

Responding to the consultation on draft guidance on the Unfair Commercial Practices provisions in the Digital Markets, Competition and Consumers Act 2024

**Q1. Do you have any comments on the structure or clarity of the Draft Guidance?**

The overall intent of the draft guidance does address important issues like drip pricing and fake reviews. However, some parts may unintentionally cause problems for the self-catering holiday sector, especially in relation to the agency model. This could lead to challenges for property owners and agencies in terms of the operational structure, privacy and security.

We would suggest the CMA works with our industry representatives to ensure the guidance can be applied smoothly and effectively in our sector.

**Q2. Do you have any comments on the illustrative examples of commercial practices applying the prohibitions? Are there any areas where you think additional examples could usefully be reflected in the Draft Guidance?**

**Tourism Levies**

The CMA guidance identifies 'local taxes and other fees that become payable on arrival at hotels' as mandatory charges. Tourism levies, such as the Welsh tourism levy, fall under this category and therefore the guidance suggests they should be included in the total/headline price at the invitation to purchase stage. These levies often vary depending on the number of guests staying. For example, the levy might be calculated per person per night, meaning it changes based on how many guests are in the group. Including the levy for maximum occupancy in the headline price could mislead customers and make larger properties seem more expensive than they are, giving less transparency on pricing rather than more.

We recommend adding examples to show how such charges should be handled—for instance, explaining the calculation clearly as a per person, per night charge rather than adding the maximum possible charge to the headline price.

**Mandatory vs Optional Charges**

Some charges in this industry are genuinely optional, like pet fees for dog-friendly properties or fees for optional linen services. These depend on the customer's choice, so they shouldn't be treated as mandatory. As an example, it is perfectly possible for a customer who doesn't have a dog to choose a dog-friendly property based on other factors and facilities that appeal, so a pet free would not be applicable and therefore not mandatory for this customer.

It would be helpful for the guidance to confirm that these kinds of optional fees don't need to be included in the headline price.

**Industry-Specific Examples**

We would like to see more examples specific to the tourism sector to improve clarity, such as:

1. The difference between mandatory and optional charges.
2. When the “invitation to purchase” occurs during online bookings.
3. How to handle prices when they vary due to factors like tourism levies.
4. How to present price breakdowns clearly.
5. More detail regarding the ‘context’ and ‘limitations from the means of communication’ related to the accommodation providers, particularly around websites used to generate enquiries on behalf of owners.

### **Q3. Comments on the ‘drip pricing’ provisions**

We support the intention to eliminate drip pricing, and the aim to remove hidden costs is welcome, but clarity is required on refundable damage deposits or waiver charges, which are a common requirement in our sector. For example:

1. Optional, non-refundable damage waiver fees are straightforward and can be excluded from the headline price as not mandatory. These are not part of the holiday price but support the customer’s agreement to pay for damages caused during their holiday.
2. Refundable damage deposits (whether paid upfront on booking or held on a card), aren’t true costs unless damage occurs.

Including refundable deposits in the headline price would mislead customers, as they’re almost always returned unless relevant damage has occurred. The amount will not be a cost to most customers as most will not be responsible for any damage, and therefore the deposit will be returned. We believe refundable deposits don’t need to be part of the headline price but should still be clearly communicated to customers during the booking process as there needs to be agreement/payment of this prior to the booking being confirmed. Further guidance on this element is required as the current wording is unclear.

### **Q4. Comments on banned practices relating to fake reviews**

We fully support the efforts to ban fake reviews, as they harm customer trust and create an unfair market.

### **Q5. Other comments**

#### **Key concerns - Disclosure of Property Owner Contact Details**

The requirement to share full property owner contact details and email addresses, as well as the exact at the booking stage raises concerns. It could:

- Introduce privacy and security risks - putting owners at risk of spam, phishing and fraud, as well as security of property with availability calendars potentially revealing when properties are unoccupied
- Undermine the role of agencies, which play a key role in handling bookings, guest communication, and helping to resolve disputes

- Make owners less willing to list their properties, reducing options for customers who want to use a trusted intermediary
- Potentially impact agencies financially due to direct bookings bypassing the agency

We would suggest an acknowledgment of the established agency model and amendment of the guidance to protect the privacy and security of property owners while maintaining the integrity of the agency system. Requiring owner details at this stage is unnecessary and counterproductive given the measures agencies already have in place to provide relevant information.