

Final Infringement Notice

Chapter 4, Part 3, Digital Markets, Competition and Consumers Act 2024

Automobile Association Developments Limited
Case No: 51667

15 April 2026

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Confidential information in the original version of this Final Infringement Notice has been redacted from the published version on the public register. Redacted confidential information in the text of the published version is denoted by [X].

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1. INTRODUCTION

- 1.1 This Final Infringement Notice (**FIN**) is given to Automobile Association Developments Limited,¹ trading as AA (www.theaa.com) and BSM (www.bsm.co.uk) (**Respondent**).
- 1.2 The CMA began an investigation into the Respondent and its practices under section 180 of the Digital Markets, Competition and Consumers Act 2024 (**DMCC Act**) on 17 November 2025.² The CMA gave the Respondent a Provisional Infringement Notice (**PIN**) under section 181 of the DMCC Act on 6 March 2026 and the Respondent provided representations on 13 March 2026.³
- 1.3 On 1 April 2026 the Respondent agreed to settle the CMA's investigation and comply with the conditions of settlement as specified in the Letter of Acceptance of conditions that apply to settlement and offer to settle provided by the Respondent to the CMA on 1 April 2026 (**Conditions of Settlement**).⁴ As part of the Conditions of Settlement, the Respondent:
- (a) admitted the facts set out in the PIN and made a clear and unequivocal admission that it had engaged in conduct which constitutes a relevant infringement for the purposes of section 148 of the DMCC Act in the terms set out in the PIN given to the Respondent on 6 March 2026;⁵
 - (b) agreed to an expedited procedure for the remainder of the CMA's investigation;
 - (c) confirmed that it had ceased the relevant infringement and committed to comply with the directions in the FIN including the requirement to comply with enhanced consumer measures (**ECMs**) requiring redress to be paid to affected consumers;
 - (d) agreed to comply with the other requirements of the FIN including accepting that a maximum financial penalty would be imposed and that it would pay the penalty imposed; and

¹ A private limited company registered in England with company number 1878835. Its registered office is Level 3, Plant, Basing View, Basingstoke, Hampshire, England, RG21 4HG.

² [Automobile Association Developments Limited: consumer protection enforcement case - GOV.UK](#).

³ The time for the Respondent to make representations in accordance with the PIN has expired.

⁴ BLJ-000001022.

⁵ Subject to limited amendments agreed between the CMA and the Respondent, which are now reflected in this FIN.

- (e) agreed not to appeal or otherwise challenge any matter in the FIN.
- 1.4 By giving this FIN the CMA gives notice to the Respondent, pursuant to section 182 of the DMCC Act, that having considered the Respondent's representations on the PIN and its admissions as part of the settlement process, the CMA is satisfied that, between 6 April 2025 and 15 December 2025 (the **Relevant Period**),⁶ the Respondent engaged in commercial practices constituting relevant infringements as defined in section 148 of the DMCC Act, namely infringements of:
- section 225(1) of the DMCC Act, in particular the omission of material information from an invitation to purchase as defined in section 230 of the DMCC Act, which is an unfair commercial practice by virtue of section 225(4)(b) of the DMCC Act.
- 1.5 Pursuant to section 182(7) of the DMCC Act, this FIN sets out:
- (a) the grounds on which it is given;
 - (b) that a penalty is imposed by the FIN under section 182(4)(b) of the DMCC Act, and provides the Respondent with the monetary penalty information required under section 203 of the DMCC Act;
 - (c) that the Respondent has a right under section 202 of the DMCC Act to appeal against the FIN and the main details of that right; however, as set out at paragraph 1.3 above, the Respondent has agreed as part of the Conditions of Settlement not to exercise its right to appeal or otherwise challenge any matter set out in the FIN.
- 1.6 Further to paragraph 1.5(b) above, following consideration of all relevant circumstances and having regard to the CMA's Direct Consumer Enforcement Guidance: CMA200 dated 14 March 2025 (**CMA200**),⁷ the CMA gives notice to the Respondent that it is satisfied that the Respondent has engaged in commercial practices constituting relevant infringements for the purposes of section 148 of the DMCC Act and imposes on the Respondent a requirement to pay a monetary penalty of **£4,200,000**. For further details on this penalty and how the CMA has calculated this penalty see paragraphs 4.1 to 4.50 below.

⁶ The CMA notes that, between 17 November 2025 and 15 December 2025, the precise nature of the infringement varied. For further information, please see paragraphs 2.6 and 2.32 to 2.35 below.

⁷ [Direct consumer enforcement guidance: CMA200](#).

- 1.7 In addition, the CMA gives notice to the Respondent that it is imposing directions on the Respondent for the purposes of securing that the respondent complies with section 181(5) of the DMCC Act,⁸ including directions requiring the Respondent to take ECMs in accordance with section 183.⁹ Specifically, the directions require the Respondent to offer redress to consumers affected by the relevant infringements.¹⁰
- 1.8 For further details on these directions see paragraphs 3.1 to 3.5 below.
- 1.9 Further details of the Respondent's rights to appeal are set out in paragraphs 6.3 to 6.4 below. However, as set out at paragraph 1.3 above, the Respondent has agreed as part of the Conditions of Settlement not to exercise its right to appeal or otherwise challenge any matter set out in the FIN.
- 1.10 This is the first time that the CMA has investigated the Respondent in respect of the acts or omissions in relation for which the FIN is given.¹¹

Other members of the group

- 1.11 This FIN is also given to other members of the Respondent's group of interconnected bodies corporate¹² in accordance with section 200 of the DMCC Act and Rule 9 of the CMA's Direct consumer enforcement rules (CMA201) dated 4 April 2025 (the **CMA Consumer Enforcement Rules**)¹³ for the purpose of notifying them of the FIN and that:

⁸ Directions are such measures as the CMA considers appropriate for, or in connection with, the purpose of ensuring that the party does not engage in, continue or repeat the infringing practice, or does not consent to, or connive in the infringing practice either itself or by a body corporate with which the party has a special relationship. Section 182(4)(a) of the DMCC Act.

⁹ Section 182(4)(a) of the DMCC Act.

¹⁰ Section 221(2) of the DMCC Act.

¹¹ Section 182(3) of the DMCC Act requires that in deciding whether to give a final infringement notice the CMA must have regard to whether the respondent has previously given an undertaking under this Chapter or Chapter 3 in respect of the acts or omissions in relation to which a final infringement notice would be given. The Respondent has not previously given any undertakings in respect of the acts or omissions in relation for which the FIN is given.

¹² As defined in section 200 of the DMCC Act other than those entities listed as excluded entities in paragraph 5.3 below.

¹³ See the Schedule to The Digital Markets, Competition and Consumers Act 2024 (CMA Consumer Enforcement Rules) Regulations 2025, also referred to in CMA201 as the CMA's Rules on the direct consumer enforcement regime set out in the Digital Markets, Competition and Consumers Act 2024.

- (a) the CMA is satisfied that those bodies corporate are interconnected in relation to the Respondent;¹⁴ and
- (b) the requirements the CMA imposes on the Respondent in this FIN are also binding upon them (in addition to the Respondent), as if each of them were the Respondent.¹⁵

1.12 For further details about the CMA's requirements in this regard, see section 5 below.

¹⁴ Section 200(1) and (2) of the DMCC Act. The CMA finds the interconnection condition (as set out in section 200(2) of the DMCC Act) applies, subject to the excluded entities listed in paragraph 5.3 below.

¹⁵ Section 200(3) of the DMCC Act.

2. GROUNDS ON WHICH THIS NOTICE IS GIVEN

- 2.1 The CMA may give a FIN where it is satisfied that a respondent has engaged, is engaging or is likely to engage in a commercial practice constituting a relevant infringement.¹⁶
- 2.2 This section sets out the grounds on which this FIN is given, in particular why the CMA is satisfied that the Respondent has engaged in commercial practices constituting relevant infringements. In reaching this conclusion the CMA has taken account of the evidence gathered by the CMA during its investigation and the admissions made by the Respondent as part of the settlement process:
- (a) that it has engaged in the conduct detailed at paragraphs 2.3 to 2.9 below; and
 - (b) that the conduct constitutes a relevant infringement for the purposes of section 148 of the DMCC Act for the reasons set out at paragraphs 2.10 to 2.42 below.

The conduct

- 2.3 During the Relevant Period, a consumer could book driving lessons on www.theaa.com and www.bsm.co.uk (the **AA and BSM websites**). For new customers, driving lessons could be booked in packages offered in blocks of two, six or ten hours. Only one lesson package could be selected or booked at a time. Existing customers who had online accounts also had the option of purchasing ‘top-up’ lessons by the hour (from one hour up to 20 hours).
- 2.4 When purchasing a package or a set of ‘top-up’ hours, a consumer was required to pay an additional mandatory booking fee. Throughout the Relevant Period, this mandatory booking fee was not included in the headline price shown to consumers at the start of the purchasing process. The mandatory booking fee was included in the total price to be paid by a consumer at the final payment page of the checkout process.
- 2.5 **Annex A** contains three representative examples of consumer journeys and relevant webpages that show when and how the mandatory booking fee was presented to new and existing customers in the purchase of driving lesson

¹⁶ Section 182 of the DMCC Act.

packages or hours on the AA and BSM websites during the Relevant Period.¹⁷

2.6 As illustrated in Annex A, during the purchase process the consumer was presented with multiple invitations to purchase:

- (a) From 6 April 2025 to 17 November 2025 (**Period 1**) as detailed in Annex A1, new customers were shown three invitations to purchase. The first invitation to purchase was made on the selection of driving lesson package (page 4).¹⁸ This was followed by a second invitation to purchase on the booking summary page (page 7). The third invitation to purchase was on the final payment page (page 8). The mandatory booking fee was omitted from the first two invitations to purchase (on page 4 and page 7). The total price inclusive of the mandatory booking fee was only provided at the third invitation to purchase (the final payment page (page 8)).
- (b) From 18 November 2025 to 4 December 2025 (**Period 2**) as detailed in Annex A2, new customers were also shown three invitations to purchase. The first invitation to purchase was made on the selection of driving lesson package (page 4). This was followed by a second invitation to purchase on the booking summary page (page 7). The third invitation to purchase was on the final payment page (page 8). The mandatory booking fee was given separately from the price of the driving lesson package selected in the first two invitations to purchase (on page 4 and page 7). The mandatory fee was included in the total price in the third invitation to purchase (the final payment page (page 8)).¹⁹
- (c) For existing customers, during the entirety of the Relevant Period, as detailed in Annex A3, there were two invitations to purchase. The first invitation to purchase was made on the selection of 'top-up' hours. This was followed by a second invitation to purchase on the final

¹⁷ Annex A1: Consumer purchasing journey on the AA website from homepage to checkout for a booking driving lesson package, captured by the CMA on 4 September 2025; Annex A2: Consumer purchasing journey on the AA website from homepage to checkout for a booking driving lesson package, captured by the CMA on 1 December 2025; Annex A3: The 'top-up' website page for BSM existing customers for the purchase of additional hours; provided by the Respondent in response to Q4 of Information Notice 1 (BLJ-000000550). The AA and BSM websites follow a similar design, so the examples of consumer journeys and webpage set out in Annex A are representative of those taken by consumers on the AA and BSM websites.

¹⁸ As above, note that references in Annex A1 and Annex A2 indicate that the consumer purchasing journey starts from the homepage of the AA and BSM websites.

¹⁹ From 5 December 2025 to the end of the Relevant Period new customers were also shown three invitations to purchase. The mandatory booking fee was included in a total price for all these invitations to purchase.

payment page. The mandatory booking fee was given separately in the first invitation to purchase but was included in the total price in the second invitation to purchase (the final payment page).

- 2.7 The consumer journeys documented in Annex A represent the typical steps that a consumer would have taken through the AA and BSM websites to purchase driving lesson packages. However, variations on this consumer journey were possible, dependant on the route into the website and what options the consumer selected throughout the journey; for example, an additional page was presented in the consumer journey if the consumer elected to pick a specific instructor. However, this did not change the point at which the total price of the product was provided to the consumer, which remained the final payment page.
- 2.8 In the Respondent's responses to Information Notice 1²⁰ and Information Notice 2,²¹ it provided information about the changes made to the AA and BSM websites during the Relevant Period. These responses confirmed:

For new customers purchasing driving lesson packages

- (a) No material changes were made to the AA and BSM websites between 6 April 2025 and the opening of the CMA's investigation on 17 November 2025.²²
- (b) The consumer journey for new customers on the AA and BSM websites was updated on the 17 November 2025. This change meant the mandatory booking fee was presented in all three invitations to purchase but only included in the total price on the final invitation to purchase (the final payment page).
- (c) The consumer journey for new customers on the AA and BSM websites was updated again on 4 December 2025. This change meant that the mandatory booking fee was included in the total price in all three invitations to purchase shown to the consumer.²³

For existing customers purchasing driving lesson 'top-up' hours

²⁰ Notice requiring information to be provided by the Respondent, issued under schedule 5, part 3, paragraph 14 of the Consumer Rights Act 2015 sent on 17 November 2025 (**Information Notice 1**).

²¹ Notice requiring information to be provided by the Respondent, issued under schedule 5, part 3, paragraph 14 of the Consumer Rights Act 2015 sent on 19 December 2025 (**Information Notice 2**).

²² Response to Q4 of Information Notice 1 (BLJ-000000550).

²³ Response to Q4 of Information Notice 1 (BLJ-000000550).

- (d) No changes were made to the AA and BSM websites between 6 April 2025 and 15 December 2025.²⁴

2.9 The CMA is therefore satisfied that the Respondent engaged in the following conduct:

- (a) From 6 April 2025 to 15 December 2025, the Respondent required new and existing customers to pay mandatory booking fees on the AA and BSM websites.
- (b) During Periods 1 and 2 for new customers, and for existing customers during the entirety of the Relevant Period, invitations to purchase made prior to the final purchase page omitted the total price including the mandatory booking fee that the consumer would have to pay.

Legal assessment

Relevant infringement

2.10 A commercial practice is a relevant infringement²⁵ if it:

- (a) harms the collective interests of consumers;²⁶
- (b) meets the UK connection condition;²⁷ and
- (c) meets the specified prohibition condition.²⁸

Commercial practice

2.11 A relevant infringement must be a 'commercial practice'. This includes an act or omission by a trader relating to the promotion or supply of goods, services or digital content to a consumer.²⁹ A 'consumer' means an individual acting for purposes that are wholly or mainly outside the individual's business, and a 'trader' includes a person acting for purposes relating to their business.³⁰

²⁴ Response to Q4 of Information Notice 1 (BLJ-000000550) and Submission from the Respondent dated 13 March 2026 (BLJ-000000997).

²⁵ Section 148 of the DMCC Act.

²⁶ Section 148(1)(a) and (5) of the DMCC Act.

²⁷ Section 149 of the DMCC Act.

²⁸ Section 150 of the DMCC Act.

²⁹ Section 148(2) of the DMCC Act.

³⁰ Section 148(2) of the DMCC Act.

- 2.12 Each instance of the conduct constitutes a ‘commercial practice’ pursuant to section 148(2) of the DMCC Act, because:
- (a) the Respondent operates driving instructor franchise operations and is therefore a trader;
 - (b) the Respondent sells driving lessons to consumers through the AA and BSM websites; and
 - (c) the presentation of information regarding the price of driving lessons for sale through the AA and BSM websites is an act relating to the promotion and/or supply of services by the Respondent and/or individual driving instructors (who are traders) to a consumer.

Harm to the collective interests of consumers

- 2.13 Pursuant to section 148(1)(a) of the DMCC Act, a commercial practice must harm the collective interests of consumers to constitute a relevant infringement.
- 2.14 Under section 148(5) of the DMCC Act, references to consumers include persons who may become consumers in the future; and the collective interests of consumers are capable of being harmed by a single act or omission (as well as by repeated acts or omissions).
- 2.15 The concept of ‘harm to the collective interests of consumers’ has been discussed in case law interpreting the parallel references under Part 8 of the Enterprise Act 2002, notably in *OFT v MB Designs* 2005 SLT 691; *OFT v Vance Miller* 2009 EWCA Civ 34 and *OFT v Purely Creative* 2011 EWHC 106 (Ch). The following principles follow from these cases:
- (a) there must be harm to a section of the public and not just to an individual consumer;
 - (b) this will usually be inferred from an accumulation of a number of individual breaches (which need not be identical in nature);
 - (c) however, it could be one breach provided it affected a number of people; and
 - (d) a risk of repetition can be harmful to the collective interests of consumers.
- 2.16 The Respondent’s commercial practices (that is, the omission of material information regarding the total price of a product from an invitation to

purchase) had the potential to affect any consumer who sought to purchase driving lessons on the AA and BSM websites. The commercial practices applied generally on the two websites and to anyone accessing them. Based on information provided by the Respondent, approximately 90,000 consumers purchased products through the AA and BSM websites during the Relevant Period.³¹ Consequently, the CMA believes that at least this many consumers were affected by the Respondent's commercial practices.³² As such, the CMA considers that the Respondent's commercial practices harmed the collective interests of consumers.

The UK connection condition

2.17 Pursuant to section 148(1)(b) of the DMCC Act, a commercial practice meets the UK connection condition if at least one of the following conditions is met:³³

- (a) the trader has a place of business in the UK; or
- (b) the trader carries on business in the UK; or
- (c) the commercial practice occurs in the carrying on of activities by the trader that are, by any means, directed to consumers in the UK.

2.18 Pursuant to section 149 of the DMCC Act, the CMA is satisfied that the UK connection condition is met in this case because:

- The AA and BSM websites indicate that the AA and BSM are trading names of the Respondent, which is a company registered in the UK, that is it has a place of business in the UK.³⁴

2.19 In view of the above, the CMA considers that the commercial practices meet the UK connection condition.

The specified prohibition condition

2.20 A commercial practice meets the specified prohibition condition for the purposes of section 148 of the DMCC Act as it applies for the purposes of

³¹ Response to Q7 of Information Notice 2 (BLJ-00000573).

³² Some consumers may have also been presented with the commercial practice without going on to purchase the product.

³³ Section 149 of the DMCC Act.

³⁴ Specifically, the Respondent is a private limited company registered in England with company number 1878835. Its registered office is Level 3, Plant, Basing View, Basingstoke, Hampshire, England, RG21 4HG.

Chapter 4 of Part 3 of the DMCC Act if it is in breach of an enactment listed in Schedule 16 of the DMCC Act.

- 2.21 Chapter 1 of Part 4 of the DMCC Act is included within the enactments listed in Schedule 16 of the DMCC Act. Chapter 1 of Part 4 of the DMCC Act includes the prohibition of unfair commercial practices in section 225(1).
- 2.22 The CMA considers that the Respondent's commercial practices meet the specified prohibition condition, that is the omission of material information from an invitation to purchase, under section 225(1) of the DMCC Act and section 230 of the DMCC Act, which is an unfair commercial practice by virtue of section 225(4)(b) of the DMCC Act, for the reasons set out below.

Breach of section 225(1) and section 230 of the DMCC Act

- 2.23 Unfair commercial practices are prohibited by section 225(1) of the DMCC Act. The omission of material information from an invitation to purchase (as defined by section 230 of the DMCC Act) is an unfair commercial practice by virtue of section 225(4)(b) of the DMCC Act.

Omission of material information from an invitation to purchase

- 2.24 Under section 230 of the DMCC Act, a commercial practice which is an invitation to purchase omits material information if it omits the total price of the product.
- 2.25 An invitation to purchase must provide the required pricing information clearly, in a timely way and in a way that the consumer is likely to see it.³⁵

i. Invitation to purchase:

- 2.26 In this context, invitation to purchase means 'a commercial practice involving the provision of information to a consumer—
- (a) which indicates the characteristics of a product and its price, and
 - (b) which enables, or purports to enable, the consumer to decide whether to purchase the product or take another transactional decision in relation to the product.'³⁶

³⁵ Section 230(9) of the DMCC Act.

³⁶ Section 230(10) of the DMCC Act.

- 2.27 This is a broad definition. A commercial practice can constitute an invitation to purchase even where the information indicating the price and product's characteristics is minimal or incomplete.³⁷ An invitation to purchase does not need to include an actual opportunity to enable the consumer to purchase the product.³⁸
- 2.28 For the purposes of this FIN, for both new and existing customers, the relevant product being advertised was driving lessons.
- 2.29 The instances of the online consumer journeys containing invitations to purchase driving lessons on the AA and BSM websites during the Relevant Period are detailed in Annex A.³⁹

ii. Total price

- 2.30 An invitation to purchase must include the total price of the product unless the nature of the product means that the whole or any part of the total price cannot reasonably be calculated in advance.⁴⁰ The total price of a product to be provided includes any fees, taxes, charges or other payments (collectively referred to as 'charges') that the consumer will necessarily incur if the consumer purchases the product.⁴¹
- 2.31 The total price must be provided to the consumer in a clear and timely way, and in such a way that the consumer is likely to see it. If it is not, the information may be deemed to have been omitted from the invitation to purchase.⁴²
- 2.32 The total price for **new customers** was presented on the AA and BSM websites during Period 1 and Period 2 as follows:

³⁷ Explanatory note paragraph 1374 of the DMCC Act. In relation to whether a commercial practice indicates characteristics of a product see also Case C-122/10 *Konsumentombudsmannen v Ving Sverige AB*. (2011) ECR I - 3933, paragraphs 42 to 49.

³⁸ Explanatory note paragraph 1375 of the DMCC Act. In relation to whether a commercial practice enables, or purports to enable, the consumer to decide whether to purchase the product see also Case C-122/10 *Konsumentombudsmannen v Ving Sverige AB*. (2011) ECR I - 3933, paragraphs 27 to 33.

³⁹ As noted at paragraph 2.5 to 2.7 above, the consumer journeys documented in Annex A represent the typical steps that a consumer would have taken through the AA and BSM websites to purchase driving lesson packages. However, variations on this consumer journey were possible dependant on the route into the website and what options the consumer selected throughout the journey; for example, an additional page was presented in the consumer journey if the consumer elected to pick a specific instructor. However, this does not change the point at which the total price of the product was provided to the consumer, which remained the final payment page.

⁴⁰ Sections 230(2)(b) and (c) of the DMCC Act.

⁴¹ Section 230(4) of the DMCC Act.

⁴² Section 230(9) of the DMCC Act.

- (a) For Period 1, as detailed in **Annex A1**:
- (i) The total price including the mandatory booking fee was not given (and no information was provided regarding the mandatory booking fee) at the first invitation to purchase (the selection of driving lesson package (page 4)), nor at the second invitation to purchase (the booking summary page (page 7)).
 - (ii) The total price inclusive of the mandatory booking fee was only provided at the third invitation to purchase (the final payment page (page 8)).⁴³
- (b) For Period 2, as detailed in **Annex A2**:
- (i) Consumers were informed of the mandatory booking fee at the first invitation to purchase (the selection of driving lesson package (page 4)) and at the second invitation to purchase (the booking summary page (page 7)), but it was not included in the price shown.
 - (ii) The total price inclusive of the mandatory booking fee was only provided at the third invitation to purchase (the final payment page (page 8)).⁴⁴

2.33 During Period 1 and Period 2, only one package of driving lessons (for two, six or ten hours) could be selected or booked at a time, so the mandatory booking fee would apply per purchase. It could have been included at the outset rather than being provided separately. The total price was reasonably calculable from the outset.

2.34 During the entirety of the Relevant Period, the total price for **existing customers** was presented on the AA and BSM websites, as detailed in **Annex A3**:

- (a) Consumers were informed of the mandatory booking fee at the first invitation to purchase (with the selection of 'top-up' hours) but it was not included in the price shown for the hour/s selected.

⁴³ In example Annex A1, the price given at the first and second invitations to purchase was £70 for a two-hour package. The total price of £73 (including the £3 mandatory booking fee) was only provided at the third invitation to purchase (the final payment page).

⁴⁴ In example Annex A2, the price given at the first and second invitations to purchase was £350 for a ten-hour package. The total price of £353 (including the £3 mandatory booking fee) was only provided at the third invitation to purchase (the final payment page).

- (b) The total price was only provided at checkout.⁴⁵
- 2.35 During the entirety of the Relevant Period, for existing customers, the booking process for ‘top-up’ hours of driving lessons defaulted to the price for one hour.⁴⁶ The consumer could then change the number of hours they wish to book (ranging from one hour up to 20 hours), with the price automatically updating as they changed the number of hours selected. Only one ‘top-up’ of hours of driving lessons could be booked or purchased at a time, so the mandatory booking fee would apply per purchase. It could have been included in the total price for the number of hours selected rather than being provided separately. The total price therefore was reasonably calculable from the outset.

iii. Limitations

- 2.36 As part of the assessment of whether an invitation to purchase omits material information, two factors must be considered. These are:
- (a) any limitations resulting from the means of communication used. This includes limitations of space or time or the functionality of a means of communication, that may mean that the trader cannot practicably convey all the required information in relation to that product;⁴⁷ and
 - (b) any steps taken by the trader to overcome those limitations, for example by providing information by other means, or by making use of the available functionality of the means of communication.⁴⁸
- 2.37 In most cases, traders should be able to provide the required pricing information in a full and timely manner regardless of the means of communication used. A single price figure inclusive of all mandatory charges will be able to fit on or within all types of devices and media.
- 2.38 On the AA and BSM websites, there are no relevant limitations on providing complete pricing information at the driving lesson package selection stage and booking summary page. Providing a fully inclusive total price would not require any more space than the price as presented during the Relevant Period.

⁴⁵ In example Annex A3, the price given at the first invitation to purchase was £34 for a one-hour lesson. The total price of £37 (including the £3 mandatory booking fee) was only provided at checkout (not shown).

⁴⁶ Response to Q4 of Information Notice 1 (BLJ-00000550).

⁴⁷ Section 230(8)(a) of the DMCC Act.

⁴⁸ Section 230(8)(b) of the DMCC Act.

iv. Already apparent from the context

- 2.39 Material information will not be considered to have been omitted from an invitation to purchase if it is already apparent from the context.
- 2.40 As illustrated in Annex A, the total price had not been provided to consumers at the point the relevant invitations to purchase were made. Consequently, the total price was not already apparent from the context.

Conclusion on the specified prohibition condition

- 2.41 In summary, for the reasons set out above, the CMA is satisfied that:
- (a) the Respondent omitted material information (specifically, the total price of the product) from invitations to purchase made to consumers on the AA and BSM websites between 6 April 2025 and 15 December 2025; and
 - (b) the Respondent's conduct constitutes a breach of section 225(1) of the DMCC Act as listed in Schedule 16 of the DMCC Act,⁴⁹ in particular the omission of material information from an invitation to purchase as defined in section 230 of the DMCC Act, which is an unfair commercial practice by virtue of section 225(4)(b) of the DMCC Act.

Conclusion on the Respondent's conduct

- 2.42 For the reasons set out above the CMA is satisfied that the Respondent has engaged in relevant infringements for the purposes of section 148 of the DMCC Act – namely that:
- (a) the Respondent has engaged in commercial practices which meet the specified prohibition condition in section 150 of the DMCC Act, specifically an unfair commercial practice prohibited by section 225(1) of the DMCC Act;
 - (b) the Respondent's commercial practices harm the collective interests of consumers; and
 - (c) the Respondent's commercial practices meet the UK connection condition in section 149 of the DMCC Act.

⁴⁹ Section 150 of the DMCC Act.

3. DIRECTIONS

Directions not to repeat the infringing practices

- 3.1 Pursuant to section 182(4)(a) of the DMCC Act, the CMA imposes the directions set out in paragraph 3.2 below which it considers appropriate for or in connection with the purpose of securing that the Respondent does not repeat the infringing practices and does not engage in the infringing practices in the course of the Respondent's business or another business and does not consent or connive in the carrying out of the infringing practices by a body corporate with which the Respondent has a special relationship pursuant to section 220 of the DMCC Act.

Directions

- 3.2 The Respondent shall ensure that all invitations to purchase one or more driving lessons that it makes on any website it operates do not omit the total price of the product.
- 3.3 For the purposes of paragraph 3.2:
- (a) The total price of the product includes the mandatory booking fee and any other fees, taxes, charges or other payments that the consumer will necessarily incur if the consumer purchases the product.
 - (b) Omitting the total price includes providing this information in a way that is unclear or untimely, or in such a way that the consumer is unlikely to see it.
 - (c) Invitations to purchase are commercial practices that involve the provision of information to a consumer, which indicate the characteristics of the product and their price, and which enable, or purport to enable, the consumer to decide whether to purchase the product or take another transactional decision in relation to the product.

Enhanced consumer measures

- 3.4 Pursuant to sections 182(4)(a) and 183 of the DMCC Act, the CMA further imposes the directions set out in **Annex B**, requiring the Respondent to take ECMs.

- 3.5 Directions contained in a FIN may include directions requiring the Respondent to take such ECMs as the CMA considers just and reasonable.⁵⁰ Having considered the factors set out in section 183(2) of the DMCC Act, in deciding whether ECMs are proportionate, the CMA considers that it would be just and reasonable to require the taking of ECMs. Factors which justify this approach are as follows:
- (a) The ECM is a redress measure, which requires the Respondent to provide redress to Affected Consumers (as defined in Annex B).⁵¹
 - (b) The CMA requires redress to be paid for the value of the mandatory booking fees that consumers paid to the Respondent which were omitted from the total price of the product in the invitations to purchase presented to consumers during the Relevant Period. The redress to be paid will exclude any mandatory booking fees paid during the Relevant Period which have already been refunded. This redress measure will benefit consumers as it will put them in the financial position they would have been in had they paid the price that was first advertised to them.⁵²
 - (c) The Respondent has confirmed that it holds details for all customers who paid mandatory booking fees during the Relevant Period; and would be able to process a payment to each of those customers.⁵³
 - (d) The CMA does not anticipate any likely cost to consumers of obtaining the benefit of the redress measures.⁵⁴

⁵⁰ Section 183 of the DMCC Act.

⁵¹ Section 221(1)(a) and 221(2)(a) of the DMCC Act.

⁵² Section 183(2)(a) of the DMCC Act.

⁵³ Response to Q10 of Information Notice 2 (BLJ-000000573).

⁵⁴ Section 183(2)(c) of the DMCC Act.

4. MONETARY PENALTY

- 4.1 Pursuant to section 199 of the DMCC Act, the CMA has published a statement of policy in relation to the exercise of its powers to impose monetary penalties in direct enforcement cases. This is set out in Chapter 7 of CMA200. The CMA must have regard to this policy in deciding whether to impose a penalty, and if so, the nature and amount of penalty.
- 4.2 As set out in CMA200,⁵⁵ the CMA will have regard to certain policy objectives when considering whether to impose a penalty and the amount of any such penalty. In particular, the CMA's objectives in imposing penalties are to:
- (a) deter infringements and incentivise compliance with both consumer law and remedies, whether agreed or imposed, in order to protect consumers;
 - (b) reflect the seriousness of infringements and breaches that the CMA finds to have occurred; and
 - (c) encourage parties to co-operate fully with CMA investigations, so that the CMA is able to take timely decisions based on accurate and complete information.
- 4.3 The CMA is satisfied that the Respondent has engaged in commercial practices constituting relevant infringements as defined in section 148 of the DMCC Act and imposes on the Respondent a requirement to pay a monetary penalty.⁵⁶ Pursuant to section 203(1)(b) of the DMCC Act, the following paragraphs set out the grounds which justify giving the giving of this penalty and its amount.
- 4.4 As set out in paragraph 1.3 above the Respondent has admitted that it had engaged in conduct which constitutes a relevant infringement for the purposes of section 148 of the DMCC Act and has agreed to comply with the Conditions of Settlement. In light of these admissions, its agreement to an expedited process for concluding the investigation and to comply with the Conditions of Settlement, the CMA has applied a settlement discount of 40% to the Respondent's penalty (**Settlement Discount**). This Settlement Discount is dependent on the Respondent's continued compliance with the

⁵⁵ CMA200, paragraphs 7.7 to 7.10.

⁵⁶ Section 182(4)(b) of the DMCC Act.

Conditions of Settlement and will be withdrawn in the event of non-compliance in line with the CMA's settlement policy.⁵⁷

Amount of monetary penalty

4.5 The penalty is a fixed sum amounting to £7,000,000. The penalty after the application of the Settlement Discount⁵⁸ is a fixed sum amounting to £4,200,000.

Penalty calculation

Turnover for purpose of determining starting point

4.6 For substantive infringements and breaches of undertakings and directions, notwithstanding the statutory cap, the CMA will generally determine a starting point of up to 30% of the party's UK turnover, which will generally be the amount derived in connection with the direct or indirect sale or provision of products to customers (businesses or consumers) in the UK.⁵⁹

4.7 The concept of 'UK turnover' in this context is not a statutory concept.⁶⁰ Notwithstanding this, where appropriate, the CMA will generally expect to apply the same principles set out in the Turnover Regulations to how the CMA calculates 'UK turnover' for the purpose of setting the starting point described above.⁶¹

4.8 Pursuant to the Turnover Regulations, the relevant period to be used when calculating turnover for the purpose of establishing the applicable statutory caps under the DMCC Act and the Consumer Rights Act 2015 is the last '**Accounting Period**' that ends before, in the case of a substantive penalty for a consumer law infringement, the date the FIN was issued.⁶² If the figures necessary to calculate this turnover are not available to the CMA on the date the FIN is issued, the relevant turnover is the turnover in the preceding Accounting Period.⁶³

⁵⁷ CMA200, paragraphs 4.73 and 7.49.

⁵⁸ See paragraphs 4.45 to 4.49.

⁵⁹ CMA200, paragraph 7.16.

⁶⁰ CMA200, Annex D: Summary of how the CMA intends to determine turnover, paragraph 7. The concept of 'UK turnover' is not defined in the DMCC Act or in Part 3 of the Digital Markets, Competition and Consumers Act 2025 and Consumer Rights Act 2015 (Turnover and Control) Regulations 2024 (**Turnover Regulations**).

⁶¹ CMA200, Annex D: Summary of how the CMA intends to determine turnover, paragraph 7.

⁶² CMA200, Annex D: Summary of how the CMA intends to determine turnover, paragraph 17.

⁶³ CMA200, Annex D: Summary of how the CMA intends to determine turnover, paragraph 19.

- 4.9 As with the statutory cap, UK turnover will be calculated to include, where a person controls another person or is controlled by another person, the UK turnover of that other person.⁶⁴
- 4.10 The CMA considers that AA Limited has a controlling interest in the Respondent, as a parent company wholly owning the Respondent, and that the Respondent's penalty therefore should be calculated with reference to AA Limited's turnover.⁶⁵ AA Limited's financial statements have been prepared on a consolidated basis meaning that the Respondent's turnover is included within them as a subsidiary. The CMA has therefore assessed the penalty by reference to AA Limited's turnover.
- 4.11 AA Limited's most recent financial statements show a consolidated turnover of £1,450,000,000 for the 2025 financial year.⁶⁶
- 4.12 All of this turnover appears to have been derived in connection with the direct or indirect sale or provision of products to customers (business or consumers) in the UK.
- 4.13 The CMA has therefore assessed that the turnover for the purpose of determining the starting point is AA Limited's UK turnover for the 2025 financial year, namely £1,450,000,000.

Step 1: Starting point

- 4.14 The CMA will determine the starting point for a penalty based on a percentage of the relevant UK turnover. This percentage starting point will be determined taking account of the seriousness of the infringements, and the relevant infringement category, by reference to the harm caused by the infringements, or the risk of harm from the infringements, and the culpability of the party.

Step 1A: Determining the level of harm

- 4.15 When assessing whether there has been 'major', 'significant', 'moderate', or other harm, the CMA will consider the total estimated economic harm to consumers as a whole (if any) and the total estimated non-economic harm caused to consumers as a whole (if any).⁶⁷ Where relevant, the CMA will also consider wider impacts on consumers due to the likely impact on fair

⁶⁴ CMA200, paragraph 7.17.

⁶⁵ The CMA notes that BSM is a trading name of the Respondent and has no separate legal identity.

⁶⁶ <https://www.theaacorporate.com/sites/theaa/files/2025-04/aa-ltd-ar-2025.pdf>.

⁶⁷ CMA200, paragraph 7.27.

dealing businesses and on markets as a whole.⁶⁸ In cases where the CMA is unable to estimate or quantify harm or gain, the CMA will use the available evidence to determine the category which it considers is fair in all the circumstances.⁶⁹

4.16 Having considered the factors set out at paragraphs 7.26 to 7.32 of CMA200, the CMA considers that the relevant infringements caused **moderate economic or non-economic harm to consumers**. This is because:

- (a) It is important that consumers are given the key information they need to make an informed transactional decision. Price will usually be one of the most important factors for consumer decision making and businesses compete for consumers on headline prices. If these prices are not accurate it risks consumers being misled and either potentially paying more for products than they needed to, or suffering delay and inconvenience if they discontinue a potential purchase after the true price is disclosed.
- (b) The specific consumer harm will depend on a number of factors including:
 - (i) the number of consumers affected;
 - (ii) the value of the products;
 - (iii) the size of the dripped fee (both in absolute terms and relative to the overall size of the product); and
 - (iv) the timing of the dripped fee in the overall purchase process (the later consumers are told about the additional fees the greater the likelihood of harm).
- (c) Applying these considerations to the specific facts of this case, during the Relevant Period:
 - (i) the mandatory booking fee was £3 per purchase;⁷⁰
 - (ii) the mandatory booking fee could be up to 12% of the total product price (if a consumer was purchasing a single hour top-up

⁶⁸ CMA200, paragraph 7.27.

⁶⁹ CMA200, paragraph 7.31.

⁷⁰ This £3 mandatory booking fee per purchase was inclusive of VAT.

lesson)⁷¹ but was a smaller proportion of the total price than that if consumers purchased packages of driving lessons (the average was [X]% of the total product price);⁷²

- (iii) the total revenue generated from consumers for the products/services affected by the relevant infringements was approximately £[X];⁷³
 - (iv) the total dripped fees paid by consumers was approximately £800,000;⁷⁴
 - (v) the number of consumers affected was approximately 90,000;⁷⁵
 - (vi) the average harm to each consumer was approximately £9 (the amount paid per consumer varied depending on the number of bookings consumers made);⁷⁶
 - (vii) for most of the Relevant Period new customers were shown the additional mandatory booking fee only at the very end of the purchase process after they had already selected their desired lessons and entered their personal details;⁷⁷ and
 - (viii) the infringing conduct, for which a penalty can be imposed, lasted less than one year.
- (d) The CMA has also had regard to the potential for the infringing practices to have a wider impact on fair dealing businesses and on markets as a whole. Drip pricing misleads consumers about the price of a specific product, which means it could affect consumers beyond those who have actually purchased the product, including other consumers active in the same market; it prevents businesses in the same market from competing on a level playing field; and it can

⁷¹ Consumer journey screenshot of AA driving school homepage taken on 28 October 2025 indicating the price of driving lessons for existing customers was from £25 per hour (BLJ-000000347).

⁷² The average transaction value for the purchase of driving lessons on the AA and BSM websites for Periods 1 and 2 for new customers and during the entirety of the Relevant Period for existing customers was £[X]; Submission from the Respondent dated 13 March 2026 (BLJ-000000997).

⁷³ This is the total that consumers paid; Submission from the Respondent dated 13 March 2026 (BLJ-000000997).

⁷⁴ Response to Q5 of Information Notice 2 (BLJ-000000572).

⁷⁵ Response to Q7 of Information Notice 2 (BLJ-000000573).

⁷⁶ £800,000 / 90,000 = ~£8.89.

⁷⁷ A different consumer journey applied to existing consumers who were informed that the mandatory booking fee would be added at checkout at the first invitation to purchase (with the selection of 'top-up' hours) but did not include this in the total price.

ultimately undermine trust in markets generally. The CMA considers that, on the facts of this case, these factors are consistent with assessing the overall harm as falling in the 'moderate' category (Category 3 in Table 2, paragraph 7.32 of CMA200).

- 4.17 The CMA has not identified any escalating factors.⁷⁸
- 4.18 The CMA's assessment of the above factors in the round is that Category 3 is appropriate to reflect the level of harm for the relevant infringements.

Step 1B: Determining the level of culpability

- 4.19 The CMA will look at the extent to which the act or acts of the party were the result of deliberate action by the party or were a genuine mistake. The categories in Table 3 are relative levels of culpability and the CMA will make a judgement as to the appropriate category based on the evidence before it. The CMA is not required to identify a deliberate intention to break the law, in order to place behaviour in the 'high' culpability category.
- 4.20 Having considered the factors set out at paragraph 7.34 of CMA200, and in particular the factors listed in Table 3, the CMA considers that the **appropriate level of culpability for the relevant infringements is high.**
- 4.21 In reaching this conclusion, the CMA has taken account of the fact that guidance on unfair commercial practices (**CMA207**) was published on 4 April 2025, in advance of the start of the Relevant Period.⁷⁹ This set out (as at the date of publication):
- (a) that when making invitations to purchase, traders must tell consumers 'the total price of the product which includes any fees taxes, charges or other payments that the consumer will necessarily incur if the consumer purchases the product';⁸⁰
 - (b) that consumers should not be 'faced with unexpected mandatory charges only later in a purchasing journey';⁸¹
 - (c) that '[a] consumer may be presented with an invitation to purchase at multiple points during the [purchase process]' and that each invitation

⁷⁸ CMA200, paragraph 7.33.

⁷⁹ CMA207 was reissued with revisions on 18 November 2025, without the content on price transparency, which instead was published in Unfair commercial practices: price transparency (CMA209).

⁸⁰ CMA207 as published 4 April 2025, paragraph 4.18.

⁸¹ CMA207 as published 4 April 2025, paragraph 4.21.

to purchase ‘even if taking place early on in the consumer journey has to be lawful’;⁸² and

- (d) that ‘the practice of showing consumers an initial headline price for a product and subsequently introducing additional mandatory charges as consumers proceed with a purchase or transaction – sometimes called ‘drip pricing’ – is prohibited under the UCP provisions’.⁸³

4.22 In addition, it was clearly set out in the CMA’s ‘Approach to consumer protection’ document, published 7 April 2025, that businesses should already be familiar with consumer law in relation to the prohibition of unexpected and untrailed mandatory charges added on at the end of a purchasing journey and that the CMA may take enforcement action against this type of drip pricing.⁸⁴

4.23 As set out at paragraphs 2.33 and 2.35 above, there does not appear to be any reason why the additional mandatory booking fee could not have been included as part of the total price from the outset. As such, the CMA believes that the relevant infringements fall squarely within the type of commercial practice covered by the guidance in CMA207 and the Respondent should have been aware of this.

4.24 The CMA considers that the following factor indicating high culpability, as set out in Table 3 of CMA200, has been met:

‘Where the CMA, Trading Standards or another regulator or self-regulatory body has provided advice or issued a decision that the practice does not comply with the law or relevant applicable industry standards, or where they had published a statement or guidance that the practice does not comply, or is unlikely to comply, with the law or relevant applicable industry standards.’ [emphasis added]

4.25 To the extent a party exhibits behaviour which matches factors in more than one category, the party will be designated to the higher of the categories.⁸⁵ Given this, the CMA does not consider it necessary to assess further factors relevant to culpability.

⁸² CMA207 as published 4 April 2025, paragraph 4.22.

⁸³ CMA207 as published 4 April 2025, paragraph 4.28.

⁸⁴ The CMA’s approach to consumer protection April 2025, paragraphs 3.9 and 3.10.

⁸⁵ CMA200, paragraph 7.34.

Step 1C: Determining the starting point code (A, B, C or D)

- 4.26 Step 1C of the penalty calculation is set out in Table 4, paragraph 7.34 of CMA200, which sets out how the CMA should determine the starting point code. Applying the CMA's findings on harm and culpability above, the relevant starting point code for the relevant infringements is B.

Step 1D: Applying the starting point code

- 4.27 Starting point code B ranges from £150,000 or 15% (whichever is higher) up to £225,000 or 22.5% (whichever is higher).
- 4.28 Applying the considerations set out above, the CMA considers that the appropriate starting point should be at the bottom of the penalty range available, at 15%.

Calculation at the end of step 1 for the infringements

- 4.29 The starting point for determining the level of penalty for the relevant infringements is therefore:
- £217,500,000 (15% of £1,450,000,000).

Step 2: Adjustment for deterrence and to take account of the size of the party.

- 4.30 Having determined an appropriate starting point, the CMA will consider, in particular, whether it is likely to deter future infringements by the party and others.⁸⁶ To constitute an effective deterrent in this context, any penalty imposed should also exceed a party's likely actual gains from an infringement by a material amount.⁸⁷
- 4.31 The CMA has had regard to the relevant factors set out in paragraphs 7.36 to 7.40 of CMA200 and in particular whether the starting point is likely to be sufficient to deter future infringements by the party and others. In particular, the CMA has had regard to the size and financial position of the party, the fact that the Respondent principally operates in the UK,⁸⁸ the fact that the penalty exceeds both the benefit the Respondent is likely to have achieved from the infringing conduct and the overall turnover generated by the sale of

⁸⁶ CMA200, paragraph 7.36.

⁸⁷ CMA200, paragraph 7.40.

⁸⁸ Response to Q4(e) of Information Notice 2 (BLJ-000000571).

the products by a substantial amount, and the fact that the CMA requires the Respondent to pay redress by way of its directions.

- 4.32 The CMA considers that the penalty at the end of step 1 is sufficient to achieve deterrence. As such, the CMA has concluded that no further increase is necessary.

Step 3: Adjustment for aggravating/mitigating factors

- 4.33 The monetary penalty may be increased at step 3 where there are aggravating factors or decreased where there are mitigating factors.⁸⁹ Paragraph 7.42 of CMA200 states factors that the CMA may consider at this step.

Mitigating factor: co-operation

- 4.34 The CMA may decrease the penalty at step 3 for co-operation which enables the enforcement process to be concluded more effectively and/or speedily. CMA200 provides that, for these purposes, what is expected is co-operation over and above respecting time limits specified or otherwise agreed (which will be a necessary but not sufficient criterion to merit a reduction).⁹⁰
- 4.35 The CMA considers that the Respondent's overall approach during the CMA's investigation enabled the enforcement process to be concluded more effectively and/or speedily. This included, but is not limited to:
- (a) volunteering additional information in responses to CMA questions; and
 - (b) answering follow-up questions quickly over email without the need for the CMA to issue further information notices, thereby materially reducing the time required for further investigation.

- 4.36 The CMA therefore considers that it is appropriate to apply a reduction of 5%.

Calculation at the end of step 3 for the relevant infringements

- 4.37 The penalty for the relevant infringements at the end of step 3 is therefore:

⁸⁹ CMA200, paragraph 7.41.

⁹⁰ CMA200, paragraph 7.42, footnote 181.

- £206,625,000 (95% of £217,500,000).

Step 4: Adjustment to ensure the penalty is proportionate and check that the penalty is within the statutory maximum

- 4.38 At step 4, the CMA will take a step back to check whether, in its view, the overall penalty reached after steps 1 to 3 is proportionate in the circumstances.⁹¹ This is not a mechanistic assessment, but one of evaluation and judgement. The CMA is not restricted to imposing the lowest penalty that could reasonably be justified and it will select the figure which it considers is appropriate in the circumstances of the case.⁹²
- 4.39 The CMA considers that the step 3 penalty is disproportionate, having regard to all the relevant circumstances, including that:⁹³
- the Respondent is a large multi-line business with a turnover for the 2025 financial year of £1,450,000,000 (the CMA understands that AA Limited's turnover during the Relevant Period was approximately £[>]).⁹⁴ Only a small proportion of that turnover is accounted for by the products/services affected by the relevant infringement. The CMA estimates that the revenue generated from consumers for the products/services affected by the relevant infringements in the Relevant Period was approximately £[>];⁹⁵
 - the infringements, in respect of which a penalty may be imposed, lasted less than one year;
 - the total amount paid in additional mandatory booking fees by consumers during the Relevant Period was approximately £800,000;
 - the step 3 penalty, at over £200,000,000, is significantly greater than any likely gains from the relevant infringements;

⁹¹ CMA200, paragraphs 7.43 to 7.45.

⁹² CMA200, paragraph 7.44.

⁹³ CMA200, paragraph 7.46.

⁹⁴ Response to Q9 of Information Notice 2 (BLJ-000000573).

⁹⁵ Submission from the Respondent dated 13 March 2026 (BLJ-000000997). The majority of this was transferred to the Respondent's franchisee instructors once a lesson had been taken, apart from the booking fee which was retained by the Respondent. Additionally, the Respondent received other revenue relating to the driving schools, including franchise fees from the instructors. The total revenue received by the Respondent during the Relevant Period that related to the driving schools was approximately £[>]. This revenue figure includes the franchise fee revenue, the booking fees, and other more minor ancillary revenue streams.

- (e) the CMA has required that the amount paid in additional mandatory booking fees by consumers is refunded to consumers as redress;
 - (f) the Respondent has co-operated with the CMA in the course of this investigation and moved quickly to put things right once the CMA brought the matter to its attention;⁹⁶ and
 - (g) the final penalty must be large enough to have a deterrent effect.
- 4.40 The CMA also notes that, as recognised in the CMA’s ‘Approach to consumer protection’ document, published 7 April 2025, penalties are likely to be lower in the initial period of the regime, given the CMA can only impose a monetary penalty where infringing conduct takes place after the commencement date and therefore the duration of the conduct is likely to be shorter.⁹⁷ Accordingly, the same proportionality considerations may not all apply in future cases, where the CMA takes enforcement action in respect of infringements of section 230 of the DMCC Act.
- 4.41 Assessing all of the above factors in the round, the CMA considers that a penalty of £7,000,000 is appropriate. This amounts to a downward adjustment of ~97% to the step 3 penalty.
- 4.42 Following the proportionality assessment, the CMA will also adjust the penalty, if necessary, to ensure that it does not exceed the maximum penalty allowed by statute. The final amount of the penalty calculated according to the method set out above may not exceed £300,000 or, if higher, 10% of the worldwide turnover of the party.⁹⁸
- 4.43 No further adjustment has been made at this step as the penalty does not exceed the statutory cap.

Calculation at the end of step 4 for the relevant infringements

- 4.44 The penalty for the relevant infringements at the end of step 4 is therefore:
- £7,000,000.

⁹⁶ The Respondent made updates to the consumer journeys for new consumers on the AA and BSM websites on 17 November 2025 (the day the CMA’s investigation was opened) and on 4 December 2025; and made updates to the consumer journeys for existing consumers on 15 December 2025 to ensure full compliance.

⁹⁷ The CMA’s approach to consumer protection, paragraphs 3.12 to 3.14.

⁹⁸ Section 182(6) of the DMCC Act and CMA200, paragraphs 7.47 to 7.48.

Step 5: Application of settlement discount

- 4.45 The penalty that the CMA imposes will be set at the conclusion of Step 4. However, the CMA may apply a discount to the amount of the penalty of up to 40% where the party has settled with the CMA, which will include, amongst other things, the admission and cessation of the infringements, as well as agreeing to adhere to the conditions of settlement. This means that if the party does not adhere to specified conditions of settlement, the party will be required to pay the full penalty without the discount.⁹⁹
- 4.46 The level of the discount the CMA will apply will depend upon the point at which the party engages with the CMA and settlement is agreed, as well as the other factors set out in the Chapter 4 of CMA200 (Undertakings and settlement).¹⁰⁰
- 4.47 As set out in paragraph 1.3 above the Respondent has admitted that it has engaged in conduct which constitutes a relevant infringement for the purposes of section 148 of the DMCC Act in the terms set out in the PIN given to the Respondent on 6 March 2026,¹⁰¹ and has agreed to comply with the Conditions of Settlement.¹⁰²
- 4.48 As set out at paragraph 4.4 above, in light of these clear and unequivocal admissions, the Respondent's agreement to an expedited process for concluding the investigation and to comply with the Conditions of Settlement, the CMA has applied a discount to the Respondent's penalty of 40%. The Settlement Discount is dependent on the Respondent's continued compliance with the Conditions of Settlement and will be withdrawn in the event of non-compliance in line with the CMA's settlement policy.¹⁰³

Calculation at the end of step 5 for the relevant infringements

- 4.49 The penalty for the relevant infringements is therefore £7,000,000, and with the application of the Settlement Discount on the terms outlined above the amount of the penalty the Respondent must therefore pay is:

- £4,200,000.

⁹⁹ CMA200, paragraph 7.49.

¹⁰⁰ CMA200, paragraph 7.50.

¹⁰¹ Subject to limited amendments agreed between the CMA and the Respondent, which are now reflected in this FIN.

¹⁰² As specified in the *Letter of Acceptance of conditions that apply to settlement and offer to settle* provided by the Respondent to the CMA on 1 April 2026 (BLJ-000001022).

¹⁰³ CMA200, paragraphs 4.73 and 7.49.

Conclusion on the imposition of a penalty

- 4.50 The CMA is satisfied that the Respondent has engaged in the relevant infringements and considers that, the imposition of a fixed penalty of **£7,000,000** is appropriate on the basis of the steps set out above. The penalty payable after the application of the Settlement Discount is a fixed sum amounting to **£4,200,000**.
- 4.51 This penalty will become due to the CMA by or on 15 June 2026¹⁰⁴ and must be paid to the CMA on 15 June 2026. Payment of this penalty should be made to:¹⁰⁵
- [X]
- 4.52 The Respondent may pay the penalty (or portions of it) earlier than the date or dates by which it is required to be paid.¹⁰⁶

Circumstances where the settlement discount may be withdrawn

- 4.53 The CMA may withdraw the application of the Settlement Discount, if:
- (a) the Respondent has not paid the penalty specified at paragraph 4.50 on 15 June 2026; or
 - (b) the CMA considers that the Respondent or any member of the Respondent's group of interconnected bodies corporate¹⁰⁷ who has been given the FIN has not complied with one or more of the obligations in the Conditions of Settlement.¹⁰⁸
- 4.54 If the CMA withdraws the Settlement Discount, the Respondent (any member of the Respondent's group of interconnected bodies corporate) will become liable to pay the total penalty of £7,000,000 (less any amount already paid) and any reference in this FIN to a requirement to pay the penalty specified at paragraph 4.50 shall become a requirement to pay the total penalty of £7,000,000.

¹⁰⁴ As set out in section 203(1)(e) and section 203(2)(b) of the DMCC Act, the date by which the penalty is required to be paid is, no earlier than the end of the applicable period, being 60 days, beginning with the date on which the order was served on or the notice was given to the Respondent.

¹⁰⁵ Section 203(1)(d) of the DMCC Act.

¹⁰⁶ Section 203(1)(f) of the DMCC Act.

¹⁰⁷ As defined in section 200 of the DMCC Act.

¹⁰⁸ As specified in the *Letter of Acceptance of conditions that apply to settlement and offer to settle* provided by the Respondent to the CMA on 1 April 2026 (BLJ-000001022).

5. INTERCONNECTED BODIES CORPORATE

- 5.1 Section 200 of the DMCC Act permits a FIN to include provision for the requirements (or any particular requirements) imposed by the FIN on a respondent also to be binding upon all other members of the respondent's group of interconnected bodies corporate (in addition to the respondent), as if each of them were the respondent.
- 5.2 Pursuant to section 200 of the DMCC Act, and excluding the entities identified at paragraph 5.3 below, the CMA considers that the following requirements on the Respondent by this FIN should also be binding upon all members of the Respondent's group of interconnected bodies corporate (in addition to the Respondent), as if each of them were the Respondent:
- (a) The directions in paragraphs 3.2 to 3.3 not to repeat the infringing practices.
 - (b) The directions set out in Annex B to take ECMs, in particular the payment of redress.
 - (c) The requirement to pay the penalty specified at paragraph 4.50.
- 5.3 The entities excluded from the requirements are:
- (a) AA Pensions Trustees Limited;
 - (b) AA Ireland Pension Trustees DAC;
 - (c) AA Pension Funding GP Limited;
 - (d) AA Pension Funding LP;
 - (e) Basing BidCo Limited;
 - (f) Basing MidCo Limited;
 - (g) Basing HoldCo Limited;
 - (h) Basing TopCo Limited; and
 - (i) Basing ConsortiumCo Limited.
- 5.4 The Respondent and each member of the Respondent's group of interconnected bodies corporate shall be jointly and severally liable for the Respondent's failure to comply with the directions to take ECMs as set out in Annex B and the requirement to pay the penalty specified at paragraph 4.50.

- 5.5 The CMA considers that it is just, reasonable and proportionate to include this provision having regard to the importance of effective enforcement of the requirements and the fact that the other members of the Respondent's group of interconnected bodies corporate would only become liable if:
- (a) in the case of the requirements set out in Annex B (directions to take ECMs) and the requirement to pay the penalty specified at paragraph 4.50, the Respondent were to fail to comply with the requirements; or
 - (b) in the case of the directions in paragraphs 3.2 to 3.3 not to repeat the practices, the interconnected body corporate starts to promote or supply driving lessons to consumers and fails to comply with those directions when doing so.
- 5.6 A member of the Respondent's group of interconnected bodies corporate will only be bound by the requirements set out in paragraph 5.2 once it has been given a copy of the FIN in accordance with section 200 of the DMCC Act and Rule 9 of the CMA Consumer Enforcement Rules.
- 5.7 For the purposes of this section a member of the Respondent's group of interconnected bodies corporate means any body corporate who at any time while the requirements are in force is, or becomes, a member of a group consisting of two or more bodies corporate, including the Respondent, all of whom are interconnected with each other (as defined in section 200 of the DMCC Act).

6. RIGHTS OF A PERSON TO WHOM THIS NOTICE IS GIVEN

Right to request a different payment date(s)

- 6.1 The Respondent may, within 14 days of the date on which this FIN is given to the Respondent, apply to the CMA to specify a different date or dates by which the penalty, or different portions of it, are required to be paid.¹⁰⁹ Where such an application has been made, the penalty is not required to be paid until the application has been determined, withdrawn or otherwise disposed of.
- 6.2 Where a monetary penalty imposed under section 182 of the DMCC Act has not been paid by the date on which it is required to be paid, the CMA may (subject to the Respondent's right of appeal) recover from the person on whom the penalty was imposed any of the penalty and any interest which has not been paid.¹¹⁰ Any such penalty and interest may be recovered summarily (or, in Scotland, recovered) as a civil debt by the CMA and the unpaid balance from time to time will carry interest at the statutory rate.

Right of Appeal

- 6.3 Pursuant to section 202 of the DMCC Act a person to whom a FIN is given may appeal to the appropriate appeal court against a decision to impose a monetary penalty by virtue of the notice, the nature or amount of any such penalty and the giving of directions by virtue of the notice.¹¹¹ Further details about this right can be found in **Annex C**.¹¹²
- 6.4 As set out at paragraph 1.3, the Respondent has agreed as part of the Conditions of Settlement not to exercise its right to appeal or otherwise challenge any matter set out in the FIN. If the Respondent or any member of the Respondent's group of interconnected bodies corporate appeals or otherwise challenges any matter set out in the FIN the CMA will withdraw the Settlement Discount, and may apply to the court to strike out, seek summary judgment on or otherwise have any appeal notice disposed of on a preliminary basis.

¹⁰⁹ Section 203(4) of the DMCC Act.

¹¹⁰ Section 206 of the DMCC Act.

¹¹¹ Section 203(1)(h) of the DMCC Act.

¹¹² It is a statutory requirement, under section 182(7)(d) of the DMCC Act, that a FIN state that the respondent has a right to appeal against the notice and the main details of that right.

15 April 2026

SIGNED

[✂]

Hayley Fletcher

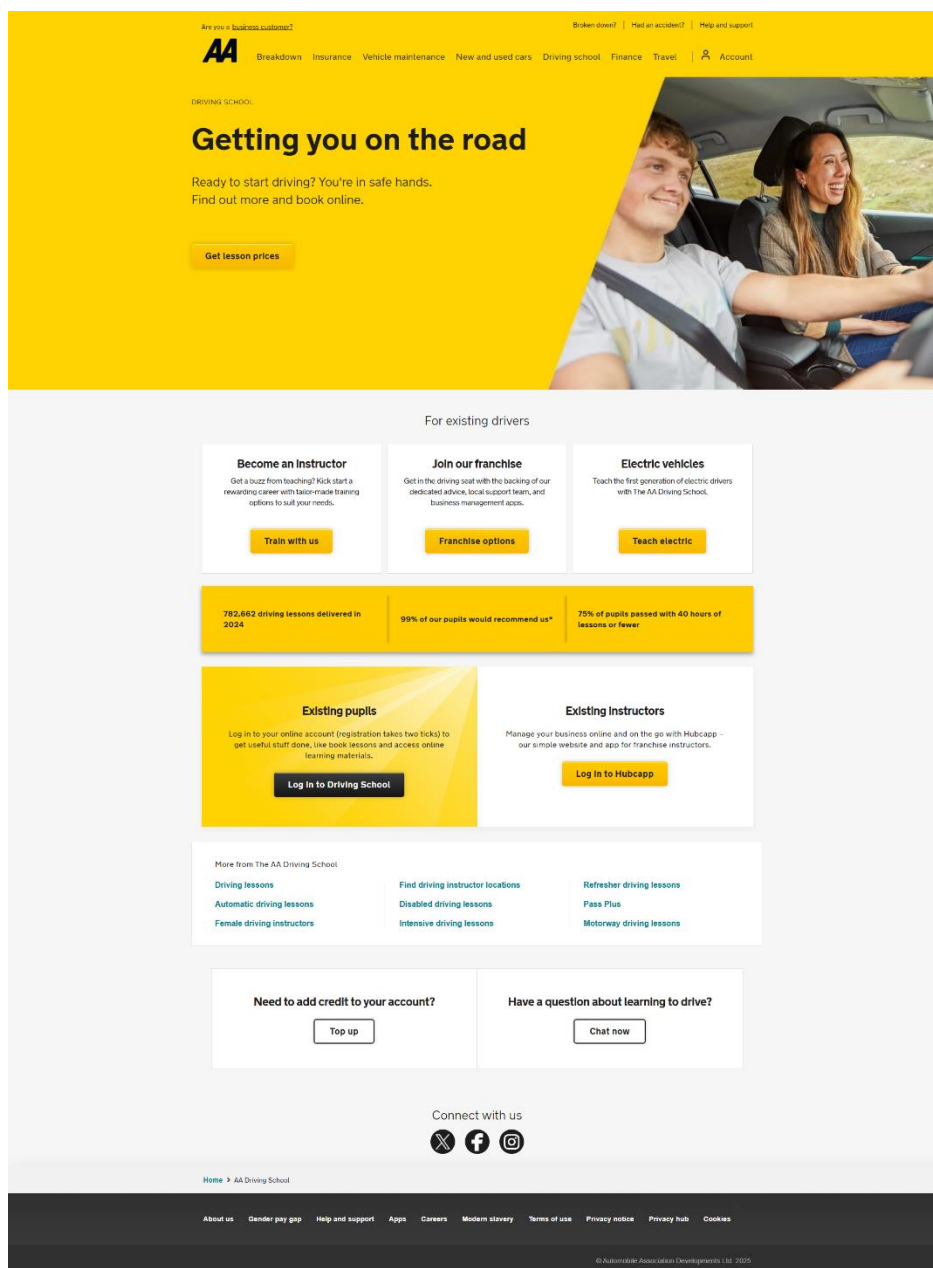
Senior Director, Consumer Protection and Senior Responsible Officer for
Case 51667, for and on behalf of the Competition and Markets Authority

ANNEX A: WEBSITE SCREENSHOTS

The AA and BSM websites follow a similar design, so the examples of consumer journeys and webpage set out in Annex A are representative of those taken by consumers on the AA and BSM websites.

A1: PERIOD 1 CONSUMER JOURNEY¹¹³

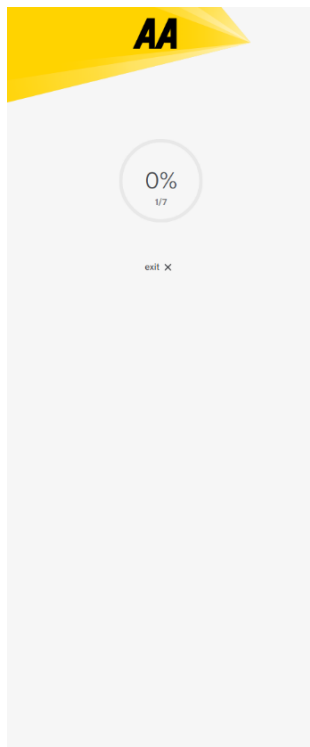
Page 1: Home page (<https://www.theaa.com/driving-school>)¹¹⁴



¹¹³ Consumer purchasing journey on the AA website from homepage to checkout for booking driving lesson packages, captured by the CMA on 4 September 2025 (BLJ-000000369).

¹¹⁴ Consumer journey screenshot of the AA driving school home page (BLJ-000000361).

Page 2: Postcode¹¹⁵

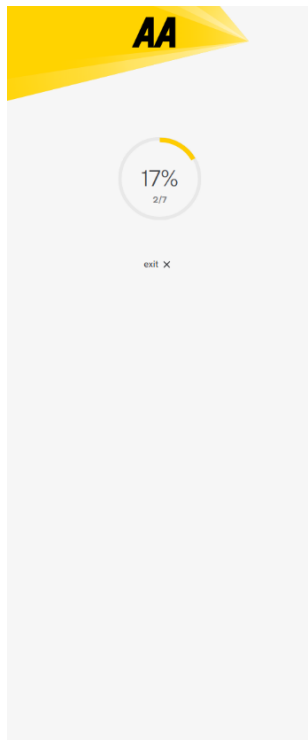


So, you're ready to learn to drive?

Enter a pickup postcode

Continue

Page 3: Selection of lesson type¹¹⁶



< back

Thanks.

What type of lesson do you want?

I want to learn to drive

I want Pass Plus or refresher lessons

I have a test booked within 14 days

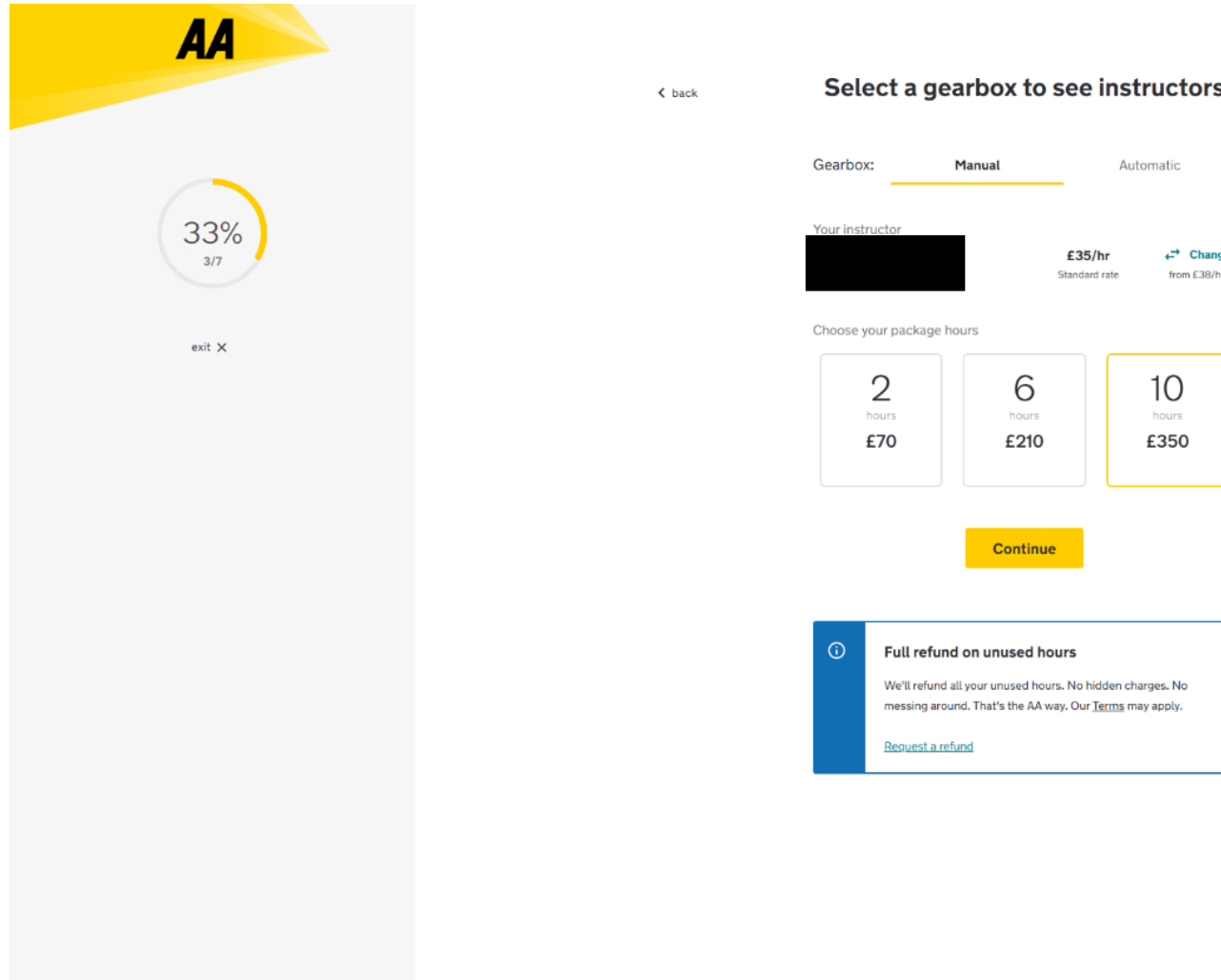
 Choose later if this is a gift for someone else.

Continue

¹¹⁵ Consumer journey screenshot of AA postcode webpage (BLJ-000000362).

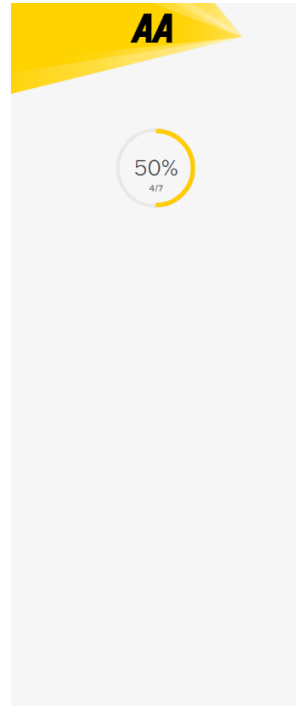
¹¹⁶ Consumer journey screenshot of AA selection of lesson type webpage (BLJ-000000363).

Page 4: Lesson package selection – first invitation to purchase¹¹⁷



¹¹⁷ Consumer journey screenshot of AA lesson package selection webpage (BLJ-000000364).

Page 5: Lesson time selection¹¹⁸



< back

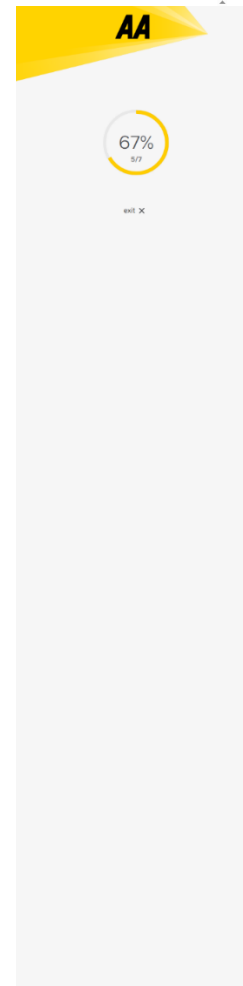
Please select a time for your lesson with [redacted]

< [Wed 10 September] [Wed 17 September] >

[View Calendar](#)

- 06:30 AM — 08:30 AM
- 06:45 AM — 08:45 AM
- 07:00 AM — 09:00 AM
- 07:15 AM — 09:15 AM
- 07:30 AM — 09:30 AM
- 07:45 AM — 09:45 AM
- 08:00 AM — 10:00 AM
- 08:15 AM — 10:15 AM
- 08:30 AM — 10:30 AM
- 08:45 AM — 10:45 AM
- 09:00 AM — 11:00 AM

Page 6: contact details¹¹⁹



< back

Please tell us your details

Title
 Mr Miss Mrs Ms Mx

Learner first name
[redacted]

Learner surname
[redacted]

Learner mobile number
[redacted]

Learner email address
[redacted]
Email address already in use. Please try another.

Date of birth (DD / MM / YYYY)
[redacted]

Select your pickup address [Change](#)
[redacted]

Is your billing address the same as pickup?
 Yes No

[📁](#) Is this a gift?
 Yes No

Stay in the know
We would like to contact you from time to time about driving advice and offers via email, SMS and phone. You can opt out at any time - see our [privacy notice](#) to find out how. Choose how we contact you.

Email

SMS

Telephone

Post

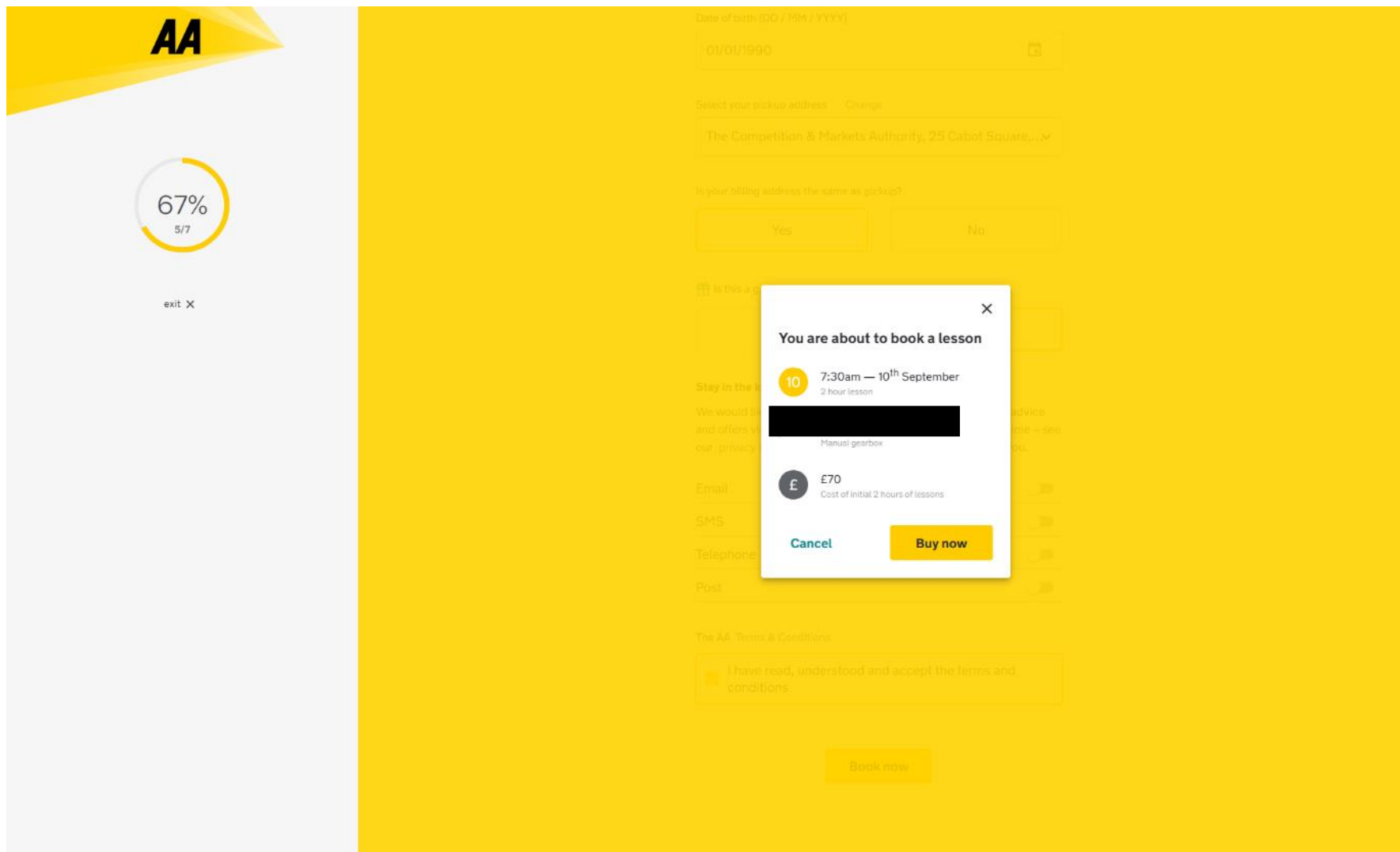
The AA Terms & Conditions
 I have read, understood and accept the terms and conditions

[Book now](#)

¹¹⁸ Consumer journey screenshot of AA lesson time selection webpage (BLJ-000000365).

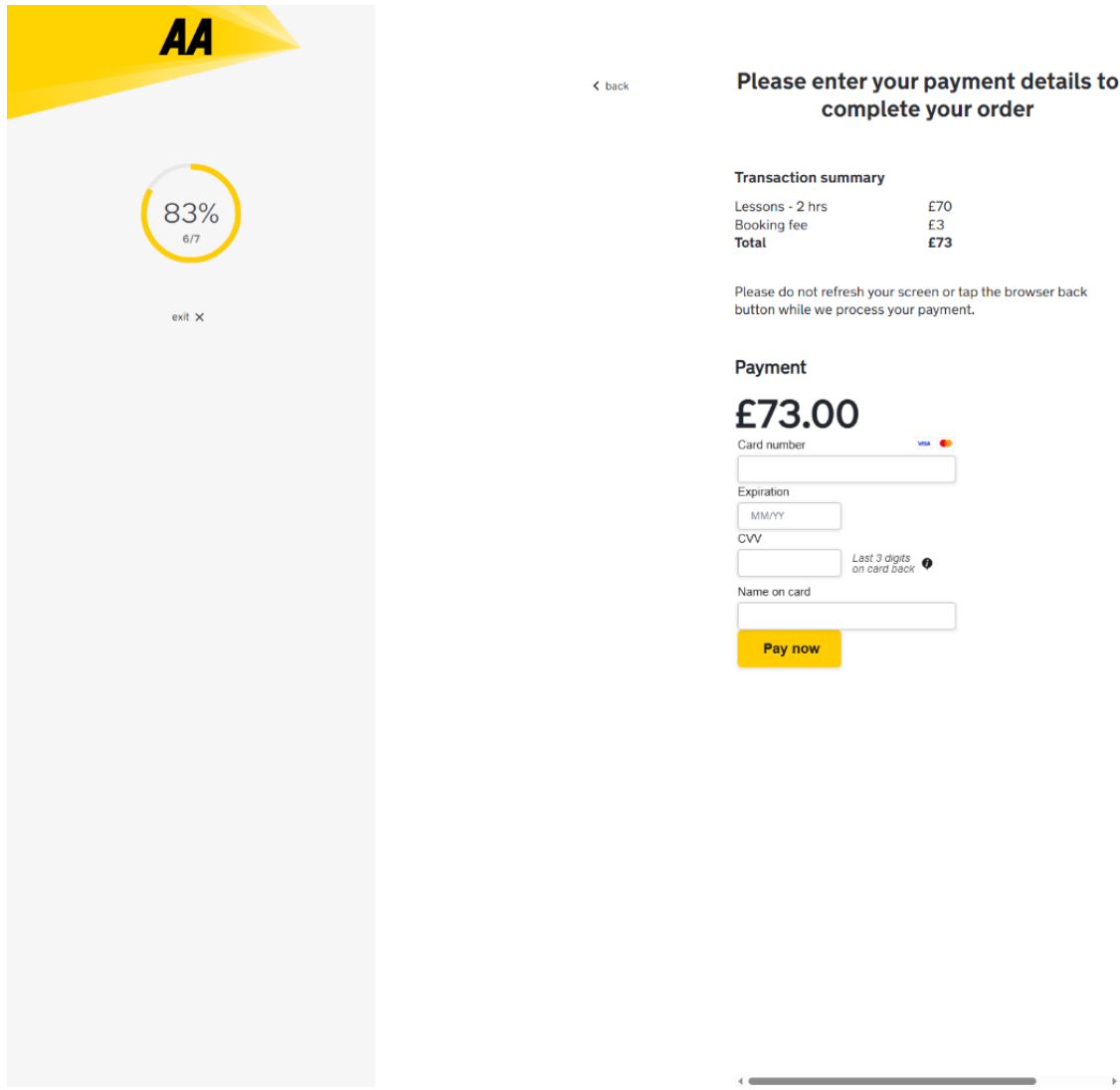
¹¹⁹ Consumer journey screenshot of AA contact details webpage (BLJ-000000366).

Page 7: Booking summary – second invitation to purchase¹²⁰



¹²⁰ Consumer journey screenshot of AA booking summary webpage (BLJ-000000367).

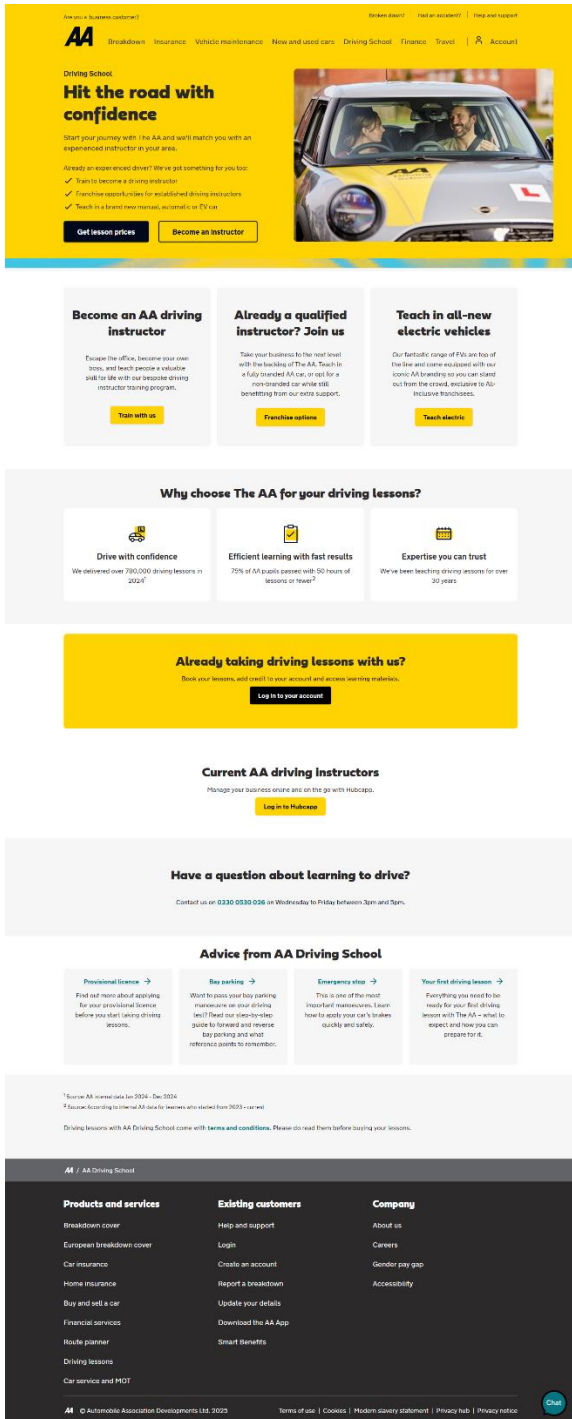
Page 8: Payment – third Invitation to purchase (total price given)¹²¹



¹²¹ Consumer journey screenshot of AA payment webpage (BLJ-000000368).

A2: PERIOD 2 CONSUMER JOURNEY¹²²

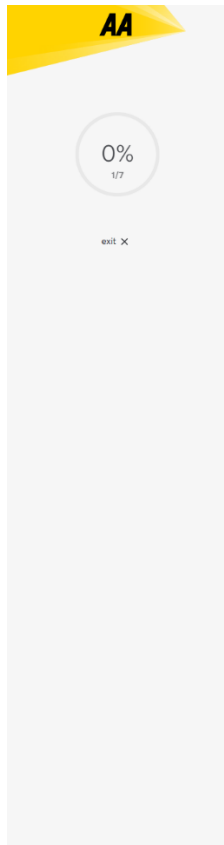
Page 1: Home page (<https://www.theaa.com/driving-school>)¹²³



¹²² Consumer purchasing journey on the AA website from homepage to checkout for booking driving lesson packages, captured by the CMA on 1 December 2025 (BLJ-00000443).

¹²³ Consumer journey screenshot of the AA driving school homepage (BLJ-00000449).

Page 2: Postcode¹²⁴



So, you're ready to learn to drive?

Enter a pickup postcode

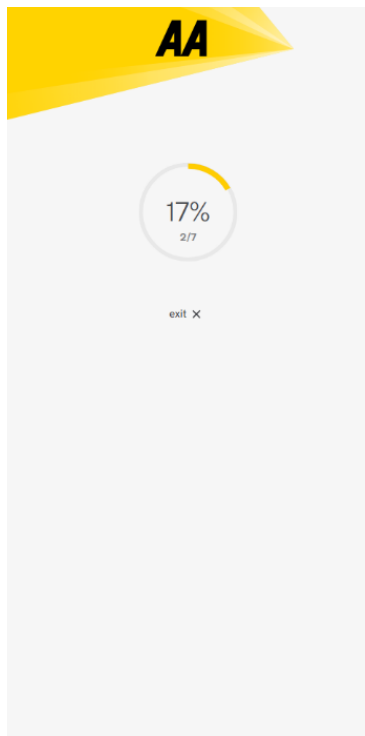
E14 4QZ

Driving lessons with AA Driving School come with [Terms & Conditions](#).

Continue



Page 3: Selection of lesson type¹²⁵



< back

Thanks.

What type of lesson do you want?

I want to learn to drive

I want Pass Plus or refresher lessons

I have a test booked within 14 days

Choose later if this is a gift for someone else.

Continue

¹²⁴ Consumer journey screenshot of AA postcode webpage (BLJ-000000450).

¹²⁵ Consumer journey screenshot of AA selection of lesson type (BLJ-000000451).

Page 4: Lesson package selection - first invitation to purchase¹²⁶

AA

33%
3/7

exit X

< back

Select a gearbox to see instructors

Gearbox: **Manual** Automatic

£35/hr
Standard rate

↔ Change
from £35/hr

Choose your package hours

2 hours £70	6 hours £210	10 hours £350
-------------------	--------------------	---------------------

Please note a £3 booking fee will be added at checkout.

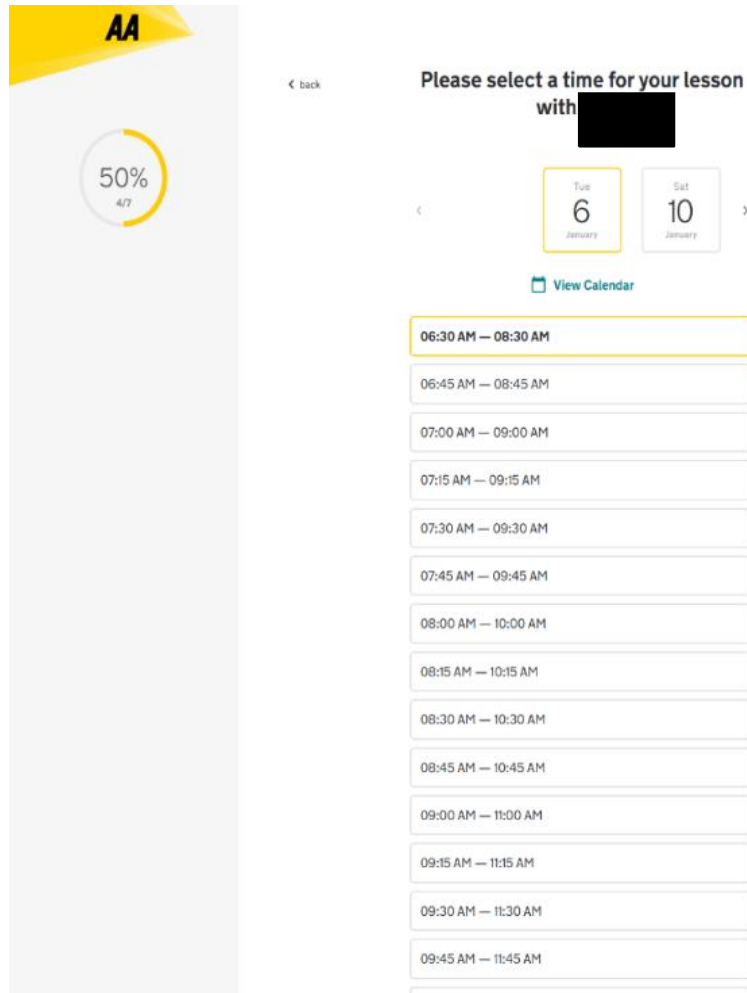
Continue

Full refund on unused hours
We'll refund all your unused hours. Our [Terms](#) apply.
[Request a refund](#)

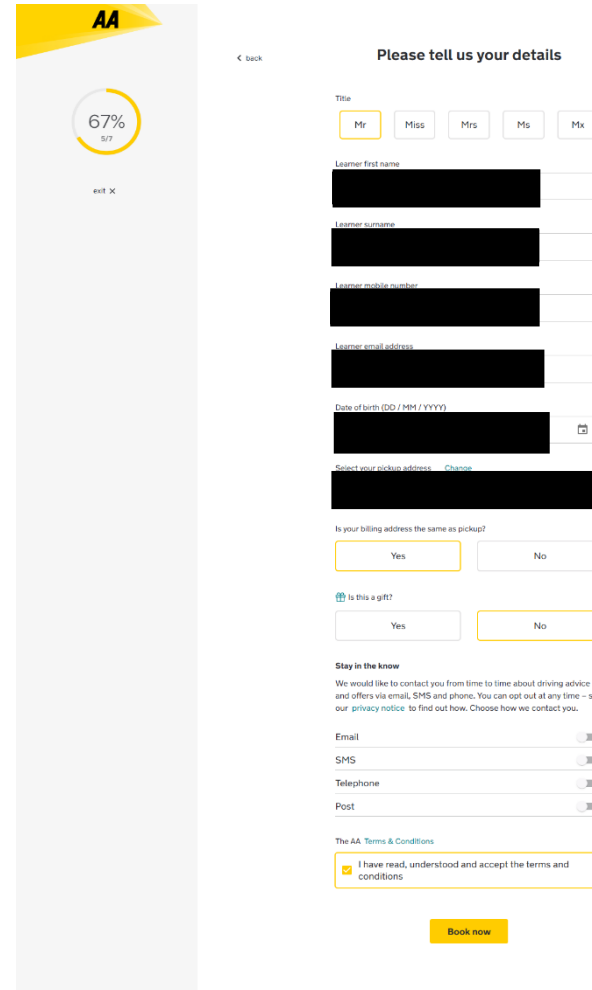
Chat

¹²⁶ Consumer journey screenshot of AA lesson package selection webpage (BLJ-00000452).

Page 5: Lesson time selection¹²⁷

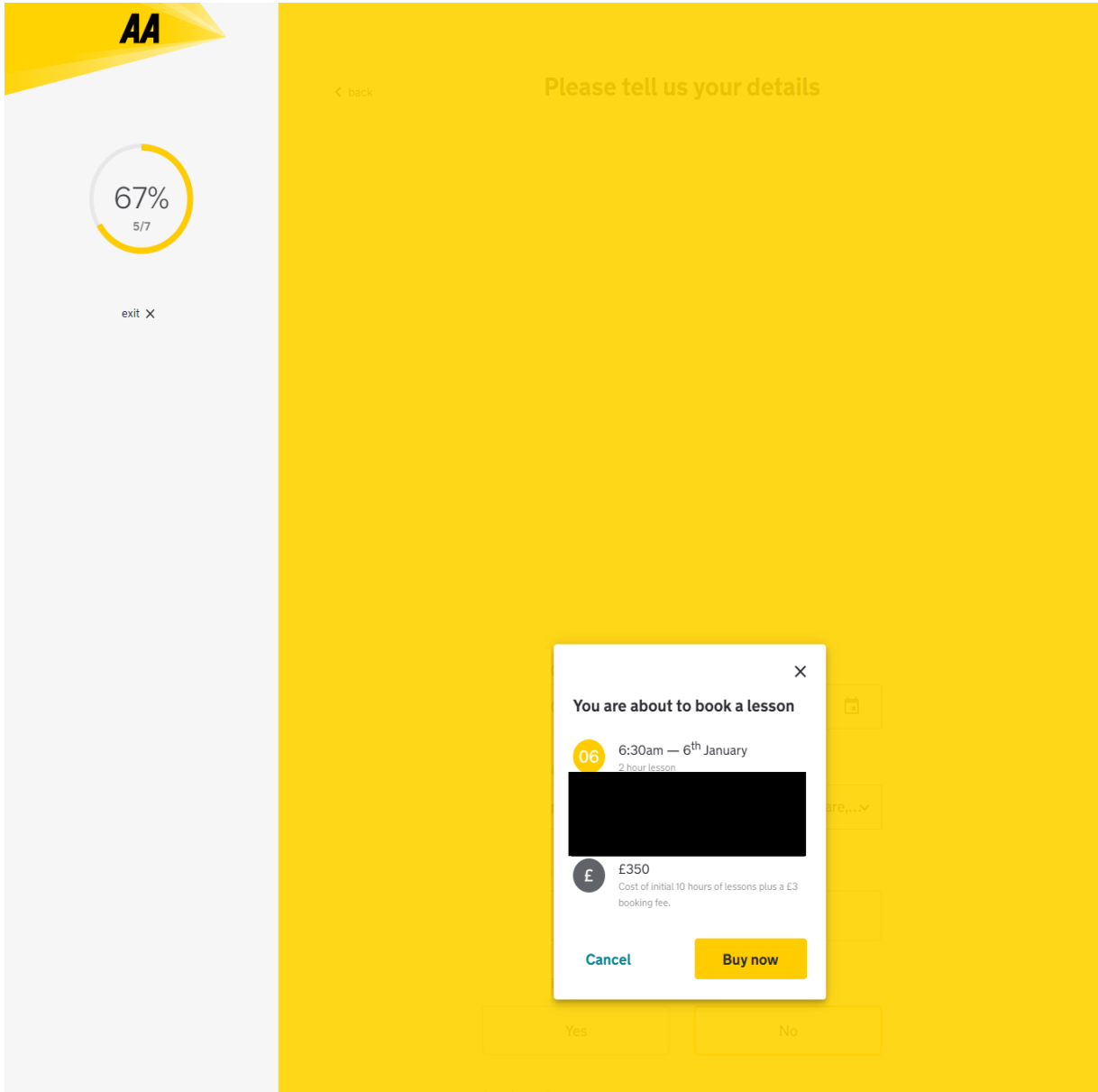


Page 6: Contact Details¹²⁸

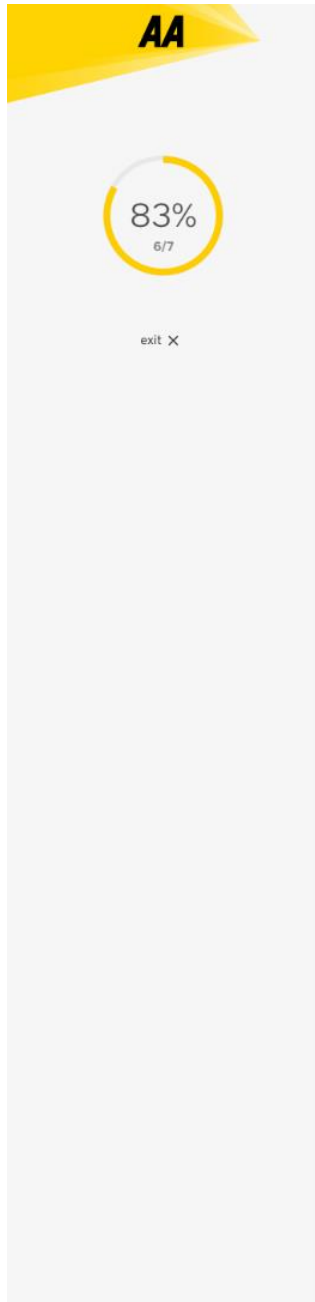


¹²⁷ Consumer journey screenshot of AA lesson time selection webpage (BLJ-000000453).

¹²⁸ Consumer journey screenshot of AA contact details webpage (BLJ-000000454).



¹²⁹ Consumer journey screenshot of AA booking summary webpage (BLJ-00000455).



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Please enter your payment details to complete your order

Transaction summary

Lessons - 10 hrs	£350
Booking fee	£3
Total	£353

Please do not refresh your screen or tap the browser back button while we process your payment.

Payment

£353.00

Card number



Expiry date

CVV

The last 3 digits on the back of the card

Name on card

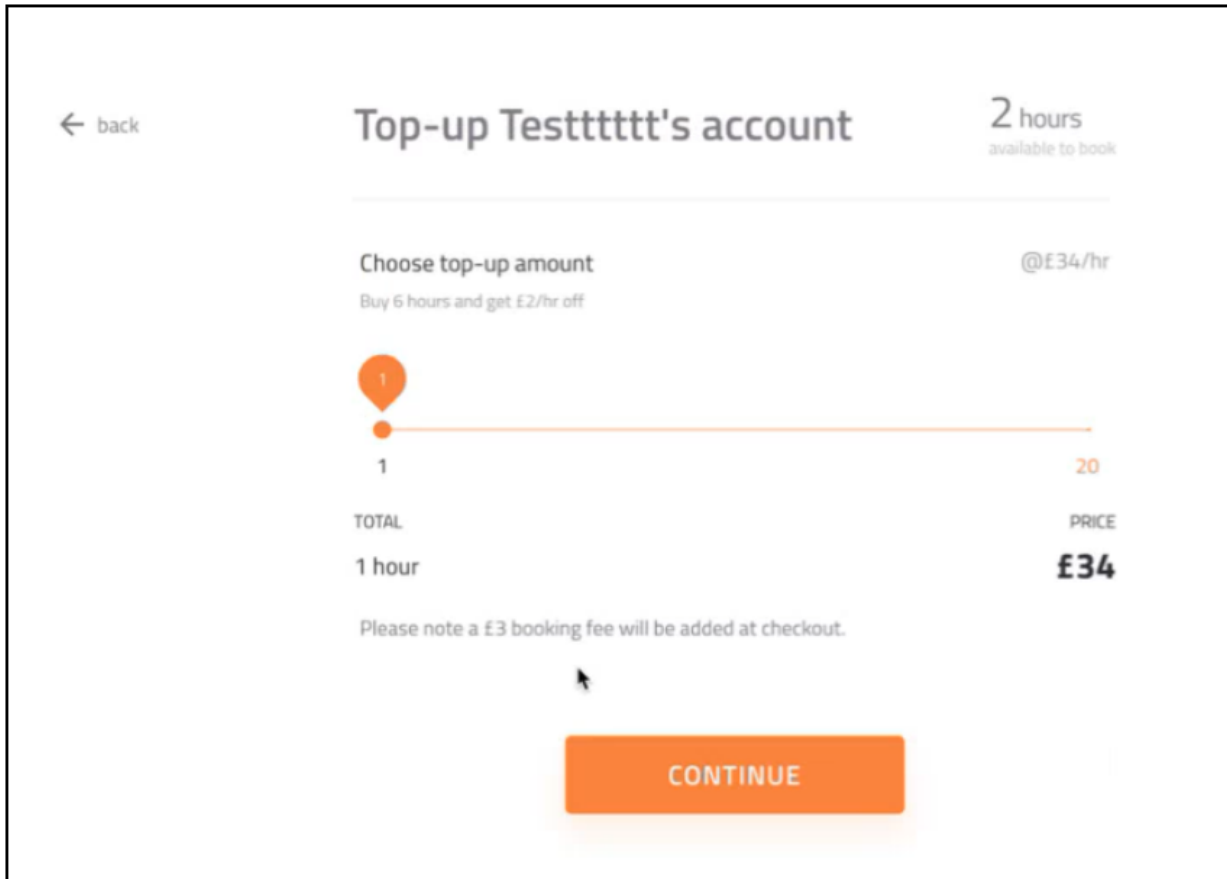
Pay now



¹³⁰ Consumer journey screenshot of AA payment webpage (BLJ-00000456).

A3: EXISTING CUSTOMERS WEBPAGE

'Top-up' account webpage only available to existing online account customers - first invitation to purchase¹³¹



¹³¹ Screenshot of webpage for BSM existing customers for the purchase of additional hours; response to Q4 of Information Notice 1(BLJ-000000550).

ANNEX B: ENHANCED CONSUMER MEASURES

REDRESS MEASURES

Interpretation and defined terms

1. When a date or time period is specified in this Annex B, the obligation must be met by 17:00 hours in the time zone of the UK on the relevant day.
2. When a date is specified in this Annex B as being measured by reference to the FIN, the date of the FIN shall be counted as the first day of such reference period.
3. If any date calculated in accordance with this Annex B should fall on a Saturday, Sunday or Bank Holiday in England, the relevant date shall instead be deemed to fall on the next working day immediately thereafter.
4. Defined terms for the purpose of the redress measures are set out below.
 - (a) 'Affected Purchase' means a driving lesson package of one hour or more purchased on www.theaa.com and www.bsm.co.uk during the Relevant Period which incurred a mandatory booking fee and the total price for the purchase including that mandatory booking fee was not provided to a consumer in all invitations to purchase preceding that purchase.
 - (b) 'Affected Consumer' means any individual who made a payment to the Respondent for an Affected Purchase who has not already been refunded the amount of the mandatory booking fee associated with that Affected Purchase either at the date of the Automated Refund or the date of the Cheque Refund (as applicable).
 - (c) 'Affected Pupil' means any individual that receives the benefit of the Affected Purchase made by the Affected Consumer.
 - (d) 'Automated Refund' means an instruction to the Payment Service Provider to refund back to the Affected Consumer the total sum that the Affected Consumer has paid the Respondent in respect of the mandatory booking fee associated with any Affected Purchase.
 - (e) 'Cheque Refund' means a cheque for a sum equal to the total sum that the Affected Consumer has paid the Respondent in respect of the mandatory booking fee associated with any Affected Purchase, excluding any sums (i) subject to a successful Automated Refund; and (ii) for which a separate Cheque Refund has been made, in each case in respect of the Affected Consumer.

- (f) 'Directions' means the directions set out in paragraphs 5 to 10 below, imposed under section 182(4) of the DMCC Act.
- (g) 'DMCC Act' means the Digital Markets, Competition and Consumers Act 2024.
- (h) 'Existing Customer' means an Affected Consumer who purchased a second or any subsequent driving lesson package of one hour or more on www.theaa.com or www.bsm.co.uk.
- (i) 'FIN' means the Final Infringement Notice given to the Respondent under section 182 of the DMCC Act.
- (j) 'Final Date' means one year from the date of the FIN.
- (k) 'New Customer' means an Affected Consumer who purchased a driving lesson package of one hour or more on www.theaa.com or www.bsm.co.uk for the first time.
- (l) 'Refund' means an Automatic Refund or a Cheque Refund.
- (m) 'Relevant Period' means:
 - (i) in respect of a New Customer, 6 April 2025 to 4 December 2025 inclusive; and
 - (ii) in respect of an Existing Customer, 6 April 2025 to 15 December 2025 inclusive.
- (n) 'Respondent' means Automobile Association Developments Limited, trading as AA (www.theaa.com) and BSM (www.bsm.co.uk).

Refunds to Affected Consumers

5. The Respondent shall:

- (a) Within 120 days of the date of the FIN (and in any event prior to attempting to give their Refund), send each Affected Pupil an email or letter, as appropriate, and to the relevant details held in respect of that Affected Pupil, communicating:
 - (i) the reason for the Refund on terms the same as those set out in the Exhibit to this Annex B, other than the text in the Exhibit which is in square or curly brackets, which may be amended as appropriate for each Affected Consumer; and
 - (ii) the process by which the Refund will be attempted.

- (b) Process an Automated Refund for all Affected Consumers for whom the Respondent holds valid card payment information within 90 days of the date of the FIN.
- (c) Send a Cheque Refund made payable to each Affected Consumer for whom the Respondent:
 - (i) has been notified that the Automated Refund made pursuant to paragraph 5(b) has failed; or
 - (ii) holds card payment details that are no longer active, within 120 days of the date of the FIN.
- (d) Make a donation to an appropriate charity to be specified by the CMA of a sum equal to the undeposited amount of all Cheque Refunds as at the Final Date.

General

- 6. Within ten working days of the date of the FIN, the Respondent shall provide the name and contact details of the Respondent's employee whom the CMA should contact in relation to any requests regarding compliance with the Directions. The Respondent shall ensure that it continues to retain a staff member with the function of being this point of contact for the CMA and provide up to date contact details for every such staff member to the CMA, for as long as the Respondent has obligations under the Directions.

Reporting

- 7. The Respondent shall provide a written report to the CMA within one month of the date of the FIN. This report shall include the following information:
 - (a) the total number of Affected Consumers for whom an Automatic Refund has been attempted in accordance with the time limit set out in paragraph (b) and the total value of those Automatic Refunds;
 - (b) the total number of Affected Consumers for whom an Automatic Refund has been attempted in accordance with the time limit set out in paragraph (b) but which has been unsuccessful;
 - (c) the total number of Affected Consumers for whom Cheque Refunds have been sent in accordance with the time limit set out in paragraph (b) and the total value of those Cheque Refunds;
 - (d) the total number of Affected Consumers who:

- (i) have not had an Automatic Refund; or
 - (ii) in respect of whom, a Cheque Refund has not been sent;
- (e) the total value of all undeposited Cheque Refunds; and
- (f) an explanation:
 - (i) as to the reasoning in respect of paragraph (d); and
 - (ii) the steps that the Respondent has taken to make the relevant outstanding Refunds; and
 - (iii) confirmation (where applicable) of when these Refunds will be made.
- 8. The Respondent shall provide a further written report to the CMA every subsequent month until the Final Date, updating the CMA with the information referred to in paragraph 7(a) to (f).
- 9. The Respondent shall provide a written report to the CMA within ten working days of the Final Date:
 - (a) updating the CMA with the information referred to in paragraph 7(a) to (f); and
 - (b) confirming the value of the payment to charity specified by the CMA in paragraph 5(d) (if any).
- 10. Until the CMA is satisfied that all measures to ensure that Refunds to Affected Consumers have been duly made, the Respondent shall provide to the CMA any other information or documents in its possession or available to it which the CMA considers are necessary in order to determine compliance or otherwise with the Directions within a reasonable time.

Exhibit to Annex B



ANNEX C: RIGHT OF APPEAL

As part of the Conditions of Settlement the Respondent has agreed not to bring an appeal or otherwise challenge any matter set out in the FIN. Details about the right of appeal set out in the DMCC Act are set out below for completeness.

Pursuant to section 202 of the DMCC Act a person to whom a FIN is given may appeal to the appropriate appeal court against a decision to impose a monetary penalty by virtue of the notice, the nature or amount of any such penalty and the giving of directions by virtue of the notice. These appeals must be made to the High Court in England and Wales or Northern Ireland or to the Outer House of the Court of Session in Scotland.¹³²

The grounds for an appeal against the decision to impose a monetary penalty or the nature or amount of any such monetary penalty are that:

- (a) the decision to impose a monetary penalty was based on an error of fact,
- (b) the decision was wrong in law,
- (c) the amount of the penalty is unreasonable, or
- (d) the decision was unreasonable or wrong for any other reason.¹³³

The grounds for an appeal against the giving of directions are that:

- (a) the decision to give the directions was based on an error of fact,
- (b) the decision was wrong in law,
- (c) the nature of the directions is unreasonable, or
- (d) the decision was unreasonable or wrong for any other reason.¹³⁴

An appeal against a FIN under section 202 of the DMCC Act must be brought before the end of the period of 60 days beginning with the day on which a FIN was given to the person seeking to bring the appeal.¹³⁵ The appropriate court may extend the period of time for bringing an appeal.

Where an appeal is brought under section 202 of the DMCC Act a person to whom a FIN is given is not required to pay the penalty or compensation under directions imposing

¹³² Section 202(9) of the DMCC Act.

¹³³ Section 202(2) of the DMCC Act.

¹³⁴ Section 202(3) of the DMCC Act.

¹³⁵ Section 202(6) and section 202(9)(a) of the DMCC Act.

enhanced consumer measures until the appeal is determined or withdrawn unless the court orders otherwise.¹³⁶

¹³⁶ Section 202(8) of the DMCC Act.