

CMA draft guidance for pricing transparency: What businesses should consider

22 July 2025  Katharine Mason

The Competition and Markets Authority (CMA) has published draft guidance for consultation on its interpretation of pricing transparency requirements under Digital Markets, Competition and Consumers Act 2024 (DMCCA).

The DMCCA outlines the specific information that must be included in an 'invitation to purchase' (ITP), which encompasses price-related information.

An ITP must include:

- the total price of the product, this includes any fees, taxes, charges or other payments that the consumer cannot avoid;
- how the price (or that part of it) will be calculated when the product is such that all or some of the total price cannot reasonably be calculated in advance; and
- any freight, delivery or postal charges, including any taxes not included in the total price of the product but which the consumer may choose to incur (or where those additional charges or taxes cannot reasonably be calculated in advance, the fact that they may be payable).

As is a common theme with the DMCCA, it includes terms which are familiar from the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) but defines them more widely.

In this case the key term is relating to the ITP. Previously, the ITP definition meant that for information requirements to apply, the relevant commercial communication (indicating product characteristics and price) needed to enable a consumer to make a purchase.

Now, where a commercial practice involves consumer information about product characteristics and price, the requirements apply if it enables, or purports to enable, consumer purchasing or transactional decisions.

What is included in the CMA's draft guidance

- **Definition of an ITP.**

It lists examples of ITPs where the product's price and characteristics are given. The list includes a price on a product in a shop, an item listing on the website of an online marketplace, a text message promotion, and an advertisement of a product on TV or in a social media post.

- **What pricing information needs to be included in an ITP (and what to avoid including 'drip' and 'partitioned' pricing).**

It makes repeated reference to the need for a "realistic, meaningful and attainable price" to be stated. A realistic, meaningful and attainable price is described as "a price at which most consumers would be able to purchase the product". The guidance includes examples of what the CMA would consider to be prohibited 'drip pricing' and 'partitioned pricing'.

- **Necessary action to ensure compliance with the requirement to provide the total price of the product in ITP, and what to do instead if this is not possible.**

The guidance notes that when ordering on a website, there will be multiple ITPs. It says that if the total price cannot be stated, the information necessary to calculate the total price should be included in every ITP. This section also references what the CMA describes as

'early-stage advertising' and how pricing must be displayed within it.

- **How the new requirements apply to specific types of charges and pricing practices, and the steps that traders can take to comply.**

This section provides examples the CMA considers to be compliant. Whether or not the proposed approaches will be achievable will depend on traders' specific systems, so compatibility should be investigated.

It's worth remembering that the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing, and the UK Code of Broadcast Advertising reflect the DMCCA. Therefore, final guidance published by the CMA is likely to impact how the Advertising Standards Authority interprets its rules when investigating price claims in [advertising](#).

The consultation closes on 11.59pm on 8 September 2025 for businesses interested in contributing.

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