Sky’s response to the Competition and Markets Authority’s consultation on draft guidance for businesses on the price transparency provisions in the Digital Markets, Competition and Consumers (DMCC) Act 2024.

About Sky

Sky is the UK’s leading entertainment and telecoms business, employing over 20,000 people across the country and contributing £20 billion annually to the UK economy.

Sky recognises the critical role that effective regulation plays in supporting consumer protection and therefore appreciates the opportunity to respond to the CMA’s consultation on draft guidance for businesses on the price transparency provisions of the Digital Markets, Competition and Consumers (DMCC) Act 2024.

Summary

As we set out in our response to the original consultation, Sky supports the CMA’s efforts to improve price transparency for consumers. In particular, we support the principle of consumers having access to relevant data to make informed decisions at the appropriate point in the purchase journey, and we are committed to this approach as a business. We consider the new draft guidance to be a positive step forward from the guidance consulted on in December 2024, and we are grateful that the CMA has taken on board feedback from Sky and others about the requirements to present the ‘total price’.

However, we still have some concerns about aspects of the draft guidance, specifically how it aggregates one-off fees into the first month of the contract. We would also reiterate a point that we made in response to the original consultation that businesses will require an adequate implementation period once the guidance is finalised.

Promoting regulatory clarity and consistency

We welcome the CMA’s decision to amend the guidance regarding the requirement to present the total price. However, we remain concerned about Paragraph 5.34, which states that when a trader sells a product – such as a sofa – on a monthly instalment basis, the advertisement must display the total price of the product rather than the monthly payment amount. This is because the item sold is the sofa itself, not a recurring service.

Sky already complies with FCA rules on financial promotions and consumer credit disclosures. Where traders legitimately offer credit, the FCA provides clear requirements on how instalments, the total amount payable, and representative examples should be presented. However, the draft guidance appears to require significantly greater prominence of the total price beyond the FCA's current standards.

We recommend that the CMA refine this point to avoid duplicating existing FCA rules and instead allow those to take precedence. This would prevent unnecessary confusion for traders and promote greater regulatory clarity and consistency.

Aggregating one-off fees into the first month's price is overly prescriptive and misaligned with Ofcom's transparency goals

We are concerned that Section 5.33 of the draft guidance appears to prohibit the separate presentation of one-off fees – very common in the communications sector, such as installation costs or the cost of hardware devices.

The guidance states: "*Some periodic contracts may include an additional one-off fee (e.g., an administration, setup or installation fee) that is payable at the start of the contract. In these cases, the trader must provide either a total cumulative price or a total monthly price for the first month that includes those fees*".

The guidance appears to require traders to include one-off costs within the first month of the contract, even though these costs are, by definition, not representative of the recurring monthly cost of the contract. We question whether this is helpful to consumers, as the aggregate amount in the first month will not reflect their ongoing commitment and will have the effect of artificially inflating that amount.

While we agree that unavoidable upfront costs, such as installation, should be clearly stated and communicated, we are unaware of any evidence that the current presentation of these costs is misleading for consumers. On the contrary, we consider that a clear separation between the one-off fees and the monthly price is more meaningful for consumers and better facilitates an informed purchasing decision, taking account of any budgeting constraints.

An obligation to aggregate one-off costs with the first month of the contract would introduce additional operational complexity across Sky's sales and marketing businesses without delivering a clear consumer benefit. We therefore recommend that the CMA continue to permit both approaches to presenting one-off initial charges, whether aggregated into the first month's price or presented separately. This would better reflect consumer expectations, industry practice, and be coherent with the direction of travel that Ofcom, the expert industry regulator, is taking regarding contractual transparency.

The CMA should provide clarity on the implementation timeline once the guidance is finalised

The original consultation initially proposed an effective date of April 1st, 2025, which did not allow sufficient time for implementation, but the current consultation does not refer to an implementation period. We ask that the CMA use the finalisation of the guidance to confirm a new implementation date for these areas, noting that businesses will need a reasonable amount of time to conclude any necessary changes to marketing, back-end systems and contact centre training that may be required to ensure compliance with the new guidance. Assuming a swift resolution of these issues, we recommend that the CMA allow an implementation period of nine months from the final guidance being published.