

Groceries unit pricing

Review of compliance

July 2023

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Contents

	<i>Page</i>
Summary.....	2
Introduction	8
The PMO.....	9
Scope and methodology	10
Consistency	12
Legal requirements and Guidance	12
Findings	13
Missing or incorrect unit prices	13
Incorrect units of measurement	14
Inconsistent units of measurement	15
How could the legislation be improved?.....	16
Legibility.....	19
Legal requirements and Guidance	19
Findings	20
Legibility in-store.....	20
Proximity in-store.....	22
Websites.....	22
How could the legislation be improved?.....	23
Promotions.....	24
Legal requirements and Guidance	24
Findings	24
Price reduction promotions	25
Multi-buy / volume promotions.....	25
Loyalty discounts	26
Conclusions	27
How could the legislation be improved?.....	28
Price marking in convenience stores.....	29
Deposit Return Schemes	30
Summary of recommendations and next steps	31
Annex - Groceries Super-complaint 2015 recommendations on unit pricing.....	34

Summary

1. This report sets out the Competition and Markets Authority's (CMA) findings from its review of grocery retailers' current unit pricing practices. In the report we set out:
 - the background to our review;
 - our key findings;
 - that we are writing to retailers to ensure they are fully complying with their current obligations under the key unit pricing legislation, the Price Marking Order 2004 (PMO);
 - recommendations to the UK government to reform the PMO;
 - recommendations to retailers to make certain changes to their unit pricing practices now, before any reforms are introduced;
 - our next steps.
2. Unit pricing is a labelling system for displaying the cost of different products by reference to standard units of weight or volume. Unit pricing is largely regulated by the PMO in Great Britain, and in Northern Ireland by the Price Marking Order (Northern Ireland) 2004 (NI PMO).¹ The PMO requires retailers to display the unit price for most grocery products, as well as the selling price of the products, on labels in-store and online (see paragraphs 30-34).
3. At times of high inflation and when shoppers are looking for the most competitive deals, it is critical to be able to shop around and compare prices with confidence. One important driver of this is the ability to compare products by reference to unit prices.
4. In January 2023 we opened a programme of work to consider unit pricing practices in-store and online in the groceries sector.²

¹ The NI PMO essentially replicates the PMO. References to the PMO in this report should be read as including the NI PMO unless otherwise indicated.

² [CMA launches grocery unit pricing review to help shoppers spot the best value for their money - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/cma-launches-grocery-unit-pricing-review-to-help-shoppers-spot-the-best-value-for-their-money)

5. The groceries retail market within the UK was estimated to be worth almost £200 billion in 2022.^{3 4} Given their share of the groceries market, the focus of our review has primarily been on the unit pricing practices of eleven nationwide supermarkets.^{5 6} However, we have also considered the unit pricing practices of seven nationwide variety store retailers that sell general merchandise such as hardware, toys, furniture and seasonal goods alongside a relatively small selection of groceries and who are estimated to have a 5.8% share of the groceries market.⁷ Currently, small stores (i.e. those with a retail floor space of not more than 280 square metres), including most convenience stores, are exempt under the PMO from having to display unit pricing information and so these retailers have not formed part of our review.⁸
6. During our review of grocery retailers' unit pricing practices, we have seen problems with unit pricing, which may affect shoppers' abilities to make comparisons. This is particularly concerning when prices are rising.⁹
7. The problems we have found are:
 - examples of missing or incorrectly calculated unit pricing information – in some supermarkets and variety store retailers we saw isolated examples of this; however, in other variety store retailers we reviewed we found missing information across whole product ranges;
 - examples of incorrect units of measurement – we saw examples of some retailers using grams and millilitres as standard when the PMO requires most products to be unit priced by kilogram and by litre;
 - different unit metrics being used for the same type of product, such as liquid laundry detergent – both within the same retailer and across different

³Supermarket in-store distribution is estimated to claim 46.5% of total grocery sales, convenience stores claim 24%, discounters claim 12.4%, online claim 12.1% and specialist/ others claim 4.9%. Mintel, Supermarkets-UK, 2022, December 2022.

⁴ Statistica estimated that in 2021 groceries sales generated by supermarkets came to £91 billion, sales from discounters came to £28 billion, and the online channel accounted for £22 billion.

⁵ [Grocery Market Share - Kantar \(kantarworldpanel.com\)](https://www.kantarworldpanel.com)

⁶ References to supermarkets throughout this report include those chains commonly referred to as discounters.

⁷ The variety stores – who also sell some grocery products among a wide range of other goods – were predicted to be worth £12.6 billion in 2022 with a 5.8% share of the groceries market. [Variety discounters to grow at four times the speed of UK food and grocery market \(igd.com\)](https://www.igd.com)

⁸ The CMA has previously defined convenience stores as stores under 280 square metres. CMA, Sainsbury's/Asda Final report, p.65.

⁹ The annual rate of food inflation increased to 18.4% in the 12-month period to May 2023. [Cost of living insights - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

retailers in-store and online - making it hard for shoppers to compare prices on a like-for-like basis;

- issues with unit pricing for products on promotion – we found retailers are taking different approaches to displaying unit prices for products on promotion both in-store and online, with some retailers not displaying unit prices for discounted products at all;
- examples of unit prices in-store, particularly among the variety stores, which we consider are difficult to read;
- certain pages on some retailers' websites not providing a unit price alongside a selling price until individual items were selected.

8. Many of the unit pricing problems we have identified are similar to the issues that we found when we looked at unit pricing in response to the 2015 Groceries super-complaint.¹⁰ At that time, we identified issues with the PMO which had led retailers to take an inconsistent approach to the provision and display of unit pricing information. We made recommendations to the UK government to review and reform the PMO, but these have not been acted on.
9. The ambiguities in the PMO continue to be problematic. In particular, in our view the PMO contains provisions which permit unhelpful inconsistencies in retailers' practices, others which are too open to interpretation, and overall that it is not sufficiently prescriptive, for example, leading to more than one unit metric being used for the same type of product.
10. We have, however, also identified examples of non-compliance which do not appear to be due to the ambiguities in the PMO across all of the grocery retailers we have reviewed, albeit to varying degrees. We expect all retailers to comply fully with their obligations under the PMO, and those who do not may face enforcement action by the CMA or Trading Standards Services.¹¹
11. We found that compliance with the PMO was worse amongst some of the variety store retailers, compared to the supermarkets.
12. We have written directly to certain supermarkets and variety store retailers to highlight specific non-compliance concerns and to tell them to take action to address the concerns that we have identified. We are ready to take enforcement action if we do not see improvements.

¹⁰ [Pricing practices in the groceries market \(publishing.service.gov.uk\)](https://publishing.service.gov.uk), CMA, July 2015

¹¹ Trading Standards Services are the primary enforcers of the PMO (and NI PMO in Northern Ireland).

13. As a result of our review, we are also making recommendations to the UK government to reform the PMO and related legislation¹² to improve unit pricing. This will help shoppers access information that is easier to compare and more meaningful when making choices during a shop. Our proposed changes will also help businesses in complying with their obligations under the PMO.
- (a) In relation to the **consistency** of unit pricing information, we recommend that:
- (i) Schedule 1 of the PMO¹³ is updated, along with the related weights and measurements legislation, to ensure that only one unit measurement can be used per product type across all retailers and across all sales channels to enable shoppers to make meaningful comparisons (as the International Organisation for Standardisation's (ISO) Standards on Unit Pricing also recommends). We recommend consultation with business and consumer groups as well as consumer research to ensure that the most meaningful unit measurements are identified.
 - (ii) The definition of unit price in Article 1(2) of the PMO is reviewed, and other relevant weights and measures legislation is updated, to ensure that shoppers are able effectively to compare unit pricing of the same type of product in-store, and to reduce the scope for retailers to unit price items of the same type by item or by weight. This review should ensure that any lists of products which may be unit priced by item reflects current market practice.¹⁴
- (b) In relation to the **legibility** of unit pricing information, we recommend that Article 7 of the PMO is revised to clarify the legibility and proximity requirements with reference to the ISO Standards on Unit Pricing. In particular, that Article 7 should set out how the unit price should be displayed relative to the selling price so that the unit price is easy to identify, clearly legible, not hidden or obscured, is accurate and not misleading, and is provided below or adjacent to the selling price both in-store and online.

¹² Any reform of the PMO would need to take account of the underlying weights and measures legislation - for example, the Weights and Measures Act 1985, the Weights and Measures Act 1963 (Cheese, Fish, Fresh Fruits and Vegetables, Meat and Poultry) Order 1984, and The Weights and Measures (Packaged Goods) Regulations 2006 - and whether certain aspects of relevant weights and measures legislation may also need revision.

¹³ As is explained in more detail below, Schedule 1 provides that alternative units to those usually required by the PMO need to be used for certain products and categories of products.

¹⁴ See paragraph 63 below.

(c) In terms of the application of unit pricing information to **products on promotion**, we recommend that:

(i) Article 9 of the PMO is amended to make clear that products on promotion should be unit priced to reflect the promotional price for all promotions where this is feasible. For example, the reduced unit price should be provided for promotions such as price reductions, promotions where a loyalty price is presented alongside a standard selling price, and multi-buy promotions for products of the same price and size across all channels (in-store and online).

(ii) Article 9 of the PMO should state explicitly that the promotional selling price also needs to be given.

14. We are also recommending that the Department for the Economy (DfE) in Northern Ireland works with the Department for Business and Trade (DBT) to implement equivalent changes to the NI PMO to ensure that retailers and consumers across the UK benefit from a consistent approach.¹⁵
15. We are also calling on all grocery retailers to give shoppers the unit pricing information that they need to make meaningful comparisons, particularly for products on promotion, before any reforms to the PMO are introduced. Doing so will ensure that retailers are also complying with the Consumer Protection from Unfair Trading Regulations 2008 (CPUTRs), which require retailers to give consumers material information in a manner that is not misleading. In particular, we are calling on all grocery retailers to:
 - ensure that the unit of measurement that they use for the unit price is displayed consistently across each product type (branded and own brand) in-store and online.
 - to provide a unit price alongside the promotional selling price for products on all types of promotion where this is feasible.
16. Today we have published an open letter to all grocery retailers calling on them to ensure that they are complying with their obligations under the PMO.
17. Trading Standards have an important role in ensuring the ongoing compliance with the PMO and we are sharing our findings with them to help support any

¹⁵ Pricing marking is a devolved matter in Northern Ireland.

local enforcement and/or wider work by the Primary Authority Supermarkets Group (PASG).¹⁶

18. To help raise awareness of issues identified in our report, and to help drive compliance, we are also sharing it with stakeholders with an interest in unit pricing including governments in the devolved nations, business groups, and consumer organisations.
19. Our work on unit pricing in the groceries sector does not stop here. In particular, in the coming months we will be:
 - assessing whether the retailers we have written to have made improvements to comply with the PMO;
 - publishing findings from research with consumers on their use of unit pricing information;
 - assessing the potential savings that can be made when using unit pricing information to choose between, for example, the same product in different pack sizes, or when sold loose versus pre-packaged.
20. We will provide further updates from this work in Autumn 2023.
21. More generally, beyond unit pricing, we are concerned by recent findings from the Society of Chief Officers of Trading Standards in Scotland (SCOTSS) and Northern Ireland Trading Standards (TSNI) (across their respective nations) that indicates that some grocery retailers, particularly small convenience stores, are not always displaying price information for grocery products, or where they do, shoppers are charged a different amount at the till to that displayed. We recognise the resourcing pressures local trading standards services face across the UK. We will explore working in partnership with Trading Standards to assess the scale of the problem in England and Wales and with Trading Standards across the UK to drive compliance.

¹⁶ The Primary Authority Supermarkets Group is a working group made up of Primary Authority Officers of the major supermarkets.

Introduction

22. The CMA's purpose is to promote competitive markets and tackle unfair practices. We are particularly focused on areas where people spend the most time and money, and those who need help the most.¹⁷ As cost-of-living pressures have grown the CMA identified the groceries market as a priority.¹⁸
23. In January 2023 the CMA opened a project focused on the use of unit pricing both in-store and online in the groceries sector. The purpose of this report is to set out our findings about retailers' use of unit pricing and set out recommendations to government to reform unit pricing legislation.
24. The CMA has also been doing some work to assess how competition is working overall in the grocery retail market.¹⁹ An update on this aspect of the CMA's work is also being published today: <https://www.gov.uk/government/collections/the-cmas-action-to-help-contain-cost-of-living-pressures>
25. Unit pricing is a labelling system for displaying the cost of different products by reference to standard units of weight or volume. It is intended to assist shoppers in comparing the relative costs of different products, irrespective of their packaged size, so they can work out which product is the best value for their needs.
26. Unit pricing is an important tool at a time when consumers are reported to be changing their shopping habits. For example, the Office for National Statistics reported that 49% of people are shopping around more because of increases in the cost-of-living²⁰. Mintel reported that 34% of consumers are stocking up on products whilst they are discounted and 33% are switching to cheaper brands.²¹
27. Unit pricing is largely regulated by the PMO in Great Britain, and in Northern Ireland by the NI PMO. Some related weights and measures laws are also relevant and these set out the unit measurements required for certain goods (see paragraphs 30-34 below).
28. The groceries unit pricing review follows the 2015 Groceries Super-complaint where we identified ambiguities with the PMO, which had led retailers to take an inconsistent approach to the provision and display of unit pricing

¹⁷ [CMA Annual Plan 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/1159685/230530_Groceries_open_letter.pdf)

¹⁸ [Action to help contain cost of living pressures \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1159685/230530_Groceries_open_letter.pdf), CMA, May 2023

¹⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1159685/230530_Groceries_open_letter.pdf

²⁰ [Public opinions and social trends, Great Britain - Office for National Statistics](https://www.ons.gov.uk/peopleandpopulation/healthandlife/articlesandreports/publicopinionsandsocialtrends/greatbritain)

²¹ Mintel, Supermarkets-UK, 2022, December 2022.

information and which may prevent people from spotting which deal gives them the best value.

29. In our response to the 2015 Groceries Super-complaint, we made recommendations to the UK government to review and consider making changes to the law (see Annex A). Whilst these previous recommendations were accepted, they have not been taken forward. More recently, in May 2023, the Chancellor indicated that the government would consider strengthening the PMO following the CMA's latest review.

The PMO

30. The PMO came into force on 22 July 2004 in Great Britain.²² The NI PMO came into force on 1 March 2005 in Northern Ireland and sets out the same obligations as the PMO.²³ The PMO covers sales by traders to consumers of products other than those supplied in the course of the provision of a service and items sold at auction. Except where there is a relevant exemption in the legislation, it requires the trader to display in a way that is unambiguous, easily identifiable, and clearly legible:²⁴
- the selling price in sterling inclusive of VAT and all other taxes; and
 - the unit price.²⁵
31. Both selling and unit pricing information must be given close to the goods, or in the case of distance contracts (for example, online or mail order sales) close to a picture or written description of the goods.
32. Subject to a number of exemptions, the unit price is required for:
- products sold loose from bulk - for example, fruit and vegetables, meat and fish;

²² [The Price Marking Order 2004 \(legislation.gov.uk\)](#) The PMO replaced the Price Marking Order 1999 in Great Britain. Prior to this, unit pricing was governed by the Price Marking Order 1991 and The Price Marking (Pre-packed Milk in Vending Machines) Order 1976 in Great Britain.

²³ In Northern Ireland, the NI PMO replaced the Price Marking Order (Northern Ireland) 2000, which each originally implemented Directive 98/6/EC. Prior to this, unit pricing was governed by the Price Marking (Pre-packed Milk in Vending Machines) Order (Northern Ireland) 1979, the Price Marking Order (Northern Ireland) 1992, the Price Marking (Amendment) Order (Northern Ireland) 1995 and the Price Marking (Amendment) Order (Northern Ireland) 1996.

²⁴ The PMO does not prescribe what features of a display e.g. font, font size, colour and layout would satisfy these criteria.

²⁵ Typically, the price per one kilogram, per one litre, per one metre, per one square/cubic metre, or for some products per 10 or 100 grams or millilitres, or for goods sold by number per individual item of that product.

- pre-packaged goods which are required by the Weights and Measures Act 1985 to be marked with an indication of quantity or to be made up in a prescribed quantity.^{26 27}
33. Significantly, “small shops”, including most convenience stores, generally do not have to display unit prices,²⁸ and, in respect of a product on promotion, a unit price reflecting the promotional price does not always have to be given.²⁹
34. In addition, a unit price must be given in advertisements only where the selling price of goods is indicated.

Scope and methodology

35. Our review has focused on compliance with the PMO by grocery retailers. We looked at the in-store and online unit practices of large retailers that sell groceries – eleven supermarkets that operate across Great Britain or the UK,^{30 31} as well as seven large businesses³² that operate across Great Britain or the UK and sell general merchandise such as hardware, toys, furniture and seasonal goods alongside a relatively small selection of groceries.³³ The retail services provided by these businesses are not neatly covered by a single term, but they are sometimes referred to as “variety stores” and that is the way we refer to them throughout the report.
36. To assess compliance with the PMO we developed a basket of 20 products including fresh, frozen and non-perishable food and drink, household cleaning and personal hygiene products.³⁴ Products that formed part of this basket were selected to ensure a cross-section of essentials that are sold in a range

²⁶ See schedules 4-7 of the [Weights and Measures Act 1985 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/1985/85) and [The Weights and Measures \(Packaged Goods\) Regulations 1986 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/1986/1000).

²⁷ Most packaged food and drink will be required to be marked with quantity in terms of weight or volume.

²⁸ A small shop is one where the internal area used for retail purposes is not more than 280 square metres.

²⁹ Following the findings from our review, we are recommending that the PMO is amended so that an up-to-date (i.e. promotional) unit price is given for products on promotion (see paragraph 114 below).

³⁰ Selected because of their large market share. We understand that supermarkets operate a national approach to their unit pricing practices. Therefore, the issues identified in our review will also be relevant to unit pricing practices across the United Kingdom. Unit pricing practices in Northern Ireland were considered during the Groceries Super-complaint. [Groceries pricing super-complaint - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/groceries-pricing-super-complaint)

³¹ Some supermarkets have in-store and online sales channels, and some provide only in-store or online sales channels.

³² These retailers were included in scope based on the number of their stores.

³³ In January 2021, 66% of British shoppers claimed to have visited a variety store in the previous four weeks to buy food and groceries. IGD, February 2022.

³⁴ Cereal (Weetabix / wheat biscuits), bread, milk, cheddar cheese, butter, baking potatoes, carrots, bananas, pasta, rice, tinned tuna, baked beans, tinned tomatoes, frozen fish fingers, ketchup, teabags, toilet rolls, liquid hand soap, laundry detergent, washing up liquid.

of sizes and brands (including own and value brands) as well as products that we were aware had previously caused difficulties for retailers under the PMO.

37. We reviewed pricing information provided on supermarkets' websites and we visited stores to collect evidence of the pricing information in-store. For the supermarkets, we visited 22 stores across two locations in England and Wales. Over 4,000 photos of shelf edge labels, products, and displays were captured and analysed.³⁵
38. Our review of variety stores' websites initially focused on the same basket of products as the supermarkets (see paragraph 36 above/ FN34). However, we found that many of these products were not stocked by these retailers online, or where they were stocked only limited products of that type were offered. Therefore, for the purposes of assessing compliance with the PMO, we focused our in-store review on a smaller basket of grocery products that are stocked by these variety stores to varying extents.^{36 37}
39. Not all of the variety store retailers offered online shopping, so we visited 24 stores in four locations in England, Scotland, and Wales to collect evidence of pricing information. Given the smaller basket of products and limited ranges, we have gathered less evidence for these retailers compared to the supermarkets.
40. During the review, we also spoke to a number of grocery retailers, business representatives, enforcers, consumer representatives, UK government departments including in the devolved nations, and other stakeholders with an interest in unit pricing matters. The information gathered through these discussions has also informed the recommendations we are making for reform to the unit pricing legislation and the recommendations that we are making to business.
41. Although our review has primarily been focused on retailers that operate within the groceries sector, there are other retailers that have obligations under the PMO whose practices we have not reviewed, and so who we have not written to directly. These retailers should read this report and take action to ensure that they comply with the PMO. Convenience stores have not formed part of the CMA's review as they are currently generally exempt from

³⁵ Some of these photos captured multiple products.

³⁶ Washing detergent, washing up liquid, liquid hand soap, toilet roll, biscuits, crisps, baby wipes, dishwasher tablets and cat food.

³⁷ We found the product ranges they offer can vary between their in-store and online sales channels, as well as between their stores.

the requirements to display unit prices (see paragraph 33 above),³⁸ however, they may also be interested in our findings.

42. Informed by recent stakeholder concerns³⁹ and previous CMA work⁴⁰, the review has focused on whether there are:
- inconsistencies with how retailers present unit prices for similar products;
 - different interpretations of legibility requirements for unit prices amongst retailers;
 - inconsistencies with how retailers present unit prices for products on promotion.

Consistency

Legal requirements and Guidance

43. The PMO generally requires unit prices to be shown per kilogram or litre of the product. However, there are specific alternative required units set out in Schedule 1 to the PMO. This lists a number of product categories and the required unit to be given in unit price information in respect of each (for example, per 100g or per 100ml).⁴¹
44. The business companion guidance on providing price information produced by CTSI⁴² for businesses in England, Scotland and Wales, and the equivalent business information guide produced by DfE and TSNI for businesses in Northern Ireland,⁴³ say that similar goods should use the same unit for unit pricing purposes to allow consumers to readily compare prices between them.
45. The global ISO⁴⁴ published a standard on best practice guidelines on unit pricing in 2018.⁴⁵ The ISO guidelines suggests that wherever possible only

³⁸ Article 5(3) of the PMO, small shops are exempt from the requirement to display unit pricing information. Small shops are defined as having an internal retail floor space of not more than 280 sqm.

³⁹ For example, [Can you spot the cheapest supermarket prices? - Which? News](#)

⁴⁰ [Groceries pricing super-complaint - GOV.UK \(www.gov.uk\)](#)

⁴¹ Schedule 1, which sets out the alternative units of quantity, needs to be read together with Article 14 of the PMO which provides that the unit refers to: (i) grams if sold by weight; (ii) millilitres if sold by volume; and (iii) either grams or millilitres, as indicated by the manufacturer of the product, where the product is permitted to be sold by either weight or volume.

⁴² [Providing price information | Business Companion](#)

⁴³ [Pricing legislation | nibusinessinfo.co.uk](#)

⁴⁴ ISO is an independent non-governmental international organisation that brings together national standards bodies to develop voluntary standards to support innovation and provide solutions to global challenges.

⁴⁵ [BS ISO 21041:2018 Guidance on unit pricing - European Standards \(en-standard.eu\)](#)

one unit of measure should be used for a product type within and between retailers and across all retailer formats.⁴⁶ The British Standards Institution⁴⁷ is the UK member of the ISO. It has adopted the standard produced by the ISO on unit pricing. However, the standards are voluntary.⁴⁸

Findings

46. During our review we considered whether retailers were:
- displaying a unit price at all;
 - using the correct unit measurements set out in the PMO;
 - displaying consistent unit measurements for the same types of products within their own stores and own channels.

Missing or incorrect unit prices

47. Where unit pricing was missing or incorrect, we found two types of issue. The first concerned individual products with no unit price or a clearly incorrect unit price, such as toilet roll unit priced at £0.00 per roll. The prevalence of this issue generally varied between the two sets of retailers. We found infrequent issues with the supermarkets reviewed; typically, one or two instances were seen for each retailer. We found a greater prevalence of this issue among the variety stores, though not uniformly so. Among the seven variety store retailers reviewed, the position ranged from isolated examples through to missing unit prices for whole product categories.
48. The second issue concerned the display of information on some retailers' websites, where unit pricing information was not displayed until individual items were selected. This issue, which affected two of the supermarkets and one of the variety stores reviewed, is described further in paragraph 82 below.

⁴⁶ Principle 5.3 of the ISO standards on unit pricing says: "The unit of measure used to indicate the unit price should be appropriate for the product and easy for consumers to use. Whenever possible, only one unit of measure should be used for a product type." Principle 5.5. says: "There should be highest level of consistency within and across retailers and across all retailer formats, in the provision and display of unit pricing and in the measures used."

⁴⁷ The British Standards Institution is the UK's national standards body. It produces technical standards on a wide range of products and services to businesses.

⁴⁸ Several international studies based on consumer perceptions and surveys have made recommendations regarding optimal layout, sizing, colours and positioning in order to achieve clarity and consistency for consumers and aid enforcement. Other international examples of best practice includes the [Department of Commerce's Unit Pricing Guide \(2015\)](#) and the [ACCC's Unit Pricing Guide \(2021\)](#).

49. Some variety stores calculated unit prices incorrectly, for example 250ml handwash costing £1.19 but unit priced at £476.00 per 100ml, or where the unit price incorrectly repeated the product volume or weight and selling price. For example, an 820ml bottle of washing up liquid costing £2.99 displayed as £2.99 per 820ml.
50. In addition, the majority of the variety stores that we looked at sell, or advertise a selling price⁴⁹ for, products without providing any unit pricing information on their websites. We are concerned that findings from in-store and online reviews may indicate a lack of understanding on the part of some of these retailers of their obligations under the PMO and we have written to them to highlight our concerns.
51. We are aware that some Trading Standards Services in the devolved nations have recently looked at pricing issues including unit prices and have also identified issues with missing or incorrect unit prices. For example, SCOTSS in its Supermarkets and Convenience Shops Pricing Project 2022-23, which ran from October to December 2022, found that 6.5% of the total products looked at in supermarkets had unit pricing issues – of these 43.2% had no unit price and 56.8% were incorrectly unit priced.⁵⁰

Incorrect units of measurement

52. Amongst both the supermarkets and the variety stores we saw examples of products being unit priced using different metrics to those required by the PMO. For example, we saw baked beans unit priced per 100g rather than by the kilogram as required by the PMO. A couple of supermarkets appeared to consistently use grams and millilitres for products where the law requires them to be unit priced by the kilogram and litre. We have heard from some stakeholders in business and enforcement that they think unit pricing by 100 grams and 100 millilitres would be more useful for shoppers, particularly in the context of the rising cost-of-living. However, we have not been provided with any evidence to substantiate that argument. Other stakeholders told us that they prefer kilogram and litre to be used.

⁴⁹ Some variety stores have websites which display products but do not have the functionality to allow customers to buy online. Under the PMO such websites may be classed as advertisements, meaning that the retailer does not have to state the selling price. However, if a retailer decides to provide selling prices it must also provide unit prices.

⁵⁰ <http://www.scotss.org/press/pricing.pdf>

Inconsistent units of measurement

53. We have seen grocery retailers using inconsistent measurements to unit price comparable products within their stores and across their online sales channels. This is especially concerning as it makes it difficult for shoppers to make comparisons. For example:
- dried spaghetti being, in the main, unit priced per kilogram but with a small number of brands or sizes priced per 100 grams within the same store,
 - tea bags being priced per 100 grams for some products and others being unit priced per each tea bag,
 - toilet roll being unit priced per 100 sheets or by roll,
 - liquid laundry detergent being price per litre, per 100 millilitres, and per wash
54. Some of these inconsistencies appear to arise due to retailers interpreting the legislation differently. For example, toilet roll could be interpreted as a cosmetic product for the purposes of the PMO⁵¹ and Schedule 1 requires cosmetic products to be priced 'per 100'. However, Article 14 of the PMO, which determines the relevant unit of quantity of the products listed in Schedule 1, does not provide an option for the unit to be 'per 100 items', which might explain why some retailers have made the decision to unit price toilet roll 'per roll'.
55. However, some inconsistencies are likely due to human error. For example, where a single retailer uses different unit measurements to unit price the same products online to in-store. Our review has not identified practices that suggest that grocery retailers are wilfully breaching the PMO, rather that the presence of such inconsistencies may indicate a lack of attention by retailers. As such, we recommend all grocery retailers investigate whether they have appropriate systems and training in place to prevent inadvertent non-compliance. During our review, some supermarkets identified some inconsistencies within their stores and across their sales channels and told us that they had taken remedial steps.

⁵¹ The definition of cosmetic product in the PMO is '*any substance or preparation intended to be placed in contact with an external part of the human body, or with the teeth, inside of the mouth or throat with a view exclusively or mainly to one or more of the following purposes: cleaning, perfuming, changing the appearance of, protecting, and keeping in good condition it or them or correcting body odour*'.

How could the legislation be improved?

56. Article 1(2) of the PMO requires the unit price to be given per one kilogram, one litre, one metre, one square metre or one cubic metre of a product. There are two important exceptions to this. Article 1(2) provides that where a product is sold by number, the unit price is to be the price of one individual item. Schedule 1 and Article 14 of the PMO describe a number of products where the unit price is to be calculated per 10 or 100 grams or millilitres (depending on whether it is sold by weight or volume).⁵² Where a product may be sold by weight or volume, the unit price may be either grams or millilitres, depending on which metric the manufacturer selects. There are a number of problems with these provisions.
57. We heard from retailers and from enforcers that Schedule 1 of the PMO does not reflect product developments and the categories used are open to interpretation leading to unit prices being displayed inconsistently for similar products. This can make it difficult for shoppers to make comparisons. We have seen from our review that wheat biscuit cereal is unit priced by biscuit whereas the 'mini' wheat biscuit cereal is unit priced by weight.⁵³ We consider that this distinction may be unhelpful for shoppers comparing which product is best value.
58. There are some longstanding issues, as a result of the drafting of Article 14, with certain products such as semi-solid products, including whether these should be unit priced by weight or by volume.⁵⁴ We looked at how tomato ketchup was displayed across the 11 supermarkets and found that it was sometimes displayed by weight and sometimes by volume, with many using 100 grams for most branded and own brand ketchup products with occasional instances of 100 millilitres. We subsequently reviewed mayonnaise and found supermarkets were taking even more of an inconsistent approach – with weight or volume used in equal measure. For example, one supermarket offered 27 different mayonnaise products on its website of which 15 were unit priced by weight and 12 were unit priced by volume.
59. We have also heard concerns from retailers that Schedule 1 does not promote consistency when new products come on to the market. An example that we have been told about is plant-based meat alternatives and a lack of

⁵² In addition, Schedule 1 requires wines to be unit priced per 75cl, coal to be per 50kg and ballast to be per 1,000kg.

⁵³ The PMO requires that breakfast cereal must be unit priced by 100 grams except where sold by number.

⁵⁴ For example, WELMEC the European cooperation in the field of legal metrology has produced guidance has sought to define liquid products that should be unit priced by volume.

clarity as to whether they should be interpreted as falling within the meaning of “meat”.⁵⁵

60. Some retailers said that the unit measurements set out in the PMO may not, on their own, be the most useful to shoppers in assessing value and it may be more meaningful to include a unit price ‘per wash’ for products such as laundry detergent and dishwasher tabs. Similar observations were made about products that are sold as concentrates, such as fruit squash, because variations in concentration mean that 100 millilitres of one product may make more drinks than the same quantity of another product. It may be that a metric such as “per drink” or “per wash” is too subjective to form a comprehensive basis for unit pricing alone, but it might be helpful for some products to state such an assessment in addition to a unit price.
61. Some retailers and enforcers suggested that the complexity could be addressed by removing all the exemptions in Schedule 1 so that all products are unit priced by standard measurements. This would lead to much greater consistency, although it would mean that some high value/low mass products would invariably appear very expensive if priced as standard by kilogram. Saffron was a frequently cited example. There were also mixed views on what the standard measurement should be, however it seems likely that as long as there is consistency in the unit used the metric itself ought not to be a problem – because the shopper will be able to assess whether they wish to make the purchase by looking at the selling price.
62. The PMO is not the only obstacle facing retailers in ensuring that they are consistently displaying unit pricing information. They must also comply with the Weights and Measures (Packaged Goods) Regulations 2006, which specifies when and/or how products should be weight marked and other food regulations such as the Weights and Measures Act 1963 (Cheese, Fish, Fresh Fruits and Vegetables, Meat and Poultry) Order 1984, which specifies when certain items must be sold by weight or may be sold by number of items. We have heard that the items of food listed in these weights and measures laws do not clearly include items commonly sold in stores today, such as courgettes and butternut squash. This means some types of food may be unit priced by item whereas other very similar items can only be priced by weight. Some of the categories of food are also vague.
63. This is part of a wider issue that unless an item is required to be sold by weight, the PMO permits items to be unit priced by item (in Article 1(2)), and

⁵⁵ The PMO requires uncooked meat to be unit priced per kilogram and cooked meat to be unit priced per 100 grams.

this can lead to inconsistency. We have seen from our own review that supermarkets often unit price loose fruit and vegetables by weight, but pre-packaged fruit and vegetables by item. This makes it almost impossible for shoppers to compare the relative value of such items. One solution could be to reduce the range of items which are permitted to be unit priced by item. Another could be to require retailers to unit price all products of the same type by the same metric within their store.

64. We are aware that BIS (now DBT) commenced previous work in 2013 with an Expert Working Group to develop guidance to support greater consistency in unit pricing by attempting to clarify the categories in Schedule 1 of the PMO.⁵⁶ Final guidance has not been completed. We are concerned that seeking to clarify Schedule 1 by guidance alone still leaves open the potential for retailers to take different approaches.
65. To help achieve greater consistency, we are calling on government to reform Schedule 1 of the PMO.
66. **We recommend that Schedule 1 of the PMO is updated, along with the related weights and measurements legislation, to ensure that only one unit measurement can be used per product type across all retailers and across all sales channels to enable consumers to make meaningful comparisons (as the ISO Standards on Unit Pricing also recommends). We recommend consultation with business and consumer groups, as well as consumer research, to ensure that the most meaningful unit measurements are identified.**
67. **If there is a basis to allow certain types of product to be unit priced by reference to a different quantity, we recommend these are few in number, and drafted in order to capture all interchangeable products of that type.**
68. **In addition, we recommend that the definition of unit price in Article 1(2) of the PMO is reviewed, and other relevant weights and measures legislation is updated, to ensure that consumers are able effectively to compare unit pricing of the same type of product in-store, and to reduce the scope for retailers to unit price items of the same type by both item or by weight. This review should ensure that any lists of products which may be unit priced by item reflects current market practice.⁵⁷**

⁵⁶ [Pricing Practices in the Grocery Market: Government response to the CMA's report \(publishing.service.gov.uk\)](https://publishing.service.gov.uk), page 6.

⁵⁷ The list of products should be reviewed on a periodic basis.

69. **To give shoppers information that they need to make meaningful comparisons before any reforms to the PMO are introduced, we are calling on all grocery retailers to ensure that the unit of measurement that they use for the unit price is displayed consistently across each product type (branded and own brand) within their own stores and online.**

Legibility

Legal requirements and Guidance

70. Article 7 of the PMO requires the unit price to be ‘unambiguous, easily identifiable and clearly legible’ but is not prescriptive about the way the requirement is met. This should be read alongside Article 6 of the CPUTRs, which in addition clarifies that material information such as the unit price must be given clearly and in a timely way. The provisions on vulnerable consumers in the CPUTRs mean that retailers must have regard to whether their practices may impact on a clearly identifiable group of consumers who are vulnerable to the practice because of, for example, a disability.
71. The guidance produced by the Department of Trade and Industry (DTI, now DBT) on the PMO⁵⁸ states that the legibility of unit pricing means legible to a consumer with normal sight, although it indicates that traders should have regard to the needs of consumers with less than perfect eyesight.⁵⁹ We are aware of a previous initiative by the Department of Business Innovation and Skills (BIS now DBT) in 2013 to encourage supermarkets to voluntarily commit to improving unit pricing, including to improve the visibility of shelf edge labels. This included encouraging bigger font sizes for unit prices and the removal of information that is unnecessary for consumers.⁶⁰
72. The CTSI business companion guide says: “Pricing information must be available and clearly visible to consumers without them having to ask for assistance in order to see it. Legibility refers to a consumer with normal sight. Traders must also comply with the Equality Act 2010 and take account of the special needs of the elderly and disabled groups.”⁶¹
73. The ISO standard best practice guidelines on unit pricing includes advice on legibility and prominence of unit pricing information such as font sizes, shelf

⁵⁸ [Guidance note on the Price Marking Order 2004](#). The Department of Trade and Industry, January 2005.

⁵⁹ Ensuring unit pricing is sufficiently clear to those with poor eyesight is required by the CPUTRs.

⁶⁰ [Progress on clearer pricing in supermarkets - GOV.UK \(www.gov.uk\)](#)

⁶¹ [Providing price information | Business Companion](#)

location, and surface reflection of displays as well as providing illustrative good practice examples of shelf edge labels.⁶²

Findings

74. In our view, the ‘unambiguous, easily identifiable and clearly legible’ provisions of the PMO mean that the unit price should be capable of being read in the normal course of a shopping trip. We also think it should take into account where the label is placed in proximity to where the shopper is positioned and should not be likely to confuse the shopper. It should be obvious that it is a unit price and not the weight of the product, the selling price or information for use only by the trader.
75. During our review we considered whether the unit pricing information available to the shopper was:
- easy to spot or to read relative to the selling price; and
 - displayed in close proximity to the product.

Legibility in-store

76. We identified numerous instances of non-compliance - some of which are likely to be due to human error. These included examples of shelf edge labels being obscured by promotional information or by shop fittings. These and other problems should be addressed by retailers ensuring they have appropriate training, supervision and systems in place to prevent such issues arising.
77. We saw issues with the legibility of unit pricing information in-store in supermarkets, which in our view do not meet the legibility requirements. These include:
- small font size of the unit price relative to the selling price on shelf edge labels. For example, for one of the supermarkets reviewed, we saw instances where the unit price was provided in very small font on the label compared with other information and may not be easy to spot or read relative to the selling price.
 - crowded shelf edge labels. For example, in two of the 11 supermarkets reviewed we saw that in some cases barcodes or price match claims take

⁶² [BS ISO 21041:2018 Guidance on unit pricing - European Standards \(en-standard.eu\)](https://www.iso.org/standard/72421.html)

up a significant proportion of the space on a label resulting in the unit price information being too small to be likely to be legible for many shoppers, with the other information on the label making it harder to identify the unit price.

- obscured shelf edge labels or other pricing displays. For example, at all the supermarket stores visited we saw instances where the shelf edge label (and unit price information) is hidden behind promotional displays, where the unit pricing information is obscured by shop fittings, where the unit price is obscured behind reflective curved plastic casing, or where the label is damaged making the unit pricing information difficult to read.
- the use of additional decimal spaces to display the unit price by one supermarket which may not make sense to shoppers. For example, £0.099 per 100g, when the requirements of the PMO mean that it should be presented as £0.10 per 100g, which would also be considerably clearer for shoppers.⁶³

78. Issues with the legibility of unit pricing information, and shelf edge labelling generally, were particularly evident in some of the smaller convenience store formats of the supermarkets where products were observed to be stocked closer together owing to space constraints.
79. We saw similar legibility issues in-store amongst the variety store retailers that we looked at, including:
- a very small font size for the unit price relative to the selling price. Amongst these retailers we saw examples of some variety discounters displaying unit pricing in such small font that we consider it could be missed by shoppers.
 - unit pricing information being obscured by other information on the label. We saw some particularly concerning examples where the unit pricing information had been printed over by barcodes essentially making the information unreadable.
80. We have seen during our review that some supermarkets have started to introduce electronic shelf edge labelling across their stores with at least one UK supermarket reported to be using this across their entire estate. Electronic labelling is likely to enable easier, and more timely changes to

⁶³ This is a breach of Article 12 of the PMO. Article 12 states: 'Where the unit price of a product falls below £1 it shall be expressed to the nearest 0.1p. Where the figure denoting one hundredths of one penny in the unit price is 5 or higher, it shall be rounded up and where it is 4 or lower it shall be rounded down'.

pricing information. Where we have seen electronic labelling, we consider that the unit pricing information was presented clearly in relation to the selling price.

Proximity in-store

81. More generally, within the supermarket stores we visited we saw examples of selling and unit pricing information not provided in close proximity to the product. This was evident for some products more than others. For example, products that are stocked in refrigerated or freezer cabinets. To ensure compliance with the PMO, retailers should take care to ensure that pricing information is displayed in close proximity to the relevant product.

Websites

82. As highlighted in paragraph 48 above, most of the variety stores do not provide unit pricing information on their websites. As such, we have not been able to make an assessment of legibility across online channels for most of these retailers.
83. On supermarkets' websites, we generally found no concerns with legibility.⁶⁴ For the most part, unit pricing information was displayed near to the selling price in a slightly smaller or lighter font.
84. However, we are concerned that certain pages of some supermarket and variety store websites did not display unit prices alongside the selling prices of products until an individual product was selected. Where products are displayed to shoppers – whether as part of a range or as part of a search result – with a selling price but not a unit price, we consider that this falls short of the obligation under the PMO to display the unit price in proximity to the product, and the CPUTRs requirement that unit pricing be displayed in a timely manner. It is our view that the requirement under the PMO for unit prices to be in proximity to a visual or written description of the product is not satisfied by displaying the unit price only after the shopper has taken further action having first viewed the product information on the website (e.g. clicking on a link).
85. In addition, we have seen instances where it is possible for the shopper to place a product in the website's basket and then proceed to payment without the shopper ever being presented with the product's unit price. In our view, retailers will only meet their obligations under the PMO if the unit price is

⁶⁴ Although no assessment was made as to accessibility.

presented alongside the selling price at the first point at which the selling price is displayed with a product on the retailer's website. We have written directly to some grocery retailers to flag our concerns about these practices.

86. Online grocery shopping gives retailers greater opportunity to help shoppers engage with unit pricing information. We found that only one supermarket currently provides an option for shoppers to sort products (of the same type) by unit price. We consider that this functionality could be useful to shoppers more generally, helping them spot the best deals for them and we recommend that retailers across the groceries sector explore options for giving their customers the ability to sort grocery products by unit price on their online channels (websites and apps).

How could the legislation be improved?

87. We have heard from retailers and their representatives that shelf edge labels are not big enough to carry lots of information and that careful consideration should be given to any recommendation for additional information to be included on them. Whilst we recognise potential space constraints on shelf edge labels, our findings suggest that there is scope for retailers to improve the legibility of their in-store shelf edge labelling, which we consider would improve shoppers' ability to spot and to read unit pricing information.
88. It is also important that shoppers are able to easily identify the actual selling price of each product. We do not think that giving the unit price in an easy-to-read font size is likely to confuse shoppers about which is the selling price as long as the selling price is itself clear and presented next to the product to which it relates.
89. However, it remains the case that the concept of "legibility" in the PMO is to some extent open to interpretation, and what font size should be used as a minimum to ensure visually impaired people can still read the label is not specified. Further, the concept of "proximity" does not specify exactly how close to the product the selling price and unit price must appear. To help achieve greater consistency, Article 7 of the PMO could be updated so that it is clearer and more prescriptive.
90. In our view, a greater level of prescription in the legislation should also help improve compliance in stores because it would be easier for individual members of staff to understand what they need to do to comply.
91. **We recommend that Article 7 of the PMO is revised to clarify the legibility and proximity requirements with reference to the ISO Standards on Unit Pricing. In particular, we consider that Article 7**

should set out how the unit price should be displayed relative to the selling price so that the unit price is easy to identify, clearly legible, not hidden or obscured, is accurate and not misleading, and is provided below or adjacent to the selling price in-store and on online channels.⁶⁵

Promotions

Legal requirements and Guidance

92. Where a retailer proposes to sell products at less than the price that was previously applicable, Article 9 of the PMO states that they may comply with the obligation to indicate the selling price and the unit price by indicating that the products are reduced. They may do this in any way as long as the details of the reduction are prominently displayed, unambiguous, easily identifiable and clearly legible.
93. The guidance produced by the DTI (now DBT) on the PMO states that for promotions, such as volume promotions, unit price information for the single standard product, applicable before the promotion, should be given.⁶⁶ The business companion guidance on providing price information produced by CTSI⁶⁷ also says that “promotional offers should be unit priced to reflect the single standard item” (pre-promotion unit price). The CTSI guide also says that limited period promotions that relate to individual product lines may retain the unit price of the standard item or pack for the period of the offer.

Findings

94. During the review we have considered whether and how retailers are displaying unit pricing information for products that are on promotion. Promotions were categorised into three types:⁶⁸
 - Price reductions (reference price promotions) – where the retailer indicates that a product is available at a reduced cost from the standard selling price. For example, “was/now” or a crossed through higher price.

⁶⁵ Unit pricing information should not be any less obvious on mobile devices.

⁶⁶ Guidance note on the Price Marking Order 2004, The Department of Trade and Industry, January 2005.

⁶⁷ [Providing price information | Business Companion](#)

⁶⁸ In addition, some retailers mark items with value claims such as “low price” or “price match” to a competitor’s price, which may be promotions but as no reference price is provided any saving is unclear.

- Multi-buy or volume promotions – where the retailer indicates that a product is available at a reduced cost from the standard selling price if it is purchased with other items.⁶⁹
- Loyalty scheme discounts – promotions available to loyalty/specified customer groups (which include price reductions or multibuy promotions).⁷⁰

95. We found that for different types of promotions seen during the period of our review retailers adopt inconsistent approaches to displaying unit prices for products on promotion. We have also seen that some retailers also take different approaches across their different sales channels.

Price reduction promotions

96. For price reduction promotions, all of the supermarkets that we looked at during our review generally displayed a unit price that reflected the reduced promotional price.⁷¹ We saw that this approach was consistent across both in-store and online channels. Where supermarkets were not displaying the new reduced unit price this appeared to be in isolated examples and not part of a wider practice.

97. Although not many of the variety stores offered price reduction promotions for the products that we reviewed, concerningly we found that in some instances no unit pricing information was displayed for either the previous or the promotional price. Where unit pricing information was provided, we found examples where the product label did not include any information about the weight or volume of the product, making it difficult to check if the unit price information was correct.

Multi-buy / volume promotions

98. For multi-buy promotions, we saw that most of the supermarkets displayed a unit price based on the pre-reduction single item both in-store and on their online channels. This approach appears to be consistent with the previous DTI guidance on the PMO which suggested that in the case of a volume

⁶⁹ Multi-buy promotions included products that were: the same e.g. “buy 2 packs of pasta for x”; similar e.g. “buy 3 canned items for x”; bundled or themed e.g. “meal deals”; and unrelated e.g. “mix and match 3 for x”.

⁷⁰ The number of retailers using Loyalty/specified customer group promotions increased during the course of the review. As well as making promotional prices available to loyalty/specified customer groups, the loyalty schemes operated by retailers may include personalised offers, points/rewards schemes and other options; these did not form part of this review.

⁷¹ Where these price reduction promotions did not form part of a loyalty scheme.

promotion, it may be considered a breach of the PMO to fail to provide the pre-reduction, single, standard unit price. As highlighted in paragraph 93 above, the current CTSI business companion guide also indicates that promotional offers should be unit priced to reflect the single standard item.

99. We did however see some limited examples of supermarkets providing unit prices that reflected the multi-buy promotion for products of the same size and the same selling price. This approach was identified on shelf edge labels in-store only and not online. Where the unit price for the multi-buy promotion was provided, this information was provided alongside the unit price for the pre-reduction single item. This information can be helpful to shoppers in comparing products on promotion with those that are not. However, this will depend on the presentation and context of the information and some of the examples we have seen where both unit prices are provided were not clear and could potentially cause consumer confusion. We acknowledge that some types of multi-buy promotions such as meal deals, where the products included are of different sizes and prices, may not be compatible with unit pricing.
100. As with the supermarkets, the variety stores routinely omitted the discounted unit price on shelf edge labels for products offered on multi-buy promotions.

Loyalty discounts

101. Loyalty scheme discounts offered by supermarkets have been evolving throughout the period of our review – both in terms of the number of supermarkets offering loyalty discounts, the number of products on which the loyalty discounts are offered, as well as the nature of the loyalty schemes. Some retailers are moving away from a personalised voucher discounting model⁷² towards a dual pricing model where members of a loyalty scheme benefit from a reduced price. Not all the supermarkets, and none of the variety stores, we looked at currently offer loyalty discount promotions.
102. In December 2022 it was estimated that around 94% of UK shoppers are members of at least one loyalty / reward scheme.⁷³ It was reported that 70% of all members said that deals available from loyalty schemes have become more important to them over the last 12 months. Loyalty scheme deals were reported as being important to 84% of low-income consumers.

⁷² For example, personalised discounts offered based on previous purchases.

⁷³ Mintel, Supermarkets-UK, 2002, December 2022 (p24)

103. Where products are offered on promotion to loyalty scheme members, most of the supermarkets display two selling prices – the standard selling price and, alongside this, the discounted selling price available to members of the supermarket’s loyalty scheme. However, we have seen that supermarkets take inconsistent approaches to displaying the associated unit pricing information on those products.
104. We have seen examples of some supermarkets not displaying a unit price on loyalty discount promotions for any of their loyalty card promotions, including those where this would be useful information for shoppers. In these instances, where unit price information was provided it was only for the standard selling price, was set out on smaller shelf edge labels, and was obscured by the larger promotional labelling placed on top of it.
105. We have also seen examples of supermarkets giving unit price information for both the standard selling price and for the loyalty discount promotion on their promotional labelling and shelf edge labels. Where this is done clearly, it provides useful information to help shoppers compare products on promotion with those that are not or are subject to a different promotion. We have also seen examples where some supermarkets do not provide the unit price for both the standard selling price and for the loyalty discount promotion on their websites even when they do provide this information in-store. It is not clear to us why supermarkets are taking these different approaches online and in-store.⁷⁴

Conclusions

106. We are concerned that where a unit price is not given for products on promotion, it is difficult for shoppers to compare products on offer with products that are not on offer and to work out which is best value. Shoppers may focus on the fact that a product is on promotion and wrongly assume that it is better value than a different (e.g. larger) product that is not on promotion. The absence of a unit price for the discounted product means it is harder for shoppers to make a fully informed decision.
107. We have heard from some stakeholders that it is not clear what is required by Article 9 of the PMO and that this can lead to different interpretations amongst retailers and enforcers about how to comply with it.

⁷⁴ We are also aware that some supermarkets only make the promotional unit pricing information available when consumers are logged into the supermarket’s websites or apps with their membership details.

108. We discuss these interpretational difficulties below, but it is important to make clear that even if Article 9 is hard to apply in practice, we consider that the promotional unit price is likely to be material information for certain types of promotions for the purposes of the CPUTRs. This is because it is important information that shoppers need to make a fully informed decision whether to take advantage of the offer. Current practices which fail to display unit pricing information for products on certain types of promotion could therefore be in breach of the CPUTRs.

How could the legislation be improved?

109. Article 9 seems to have been drafted to cater for a particular kind of promotion, where a single percentage reduction was made on all items in the store (for example, “20% off everything”).⁷⁵ However, how Article 9 applies to other, more complex, promotions is less clear.

110. Where Article 9 applies, the published guidance by DTI (now DBT) and CTSI makes clear that the pre-promotion unit price for the single standard product should be given, and if a unit price for the reduced selling price is also given, it must be clear which is which. This appears to apply in a straightforward manner when there is a discount on a single item, where the previous price is no longer charged.

111. However, the position is more complex where the discount results from a loyalty promotion which is available only to certain people. This is because the non-discounted price is not “previously applicable” as required by Article 9. It is still applicable, and arguably the retailer is simply providing two selling prices – one that is available to everyone and one that is only available on presentation of a loyalty card. If this is the correct interpretation, Article 9 does not apply and the unit price should be displayed for both.⁷⁶

⁷⁵ Article 9 was introduced at some point after the PMO 1999 came into force. It was recognised in a consultation on revising the PMO 1999 which took place in June 2000 that there was a need for a provision which dealt with the selling and unit pricing requirements in the relatively limited circumstances of a general promotion (in the words of the consultation a ‘Blue Cross’ sale).

⁷⁶ Article 9 states: ‘9. *Where a trader proposes to sell products to which this Order applies at **less than the selling price or the unit price previously applicable** and indicated in accordance with article 7(1), he may comply with the obligations specified in articles 4(1) (to indicate the selling price) and 5(1) (to indicate the unit price) by indicating by a general notice or any other visible means that the products are or may be for sale at a reduction, provided that the details of the reduction are prominently displayed, unambiguous, easily identifiable and clearly legible.*’ Bold our emphasis.

112. A similar observation could be made about multi-buy deals, where the higher, single item price is still applicable if the customer does not wish to purchase the number of items required to qualify for the discount. However, where the multi-buy is made up of different types of items (such as a meal deal), it may be extremely difficult to give the discounted unit price of any individual item, because it could differ depending on what else is purchased.
113. In our view, given the value of unit pricing to shoppers, Article 9 needs to make it clear that the new unit price needs to be given for all forms of promotions where this is feasible (along with the old unit and selling prices and the new selling price).
114. **We recommend that Article 9 of the PMO is amended to make clear that products on promotion should be unit priced to reflect the promotional price on all types of promotions where this is feasible. For example, the reduced unit price should be provided for promotions such as price reductions, promotions where a loyalty price is presented alongside a standard selling price, and multi-buy promotions for products of the same price and size across all channels (in-store and online).**
115. **In addition, Article 9 of the PMO should state explicitly that the promotional selling price also needs to be given.**
116. Recognising that it will take some time for the PMO to be revised, and in order to ensure that shoppers have all the information they need to make meaningful comparisons now, we are calling on all retailers to provide the new unit price alongside the promotional selling price for all products on promotion where this is feasible.

Price marking in convenience stores

117. Some consumers cannot easily access a large store of one of the major supermarkets (either because of distance and/or lack of access to transport) or are unable to shop online and rely on a smaller convenience store for their grocery shopping.
118. There are almost 50,000 convenience stores in the UK.⁷⁷ The sector has expanded considerably in the last 10 to 15 years, primarily due to supermarket entry and expansion in this sector, but the majority (around 70%)

⁷⁷ [The Local Shop Report | ACS](#)

of convenience stores are independently owned or operate under a symbol group.

119. Although most convenience stores are currently exempt from the obligation to display unit pricing information, they do have an obligation under the PMO to display the selling price in a way that is “unambiguous, easily identifiable, and clearly legible”.
120. We are concerned by recent findings from SCOTSS and TSNI (across their respective nations) that indicates that some convenience stores are not always displaying price information for grocery products, or where they do, shoppers are charged a different amount at the till to that displayed. For example, SCOTSS found that a selling price was not displayed on 14.8% of products examined in convenience stores and 9.7% of products were found to be incorrectly charged at the till.⁷⁸
121. Similar co-ordinated compliance work to assess price marking in convenience stores has not taken place across England and Wales. We recognise the resourcing pressures local Trading Standards services face across the UK. We will explore working in partnership with Trading Standards to assess the scale of the problem in England and Wales and with Trading Standards across the UK to drive compliance.

Deposit Return Schemes

122. We are aware that recently there has been consideration of unit pricing in the context of the likely implementation of deposit return schemes (DRS) for certain types of product packaging. This gives rise to questions as to how the price of products subject to DRSs should be displayed - in particular whether there should be a total selling price inclusive of the deposit or a selling price without the deposit. How the selling price is calculated is directly related to how the unit price is displayed. We note that there are currently differences in opinion on how this should be presented.
123. Our review has focused on how grocery retailers are currently displaying unit pricing information. As they have yet to begin, DRSs have not fallen within scope of our review. As highlighted above, we have identified that the current legislation is, in several areas, not sufficiently prescriptive and open to interpretation. Given the early indications of potential differing interpretations

⁷⁸ [pricing.pdf \(scotss.org\)](#), page 6.

of the future DRS requirements there are risks that the picture could become even more complex.

124. To avoid differences in how to interpret the requirements of the PMO, and the potential for consumer confusion, we recommend that the PMO is clarified to set out how the selling and unit price should be displayed for products that may be subject to any DRS - for example, by updating the definitions in Articles 4 and 5 of the PMO.

Summary of recommendations and next steps

125. In light of the findings from our latest review, we believe unit pricing legislation needs to be reformed and improved. Throughout this report we have made recommendations to the UK government setting out our views on where the PMO requires reform. In particular:

(a) In relation to the **consistency** of unit pricing information, we recommend that:

- (i) Schedule 1 of the PMO is updated, along with the related weights and measurements legislation, to ensure that only one unit measurement can be used per product type across all retailers and across all sales channels to enable shoppers to make meaningful comparisons (as the ISO Standards on Unit Pricing also recommends). We recommend consultation with business and consumer groups as well as consumer research to ensure that the most meaningful unit measurements are identified.
- (ii) The definition of unit price in Article 1(2) of the PMO is reviewed, and other relevant weights and measures legislation is updated, to ensure that shoppers are able effectively to compare unit pricing of the same type of product in-store, and to reduce the scope for retailers to unit price items of the same type by item or by weight. This review should ensure that any lists of products which may be unit priced by item reflects current market practice.

(b) In relation to the **legibility** of unit pricing information, we recommend that Article 7 of the PMO is revised to clarify the legibility and proximity requirements with reference to the ISO Standards on Unit Pricing. In particular, we consider that Article 7 should set out how the unit price should be displayed relative to the selling price so that the unit price is easy to identify, clearly legible, not hidden or obscured, is accurate and not misleading, and is provided below or adjacent to the selling price in-store and on online channels.

(c) In terms of the application of unit pricing information to **products on promotion**, we recommend that:

(i) Article 9 of the PMO is amended to make clear that products on promotion should be unit priced to reflect the promotional price on all types of promotions where this is feasible. For example, we consider that the reduced unit price should be provided for promotions such as price reductions, promotions where a loyalty price is presented alongside a standard selling price, and multi-buy promotions for products of the same price and size across all channels (in-store and online).

(ii) Article 9 of the PMO should state explicitly that the promotional selling price also needs to be given.

(d) To ensure consistency in approach for displaying pricing information for products subject to a DRS, we recommend that the PMO is clarified to set out how the selling and unit price should be displayed. For example, by updating Articles 4 and 5 of the PMO.

126. We will be sharing the findings from our review with DBT and DfE in Northern Ireland to help inform any review of the PMO and NI PMO. We will also respond to any future consultation on reforms to the PMO, should one be launched.

127. Throughout the report we have also made a number of recommendations addressed to grocery retailers to give shoppers information that they need to make meaningful comparisons before any reforms to the PMO are introduced. In particular, we are calling on all grocery retailers:

- To ensure that the unit of measurement that they use for the unit price is displayed consistently across each product type (branded and own brand) within all their own stores and online.
- To provide a unit price alongside the promotional selling price for products on all types of promotion, wherever feasible.

128. We have written to certain retailers in respect of specific instances of non-compliance identified. We expect them to make changes to address our concerns. We will continue to monitor compliance and will consider if further action, including enforcement, is needed. More generally, we are calling on *all* grocery retailers to take steps to ensure that they are complying with their

legal obligations and do all they can to help shoppers meaningfully compare the unit prices of products.⁷⁹

129. To help raise awareness of issues identified in our report, and to help drive compliance, we are also sharing it with stakeholders with an interest in unit pricing including governments in the devolved nations, business groups, and consumer organisations.
130. Trading Standards have an important role in ensuring the ongoing compliance with the PMO and we are sharing our findings with them to help support any local enforcement and/ or wider work by the PASG.⁸⁰
131. Finally, we are continuing further work, and in the coming months we will be:
 - assessing whether the retailers we have written to have made improvements to comply with the PMO;
 - publishing findings from research with consumers on their use of unit pricing information;
 - assessing the potential savings that can be made when using unit pricing information to choose between, for example, the same product in different pack sizes, or when sold loose versus pre-packaged.
132. We will provide further updates from this work in Autumn 2023.

⁷⁹ <https://www.gov.uk/government/collections/the-cmas-action-to-help-contain-cost-of-living-pressures>

⁸⁰ The Primary Authority Supermarkets Group is a working group made up of Primary Authority Officers of the major supermarkets.

Annex - Groceries Super-complaint 2015 recommendations on unit pricing

The CMA recommended that:

- BIS produces best practice guidelines on the legibility of unit pricing information, to provide greater clarity about the requirements of the PMO in this regard. This would help TSS and Primary Authorities assess compliance. We also recommended that retailers introduce any resulting changes to labelling as soon as practicable.
- BIS continues its review, with the Expert Working Group, of Schedule 1 to the PMO, but changes the focus to give particular consideration to: (a) Ways to clarify and simplify the requirements, considering evidence about the advantages and disadvantages of simpler and more future-proofed approaches, with fewer exceptions, used in other countries, and (b) What further research, building on the findings from our qualitative research, is needed into how consumers use unit prices to ensure the requirements help as many people as possible to use them in their decision-making.
- To encourage a more consistent use of unit pricing for products on promotion, BIS considers reviewing and clarifying the legal requirements set out in Article 9 of the PMO, and the associated guidance. We recommended that this should be done with particular reference to the requirements of the CPRs and the ongoing review of the PPG.
- Which? and other consumer representative organisations consider whether there is a further role they can play in consumer education on the effective use of unit prices.