Urgency claims and price reduction claims: examples of non-compliance

A. Examples of misleading or unfair urgency claims

A.1 Below are examples of urgency claims and scenarios where these claims may mislead or put unfair pressure on consumers and so risk infringing consumer protection law. In all of these cases we consider that consumer behaviour is likely to be distorted. The examples are illustrative; similar practices may also infringe the law.

A.2 In each example, we explain:

a) The types of urgency claim in question;

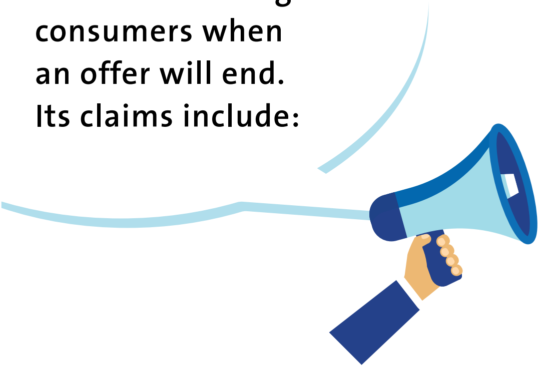
b) A scenario where use of that claim may infringe the law; and

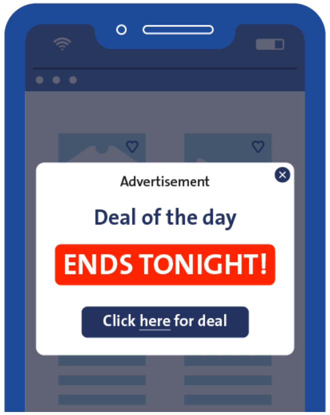
c) The CMA's views on why it would be likely to infringe the law.

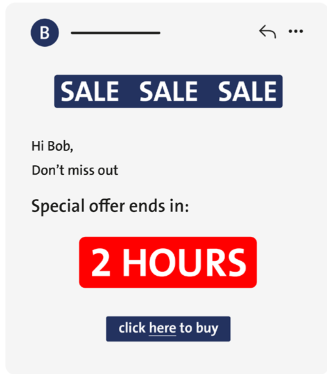
Competition & Markets Authority

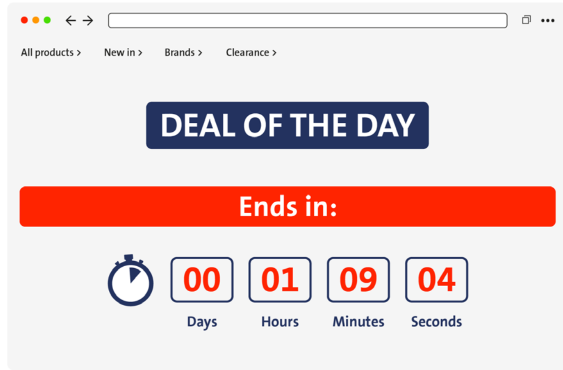
EXAMPLE 1. Claims that are misleading because promotions don’t end when the claims say they will

Trader A is telling consumers when an offer will end. Its claims include:







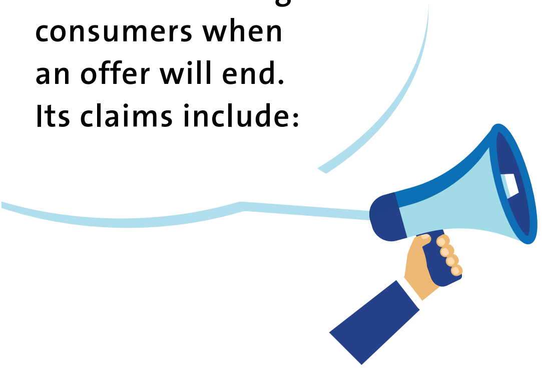


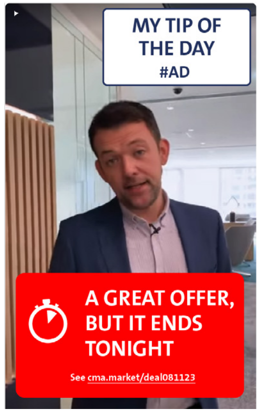
However, when the time runs down (tonight, in 2 hours, in 1 hour and 9 minutes), Trader A’s offer does not end but continues.

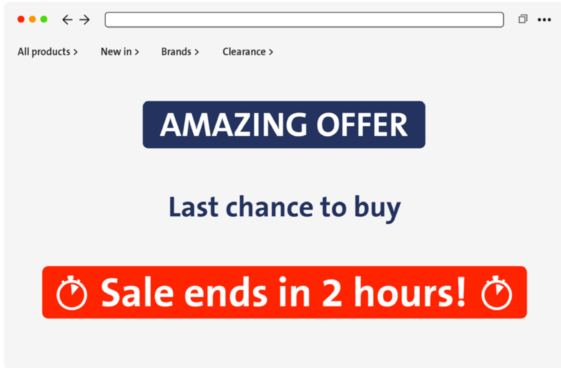
Trader A’s claims are likely to be unlawful because they are not true: the offer does not in fact end at the time that Trader A claimed it would. Its claim may also put unfair pressure on consumers to act quickly when they do not need to do so.

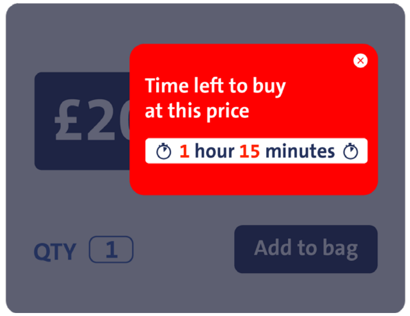
EXAMPLE 2. Claims that are misleading because promotions end when the claims say, but new promotions offer substantially the same deal

Trader A is telling consumers when an offer will end. Its claims include:









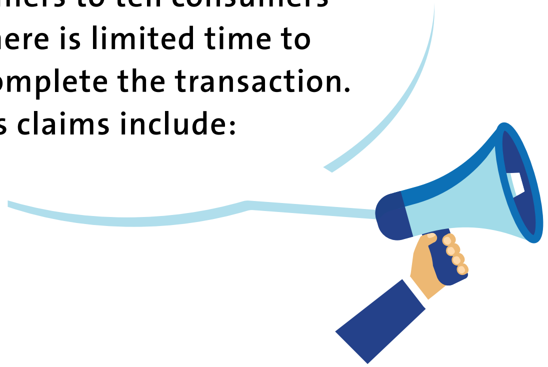
However, when the time runs down (tonight, in 2 hours, in 1 hour and 15 minutes), Trader A's offer does end but a new offer starts with a comparable or similar price advantage. For example:

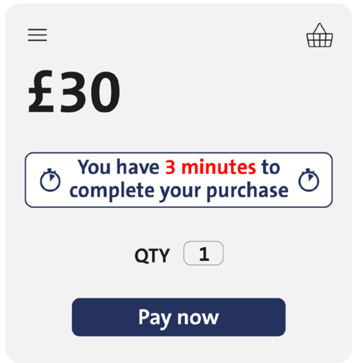
Date	1-7 May	8-14 May
Offer	50% off Product X	50% off all items inc. Product X

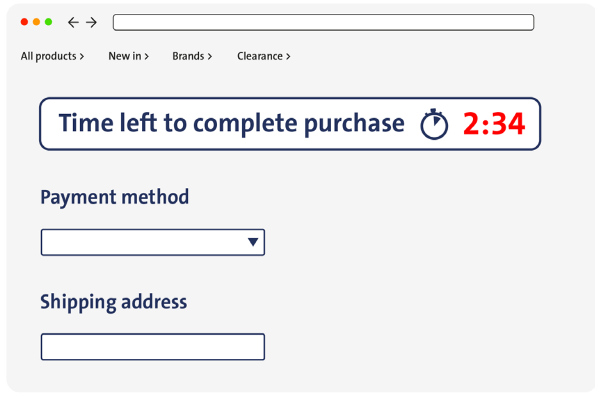
Trader A's claims are likely to be misleading because they deceive the consumer into thinking they need to act quickly to secure the stated price advantage, when in fact there is no real need to rush. Even if it is literally true that the offer does end, the claim is misleading because there is a comparable follow-on offer.

EXAMPLE 3. Checkout timers that are misleading because they are untrue

Trader A is using checkout timers to tell consumers there is limited time to complete the transaction. Its claims include:





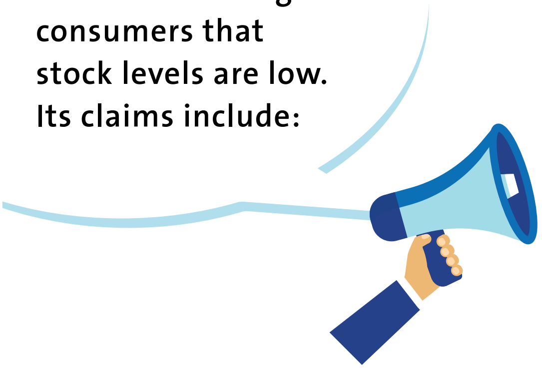


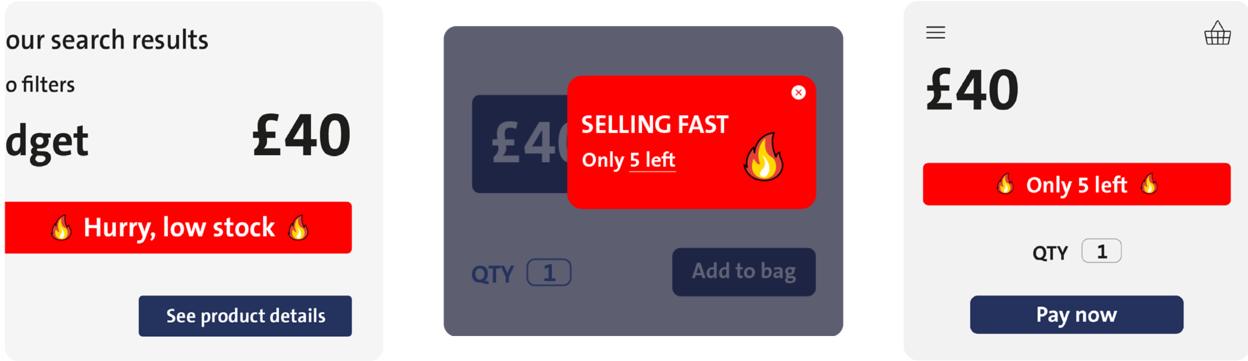
However, when the time (3 minutes, 2 minutes and 34 seconds) runs down or if the consumer refreshes the page, Trader A's checkout timer restarts.

Trader A's checkout timers are likely to be misleading because there is in fact no limit to the time the consumer has to complete their purchase. They also put unfair pressure on the consumer to complete the transaction.

EXAMPLE 4. Claims that are misleading because what they say on stock levels is untrue

Trader A is telling consumers that stock levels are low. Its claims include:



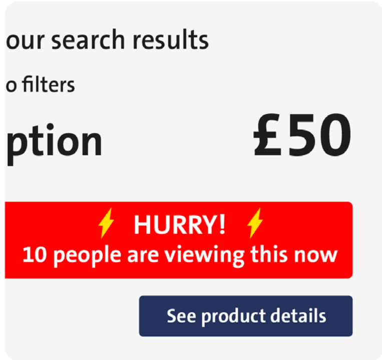


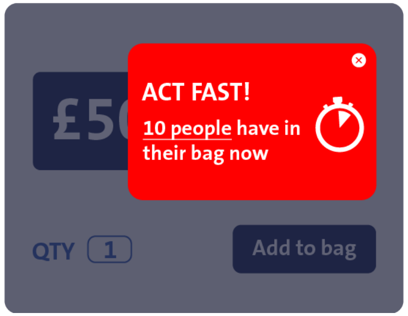
However, Trader A has no stock shortage or, even though it is low on stock today, it will be getting new stock shortly and/or would be able to perform contracts without delay (for example because even though local stock levels are low, its distribution systems will replenish them promptly).

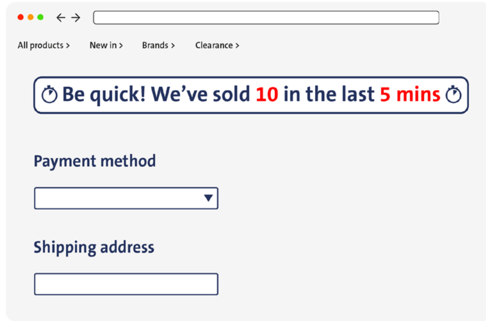
Trader A's low stock claims are likely to be misleading because they are not true and/or give consumers the false impression that they must act quickly to avoid missing out.

EXAMPLE 5. Claims that are misleading because they create a false sense of urgency

Trader A is telling consumers of interest in or demand for a product and urging them to act quickly. Its claims include:





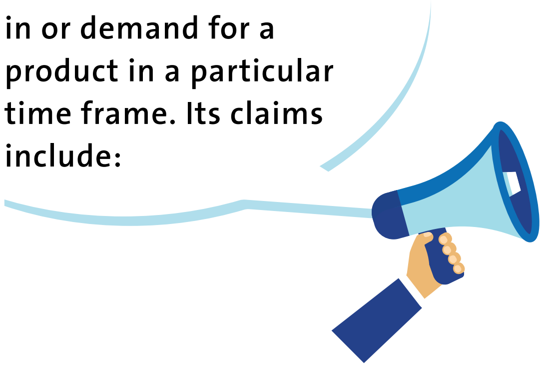


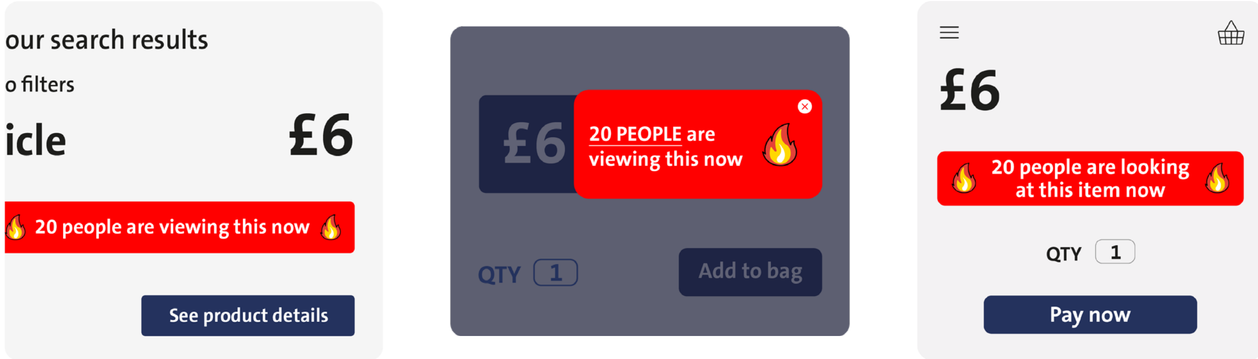
However, although 10 people are indeed looking at the product now or have just bought it, Trader A's stock levels are high and/or it would be able to perform contracts without delay.

Trader A's claims are likely to be misleading because they create the impression that the consumer needs to act quickly to avoid missing out on a purchase (e.g. because consumer interest in the product is high). While it might be literally true that the stated number of people are looking at or have just bought the product, there is no need for consumers to hurry.

EXAMPLE 6. Claims that are misleading because the stated time frame is untrue

Trader A is telling consumers of interest in or demand for a product in a particular time frame. Its claims include:



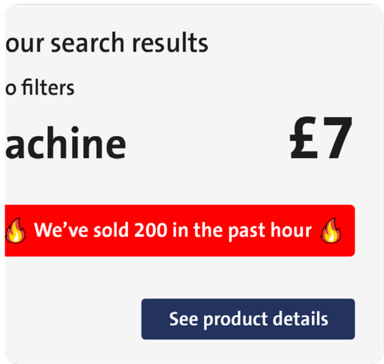


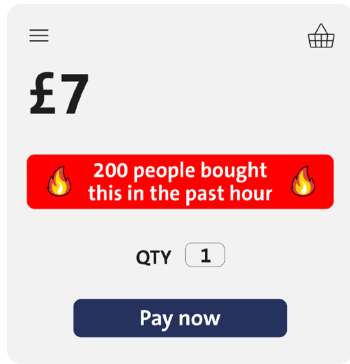
However, Trader A's algorithms that generate these claims are not providing data for the stated time frame. The claims are triggered when 20 people have viewed the product **in the past hour**.

Trader A's claims are likely to be misleading because in fact 20 people are not looking at the product now. Where algorithms are used to trigger a claim, the underlying data should match the claim precisely (e.g. '20 people viewed this in the past hour').

EXAMPLE 7. Claims that are misleading because they do not refer to demand for the product that the consumer is interested in

Trader A is telling consumers of interest in or demand for a product. Its claims include:





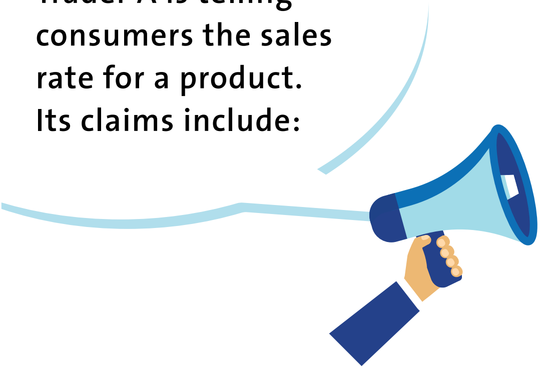
However, 200 people have not bought this specific product from Trader A in the past hour, but rather have bought various different models by the same brand. For example:

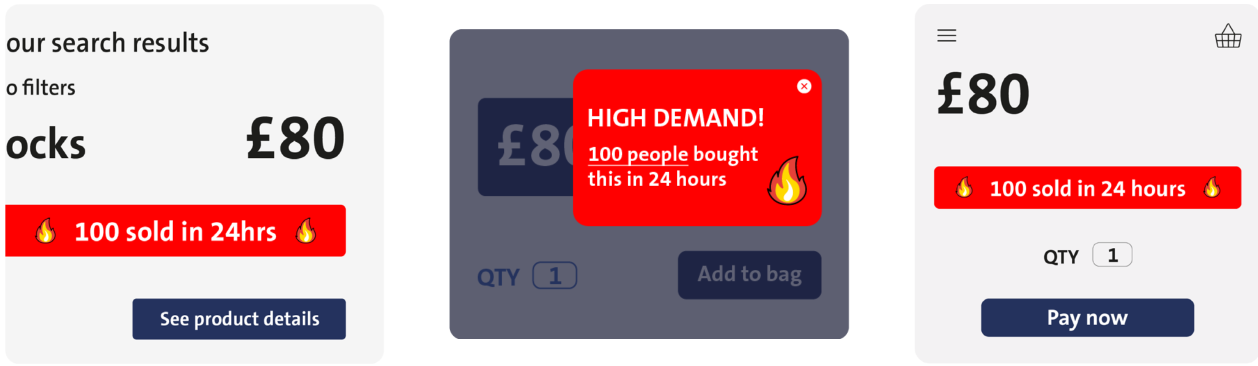
Product	Model X	Model Y	Model Z (which user is viewing)
Last hour sales	110	80	10

Trader A's claims are likely to be misleading because it is not true that 200 people have bought this product in the past hour. The claims give a false impression of current demand for the model that the consumer is considering buying.

EXAMPLE 8. Claims that are misleading because what they say on sales rates is deceptive

Trader A is telling consumers the sales rate for a product. Its claims include:





However, while it is true that Trader A sold 100 units in a 24-hour period, this was a 24-hour period that occurred last month, not the past 24 hours.

Trader A's claims are likely to be misleading, even though the words used in them are literally true, because the claims give the impression that they are statements of current demand when they are not.

A statement such as this is likely to mislead even if there is some sort of qualification explaining the truth elsewhere on the webpage or later in the shopping process, because the headline claim is still likely to deceive people.

B. Examples of misleading or unfair price reduction claims

B.1 Below are examples of price reduction claims and scenarios where these claims may mislead consumers and so risk infringing consumer protection law. In all of these cases we consider that consumer behaviour is likely to be distorted. The examples are illustrative; similar practices may also infringe the law.

B.2 In each example, we explain:

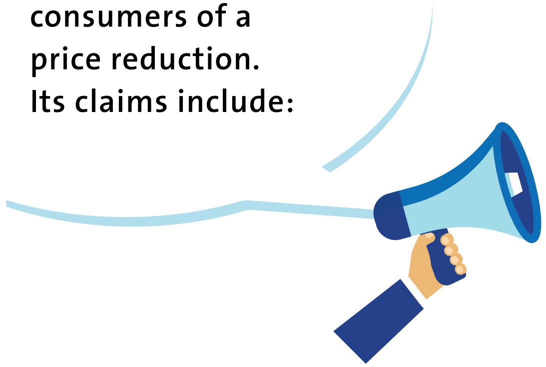
a) The types of price reduction claim in question;

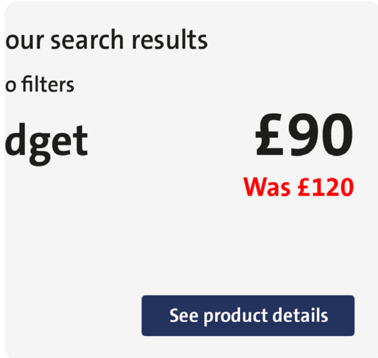
b) A scenario where use of that claim may infringe the law; and

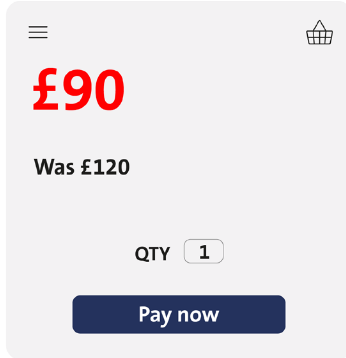
c) The CMA's views on why it would be likely to infringe the law.

EXAMPLE 9. Comparison prices that are misleading because they no longer reflect the usual price

Trader A is telling consumers of a price reduction. Its claims include:







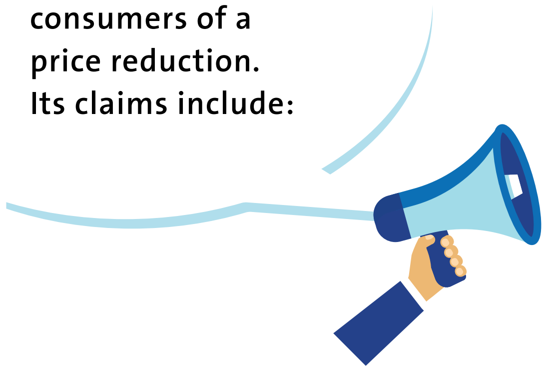
However, Trader A has offered the product for sale at the lower price for some time. For example:

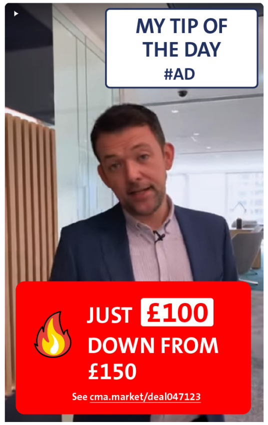
Month	April (launch)	May	June	July (this month)
Product price	£120	£90	£90	£90

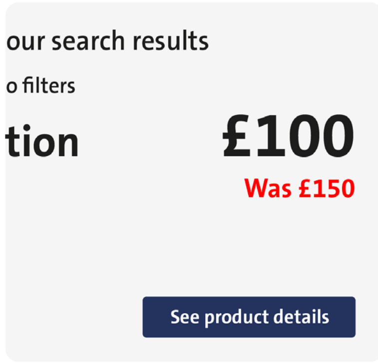
Trader A's claims are likely to be misleading because the time that the product was sold at the higher price is short compared to the time at the promotional price. The higher price is not now the product's usual selling price, and this gives a deceptive impression of the price advantage the consumer enjoys by purchasing this product now.

EXAMPLE 10. Comparison prices that are misleading because very few items were sold at that price

Trader A is telling consumers of a price reduction. Its claims include:







However, Trader A sold very few items at the higher price. For example:

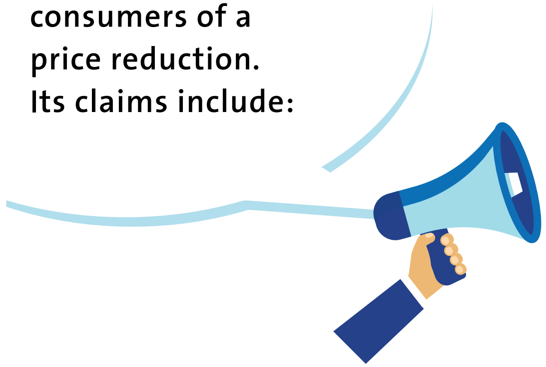
Product price	£150	£100
Units sold	5	200

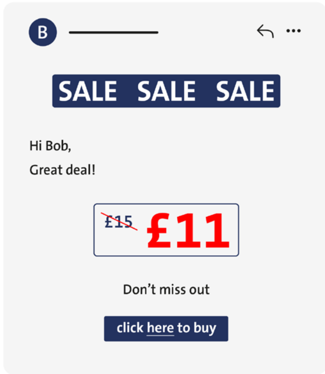
Trader A's claims are likely to be misleading because the reference price is not a genuine and realistic selling price. The item did not sell in significant numbers at the higher price, and so the price reduction claim gives a deceptive impression of the value of the item and the saving the consumer could make by purchasing this item. The higher price is not the product's usual selling price.[1]

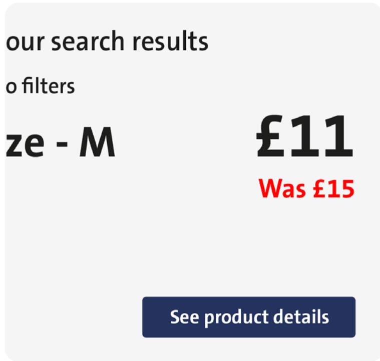
[1] The higher price in a price reduction claim must be a genuine and realistic selling price – and a business should be able to demonstrate this. See pages 15 and 16 in the Chartered Trading Standards Institute's Guidance for Traders on Pricing Practices for a list of issues that should be considered when determining whether a price reduction is genuine.

EXAMPLE 11. Price claims that are misleading because prices have been flip-flopping

Trader A is telling consumers of a price reduction. Its claims include:







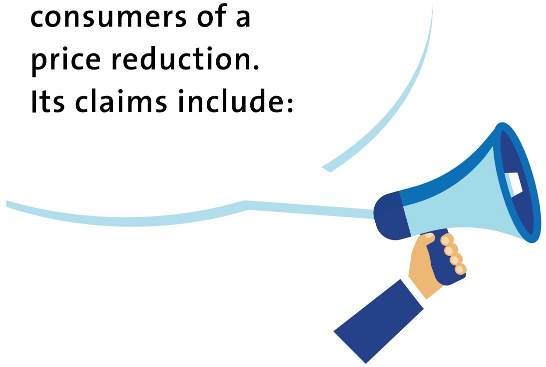
However, the product price charged by Trader A has been flip-flopping between two prices. For example:

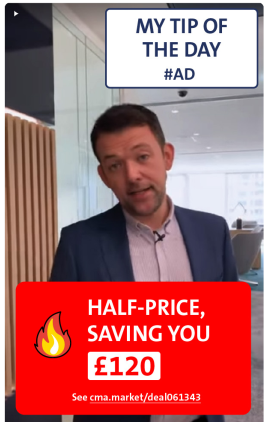
Month	February	March	April	May	June	July (this month)
Product price	£15	£11	£15	£11	£15	£11

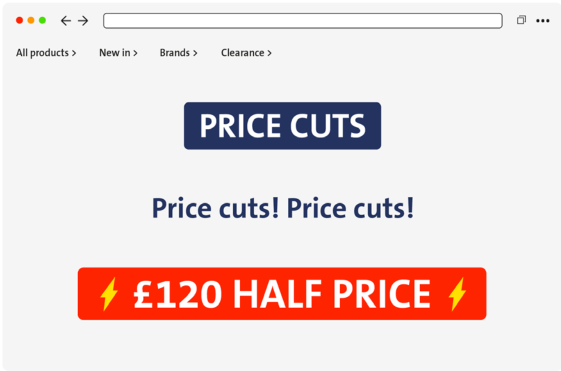
Trader A's claims are likely to be misleading because the higher price is no more the usual selling price than the lower promotional price. This sort of claim is likely to deceive the consumer as to the value of the product and could be especially problematic if in fact few items are sold at the higher price.

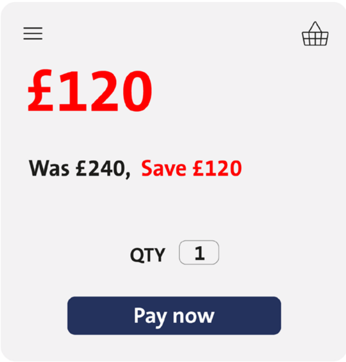
EXAMPLE 12. Price claims that are misleading because the product has been sold at lower prices since the comparison price was charged

Trader A is telling consumers of a price reduction. Its claims include:









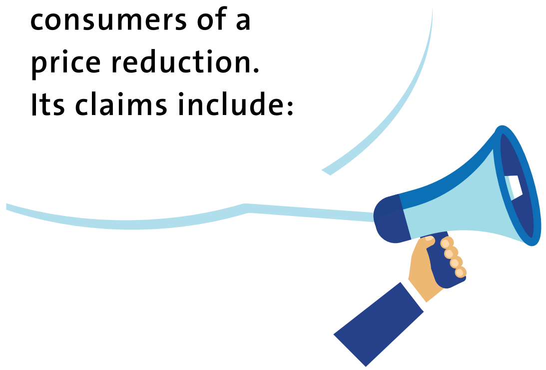
However, Trader A has been offering the product for sale at prices that are lower than the comparison price used in the claims. For example:

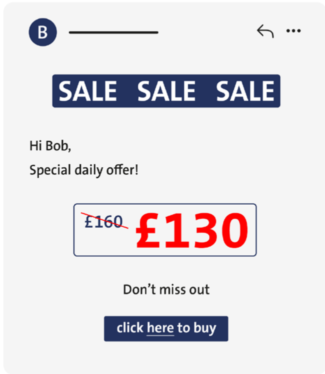
Month	March	April	May	June	July (this month)
Product price	£240	£120	£180	£150	£120

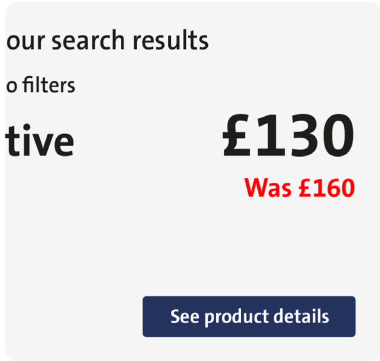
Trader A's claims are likely to be misleading because the product has been offered at various prices over time. The higher price (against which the lower prices are being compared) is not the product's usual selling price, and the price reduction claim gives a deceptive impression of the saving the consumer would make by purchasing the item now. This price comparison would be especially problematic if the product had been offered for sale at an even lower price than the current price.

EXAMPLE 13. Comparison prices that are misleading because they were only short-lived price hikes

Trader A is telling consumers of a price reduction. Its claims include:







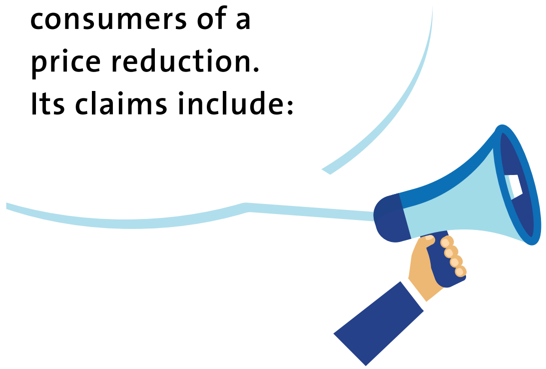
However, the higher price charged by Trader A was only ever a temporary hike in the price. For example:

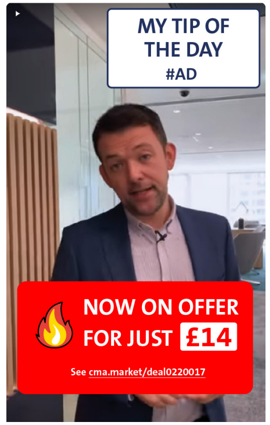
Month	March	April	May	June	July (this month)
Product price	£130	£130	£160	£130	£130

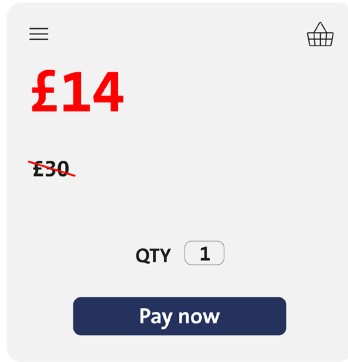
Trader A's claims are likely to be misleading because the higher price is not the product's usual selling price. This claim is likely to give a deceptive impression of the value of the product and the saving that the consumer can make by purchasing it now.

EXAMPLE 14. Comparison prices that are misleading because they were used a long time ago

Trader A is telling consumers of a price reduction. Its claims include:







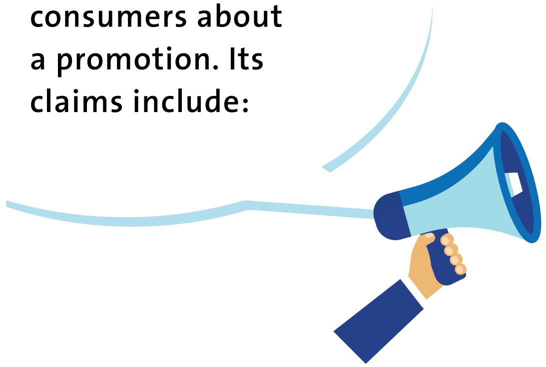
However, the £30 comparison price that Trader A is using is an old price that was charged on some date in the past (e.g. 1 April last year).

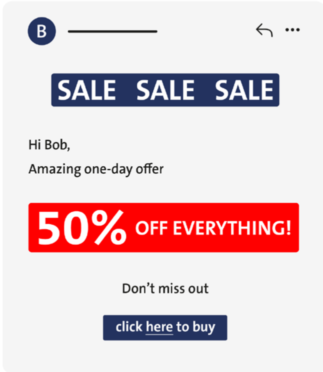
Trader A's claims are likely to be misleading because the higher price is not the product's usual selling price. The claims are likely to give a deceptive impression of the value of the product and the saving that the consumer can make by purchasing it now.

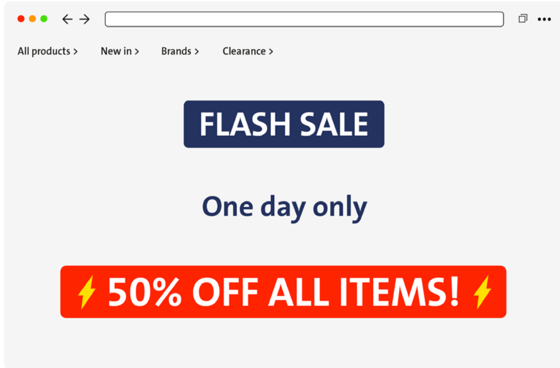
The price charged at one moment in time is no basis for a meaningful comparison with the 'now' price.

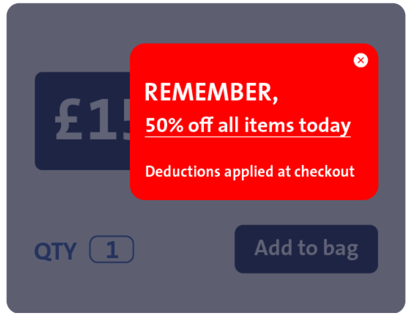
EXAMPLE 15. Price promotion claims that are misleading because they omit or hide information that consumers need to know upfront

Trader A is telling consumers about a promotion. Its claims include:









However, the conditions that consumers must meet to enjoy the offer were not clearly and prominently disclosed when Trader A first told the customer about the deal (e.g. in a marketing email, on the home page). While it is true that consumers can enjoy 50% off, this is only if they spend more than £200 and they were not told that upfront.

Trader A's claims are likely to be misleading because they are eye-catching offers that will encourage consumers to click through to start shopping. However, there are important conditions attached to the promotion which mean that not everyone will be able to take advantage of the offer. These conditions are important information that people need to know upfront, so they can decide if they want to start shopping.

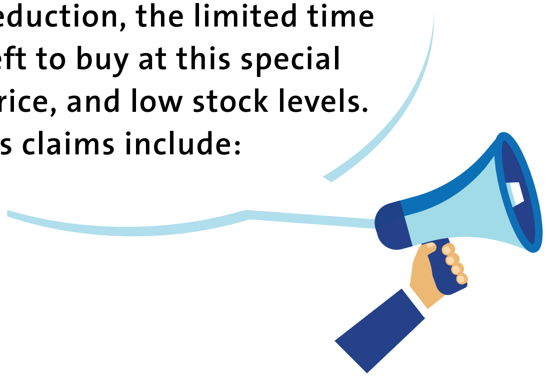
The practice would still be misleading if the information was given but was not presented clearly and prominently (e.g. in small or pale font, or away from the claim itself) or was disclosed late in the shopping process.

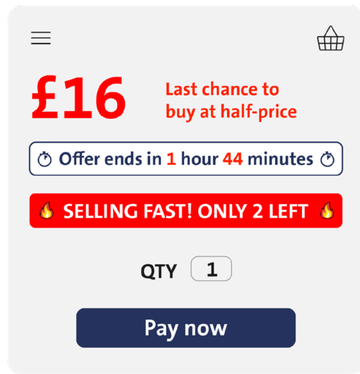
C. Examples of misleading or unfair urgency claims and price reduction claims used together

C.1 Where misleading or unfair urgency claims and price reduction claims are used in combination, or are repeated through the consumer journey, the likelihood of harm to consumers is even greater.

EXAMPLE 16. Combinations of urgency claims and price reduction claims

Trader A is telling consumers about a price reduction, the limited time left to buy at this special price, and low stock levels. Its claims include:





However:

- The previous higher price cited by Trader A is not an established price and so the product is not on sale today at half its usual price;
- Trader A's offer is going to continue beyond today;
- Trader A has no stock shortage.

Each of Trader A's practices here is likely to be misleading because:

- The higher price is not the product's usual selling price. The price reduction claim is likely to give a deceptive impression of the value of the product and the saving that the consumer can make by purchasing it today;
- The countdown/time limit is not providing consumers with truthful information and may put unfair pressure on them to act quickly when they do not need to do so;
- The low stock claims are not true and give the consumer the false impression that they must act quickly to avoid missing out.

Overall, the combination of misleading claims increases the likelihood that consumer behaviour is distorted.