

Response from Forever Cornwall Limited. We are a small, B-Corp, independent holiday home rental agency in Cornwall.

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 Do you have any comments on the structure or clarity of the Draft Guidance?

While Forever Cornwall supports the overarching objectives of the proposed legislation on drip pricing and fake reviews, we are concerned that certain elements of its implementation may not align well with existing practices in the self-catering tourism sector and could lead to unintended consequences.

Protecting the Role of Agencies in the Short-Term Rental Market

The current draft guidance on unfair commercial practices under the DMCC Act 2024 poses substantial challenges to the short-term holiday rental market, particularly in relation to the role of agencies. While consumer protection is crucial, some of the proposed measures could weaken the core framework of agency operations, compromise property owner privacy, increase security risks, and affect the integrity of the sector.

We would greatly appreciate further dialogue with the Competition and Markets Authority to clarify how the legislation and accompanying guidance apply to our industry.

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 Are there any areas where you think additional examples could usefully be reflected in the Draft Guidance?

Application of Tourist Levies

The CMA guidance states that 'local taxes and other fees payable on arrival at hotels' are mandatory charges. The Welsh tourism levy is an example of such local taxes that will impact the tourism sector once introduced. We interpret the legislation to mean that these types of levies should be included in the total/headline price at the point of purchase.

Our concerns are as follows: Using the Welsh tourism levy as an example, it will be applied per person per night. Properties are often advertised based on maximum occupancy, yet actual booking parties may not utilize full capacity. While this does not affect the property price, it directly impacts the levy amount owed, as it is calculated per individual.

We seek clarification—potentially in the form of an additional example—confirming that in such cases, the total price cannot be determined in advance, and the trader should instead inform consumers of how the charge is calculated (i.e., per person per night). Including the levy for maximum occupancy in the headline price and then adjusting downward if fewer guests stay would lead to less transparency and could unfairly inflate the perceived cost of larger properties marketed to smaller groups.

Mandatory Versus Optional Charges in the Tourism Industry

In relation to mandatory and optional charges, the guidance (at 9.20) states:

"Charges should not be omitted from the headline price if, although avoidable in theory, they are not realistically avoidable in practice."

Interpretation within the tourism sector:

We have specific examples that we believe should not fall under the 'viable in practice' category, such as:

1. Holiday homes marketed as dog-friendly with an additional charge for bringing dogs.
2. Properties offering an optional linen service, where guests can choose to bring their own or pay an extra fee for provided linen.

While both fees are discretionary, we are concerned that the context and consumer expectations could imply these are unavoidable. We request further guidance confirming that these optional extras do not fall under the mandatory pricing requirements.

Additional Examples Relating to the Tourism Sector

The draft guidance would benefit from examples specifically related to online holiday accommodation bookings, covering:

1. Defining the 'invitation to purchase' stage.
2. Requirements when the headline price cannot be predetermined due to variable factors (e.g., visitor levies).
3. Clarification on mandatory fees (including our concerns on damage deposits).
4. Appropriate methods of headline price breakdowns.
5. Addressing limitations of online booking platforms in providing comprehensive information upfront.

Q3. Do you have any comments on the Draft Guidance on the 'drip pricing' provisions in the DMCC Act, including the illustrative examples? Are there any specific pricing practices not included that should be addressed?

Forever Cornwall agrees with the principle of eliminating hidden costs from headline prices. However, we have concerns about how damage deposits—common in our sector—are addressed.

Holiday cottages often require a damage deposit, which is refunded in full if no damage occurs. These deposits protect against potential costs and are only utilized in rare cases. There are three typical approaches:

1. An optional, non-refundable damage waiver.
2. A refundable deposit paid at booking.
3. A pre-authorized hold on a guest's card.

Clarification is needed regarding whether fully refundable deposits should be considered mandatory fees within headline prices, as their inclusion could mislead customers into perceiving higher costs than necessary.

We believe it is essential to explicitly exclude fully refundable damage deposits from drip pricing regulations and ensure they are clearly disclosed during the booking process.

Q4. Do you have any comments on the Draft Guidance on the banned practice relating to fake consumer reviews?

Forever Cornwall supports efforts to eliminate fake reviews and believes this will benefit both consumers and legitimate businesses.

Q5. Do you have any other comments on topics not covered by the specific questions above?

A major concern is the proposed requirement for agencies to disclose full property owner contact details at the invitation to purchase stage. This presents serious privacy, security, and business continuity risks.

Disclosing owner details would:

- Increase vulnerability to fraud and phishing attacks.
- Undermine the intermediary role of agencies, which provide essential services such as guest screening and dispute resolution.
- Compromise the commercial value of agencies, potentially leading to revenue losses and property withdrawals from the market.

We strongly urge the CMA to acknowledge the crucial role agencies play in safeguarding both owners and guests and to reconsider the disclosure requirement.

In summary, while we support the broader goals of the guidance, we request that further consideration is given to the unique challenges faced by the self-catering tourism sector, ensuring fair and practical regulatory outcomes.