



Consultation questions

Section: Introduction

Q1a: Is the introduction sufficiently clear in explaining that this guidance is addressed to businesses?

Yes

Q1b: Does it provide sufficient information to explain what the guidance does and does not cover?

It states "All businesses must comply with these laws when they sell any goods...to a consumer within the United Kingdom". This may imply to a business that they only commit an offence when a sale takes place and we would suggest that the wording is altered to, "sell or offer for sale any goods" or "sell or promote goods for sale"

Section: Evaluation of your Pricing Practice considering Reasonable Consumer Expectations

Q2a: Does this section provide businesses with a clear test to apply to their pricing practices?

Yes

Q2b: Do you agree that the test and definitions are an accurate reflection of the law?

Yes

Q2c: Does the guidance help businesses to understand how to frame their price promotions a) when they are addressed to or are only likely to reach the average consumer and b) when they are aimed at or likely to reach specific groups that are not the average consumer?

As a general overview, yes. We particularly like the fact that the information relating to promotions which may be targeted towards people who may be vulnerable has been placed in a separate, enclosed box. Also, the four questions on page seven provide a very useful means of assessing the transactional decision test

Section: Quick Guide to Pricing Practices

Q3a: Do you agree that this section provides a useful checklist for small businesses?

Yes.

Q3b: The text has been written to be applicable to all sectors and pricing practices. Are there any sectors for which the text is not fit for purpose? Are there any practices for which the text is not fit for purpose?

No

Q3c: Are there any further points about pricing practices that should be added to this list for SME's?

Not just for SME's, we feel that the Quick Guide should add a bullet point along the lines of "Do not accompany a price comparison with ambiguous or unclear phrases such as 'original price', 'clearance price', 'should be' or 'valued at', particularly if there is no qualifying explanation.

Section: Price Promotions

Q4a: Do you agree that the detailed guidance accurately reflects the principles of the CPR's?

In general, yes and we feel that section 2.6 (Time Limited Offers) is excellent, being clear, concise and unequivocal.

However we would make the following comments:

- In Section 1.1.4 the example given for "was £1000, now £500" should, we feel, make clear that if different methods have been used to offer the goods this should be stated. For instance, we are aware of a furniture trader which rotates its collections instore and establishes the higher price from a catalogue or instore internet terminal without promoting that range or displaying it instore. Minimal sales may be achieved or intended. Therefore the time an item has been offered at each price is far from the only criterion to test whether the reference price is a genuine retail price*
- In Section 2, example 5 is of concern in that the accompanying commentary is very vaguely worded. If a trader has increased the price by, say, the withdrawal of a "This week only - extra 10% off" promotion then, in our view, the subsequent increase in price by the withdrawal of that additional discount should not be being presented as a saving by the trader when effectively it is a price increase!*

Incidentally, on page 11, the term "bold, precise and compelling" is used. Whilst an enforcement officer will be familiar with this term it may be unclear or confusing to the business reader, particularly smaller businesses which do not have in-house legal support.

Q4b: Are you aware of any widespread pricing practices that have not been covered by the principles described in this section? If so, please provide outline details.

Comparisons being made, not against a "was" reference price but rather against unclear and ambiguous "should be", "worth" "clearance" and "original" prices. We understand that

this may be caught by the general principles but perhaps specific reference to such terms should be included.

Q4c: Does the guidance cover the situation where there is a legal obligation to give unit price information and situations where the presentation of that information could be confusing or of no use to the consumer?

This area is possibly in transition at present as we await the outcome of BIS work with an Expert Working Group and any guidance they may produce or recommended amendment of Schedule 1. However, we do have concerns that in Section 1.1.6 at the foot of page 17 the suggestion that the unit price can be relegated to the status of "small print" conflicts with the legal requirement to be easily identifiable and clearly legible.

Section: Illustrative Examples

Q5a: Do you support the approach taken, of providing examples that are more likely to comply or less likely (or unlikely) to comply given that only a Court can decide on the facts of an individual case?

Yes. However we have concerns about the wording of a couple of the examples:

- In example 2 we would suggest that the statements "evidence can be provided to show sales..." and "no evidence of sales..." should refer to "significant" or "material" sales.*
- In example 11, to the statement "to cover the cost of the promotion" should be added the words "...whether in part or in full".*

Q5b: Are you aware of any widespread and potentially non-compliant pricing practices that have not been covered by the examples in this section? If so, please provide outline details.

Drip pricing, whereby a headline price is advertised at the beginning of the purchase process, following which additional fees, taxes or charges, which may be unavoidable, are then incrementally disclosed or "dripped". This practice is a problem in the airline, car hire and ticketing sectors and should be specifically addressed by the guidance.

Section: Actual Examples – Court Cases and ASA Rulings

Q6b: Regulators – will you find these examples useful when advising business? Are there any other recent examples that you think could be included? If so please provide outline details.

Yes. Regular updates of the Actual Examples section will be of great benefit.

AND FINALLY

Q7: Has the guidance provided you with sufficient insight into the principles to enable you to review your own pricing practices and those of your competitors (should you wish to complain about them)? If not, which principles or practices need further explanation?

N/A

Q8: Do you think that this document strikes the right balance for business between using plain language to explain principles while also incorporating precise legal references?

Yes. By necessity the revised PPG had to adopt the principles of the CPRs.