



SHOOSMITHS

Subscriptions – we're caught in a trap

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Meet the presenters



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Online Subscriptions – What we will cover today:

The rules

01

The sanctions

02

The key takeaways

03

Q&A

04

The rules: a new dawn for consumer protection

Meet the Digital Markets, Competition and Consumers Bill...



Competition & Markets Authority ✓
@CMAgovUK

...

We welcome this new draft [#legislation](#), that will enhance our ability to promote [#competition](#) and protect consumers, including new powers for our Digital Markets Unit.

Read more: gov.uk/government/new...

[#digitalregulation](#)



Department for Business and Trade ✓ @biztradegovuk · 25 Apr 2023

📢 Fake reviews and subscription traps are being stamped out to protect consumer cash online 💷💶

Here's how the new Digital Markets, Competition and Consumers Bill will help consumers get a better deal 👉 gov.uk/government/new...

The rules: information to be provided

Terms and conditions

- Full pre-contract information
- Before enter contract & after

Check out page

- Key pre-contract information
- Acknowledgement boxes

Confirmation of information

- Key and full pre-contract information
- On a durable medium

Top Tips

1

Digital

Explore with your digital team how easily these changes can be incorporated into your online sales journey

2

Training

Begin training key stakeholders (e.g. customer care/sales teams) so they are aware of the rules

3

Systems and processes

System upgrades and notifying customers



The rules: cancellation rights

14 day cooling off: Initial and renewal. Now omnichannel

Initial: Before sign up i.e. Terms & Conditions

Renewal: Auto renew for 12 months+ or end of trial

Arrangements for cancellation: Easy, single communication & by any means

Refunds and deductions: Not addressed in the Bill

Notice: Acknowledge when the contract has been cancelled

Cancellation outside of cooling off: Pay disproportionate amount



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The rules: notices

Reminder notices

Renewal cooling off
notices

End of contract
notices



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The rules: Schedule 21 exemptions

Utilities

Insurance and financial services

Medical prescriptions

Contracts regulated by OFCOM

Rent of residential accommodation

Delivery of foodstuffs etc by unincorporated trader

Package holidays

Timeshares

Childcare (including school age education)

Gambling contracts



What if you get it wrong?

Consumer has the right to **cancel** the contract for breach of certain implied terms

If the trader fails to obtain the consumer's express acknowledgement of payment, the consumer is **not bound by the contract**

Financial penalties (soon to be £300k or, if higher, 10% of global turnover)

Specific performance / implementation

Website take down

Damages

Reputational harm

Key takeaways: where to go from here

1

Review your
subscription
offering

2

Review
systems and
processes

3

Review online
customer
journey

4

Review sales
terms and
conditions

5

Train
stakeholders





**Fire away with your
questions!**



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FOR
WHAT
MATTERS