

ISPA response to CMA209: Draft guidance on price transparency under the DMCC Act 2024

1. About ISPA

2. ISPA is the trade association for ISPs in the UK. We represent approximately 200 organisations that are building the telecommunications infrastructure and delivering internet services that are powering the UK's economy and society. Our members have invested more than £40bn to upgrade the UK to full fibre gigabit broadband, with nearly 70% of households now able to access full fibre broadband and over 80% of residential premises able to receive gigabit speeds.
3. The government is on a growth mission and our members are vital to achieving that; digital connectivity forms the backbone of all the highlighted growth areas in the government's Industry Strategy, from digital technologies to professional and business services. The Regulatory Action Plan has further emphasised the importance of balancing consumer protection with growth, with objectives to simplify regulatory structures, reduce duplication and challenge excessive risk aversion.
4. Furthermore, our industry's sectoral regulator, Ofcom, already oversees a significant volume of regulations and guidance surrounding advertising, with the most recent changes on the advertising of prices mid-contract and the requirement to provide contract summaries. In short, we feel that there is an existing body of regulations and guidance in this area and would urge the CMA to adopt a balanced, simplified approach.
5. We have previously responded to CMA207 on the draft Unfair Commercial Practices guidance.

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

And

Do you have any comments on the illustrative examples provided in the Draft Guidance? Are there any areas where you think additional examples could usefully be reflected in the Draft Guidance?

7. ISPA is pleased to see that the CMA has reflected our earlier submissions by recognising that, for periodic services, the "total price" can be met by the per-period amount. We welcome the degree of flexibility here that traders may either show the total monthly price, or the cumulative price. This aligns with how consumers shop for communications services: they choose among monthly offers with different term

lengths, introductory rates and options and is coherent with existing requirements as set out by Ofcom. It is also good to see the CMA demonstrate an understanding of digital journeys, and the display of real-world use cases.

8. However, we have significant concerns regarding section 5.33 and how it relates to our sector, which sets out that additional one-off fees for periodic contracts should result in a total cumulative price or a total monthly price for the first month that includes those fees.
9. Ultimately, we understand that the intention of the draft guidance is to ensure clarity in price changes for consumers. However, we believe section 5.33 does not meet this objective. The proposal to present a higher “first month” total, which obscures the core monthly price, invites confusion by creating a non-intuitive spike in the first month that consumers may misinterpret as an ongoing payment level.
10. Above all, we do not believe that there is any evidence that the current presentation to consumers is misleading, or that rolling the one-off fee into an inflated “month one” figure provides incremental consumer benefit. We believe consumers have strong clarity with the status quo in that broadband incurs a monthly cost, and in the event that physical equipment must be installed, this requires a fee. We would be keen to understand if the CMA has internal insights indicating that there is evidence of consumer harm with the current display of installation fees in relation to periodic contracts.
11. As we put forward in our prior response, x to the presentation of pricing information. The CMA’s own strategic steer stresses parallel and non-duplicative intervention, but with this approach, we are concerned that this reflects a lack of regulatory alignment and duplication. Ofcom has only recently introduced requirements for clear, pounds-and-pence (rather than percentage) displays of in-contract pricing. Furthermore, our members have already invested significantly to meet Ofcom’s recent requirements to present in-contract price rises clearly, and this would be another significant change and obligation before the industry has had the chance to assess the impact of these obligations on customer understanding of price.
12. This provides a disproportionate compliance burden without clear benefit or evidence to justify it. Again, though we acknowledge that the CMA has demonstrated an understanding of customer journeys, we must stress that re-engineering digital architecture including online pricing, marketing, and more to combine one-off charges into “month one” would be a sweeping and costly change. This will be further compounded for providers operating multiple brands and channels. This appears at odds with the government’s Regulatory Action Plan objective to reduce administrative costs for business by 25%, particularly in the absence of demonstrable consumer harm.
13. Where one-off fees are presented adjacent to and with equal prominence to the monthly price, this should be deemed satisfactory. We believe such presentation is beyond satisfactory, and instead provides better clarity than the approach 5.33 sets

out. Where issues exist, for example a potentially insufficient prominence of one-off charges, a targeted remedy to require sufficient prominence for those one-off charges would be proportionate and better aligned than mandating either an inflated first-month figure or a cumulative price. We recommend having a broadband-specific example within the guidance that reflects this.

14. Our next concern relates to Section 5.34, which states that where a trader sells a good (for example, a sofa) but allows monthly instalments, advertising “must include the total price for the sofa (rather than the monthly price payable under the contract), as the product being sold is the sofa rather than a monthly service.”

15. We recommend refining this section to ensure coherence with FCA requirements governing financial promotions and consumer credit disclosures. Where traders legitimately offer credit, the FCA already prescribes how instalments, total amount payable, and representative examples must be presented.

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

17. Finally, we would appreciate clarity on implementation timelines once the guidance has been finalised. As mentioned, members will need sufficient time to update systems, customer journeys and third-party integrations (such as marketing platforms and comparison sites).

18. CMA207 originally set out that the guidance would come into force by April 1st 2025, and this would not have provided members enough time given the sweeping changes required. We ask the CMA to confirm the planned date for final guidance and the effective date by which firms are expected to comply, and to strongly consider a reasonable lead-in time.

19. We also again emphasise the need for regulatory alignment and encourage coordinating timing with other regulators to avoid conflicting obligations.

20. We still maintain that the proposed significant negative impacts on consumers’ ability to engage with the market and significantly increase regulatory costs for businesses.