



October 2026

CMA'S DIRECT CONSUMER ENFORCEMENT REGIME: 18 MONTHS ON

The UK's Competition and Markets Authority ("CMA") has published an update on the operation of its direct consumer enforcement regime under the Digital Markets, Competition and Consumers Act 2024 ("DMCCA"), setting out its results over the past six months and outlining its focus moving forward.¹

Eighteen months after the new regime came into force, the CMA has moved firmly into active enforcement, with a growing number of investigations, significant financial penalties and consumer redress.

ENFORCEMENT ACTIVITY SO FAR

Since April 2026, the CMA has:

- + Opened six new investigations into Ryanair, Euro Car Parks, Microsoft, Virgin Atlantic, Trainline and Red Driving School, increasing the total number of investigations opened under the regime to 20;
- + Settled seven cases;
- + Ordered redress of over £2.3 million and imposed fines of over £11.8 million; and
- + Secured compensation for heating oil customers whose contracts were cancelled.

Alongside the investigations, the CMA has continued to promote compliance, including updating its guidance on unfair contract terms, conducting webinar training for businesses, and writing to businesses operating in the parking and

energy sectors to remind them of their obligations.

The experience so far also demonstrates that businesses should take advisory or warning letters from the CMA seriously. Some businesses subsequently subject to formal pricing investigations had previously received advisory letters raising concerns about their practices. Businesses receiving such correspondence should therefore act quickly to investigate and, where appropriate, rectify any potential issues.

PRICING PRACTICES

Pricing transparency continues to play a key role in the consumer protection regime. The CMA has now settled seven of the eight original online pricing practice investigations launched in November 2025, and recent settlements involving Gold's Gym, Wayfair and Buy It Direct have resulted in penalties of more than £6 million and over £440,000 in consumer redress.

Looking ahead, the CMA has stated that it will continue to focus on:

- + Drip pricing;
- + Partition pricing;
- + Misleading discounts;
- + Online designs that obscure the true cost of a purchase or distort consumer choice; and

¹ CMA, Direct consumer enforcement: 18 months on, <https://competitionandmarkets.blog.gov.uk/2026/10/14/direct-consumer-enforcement-18-months-on/>



- + the way in which delivery charges and other costs are disclosed to consumers.

The CMA's expectation is that businesses clearly display the total price payable throughout the customer journey and avoid practices that automatically opt consumers into purchasing additional services. The continuing investigations into Virgin Atlantic, Trainline and Red Driving School also demonstrate that the CMA is prepared to apply these rules across a wide range of sectors.

FAKE AND MISLEADING REVIEWS

Investigations remain ongoing into Autotrader, Feefo, Dignity, Just Eat and Pasta Evangelists concerning potential breaches of consumer protection rules relating to reviews, and the CMA expects to provide an update in the coming months.

The CMA stated that businesses that host or use reviews should have effective systems to prevent misleading content and act promptly when issues arise. The CMA also noted that unlawful review practices are not limited to paying for positive reviews and may include requesting employees to write reviews.

AI PRODUCTS AND SERVICES

The CMA is actively monitoring how AI products are marketed and used, whilst working with consumer groups and businesses to identify both benefits and emerging risks. The CMA has also published guidance on how existing consumer law applies to agentic AI.²

The CMA pointed to its July 2026 investigation into Microsoft, which concerns information provided to consumers about changes to Microsoft 365 Personal and Family subscriptions, including the introduction of AI-related features such as Copilot.

The broader message is that the introduction of new technology does not alter businesses' existing consumer law obligations. Businesses introducing AI-enabled products or features should therefore consider consumer protection compliance as part of their development and rollout.

PREPARING FOR THE NEW SUBSCRIPTION CONTRACTS REGIME

The new subscription contracts regime is due to come into force on 1 January 2027. On 19 October, the Government laid the draft Consumer Subscription Contracts (Cancellation and Information) Regulations 2026 before Parliament and published detailed draft guidance on the new rules.³ The Regulations and guidance provide further detail on businesses' obligations, including pre-contract information, renewal reminders, cancellation arrangements and cooling-off rights.

Whilst the CMA has indicated that its initial focus will be on supporting businesses to adapt to the new requirements, it has also cautioned that this should not be regarded as a grace period. Conduct during the early months of the regime may still be considered as part of subsequent enforcement action. The CMA has stated that it will use its powers proportionately, focusing enforcement on more egregious conduct, while taking genuine efforts to comply into account when determining whether intervention is appropriate.

With the detailed rules and draft guidance now published and commencement only a few months away, businesses offering subscription contracts should be reviewing their subscription journeys and taking the necessary steps to ensure compliance from 1 January 2027.



² CMA, complying with consumer law when using AI agents, <https://www.gov.uk/government/publications/complying-with-consumer-law-when-using-ai-agents/complying-with-consumer-law-when-using-ai-agents>

³ Department for Business, Innovation, Science and Trade, Draft guidance on the subscription contracts rules, <https://assets.publishing.service.gov.uk/media/6acf97da2de3184ccf8b814e/subscription-contracts-rules-guidance.pdf>



FINAL THOUGHTS

The CMA's update demonstrates that it intends to continue using its enforcement powers actively across a range of consumer protection issues. In particular, the CMA has signalled continued scrutiny of pricing practices, misleading reviews and AI products, alongside the introduction of the new subscription contracts regime.

The first eighteen months also provide some broader lessons. The CMA is actively monitoring consumer-facing practices and is prepared to move from compliance warnings to formal enforcement. Businesses should therefore consider compliance across the entire customer journey and respond quickly where the CMA identifies potential concerns.

Our Consumer Regulation, Compliance and Disputes Team can assist businesses in reviewing their consumer facing practices, preparing for the new subscription regime and responding to CMA enquiries or investigations.

If you have received a letter from the CMA, and/or you would like to discuss any of the topics raised in this update more generally or receive training on the CMA's consumer protection powers, please do get in touch.

CONTACT US



MARTA ISABEL GARCIA

Partner

+ 44 20 7809 2141
marta.garcia
@stephensonharwood.com



SARAH O'BRIEN

Partner

+ 44 20 7809 2481
sarah.obrien
@stephensonharwood.com