

Name

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Short-term car rental - compliance with UK consumer protection law

Dear ...

I am writing to update you on the compliance work that the Competition and Markets Authority (CMA) has been undertaking in the car rental intermediary sector, to provide you with a copy of a sector-specific compliance summary and to ask you to ensure that the website you operate is compliant.

This letter is being sent both to car rental intermediaries that the CMA has already contacted and to intermediaries that it is contacting for the first time.

Background

Consumers need clear and accurate prices as well as other key information about their liabilities in order to make a properly informed choice between the competing rental offers that they are shown. A failure to provide prices and other key information in a manner that is accurate, complete, timely and not misleading is likely to breach consumer protection legislation.

Since January 2016, the CMA has been examining whether car rental intermediaries are complying with UK consumer protection law, specifically whether they are giving clear and accurate prices, and certain other key information, to consumers who search and book car rental online.

The CMA:

- held workshops with sector participants in early 2016 to discuss the requirements of consumer law and the implications for businesses;
- wrote to many businesses in June 2016 setting out its expectations under

consumer protection law and giving them until 1 January 2017 to make any [necessary changes](#).

- held bilateral conversations with twenty of the largest businesses during the Autumn of 2016 to discuss their specific circumstances; and
- has been monitoring intermediaries' websites for compliance since the start of the year, with separate reviews in January, March and July 2017 to track the steadily improving level of industry compliance during that period.

The CMA has seen steady progress by a number of businesses. Some have now achieved a high standard of compliance with consumer protection law; others still need to do more; and there are a small number of businesses that the CMA thinks have particularly poor compliance.

Next steps

The purpose of this letter is to inform you of how the CMA intends to work with the sector going forward to help it take the final necessary steps towards full compliance, and **to set out what your business needs to do to achieve this**.

What the CMA will do

Specifically, the CMA:

- has opened and will pursue consumer enforcement cases into two car rental intermediaries in relation to potential breaches of consumer protection law;
- has set out what intermediaries need to do to help them to achieve compliance with UK consumer protection law in a publication called 'Online car rental intermediaries: consumer law compliance summary' (the 'compliance summary'), which also accompanies this letter;
- is widening the scope of its compliance activities to include a number of other intermediaries engaged in business in the UK that until now have been excluded from its work (on the basis of their relatively smaller size), including a number of intermediaries located overseas – this is in order to try to achieve wide compliance in the sector and is at the request of some businesses who identified these intermediaries as competitors; and
- will undertake a further review of intermediaries' websites from January 2018, the results of which the CMA will use to consider whether to take further action, including opening new enforcement cases to address the practices of particular intermediaries.

What you need to do

You should carefully review the compliance summary and consider if you need to make changes to the websites that you operate in relation to the way they present prices and key information to UK consumers. If changes are required, you should immediately take steps to be in full compliance, beginning with and prioritising compliance in relation to your most popular destinations.

The compliance summary contains the same legal requirements listed in the June 2016 letter (mentioned above) and provides further explanation of the legal requirements in relation to:

- ensuring that you have accurate information,
- the presentation of headline prices,
- variable charges, and
- excess and deposit warnings.

All intermediaries, therefore, need to review this document.

If you comply with the legal requirements set out in the compliance summary, the CMA is unlikely to prioritise enforcement action against you, although you should understand that the CMA's prioritisation decision does not bind third parties who could take action (including Trading Standards Services). The information in this letter is intended to be a helpful guide to compliance but cannot and does not cover every possible eventuality. Ultimately, compliance with consumer law is the responsibility of each business.

The CMA is happy for this letter to be shared with car rental providers and other intermediaries. A version of the letter with no company specific details can be found on the [case page](#).

Should you have any queries regarding this letter, please contact either myself, James Macbeth (james.macbeth@cma.gsi.gov.uk; 020 3738 6958), or Sue Aspinall (sue.aspinall@cma.gsi.gov.uk; 020 3738 6788).

Yours sincerely

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