

What is your organisation or group's name?

Orion Holidays Ltd

Do you have any comments on the structure or clarity of the Draft Guidance?

Orion Holidays Ltd supports the overall objective of the proposed legislation aimed at addressing issues such as drip pricing and fake reviews. However, we are concerned that some aspects of the implementation may inadvertently conflict with the unique dynamics of the self-catering tourism industry, potentially leading to unforeseen challenges. The Role of Agencies in the Short-Term Rental Sector The draft guidance on unfair commercial practices under the DMCC Act 2024 raises several concerns for the short-term holiday let sector, particularly regarding the role and operations of agencies. While safeguarding consumer interests is essential, certain measures outlined in the proposals could disrupt the established framework of agency services. This disruption may heighten security vulnerabilities, compromise the privacy of property owners, and undermine the trust and efficiency that underpin the sector. To ensure the legislation achieves its intended goals without adversely affecting our industry, we believe it is crucial to further explore these implications. We respectfully request an opportunity for continued dialogue with the Competition and Markets Authority to clarify the application of the proposed rules and adapt them to the specific needs of the short-term rental market.

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 Are there any areas where you think additional examples could usefully be reflected in the Draft Guidance?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 specifies that local taxes and fees, such as those payable upon arrival at hotels, are considered mandatory charges. The Welsh tourism levy serves as a relevant example of how such local taxes will impact the tourism industry once implemented. Our understanding is that the legislation requires these levies to be included in the total or headline price at the point of invitation to purchase. However, we have several concerns: Using the Welsh tourism levy as an example, the charge is applied per person, per night. While properties are marketed based on their maximum occupancy, booking parties often include fewer individuals than the property's capacity. This does not affect the base price of the property but directly impacts the total amount

due for the levy. We believe additional guidance would be helpful, particularly an example confirming that in cases where the total price cannot be calculated in advance, traders should provide consumers with clear information on how the levy is calculated (e.g., a per person, per night rate). Alternatively, including the levy for the maximum occupancy in the headline price and later reducing it for smaller parties could create confusion, disproportionately affect the perceived value of larger properties, and undermine pricing transparency.

Mandatory vs. Optional Charges in Tourism

The guidance at section 9.20 states: "Charges should not be excluded from the headline price if consumers could theoretically avoid them but doing so is not viable in practice." While this principle is clear, its application in the tourism sector raises specific concerns. For example: Holiday homes marketed as dog-friendly often charge an additional fee for dogs. Some holiday homes offer optional linen services, allowing guests to bring their own or pay extra for provided linens. These charges are optional, and consumer decisions vary based on individual circumstances (e.g., whether they bring a dog or require linen). However, the context and consumer expectations could lead to confusion about whether these charges are truly optional or should be treated as mandatory. We request further guidance and examples tailored to the tourism sector, confirming that optional charges such as these should not be classified as mandatory under the viability test in section 9.20.

Additional Considerations for the Tourism Industry

The draft guidance would benefit from tourism-specific examples, particularly for online booking platforms. We suggest the inclusion of clarifications on the following points: The stage at which the "invitation to purchase" occurs. Requirements for situations where the headline price cannot be calculated without consumer-provided variables (e.g., visitor levies). Clear definitions of mandatory fees, including concerns about optional extras and damage deposits. Best practices for presenting headline price breakdowns. Examples addressing the "context" and "limitations from the means of communication" (Section 230(8)), especially in relation to booking websites used primarily to generate inquiries for property owners. These additions would provide much-needed clarity for businesses in the self-catering and holiday accommodation sector, ensuring compliance while maintaining transparency for consumers.

Do you have any comments on the Draft Guidance on the 'drip pricing' provisions in the DMCC Act (found in the 'Material pricing information' section of Chapter 9 of the Draft Guidance), including the illustrative examples? In particular, are there any specific pricing practices that have not been included in the 'drip pricing'

illustrative examples which you think it would be helpful to include, and if so, what should such further guidance specifically cover?

Damage Deposits and Drip Pricing Legislation Orion Holidays Ltd supports the principle of ensuring transparency by avoiding ‘drip pricing,’ where mandatory costs are excluded from the headline price offered to customers. However, we have concerns about how the legislation will address a common feature of the furnished holiday let sector: the requirement for damage deposits. For example, a holiday cottage may have a headline price of £1,000, but to safeguard against potential damage, the provider might require a refundable deposit of £200. In most cases, this deposit is returned in full after the stay, with deductions only made in rare instances where damage occurs. This practice is widespread in the short-term rental market due to the high costs associated with property damage and the challenges of recovering expenses after guests have departed. Approaches to Mitigating Damage Risks Furnished holiday let providers typically address the risk of damage in one of three ways:

Optional Damage Waiver: Guests may pay a non-refundable fee as a waiver against damage. This optional fee falls within the scope of the legislation as an additional cost and does not need to be included in the headline price.

Refundable Damage Deposit: A mandatory deposit is paid upfront when booking and refunded in full if no damage occurs. This involves an upfront payment, but in most cases, it is returned to the guest after their stay. This deposit is intended to enforce the contractual agreement that guests are responsible for damage and is not part of the holiday price.

Card Hold Authorization: An amount is held against the guest’s card at check-in but is only charged in the event of damage. This method does not involve an upfront payment but still constitutes a mandatory condition of the booking.

Clarification Needed on Damage Deposits

The current guidance lacks clarity on whether refundable damage deposits—whether paid upfront or held against a card—are considered mandatory fees that must be included in the headline price.

Upfront Damage Deposits: These payments are required to complete the booking but are refunded in full unless damage occurs. While this might suggest they fall under mandatory fees, we believe including them in the headline price could mislead customers by inflating the perceived cost of their booking.

Card Holds: These do not involve an actual payment unless damage occurs, but the requirement to hold an amount on the guest’s card is mandatory. It remains unclear whether this would also fall under the definition of a mandatory fee.

Our Position and Request for Guidance

We strongly believe that refundable damage deposits, whether paid upfront or held against a card, should not be classified as mandatory fees for inclusion in the headline price. Including these amounts could create confusion for customers by suggesting that the total cost of their stay is higher than it is in practice. We propose that the legislation reflect the following principles: Refundable damage deposits should not be included in the headline price, as they are rarely retained and do not constitute part of the holiday price. Clear and transparent information about the damage deposit process should be provided during the booking process to ensure consumers understand the terms. We respectfully request further guidance on these scenarios and recommend that the legislation explicitly exclude refundable damage deposits from the drip pricing requirements to avoid unintended consequences for both businesses and consumers.

Do you have any comments on the Draft Guidance on the banned practice relating to fake consumer reviews (found in Annex B to the Draft Guidance)?

Orion Holidays Ltd supports the initiatives aimed at preventing the use of fake consumer reviews.

Do you have any other comments on topics not covered by the specific questions above? If so, the CMA requests that respondents structure their responses to separate out their views in relation to each of the Draft Guidance's chapters

One of the most significant issues is the proposed requirement for agencies to disclose the full contact details of property owners at the invitation to purchase stage. This requirement raises serious concerns about privacy, security, and the viability of the agency model. Requiring disclosure of owner contact details would:

- Increase the risk of fraud and phishing attacks.
- Undermine the role of agencies as intermediaries who provide essential services such as guest screening and dispute resolution.
- Disrupt the traditional business model of agencies, removing the value add that the agency has added in marketing, and operating the business and potentially allowing a direct booking to be made leading to revenue losses and potential withdrawal of properties from the short-term rental market as a whole.

We urge the CMA to recognise the role of agencies in protecting both owners and consumers and to amend the guidance to allow agencies to continue acting as intermediaries without being forced to disclose owner details. PASC UK supports fair trading practices and consumer protection but urges the CMA to ensure that regulation does not disrupt a well-functioning market. The agency model provides vital security,

guest support, and fraud prevention—protecting both consumers and property owners. The proposed requirement to disclose owner details and redefine pricing structures threatens to erode these protections. Disclosure of contact information We have serious concerns about the requirement, as described in the draft guidance, to disclose the full contact information of any person a trader is acting for. Specifically, in the context of the tourism industry, where this relates to holiday agencies who act on behalf of property owners. s.230 refers to the omission of material information from invitation to purchase. At s.230(2)(d) and (f), the act states that material information includes: (d) the identity of the trader and the identity of any other person on whose behalf the trader is acting [...] (f) in relation to any other person on whose behalf the trader is acting— (i) the person’s business address and business email address (if the person has such addresses), and (ii) if different to the person’s business address, the person’s service address; The CMA guidance confirms at 9.11 and at Annex C: Summary of changes made by the DMCC Act to the CPUTRs, that: The details about the trader that must be provided in an invitation to purchase now include:

- the identity of any other person (not just a trader) the trader is acting for
- the address for service (but not necessarily geographical address) of the trader and any other person the trader is acting for
- the email address (if they have one) of the trader and any other person the trader is acting for.

The draft CMA guidance (at both 7.11 and 9.12) refers to the fact that regard should be had to the context and, in particular, to any limitations of the means of communication used that make it impractical to give the necessary information. However, there are minimal examples of how this applies in practice. Our concerns are as follows: Within the self-catering tourist industry there is a pivotal role for holiday booking agencies, who act on behalf of individual providers to market and promote their properties. These agencies range from the size of Airbnb, Booking.com and VRBO down to operators who market a few tens of properties. 3.14 of the guidance does include ‘agents’ within the broad definition of traders, though there is no explicit definition of this term. And part g of 9.11 explicitly says that where agents act on behalf of another person then that other person’s contact details need to be provided (subject of course to the principles of context and limitations of the means of communication). This means that s.230 of the DMCC Act could require the information of the owner (including the owner’s contact details) to be presented at the invitation to purchase stage on the agency booking website. This leads to the following practical issues:

1. Owners who instruct agencies to market their property do so because they do not wish to have consumer facing engagement. They have specifically appointed the agent to answer queries on their behalf and manage the booking process, has been common practice in the travel industry and is also expected by the consumer.

2. Making contact details of owners accessible, including email addresses, would result in each individual owner's email becoming the target of harvesting bots and result in: a. A large increase in spam for the owners undermining their confidence in the industry which is vital for the UK economy (particularly in rural and coastal communities); and b. The increased risk of scam holidays with malicious actors claiming to be the owners of the properties through spoofed email addresses.

3. If agents are required to disclose the exact address of the property on the public facing website, this would provide criminals with both the exact property address and the days and nights when it is not occupied as the calendar will also be available.

4. Furthermore, if owner details are provided at the invitation to purchase stage, a consumer may contact the owner to make a direct booking. This would damage the integrity of the agent/owner relationship and goes against the owner's wishes to utilise agency services to market their property. The agent will have invested significant sums of money in generating the enquiry yet will not be paid any commission if the guest contacts the owner direct.

These concerns above are not hypothetical. We have direct experience of these practices happening in the past. One of our members, Premier Cottages, is a platform which enables guests to book directly with owners. They trialled providing the owners' contact details on their website as the simplest method of putting both parties in touch. But the owners were inundated with spam mail and, as a result, Premier Cottages had to introduce a contact form to negate this. The use of an agent in booking a holiday, particularly a self-catering cottage, is a well-established commercial practice in the UK. Therefore, it is very clear from the context of the website and process, that the guest is booking a property via an agent. Reviews refer to "the owners/the hosts", the Terms and Conditions are always clear that bookings are taken as agent. Consumers know they can contact the agent with queries, and it has been an established practice that is well understood by consumers and by property owners for decades. There are also significant limitations to displaying the owners' details on each and every booking website their properties are marketed on, as referred to above, namely:

- 1) The online security of the consumer being exposed to scam holidays
- 2) The online security of the owner being exposed to unsolicited spam emails
- 3) The physical security of the property and the owner's belongings
- 4) The commercial injustice of agents investing in generating enquiries to be cut out of the booking process.

And finally, agents will already have processes in place to overcome those limitations by providing information by other means, for example through their owner customer service teams with more widely monitored emails and telephone numbers. We ask that

the guidance is updated to confirm that, in these circumstances, the context of the situation, the limitations of marketing a property on multiple websites and the measures in place to provide information via customer service teams is an example whereby s230(8) would apply and the agent would not be required to provide the contact details of the owner at the invitation to purchase. Requiring agency suppliers to provide full contact information about their property owners at the stage of invitation to purchase is contrary to the interests of agents, owners, and ultimately consumers themselves.
