance, the trader should ensure that the charges are set out with equal prominence next to the headline price.

⁶² Intermediaries advertising products on behalf of other traders will, for the purposes of the UCP provisions, normally be deemed to be acting on behalf of the product’s provider and therefore risk breaching the UCP provisions if these charges are not disclosed to the consumer and, where required, included in the total price of the product.

- 5.42 Once the trader has been given the consumer's specific requirements (eg how many people will be staying) the applicable local taxes and charges that will be payable should be included in the total price.⁶³
- 5.43 Where the trader collects the total price, including the charges, directly from the consumer at the time of booking, the trader will necessarily have to calculate the charges (including, if applicable, any currency conversion) and include them in the total price. In such a case, the trader need only display the total price charged to the consumer.
- 5.44 In other cases, some or all of the total price may be payable locally (eg at the time of check-in or departure from a hotel). The requirement to include the total price in each invitation to purchase is unaffected by when the payment is taken or who it is paid to. Each invitation to purchase must include the total price inclusive of any charges payable locally.
- 5.45 If the product (eg the accommodation) is to be provided outside the UK, the charges may be payable locally in a foreign currency, for example local taxes paid to a hotel or fees paid to a car rental company ('pay later' charges). In these cases, the total price of the product – including the local charges – must still be provided to the consumer. The trader may provide the total price either in the foreign currency or in pound sterling (£). In either case, that price should be stated to include all applicable taxes and charges.⁶⁴ Traders may convert the foreign currency into pounds in the advertisement using either the live current exchange rate applicable at the time the invitation to purchase is made or a reasonable indicative exchange rate.
- 5.46 If a trader is presenting price comparisons to a consumer (eg multiple accommodation options in the form of advertisements, brochures or search results), it is important that the prices are presented on a like-for-like basis, including all mandatory charges and taxes with indicative, and consistent, estimates of local charges in order to allow the consumer to make a

⁶³ Occasionally, local taxes or charges that are imposed by governments or other public bodies may change between the time of booking and when they become payable. Changes to local charges or taxes imposed by government or other public bodies happen relatively infrequently and are usually published well in advance so this should only happen exceptionally, eg where a booking has been made a long time in advance, or a charge is introduced or varied with unusually short notice. In these cases, a trader will not be considered to have breached the requirement to provide a fully inclusive total price, provided that they had presented the total price including the local charges and taxes that were expected to apply to the booking at the time it was made.

⁶⁴ Providing a partitioned price with the 'pay now' and 'pay later' charges in different currencies *without also providing a consolidated total price* is likely to breach section 230 of the DMCC Act (as well as potentially being misleading).

meaningful comparison between the prices advertised. Failure to do this is likely to mislead consumers and breach the UCP provisions.

- 5.47 Where the total price includes a 'pay now' price and a 'pay later' price, the trader should also provide a clear and prominent breakdown of the total price. The breakdown should clearly set out the information required to allow the consumer to know what they will have to pay and when.⁶⁵ If applicable, the breakdown should also include the details of any exchange rate conversion used to calculate the total cost in pounds. Subject to any limitations of time or space, this information should be set out alongside the total price in each invitation to purchase. If that is not possible, the breakdown should be provided no later than the stage at which the consumer will complete their booking.
- 5.48 An illustrative example showing this information at the final purchase page is set out below.

⁶⁵ If part of the price needs to be paid at the hotel this will be material information that should be provided to the consumer.

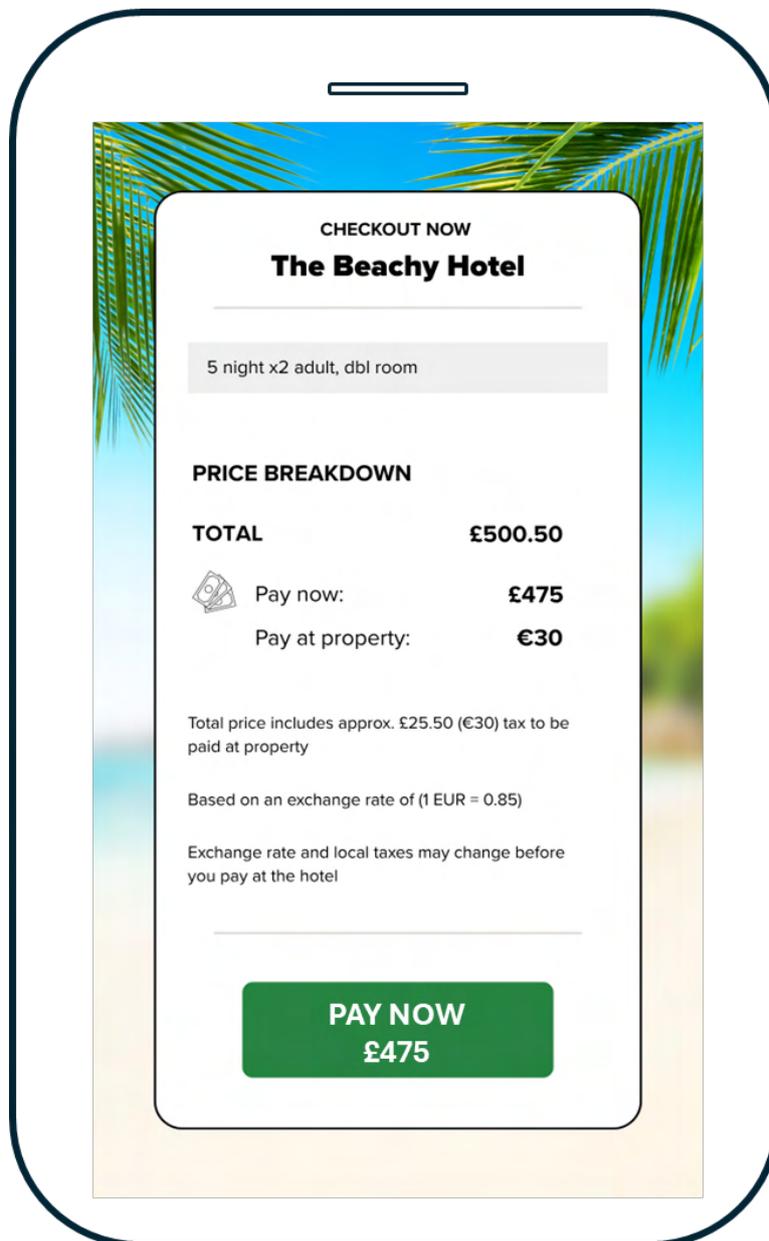


Figure 11: Final payment page for a hotel booking where taxes will be payable locally in a foreign currency.

Examples of lawfully presented local charges and taxes

- A travel agent publishes a brochure of package holidays in the Caribbean. An indicative price for each holiday is presented based on two adults travelling on specified dates. Where applicable, the advertised prices include all local taxes and resort fees that would be payable based on the advertised package. The trader has converted the fees into pounds using an indicative exchange rate for each foreign currency and the prices are stated to include all fees and taxes. The travel agent may also choose to set out what local taxes and charges apply for each hotel and the exchange rate used to calculate the total price, but this is not required at this stage of the purchase process.



- A travel agent publishes a general advertisement featuring hotels in Paris on a room-only basis. The room price for a three-star hotel is £100 per night with a €5.20 per person, per night local tax. Using a currency conversion tool, the rate of tax is £5. Since the minimum price that the consumer will have to pay is £105 for a one-night stay, the price shown in the advertisement should be 'from £105'. The advertisement can include a statement that the price includes the local tax.
- An online accommodation platform allows consumers to search for holiday stays around the UK. A consumer searches for properties that can sleep four people (two adults, two children) for seven nights. The consumer is interested in a cottage listed in the search results that offers a special rate for week-long stays. A local tax of £2 is also payable on a per adult, per night basis. The trader has the consumer's requirements (number of adults and number of nights) so the total amount of local tax payable is calculable (£28) and should be added to the base price of the cottage (£950). The total price of the cottage, including all local charges and taxes, is presented as £978 to the consumer in the cottage's listing on the search results page.
- A resort advertises a seven-night stay for two people. The cost of the room per night is £150 and there is an additional resort fee of £25 per person per night. Since the minimum price that the consumer will have to pay to purchase the resort stay is £150 per night for the room + £25 per person per night resort fee x 7 nights, the advertisement should display the total price for two people as £1,400. If the trader wished to also include a per night rate (based on two people sharing), that rate would be £200.
- A travel agent advertises a 10-night, two-person stay in an overseas hotel. The hotel charges a 'resort fee' of \$15 per person, per night payable on departure from the hotel. The total price of the hotel stay is presented as £800. The advertisement states that the total price includes a \$300 resort fee, but that this will have to be paid locally at the hotel. The advertisement also explains the exchange rate used to calculate the total price.
- An international car rental website provides a consumer with a price for a two-week trip. The consumer selects a pick-up location in Germany and a drop-off location in Italy. The rental price is £600. There is also a €500 one-way drop-off fee (approx. £434), paid locally. The trader provides a total price of £1034, and makes it clear to the consumer that the total is £600 paid now and €500 paid locally. The trader also explains the exchange rate used to calculate the total price.

- The final payment page of an online booking website sets out the total price for the consumer's stay. As the consumer has selected a specific hotel and provided their travel dates, number of days, people (including any children) and number of rooms, the trader is able to calculate the total price, including the applicable local taxes. The total price is shown as £500 which includes £25 local taxes. The trader has chosen to collect the local taxes directly from the consumer at the time of booking so there is nothing for the consumer to pay later. The trader may choose to, but does not have to, provide a breakdown of costs including any administration fees or taxes as they have been included in the total price.

Do costs paid to other traders need to be included?



5.49 Some invitations to purchase relate to products that will be provided by other traders (eg in the context of a price comparison site, broker or an online hotel booking platform). The requirement to give the total price, inclusive of all mandatory charges, applies irrespective of whether the charges are to be paid to the trader making the invitation to purchase or another trader. For example, as discussed in paragraphs 5.37 to 5.47 above, staying in some accommodation may require the payment of local charges or taxes. These form part of the total price, but traders sometimes collect these charges at the time of purchase while at other times they are left to be collected at the time of check-in or departure. The UCP provisions permit both options, but the requirement to include the total price, inclusive of those charges, in each invitation to purchase is unaffected by when the payment is taken, who it is paid to, or the currency in which it is paid.⁶⁶

How should targeted price reductions be presented?



5.50 Some traders offer targeted price reductions which are only valid for certain consumers or specific groups (eg special offers for new customers or discounts for NHS workers). These offers must not be presented in a way that would mislead other consumers about the price they will pay for the product. If an invitation to purchase includes such an offer, it must also make explicit which consumers will qualify for that offer. If it is presented as a price available for all consumers when it is not, this is likely to be misleading and a breach of the UCP provisions.

⁶⁶ Further guidance on the presentation of such charges when they are payable in a foreign currency is set out above.