

CMA Consultation on Draft Guidance on Price Transparency

September 2025

Comments from the BRC



The BRC

The BRC is the lead trade association for UK retail.

Our purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Retail is the 'everywhere economy', a vital part of the socio-economic fabric of the UK.

The industry makes up 5% of UK GDP and is the largest private sector employer, providing 3 million direct jobs and 2.7 million more in the supply chain.

Over 200 major retailers are members of the BRC, with thousands of smaller, independents represented by BRC's trade association members. Together, these businesses operate across all retail channels and categories and deliver over £350 billion of retail sales per year.

We use our expertise to influence government policy so retail businesses thrive and consumers benefit. Our work helps retailers trade legally, safely, ethically, profitably and sustainably.

Recommendations

- Adopt a less prescriptive, more flexible principles-based approach to avoid unnecessary complexity, over-regulation and burdens for businesses while ensuring consumers are provided with the required information to make an informed decision. The CMA should focus on ensuring that businesses are providing clear, transparent, non-misleading information about delivery charges and prices in a consumer-friendly way.
- Allow businesses flexibility: Let businesses present delivery charges clearly, reflecting their existing systems and customer journeys. Transparent, consumer-friendly pricing can take different forms.
- Accept delivery fees are fundamentally different from other charges or taxes, and, where appropriate to preserve transparency and consumer choice, should be capable of being displayed as a separate, clearly identified line item.
- Ensure consumers are at the centre of the guidance. UK consumers understand and accept that delivery charges, when presented clearly and prominently, are additional to product prices. Requiring a single all-inclusive price for both product and delivery if that is indeed the intention obscures costs, reduces clarity, and hinders comparability.
- We would suggest that the CMA looks again at the deliveries section with a view to making sure it is totally clear, including a clear statement of what is being proposed and also whether the requirement is in statute or is an indication of one way of meeting the statutory requirement. As well as being clear for businesses, it is important that it makes things clearer for customers rather than possibly making it more confusing through excessive information.
- If in the end the CMA chooses to continue with the approach in the current draft in spite of the current economic issues in the retail sector, given the costs and time

associated with making the necessary updates to websites, advertising and pricing indications practices, it is important that retailers have the necessary time to make the adjustments. These are not just a matter of flicking a switch. We would like to see a grace period that goes beyond the busy festive period to properly prepare.

Preliminary

The BRC, reflecting the views of its members, is strongly supportive of the CMA's 4Ps approach to its regulatory functions, along with its more informal indication that it is important that Guidance should be clear as to whether it is required or advisory. We agree that this is the best way to support the Government's growth agenda and its stated intention to reduce the regulatory burden wherever possible in the interests of business and consumers.

- In one respect in particular – treatment of delivery charges - we do not believe that the CMA has fully met these criteria on this occasion, in spite of trying to be helpful with some examples. Indeed in some ways it seems in this respect to have opted for the most demanding interpretation of the law and thus the most burdensome and costly and least pro-growth.
- The word 'must' appears in a number of places – it needs to be absolutely clear whether this really is 'must' due to the law or not – and if it does not appear does that mean it is not a 'must' but a 'could'.

This is important also if the CMA plans to enforce against any non-statutory Guidance rather than the Regulations themselves – as is suggested by its recent activity on Fake Reviews where it has issued letters for failing to implement the Guidance.

Delivery Charges

Overall our concerns relate mainly to the proposals on delivery charges – and in particular to the understanding that these need to be added to the headline price. We make several comments on that.

- If that is a misunderstanding of the intention, and oral comments suggest it may be, this needs to be clarified. If not, more practical examples need to be included of how this objective could be achieved as simply as possible without causing more confusion for consumers with the potential for constantly changing prices being shown.

In our view, the consumer should be the central focus of the Guidance. Indeed Members are of the view that overall the aim of the legislation is to protect consumers and ensure they are not misled - particularly where there is real evidence of detriment - rather than to add burdens where the evidence of detriment is relatively slim, there is a good understanding of the approach, and there is a simpler alternative in line with a straightforward interpretation of the legislation that would achieve the same objectives.

The key is to determine whether it is easier or more difficult to know the final price of a product – the aim should be to make it easier rather than have a more complicated picture.

- The question is whether the Guidance leads to a better understanding of what needs to be paid or whether it may lead to a more confusing picture with the potential for a moving total as items are added or taken out.

Essentially we believe the CMA has chosen in the case of variable delivery charges for lower value products a less proportionate and more stringent interpretation of the law than is necessary by relating the caveat relating to where the charge cannot be calculated in advance only to the nature of the product rather than the overall nature of the transaction. In turn this has added to complexity and potentially undermined easy understanding of the price of a product.

What do consumers understand about delivery fees?

- Delivery charges are fundamentally different from hidden or unexpected fees like luggage charges, or seat selection fees, or ticket fees that consumers typically do not anticipate. On the contrary, they are standard, expected, and often avoidable by choosing options such as click & collect or meeting the free delivery threshold.
- Consumers expect to have multiple delivery options and to see these displayed separately from the product price.
- Consumers also understand that delivery is usually charged per order, not per item – especially for lower value products. The delivery charge therefore remains the same (or can disappear entirely if free delivery above a certain threshold is offered) when customers order multiple items. Many customers also use these thresholds to optimise their orders, for example by adding items to reach free delivery, which benefits both them and retailers.
- Including delivery charges in the product price, if that is intended, would create significant problems, forcing constant price changes as customers add or remove items from their basket. Since delivery often relates to the entire order rather than individual items, product prices would need to change in real time, confusing customers and creating technical complications for businesses.
- Any concerns about pricing transparency can be addressed without incorporating delivery into the product price. By showing mandatory delivery charges clearly and prominently alongside the total price, consumers maintain full visibility while preserving a familiar shopping experience.
- Presenting product prices separately, with a single, clear delivery charge per order, better reflects what customers pay and improves transparency. Including delivery charges in the total price is confusing and potentially misleading:
 - For example, in the CMA's figure 7 example, where a £90 total price includes standard delivery, consumers cannot tell the base price of the shoe or the cost of alternative delivery options.

- This makes it harder for customers to accurately compare prices across different retailers or channels, and multi-item purchases become even more confusing.
- Delivery charges are material information that can affect purchasing decisions, and customers may require this detail to make an informed choice. For example, a customer might proceed with a purchase if the delivery charge is £5 but decide against it if the charge is £20, even when the total price is the same. Seeing a clear breakdown allows customers to distinguish between the product price and the delivery cost, assess the value of each, and compare the offer with alternatives. Without this breakdown, they cannot accurately evaluate or compare prices.
- The guidance in paragraph 5.18 does not adequately address per-transaction delivery fees in the context of free or reduced delivery thresholds. Requiring businesses to show the full delivery fee in the total price before the threshold is reached, and then adjust the price reactively, fails to reflect real-world shopping behaviour or technical feasibility.
 - This approach makes prices less transparent, harder to compare, and potentially misleading to UK consumers.

Is the Guidance aligned with the purpose of the legislation?

The legislation was designed to deal primarily with specific issues in drip pricing (which we understand to mean *unforeseen* mandatory charges inherently linked to the primary target of the customer contracts) – particularly tickets. We acknowledge that delivery charges are mentioned specifically as needing to be stated but the proposal in the guidance errs on the side of being excessively stringent, particularly given we are not aware of any evidence that these are a major problem or are not understood by customers.

- We believe that customers are well aware there will be a delivery charge when buying a range of products; that there is no substantial evidence of consumer detriment or lack of understanding in these cases; that the legal requirement is to indicate how the charge will be calculated if it cannot be shown in advance for various stated reasons and this applies to the overall transaction and service and not only the nature of the product (and this has been the understanding ever since the enactment of the UCPD); so that a more proportionate approach would be to indicate how the charge will be applied and calculated rather than a running total that varies as items are added or taken out.

There is also some confusion about whether the interpretations as to what exactly is required in the Guidance are correct.. For example, the hanging baskets proposal is presumably just one way of implementing the requirement to display all costs up front. It has been interpreted as requiring a price to be displayed that includes the delivery charge and that this should change as a customer adds to the basket – but on the recent webinar it was suggested that it is acceptable to show the item price separately as long as the running cost including delivery is also stated.

Whether or not these are correct interpretations is important. The issues are whether these are requirements or suggestions and a clear indication of exactly what is the legal requirement is vital.

Specifically

- i. As a service to consumers, many grocery retailers offer delivery slots which vary in price depending on time or location. Customers are invited to choose a slot either upfront or once they have completed their shopping. It is often impossible to know the cost of delivery at the start of an online order, as we would first need to know which item the customer is procuring; where the available stock is; the customer's location and preferred method and timing of delivery; and considering all those factors, what the delivery charge for that transaction might be. Including a minimum delivery price at the start of an order, with other delivery slots potentially costing more (but technically being an optional charge), risks creating more confusion than the current setup which is well understood and widely used.
- ii. The guidance states that 'mandatory' delivery charges 'should be included in the headline price of an item'. Including delivery charges in the headline price of an item poses a number of challenges for retailers. Moreover, we do not believe that it is helpful to consumers as this will potentially create more confusion rather than less.
- iii. When customers are adding multiple items to a basket, the guidance suggests that the first item would have a delivery charge included in the headline price, and subsequent items would appear with the delivery charge automatically deducted once that first item has been added. Retailers are seriously concerned that such a structure would be difficult to build into websites, and lead to further confusion for customers when trying to establish the price of an item to shop around and secure the best deal. One suggestion in the guidance seems to be that it be added to the first item in a basket so that an 80p can of beans is shown as £4.80 (if the delivery charge is £4) which is then adjusted as other items are added. This hardly seems designed to help a consumer know the price. If a consumer believes the can of beans is going to cost £4.80 rather than the advertised 80p he or she is likely to abandon the purchase.
 - If this is a misunderstanding, (and the webinar seemed to indicate the price of the product could be shown separately with a running total of the cost including delivery) we would ask that further consideration be given to the wording.
- iv. It conflates the cost of two separate features of the customer contract – first the product / service being procured (which is the primary target of the contract) and second, the delivery service (which is a stand-alone service separate to the product, and offers an additional element of convenience for the customer). Conflating the two separate costs risks undermining competition for both the product in question and the separate delivery service, and could create less transparency rather than more – which is contrary to the intention and spirit of the legislation.
- v. The CMA has chosen to interpret the option of stating how they will be calculated if they cannot be stated in advance as applying only to the nature of the product rather

than also owing to the nature of the service. We do not believe this was ever the intention of the legislation going right back to the UCPD.

- vi. A more proportionate approach could be a simple statement of the cost of a product plus a statement that there are delivery charges, and how they will be calculated rather than a complicated process of adding them to the first item and then reducing them as the purchase process continues, as seems to be suggested in one example.
- vii. A less straightforward but still a slightly better approach to that proposed would be not to add the delivery cost and price together but to show the product price as static and have a separate running total of the basket including delivery.
- viii. The approach needs to be consistent across all platforms to avoid consumer confusion – and so a consumer can actually compare prices. This is necessary to ensure that this approach does not undermine robust competition.
- ix. Delivery charges for a supermarket delivery are very different from ticketing fees or indeed delivery charges for a one off purchase. Indeed it was suggested in the webinar that it would not be necessary to add the delivery charge for a single item to the overall cost. For example a £400 item plus £50 delivery would not need to be shown as £450. This seems a bit out of kilter and would indicate the need for a separate approach to showing ticketing fees; single large item delivery charges; and delivery charges for a basket of lowish value products.
- x. It is currently not clear how the new guidance will interact with minimum spends that many retailers have in place for online deliveries. For example, if a grocery retailer has a minimum spend of £40, including a delivery fee in the headline price of the first item would not reflect the total price a customer would end up paying.
- xi. The guidance indicates that retailers will not have to include the delivery price in the headline price of an item if instore purchase or click and collect is an option. This is welcome but retailers would welcome clarity on whether this is always an option for compliance, or if there are limitations on when collection from a store is a feasible option for the customer (for example, if there are no collection locations near a customer or if the item purchased is difficult to move/transport). If there are limitations on presenting click and collect as a reasonable option, then it needs to be made clear what is and is not considered reasonable. In most cases of a supermarket online shop collection is an option. Does this mean that the delivery charges are optional? In some cases, some articles in a basket may be available for click and collect and others not.
- xii. In many cases, users do not necessarily go straight to a retailer's website to shop, but browse using a search engine tool such as Google Shopping. These often feature a wide range of online retailers, some of which may not be interpreting this guidance in the same way or may be making an offer that does not need to state the delivery fee. There is a serious concern that some retailers will be at a disadvantage when competing with others in this format, if a delivery fee has to automatically be included in the headline price of an item on some occasions but not others. The situation here needs to be absolutely clear.

- xiii. There are also sometimes subscription offers with different delivery charges which may or may not be optional . How should these be expressed?

There is also a view that delivery fees relate to a stand-alone service offered by retailers that is entirely separate to the product which the customer procures simultaneously. It is a well-known feature of customer contracts / transactions where the customer also seeks the convenience of having the item purchased home delivered. We are unaware of any evidence / suggestion that customers are confused by the fact or existence of such charges – which we believe is the crux of what the legislation is trying to address (i.e. the addition of unforeseen, unreasonable mandatory charges being applied in customer transactions).

Floating baskets

Linked with delivery charges, is concern over the example shown in section 5.7 of the guidance (Figure 4) outlining the suggested use of a floating basket so that the total price a customer pays (including a baseline delivery fee) is always visible. While this is an example of how a variable delivery charge could be shown, it is important that such examples are practical and proportionate especially when considerable store is placed on them by the CMA as demonstrating that its Guidance can be implemented. In an area as important to the CMA as this where businesses are having difficulty in seeing how to implement the Guidance, there should be arrange of practical, useful examples.

Problems include:

- Disproportionate development complexity/cost - the proposed changes would require substantial changes to the current configuration of websites which will take time and will be expensive.
- The floating basket still does not contain precise, final information to the customer – it is only variable information that will be finalised as the item of checkout. This is not a material improvement vs the current position, where customers are advised of the fact of delivery charges and then can see the final fee payable at checkout and before payment.
- The user experience will likely be negatively impacted by a further popup - particularly on mobiles, where the floating basket will likely take up a significant portion of the screen.
- There is an 'accessibility' issue.
- It is too crowded, especially for a mobile
- The development costs for such an approach or anything similar would be high at a time retail is under some pressure. Smaller retailers will find it hard to compete.

Advertising/invitation to purchase

- Greater clarity is needed on where delivery fees need to be included in early stage advertising and how they should be displayed in static advertising such as in a bus shelter where they vary. There needs to be full alignment between static and online advertising.
- We understand that in early stage advertising, if a delivery option is not specifically mentioned there is no need to include the delivery fee. However, to avoid consumer confusion it is desirable to show the same prices across all platforms and not have a situation where a consumer believes the price is x only to find it is xy.
- The Draft Guidance does not address situations where advertising features more than one product (for example, a matching kettle and toaster, or multiple grocery items). In such cases, adding a per-transaction delivery fee to the price of each item would significantly and inaccurately inflate the individual prices. For instance, if a newspaper advert lists various grocery items subject to a £7 online delivery charge, it would be misleading to add that full delivery cost to the price of each item (e.g. a pint of milk, a loaf of bread, or a bunch of bananas), when the charge applies to the order as a whole.
- Section 5.6 of the Draft Guidance already accepts that, on websites where consumers can buy multiple products in one transaction, it is illogical to include per-transaction delivery charges in the headline price of each item. The same reasoning should apply to early-stage advertising. Otherwise, traders would have to use different pricing approaches for advertising and for their websites. This inconsistency would confuse consumers who might see one price in advertising and another (plus delivery charges) on the website and create unnecessary compliance costs for businesses.
- There are many companies (food to go was given as an example) with franchisors and franchisees, with one responsible for advertising and the other for selling. Where responsibilities diverge and prices are not necessarily consistent across a business, further confusion is built in with delivery charges, minimum spend etc. This is a point that the guidance in its current form has not acknowledged.
- In practice, having to display an increased amount of information on radio/TV ads will likely come with a substantial cost if longer advertising slots have to be purchased. Presumably if there is no mention of delivery, then the delivery charge does not need to be included, even if reference is made to the price / its availability online?
- Some international businesses have one standard template. To have to change it for one country would be very costly both initially and ongoing.
- Sometimes a parent product listed but there are various prices for different colours with a price range – how should this be handled?

- There seems to be a price establishment issue that is not considered. When advertising a promotion – eg a reduction from 80p to 60p – the consumer may then find the cost is £4.60. Is the price from which there is a claimed reduction to be the £4.80 or 80p?
- There remains confusion on what constitutes an 'invitation to purchase' and how delivery charges should be displayed in varied advertising contexts. Radio, TV, social media, and situations where multiple items are being displayed (e.g. in a catalogue) were all raised as examples. Our current understanding is that if a product is advertised which can be bought in-store or online or no product price is referenced, a delivery charge would not need to be included in the headline price – unless an online purchase requiring delivery was explicitly mentioned within the advertisement. The CMA needs to confirm this is the case.
- We assume that it will not be a breach to show partitioned pricing in invitations to purchase (as at that stage, a retailer would not know the final charges / items the customer will purchase). Similarly, it would not be a breach of the position on partitioned pricing to show individual cost components in a customer's basket, provided a total amount is also displayed.

Clarity on voluntary vs mandatory charges

- i. Concerns on delivery charges hint at a wider point on what is considered a voluntary or a mandatory charge. The upcoming Deposit Return Scheme is another case where this is potentially unclear. Whilst it will be mandatory to pay the deposit, there is concern that including the deposit in the headline price would cause greater confusion than clearly separating out the refundable deposit cost. This concern is exacerbated by the comparison with car hire where the CMA says the deposit does not need to be included even though compulsory while in the case of a bottle of juice it would need to be included. Above all there needs to be consistent guidance from DBT on the PMO, DEFRA on the DRS and CMA on DMCC Act; and Treasury on VAT rules.
- ii. There is also little or no reference to specific pricing practices or deals retailers offer, such as contracts or subscriptions. Examples of contracts given in the guidance (e.g. for a gym) do not reflect other types such as phone contracts, which often have different pricing structures - for example, there is not often additional costs in the first months, but perhaps an increase in cost after the first year.
- iii. Presumably any membership fee to get a lower price is an optional charge as the product is still available without membership.