

First CMA Consumer Fine Shows Commitment to Enforce New Regime

On 15 April, the Competition and Markets Authority ('CMA') announced that it had imposed its first substantive fine for breach of consumer protection law, following implementation of the UK's new 'direct enforcement' model. Under this model, which entered into force in a year ago, the CMA is for the first time able to fine businesses directly for breach of UK consumer protection law, rather than having to bring enforcement proceedings before the courts. Although most cases under the old consumer protection regime were settled without recourse to the courts, the change to a direct enforcement model - under which the CMA acts as investigator and decision-maker, with the power to impose substantial fines and order redress itself - has dramatically changed the UK consumer protection landscape.

In its [announcement](#), the CMA confirmed that it had issued a 'Final Infringement Notice' to Automobile Association Developments Limited ('AADL'), trading as the AA Driving School and BSM Driving School, finding that the company had infringed the UK's new 'drip pricing' rules, which entered into force at the same time as the direct enforcement regime as a whole. (Except for new specific provisions, such as those concerning drip pricing, the substantive scope of the UK consumer protection regime continues to reflect the EU consumer protection acquis, at least as it was at the time of Brexit, given the regimes' shared roots.)

Under the new drip pricing rules, which are set out in section 230 of the Digital Markets, Competition and Consumers Act 2024, any reference to a product's price must now include 'all fees, taxes, charges or other payments that the consumer will necessarily incur'. These must be displayed as prominently as the price itself and in a manner that enables the consumer to calculate the total price payable. Crucially, full pricing information must be provided in a clear and timely manner at every point at which the trader provides information on a product, meaning that unavoidable fees cannot be hidden initially and only disclosed at later stages of the purchase journey.

The CMA found that AADL had failed to disclose a

mandatory £3 booking fee upfront when learner drivers booked driving lessons, in contravention of the new rules. It imposed a financial penalty of £4.2 million for this infringement, which apparently affected more than 80,000 learner drivers. The fine was reduced from an initial figure of £7 million, in recognition of the fact that AADL settled the case without contesting the finding. Notably, the CMA has also ordered AADL to refund a total of £760,000 in fees to all affected individuals, by means of an automatic refund to their payment cards.

The CMA's investigation of AADL was one of the initial wave of cases it launched in November 2025, after businesses were provided with a short transition period to achieve compliance with the new rules. Reflecting the fact that the CMA had identified drip pricing in its April 2025 '[approach document](#)' as an early enforcement priority, half of these early investigations concerned suspected drip pricing. In addition to investigating the AA and BSM, the CMA launched drip pricing investigations of secondary ticketing platforms StubHub and viagogo, as well as Gold's Gym. The remaining enforcement cases announced last November, involving Wayfair, Appliances Direct and Marks Electrical, concern automated opt-ins and time limited promotions (aspects of so-called 'online choice architecture', which the CMA has identified as another key enforcement priority).

All except the driving school cases remain ongoing at the time of writing. The CMA announced a further tranche of investigations in March 2026, most of which concerned suspected breaches of the new rules governing fake reviews, which is the CMA's third stated priority area for consumer enforcement.

This decision illustrates a number of interesting points. First, it confirms the CMA's commitment to applying the new consumer protection rules rapidly and aggressively. Although the level of the fine in this case is relatively low, compared with recent penalties for breach of competition law, it exceeds the level of consumer harm caused and does not suggest any intention on the part of the CMA to ease in gradually. It is also notable that the first competition law infringement fines imposed after the entry into force of the UK's modern antitrust regime in March 2000 were materially lower, even allowing for inflation.

The CMA's aggressive enforcement of its new consumer protection powers is particularly notable in a context where its activity in merger control, digital markets and antitrust has declined over the past year, in the face of overt political pressure to adopt a more 'pro-growth' stance. Clearly, the CMA has sufficient political air cover for now to take firm action in the field of consumer protection. It is notable, however, that none of the companies under investigation so far is a large US technology platform.

The CMA's full slate of enforcement cases, combined with its early success in this case, makes it surprising that the Government has recently announced a review of whether the UK's collective proceedings regime, which currently only applies to competition law claims, should be extended to include consumer protection cases. This is particularly puzzling, given that the Government is in parallel reviewing whether the competition collective proceedings regime should be scaled back.

This case also shows how, in contrast with the competition law regime - where cases typically drag on for years, as the CMA gathers extensive evidence and parties argue with the CMA over complex matters such as market definition, economic effect and the legal characterisation of conduct - consumer enforcement is rapid. The law is clear and evidence gathering limited. As far as drip pricing cases are concerned, either fees are mandatory or they are not; either they were properly disclosed or they were not. On the other hand, the new drip pricing rules are onerous and it can be hard for businesses to identify and prevent all potential infringements before it is too late. As a result, the CMA is operating in a target rich environment. This is reflected in the fact that, in addition to its active enforcement cases, the CMA has apparently sent out 157 'advisory and warning letters' in the past year. These are a less severe form of intervention, which enables the CMA to indicate to a business that it may be breaking the law and provide an opportunity to comply, rather than face an immediate investigation. The factors considered by the CMA when deciding between sending a warning letter or opening a full investigation of a suspected infringement are not entirely clear but presumably reflect its wider prioritisation framework.

Although the fact that this case was settled clearly contributed to it being concluded in less than five months, it is likely that announcements will follow soon on the remaining open cases. In the meantime, as well as ensuring compliance with the new rules on drip pricing and fake reviews, and reviewing their online choice architecture, businesses selling to UK consumers should be anticipating the new rules on subscription contracts, which are due to enter into force in Spring next year.

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