Good afternoon,

<u>Price Transparency Provisions of the DMCC Act – Consultation</u>

Please see below response submitted on behalf of online marketplace Fruugo.com Ltd.

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 Do you have any comments on the structure or clarity of the Draft Guidance?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

- The structure is clear and logical and the examples provided are a helpful reference. However, more examples relating to online marketplaces would be welcome given the criticality of these issues to the marketplace industry. The examples are weighted towards the provision of services rather than the sale of goods.
- We do consider further exploration of scenarios relating to variable shipping prices to be necessary. We consider that this area demands further attention from all stakeholders.

<u>Q2. Do you have any comments about what an invitation to purchase is (Chapter 2)?</u>

- We consider this to be clear.

<u>Q3. Do you have any comments about what needs to be included in an invitation to purchase (Chapter 3)? Is the guidance on when the presentation of prices might be misleading clear? Are there topics covered in this section that would benefit from further guidance?</u>

- Shipping costs can be complex and variable. We would encourage further discussion and consultation on how best to achieve price transparency in this area.
- The requirement to present delivery charge information in the headline price will raise significant operational challenges and issues for many businesses. Many businesses will need to make significant changes to their website build and systems and processes in order to ensure prices dynamically change in real time as consumers add or remove items from their basket. This will be a significant undertaking and engineering investment for many businesses and delivering such a change will also take time which needs to be factored into future enforcement etc.
- We would welcome a further ‘deep dive’ into this area (shipping prices) with representations made from industries, such as online marketplaces, in order to assess the most practicable and reasonable ways in which the industry could meet the objectives of the legislation.

<u>Q4. Do you have any comments about the core principles for what the ‘total price’ must include and what businesses need to do if it is not reasonably possible to calculate it</u>

(Chapter 4)? Are there topics covered in this section that would benefit from further guidance?

- As referenced above, we believe that greater exploration of options with respect to shipping pricing transparency is necessary in order for solutions to be practicable for the online marketplace industry,
- The examples used throughout primarily apply to the provision of services (e.g. holiday packages, hotel offers) – it would be beneficial to include some more examples for the online sale of products from marketplaces to illustrate how these principles are to be applied.

Q5. Do you have any comments about the guidance on specific types of charges and pricing (Chapter 5)? In particular:

Is the guidance on how businesses should present 'per-transaction charges' such as administration or booking fees in early-stage advertising and on traders' websites respectively clear? Is it clear when delivery fees will be mandatory? Are there additional means of providing this information to consumers that businesses may be able to use to comply with the UCP provisions, particularly in the context of how the prices are presented on a trader's website/app, that the CMA should consider providing guidance on?

- We consider that shipping pricing requires an additional 'deep dive' and exploration of options to factor in the complexity of variable calculations.

Is the guidance on how businesses should present 'delivery fees' in early-stage advertising and on traders' websites/apps respectively clear? Is it clear when delivery fees will be mandatory? As above, are there other ways of providing this information to consumers that the CMA should consider providing guidance on?

- It is clear when delivery charges are mandatory, (i.e. where the customer cannot purchase the product without paying the charge), however, the above query remains where delivery charges cannot be determined until later in the consumer journey/ process.
- We consider the guidance surrounding advertisements and delivery charges to require further review and attention.

Is the guidance on how businesses should present 'local charges and taxes' in early-stage advertising and on traders' websites/apps respectively clear? This guidance reflects the guidance that the CMA has previously provided in relation to car rental and online hotel booking, is it helpful for businesses to have this consolidated in the Draft Guidance?

- This guidance is clear – these are mandatory charges and should be displayed as such.
- The previous guidance relating to car rental and online hotel booking is not relevant to our business.

Is the guidance on how businesses should present 'monthly pricing' clear?

- This guidance is clear.

Are there other types of charges or pricing that the CMA should consider providing specific guidance on?

- RRP management varies significantly across the industries. It would be good to explore this area further.

Q6. Do you have any comments on the illustrative examples provided in the Draft Guidance? Are there any areas where you think additional examples could usefully be reflected in the Draft Guidance?

- As referenced above, more examples as to how these principles apply to the sale of goods online would be welcome. Most of the examples throughout the guidance apply to the sale of services.

Q7. Do you have any other comments on topics not covered by the specific questions above?

- As referenced above, RRP management, (particularly of RRPs provided by third-party merchants) would benefit from further exploration and guidance.

Kind regards