Dear Sir/Madam

Q1

The structure and clarity are good.

Q2

No comments

Q3

The guidance misses an important opportunity to provide clarity on the interaction between price transparency requirements and the additional charges regulations (The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013). There should be clarity that, where a charge is not mandatory, it **must not** be added to the bill without the consumer's express consent.

The sector where this practice is worst, and getting worse, is the catering (restaurants etc.) sector, where a 'discretionary' surcharge is increasingly being added to menu prices when a bill is presented. Although this is technically optional, by adding it to the bill without consent, restaurants rely on customers feeling unable to ask for the charge to be removed, due to the pressure of the social situation (both in respect of their interaction with the server and with the other guests at their table).

It would be helpful, in the flowchart on page 12, under 'However, traders must ensure that the omission of the charge is not misleading' also to state 'and they must ensure that the charge is not made unless the customer expressly ask for it to be made'. It would then be helpful to have relevant examples in the sector-specific guidance in section 5. This could deal with how to manage, for example, a 'mandatory cover charge' (per diner or per table), as well as mandatory or optional 'service charges'. It should leave no doubt that an optional service charge should not be added to the bill unless and until the consumer is asked whether they wish to pay extra for essentially the same product and service. It might be helpful to say that, if a service charge is added to the bill automatically, then this has to be treated as a mandatory charge (because it would be illegal to add a discretionary charge without express consent), and that it should therefore be reflected in the headline price on the menu.

Q4

At 4.3, this could reinforce that genuinely optional charges, whether for additional services (e.g. express delivery) or for nothing at all (a 'service charge' in a restaurant) do not need to be included in the headline price but then cannot be included in the bill without active and specific (express) agreement by the customer. It can never be the default option.

Q5a

I agree that the headline price should include all per-transaction charges for the minimum purchase quantity. If this is what is required by law, and if the guidance makes this clear, then there is little or no reason to partition the prices at all. Instead, traders would be free to offer a bulk/multi-buy discount. In the event ticket example, they could say 'tickets £22.50 each, 2 for £42.50', for example. Or they could just have a single inclusive ticket price.

Part of the misuse of price partitioning in the ticketing sector derives from the nonsense of a 'face value' of a ticket, which is unfortunately embedded in legislation and should be removed. The retail price of an event ticket should be inclusive of the cost of making the booking, so only one price should be declared.

Q5b

The guidance to include the basic delivery fee in the basket total before anything is added to the basket is good, and the fee should also be clear at the point of clicking to add an item.

Q5c

No comments

Q5d

It is clear, but the guidance should be stronger in respect of contracts which have a fixed term and a monthly payment obligation, but where the cost is not evenly distributed for the duration of the contract. Broadband contracts are particularly problematic in this regard, as they rely on in-contract price rises to be able to quote an attractive initial headline rate. These price rises are typically very high, despite Ofcom's largely ineffective efforts to address them (replacing annual CPI+3%, on a £30/mth contract, with an annual rise of £3/mth is worse for the customer except where inflation is very high).

The guidance should work on the principle that quoting the initial monthly rate as the headline price is likely to be misleading, if in fact there are either price rises or fixed costs involved too. On that basis, traders should quote the cumulative total and, as the headline price, the **average** monthly price for the whole fixed term (or, in the broadband case where the price rise comes at a fixed time each year, but the advert covers a range of potential start dates, the **maximum average** monthly cost for the whole fixed term). The **initial** monthly price should not have the same prominence as it is not the one on which a fair comparison can be based.

Similar issues abound in the mortgage market, with the use of large up-front fees to make the headline interest rate look better. On a £200k mortgage fixed for 2 years, a fee of £1000 adds somewhere around 0.25 percentage points to the overall cost for the duration of the fixed term, and this is a highly significant difference in that market.

Q6

Auctioneers

Auctioneers have in recent years adopted aggressive price partitioning. Even though they act on behalf of the seller, they charge high fees to bidders/buyers on top of the hammer price. It is no longer the case that the price you bid is the price you pay. That has the effect of the headline price appearing relatively low, and guide prices being quoted on that basis. An example [redacted] shows an estimate of £400-500 for an item, but the price is actually more than 30% higher.

[redacted]

This practice should be called out as illegal, and guide/estimate prices, i.e. the headline price in the advert/listing, should be given inclusive of fees.

Car parking

Increasingly, car parking apps are charging 'convenience' fees on top of the advertised price, even where the app is the primary means of payment. Or advertisers channel consumers to an app which makes the additional charge even if there is a (less obvious) alternative app which charges the actual advertised price.

It should always be possible to pay for parking at the advertised price, not just by cash in a meter (which is a more unusual method of payment these days) but via an app. Of course apps can offer additional services (e.g. a reminder text) for an additional fee, but not mandatory service charges.

The same problem appears to exist with online parking booking sites, e.g. [redacted], where an additional, mandatory fee is added on top of the headline price. Parking would therefore provide a useful sector for some examples.

Takeaway food collection

There is a trend towards takeaway food suppliers using apps or third-party websites to manage online orders for collection. These often add compulsory charges on top of menu prices, rather than including the cost of the service in the menu prices. Consumers should not be facing an additional charge for what is a core part of what is being ordered, i.e. the ability to place an order (rather than, say, delivery which is an additional service).

Q7

No further comments

Thank you.