

DMCC Act Summary

The Digital Markets, Competition and Consumers Act, 2024, came into force on the 6th April and will reform consumer protection law and its enforcement in the UK, with the aim of improving consumer confidence.

It allows the Competition and Markets Authority (CMA) to regulate competition in digital markets and gives the CMA the power to impose fines directly on businesses found to be in breach of consumer law.

The Act has three main areas of focus:

- Consumer protection
- Digital markets
- Competition

It aims to establish a tailored, evidence-based and proportionate approach to regulating the largest and most powerful digital firms to ensure competition that benefits everyone.

Whilst the majority of the Act is unlikely to impact BWF members, it does offer useful guidelines for adhering to best practice when it comes to advertising and marketing.

What is 'drip pricing'?

Drip pricing is when consumers are shown an initial price for a product, but additional, mandatory fees are added ('dripped') as they proceed with their purchase.

The Act aims to prevent businesses attracting customers with a seemingly low price, however following the addition of the extra fees, the final purchase price being considerably higher.



What are fake reviews?

A fake consumer review is any misleading or deceptive review that falsely purports to be based on a person's genuine experience. Fake reviews can be both positive and negative and designed to improve a business' sales or ranking position or undermine a product or business.

The banned practice applies to various formats, including written (whether electronic or hard copy), verbal and graphical.

What are concealed incentivised reviews?

Any review that has been offered in return for an incentive (money, commissions, discounts, other services) must be fully disclosed.

What is 'greenwashing'?

Greenwashing is a form of advertising designed to mislead consumers into thinking that their products, services or practices are more environmentally friendly, or sustainable than they are.

What are environmental claims, or green claims?

Environmental claims show how a product, service, process, brand or business provides a benefit, or is less harmful to the environment.

Environmental Claims must:

1. Be truthful and accurate: Businesses must live up to the claims they make about their products, services, brands and activities
2. Be clear and unambiguous: The meaning that a consumer is likely to take from a product's messaging and the credentials of that product should match
3. Not omit or hide important information: Claims must not prevent someone from making an informed choice because of the information they leave out
4. Only make fair and meaningful comparisons: Any products compared should meet the same needs or be intended for the same purpose
5. Consider the full life cycle of the product: When making claims, businesses must consider the total impact of a product or service. Claims can be misleading where they don't reflect the overall impact or where they focus on one aspect of it but not another
6. Be substantiated: Businesses should be able to back up their claims with robust, credible and up to date evidence

Resources and links

Full details of the Act; <https://bills.parliament.uk/bills/3453>

Government issued guidance on green claims from 2021 which remains relevant and useful; <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims/environmental-claims-on-goods-and-services>.

Green claims quiz; <https://form.typeform.com/to/YeTlJphR?typeform-source=greenclaims.campaign.gov.uk>

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