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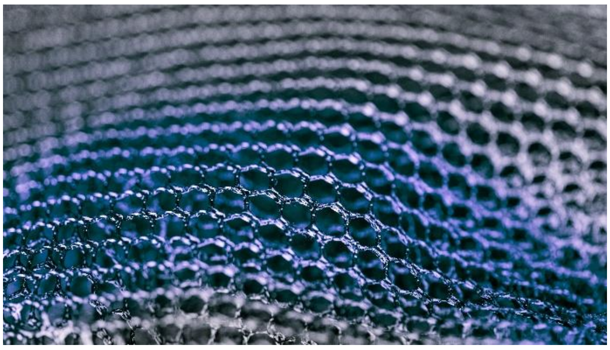
# SUBSCRIPTION REFORMS BROUGHT FORWARD TO JANUARY 2027: IS YOUR BUSINESS READY?

On 9 August 2026, the UK Government confirmed that the new subscription contracts regime under the Digital Markets, Competition and Consumers Act 2024 ("**DMCCA**") will come into force in January 2027, bringing implementation forward from the previously expected spring 2027 timetable.[1]

The announcement does not introduce new substantive requirements. Instead, it materially shortens the time available for businesses to prepare. For businesses with significant UK consumer subscription operations, the issue is therefore no longer simply what the rules will require, but whether the customer journeys, technology, data governance and operational processes supporting those subscriptions can be made compliant in time.



## KEY TAKEAWAYS

+ The January 2027 deadline is unlikely to leave businesses with much room for late-stage implementation once final guidance is published.
+ Compliance is not just a terms and conditions exercise. It is likely to require changes to sign-up journeys, reminder functionality, cancellation routes, refund processes and customer records.
+ Businesses should start with the areas where the direction of travel is already clear: product mapping, cancellation journey testing, notice capability, refund mechanics and auditability.
+ Subscription practices are already attracting the UK's Competition & Markets Authority's ("**CMA**") scrutiny under existing consumer law. Enforcement risk should not be treated as starting only once the new regime goes live.

## WHAT IS CHANGING?

The regime is intended to give consumers greater control over recurring payments and will introduce several requirements for in-scope subscription contracts.

[1] See: PM starts roll out of 'everyday fixes' on the cost of living – ending rip-off discounts and subscription traps - GOV.UK

- **Clearer information before sign-up**: Businesses will need to provide prescribed information before the consumer commits, including information about payment, renewal and cancellation arrangements. Key information will need to be presented clearly and prominently at the point of sign-up.

- **Renewal and other reminder notices**: Businesses will need to provide reminders at specified points, including before certain renewals and when free or discounted trials come to an end. For large subscriber populations, identifying the right customers and triggering the right communication at the right time is likely to be a significant systems issue.

- **New cooling-off rights:** The regime introduces new 14-day cooling-off rights in certain circumstances, including following the end of a free or discounted trial and certain renewals of 12-month or longer contracts.

- **Straightforward cancellation:** Consumers must be able to exit subscriptions straightforwardly. Online subscription journeys will, in relevant circumstances, need to provide an appropriate online cancellation route. Businesses should test the actual customer experience, not just the contractual right to cancel.

- **Refunds and redress:** The new cooling-off rights will carry associated refund obligations. The practical impact will vary depending on whether the subscription concerns goods, services or digital content and may require changes to billing and customer service processes.

*For a summary of the wider changes introduced by the DMCCA and the CMA's consumer protection enforcement practice to date, see Stephenson Harwood's earlier publications on the topic.*[5]

## FIVE QUESTIONS SUBSCRIPTION BUSINESSES SHOULD BE ASKING NOW

**1. Do we know every UK consumer product that could be caught?** Have we identified memberships, free trials, introductory offers, auto-renewals and other recurring arrangements – not just products labelled "subscriptions"?

**2. Can customers cancel as easily as they sign up?** If we put the current cancellation journey in front of a regulator or consumer group, would it look straightforward and fair?

**3. Can our systems identify every relevant renewal and send the right notice at the right time**? In particular, can we do this across multiple products, brands, platforms and legacy systems?

**4. Can we handle cooling-off cancellations and refunds at scale?** Not just manually for individual customers, but reliably across a large customer population?

**5. Could we demonstrate what happened for any individual customer?** Can we evidence what they were shown, what they agreed to, what reminders they received, when they cancelled and what refunds they received?

**If the answer to any of these questions is "no" or "we don't know", now is the time to investigate.**

## THE IMPLEMENTATION CHALLENGE

The Government is still expected to provide further detail through secondary legislation and guidance. Issues requiring further clarification include aspects of cancellation, notice requirements, mixed contracts and the practical operation of certain refund provisions. That uncertainty should not, however, be a reason to wait.

Much of the preparatory work can begin now: identifying in-scope products, mapping customer journeys, testing cancellation routes, reviewing customer-facing information and assessing systems capability. Implementation plans should then be built with enough flexibility to accommodate the remaining detail once the final legislation and guidance are published.

## THE HIDDEN CHALLENGE: EVIDENCE, DATA AND AUDITABILITY

Much of the discussion around subscription reform has focused on customer communications, cancellation journeys and changes to terms and conditions. Those areas are important, but many businesses may find that the more significant challenge is not compliance itself but evidencing compliance.

Businesses should consider whether they can demonstrate what information a customer was shown before sign-up, which version of the customer journey they experienced, what notices and reminders were sent and when, whether those communications were successfully delivered, and what actions the customer subsequently took.

For organisations operating across multiple platforms, brands or legacy systems, these questions can quickly become complex. In practice, subscription compliance may become as much a data governance and record-keeping exercise as a legal and operational one.

## SIX STEPS BUSINESSES SHOULD TAKE NOW

### 1. Audit subscription products and customer journeys

Identify all UK consumer-facing arrangements which renew, continue or convert automatically.

Look beyond products described as "subscriptions" to include free and discounted trials, introductory offers, auto-renewing services, annual memberships, "subscribe and save" arrangements, and digital and SaaS services.

**Map the customer journey from sign-up → payment → trial/introductory period → renewal → reminder → cancellation → refund.**

### 2. Review cancellation processes

Assess whether existing cancellation journeys require unnecessary steps, involve avoidable retention activity, make cancellation materially harder than sign-up or depend on manual intervention or legacy processes. A simple *mystery-shopper exercise* can quickly expose issues that may not be apparent from reviewing the terms alone.

### 3. Assess notice and reminder capabilities

Establish whether existing systems can identify relevant renewal and trial events, trigger the correct communication at the right time, deliver the required information through an appropriate channel and retain an appropriate record of what was sent and when. This should be tested across different products, brands, platforms and customer populations where relevant.

### 4. Review contract terms and customer-facing information

Review subscription terms, sign-up screens, checkout journeys and customer communications together. Focus on auto-renewal provisions, trial and introductory pricing arrangements, cancellation provisions, renewal information, and provisions that could make cancellation or the prevention of renewal disproportionately difficult.

### 5. Test refund and remediation processes

Assess whether existing processes can deal with the new cooling-off and refund requirements. This is particularly important for businesses supplying digital content, services or physical goods, where the calculation and processing of refunds may require changes to billing and customer service systems.

Businesses should also ask whether, if a systemic compliance issue were identified, could they identify affected customers and remediate them efficiently.

### 6. Establish a cross-functional implementation project

Subscription reform should not be treated as a legal-only exercise. Legal and Compliance will need to work with Digital, Product, Technology, Engineering, CRM, Marketing, Customer Services and Finance to identify what is in scope, what needs to change, which systems are affected, what can be delivered before January 2027 and who owns each workstream.

## PART OF A WIDER CONSUMER PROTECTION AGENDA

The subscription regime should not be viewed in isolation. It forms part of a broader consumer protection framework under the DMCCA, alongside the CMA's direct enforcement powers and other measures aimed at improving consumer outcomes.

The CMA is already looking closely at subscription practices under existing consumer law. In July 2026, it opened an investigation into Microsoft 365 Personal and Family subscriptions, focusing on whether customers were given clear information about subscription options and pricing changes before renewal when new features, including its AI feature Copilot, were added. The CMA has made clear that no finding of infringement has been made at this stage.[2]

That investigation follows wider scrutiny of subscription models, including concerns raised in relation to cancellation processes and early termination fees in Adobe membership plans.[3] The message for businesses is that subscription risk is not confined to the new January 2027 regime: existing consumer law already applies and the CMA is prepared to scrutinise subscription design, renewal communications and exit mechanics.

More broadly, the CMA's early use of its DMCCA powers has focused on price transparency, including drip pricing and pressure selling, fake and misleading reviews and online choice architecture.[4] The common thread is clear: the CMA is concerned with whether consumers receive accurate information, can make informed choices and are not steered, delayed or deterred by digital design features or operational friction.

Businesses should therefore consider subscription reform as one workstream within a broader DMCCA compliance programme. In particular, consumer-facing businesses should be reviewing pricing practices, discount claims, fees revealed late in the purchase journey, online reviews, retention prompts and other digital design features that may affect consumer decision-making.

## WHY THIS MATTERS

The January 2027 implementation date is approaching quickly, and the CMA now has the power to impose fines of up to 10% of worldwide annual turnover for consumer protection breaches, together with consumer redress and significant remedial measures.

For subscription businesses, the real risk is not misunderstanding the law; it is discovering too late that compliance requires changes to customer journeys, billing systems, CRM tools, cancellation processes or record-keeping systems that cannot be implemented before the new regime takes effect.

A failure in renewal notices, cancellation processes, cooling-off rights or refunds can affect thousands, or even millions, of customers simultaneously, creating regulatory, operational and reputational risk.

Businesses should therefore treat subscription reform as a business-wide implementation project, not a legal review exercise. For organisations with complex subscription models, multiple brands or legacy systems, the time to move from planning to implementation is now.

## CONTACTS

If you have any questions about the reforms or would like help assessing their impact on your business, please get in touch.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[2] CMA investigates Microsoft over marketing of subscription plans - GOV.UK

[3] Adobe: consumer protection enforcement case - GOV.UK

[4] Direct consumer enforcement: one year on – Competition and Markets Authority

[5] See:

+ Seller beware – Stephenson Harwood
+ Beyond drip pricing – Stephenson Harwood
+ Brace for impact – Stephenson Harwood
+ UK's CMA launches its first DMCCA consumer protection investigations – Stephenson Harwood