

Competition and Market Authority – price transparency consultation

Consultation

Introduction

Ukactive is the membership body for the physical activity sector, particularly gyms, pools and leisure centres across the public and private sectors. Our sector is the driving force behind physical activity in this country, with 11.5 million members and an income of over £5.3 billion. During 2022-2023 sport and physical activity generated £107.2bn in social value, which was largely comprised of £96.7bn in primary value, or improved wellbeing, included £2,500 per 'active' adult and £4,100 per active young person. When it comes to secondary value, health savings amounted £10.5bn, which covers £1.3bn in reduced GP visits and mental health service usage, and £9.3bn in the prevention of disease and chronic health conditions.

As a result of these savings, the physical activity sector is one of Britain's most important, and as such giving it the conditions to thrive is critical for the health of the nation.

While the sector broadly agrees with the principle of both the DMCC Act and price transparency in providing consumers with additional protections from unethical business practices, there are areas of interest within the proposed guidance where additional clarity is required.

Joining fees

As per the guidance, facilities will have to clearly communicate joining fees as part of advertising their prices. It is already standard practice across the industry to communicate the existence of a joining fee both in external advertisements and when onboarding new customers.

However, the guidance does not currently specify how prominently this information needs to be displayed and in what circumstances (e.g. does this need to include the cost of the joining fee prominently on advertisements, or just that a joining fee will be included?)

There will also be occasions, such as during offer periods or in the event of longer contracts, where joining fees will not be charged to a consumer. This may mean different charges depending on which option the consumer chooses – would these permutations also need to be prominently displayed?

Pricing differential

A number of our members operate in different locales across the country and as such have differing pricing structures based on location. At present, Advertising Standards

Agency (ASA) rules specify a price must be applicable across 20% of facilities in order to allow it to be advertised as a base price. Is this threshold considered the same within the guidance, or is a different threshold considered to cover what a customer can “reasonably” expect to pay?

How far does the guidance intersect with current ASA rules more broadly?

Pro-rata fees

Some of our members will offer pro-rata fees, for instance where a cancellation is requested within a month? How far is the use of pro-rata fees to be included within the initial advertisement of prices given to customers, especially where it is not the predominant means of charging.

Non-display of prices

While the guidance is focused on price transparency, there have been questions within our membership on where it might be possible to remove display of prices until the relevant information has been collected on the customer. For example, insurance companies would withhold display of a price until finding the answers to certain criteria the customer meets / choices they make for the service they require.

In this instance, would it be permissible within the guidance to only display a final price based on the services the customer chooses, rather than an initial estimated price?