

Press release: Car hire sites to provide full costs upfront after CMA action

An online travel agent, P&P Associates Ltd, and 2 operators of price comparison sites, Affordable Car Hire Ltd and Flexiblecarhire.com Ltd, have committed, under legally binding agreements, to include all compulsory charges in their car hire quotes.

This means their initial quotes must include mandatory charges like fuel surcharges, young driver fees and out-of-hours pick up charges, where applicable. They must also show all essential information including the amounts of any deposits and insurance excesses, policy on fuel charges, and what exactly the insurance covers.

All 3 businesses cooperated fully with the Competition and Markets Authority (CMA)'s action, which was launched after an investigation into whether certain sites were complying with consumer protection law. As a result, they have put in place arrangements to check the prices given by their car rental suppliers are fully inclusive going forwards.

The CMA's enforcement work was launched as a result of its industry-wide review of price comparison sites offering car rental, which found many were advertising very low prices to customers by not including all costs.

This left people paying more than expected at the check-out, and not having the full information required under consumer protection law about what they were paying for.

The CMA, therefore, worked with companies across the sector, resulting in significant improvements in the accuracy and clarity of information available to customers.

A year on, 30 leading websites now carry transparent prices for over 1,300 car companies in over 10,000 destinations, which means UK customers can be more confident they will not be hit by hidden charges and unexpected fees.

Michael Grenfell, CMA Executive Director for Enforcement, said:

It is important people know what they're signing up to online when hiring a car.

Prices must be transparent and include all compulsory costs so that people can find the deal that's best for them.

The CMA's work over the past year has vastly improved the sector and brought the majority of sites offering car hire in line with consumer protection law.

UK customers can now be more confident that what they see is what they will pay.

The CMA is also launching its first direct action against car hire companies based outside the UK. Following extensive complaints from people encountering hidden costs on collection of their car at the airport abroad, the CMA is now taking enforcement action against businesses based overseas but selling directly to UK customers online.

The types of problem UK consumers reported experiencing included hidden charges for fuel, surprisingly high excess amounts and hidden insurance costs.

Michael Grenfell added:

This move sends a clear message: just because a business is not on UK soil doesn't mean the law doesn't apply when it sells in the UK.

British consumers have a right to protection under consumer law and the CMA will work to ensure they receive it.

The CMA has also published advice (link to 60SS) for businesses that sell car rental to help them comply with consumer law, as well as advice for consumers on what to watch out for when [renting a car](#).

Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on [Twitter](#), [Facebook](#), and [LinkedIn](#).
2. The key pieces of consumer protection legislation relevant to the CMA's investigation are the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) and Part 2 of the Consumer Rights Act 2015. The CPRs contain a general prohibition against unfair commercial practices and specific prohibitions against misleading actions, misleading omissions and aggressive commercial practices. Part 2 of the Consumer Rights Act aims to protect consumers against unfair contract terms and notices, and requires contract terms to be fair and transparent.
3. P&P Associates Limited operates the website www.weholiday.co.uk, Affordable Car Hire Limited operates the website www.affordablecarhire.com and Flexiblecarhire.com Limited operates the website <http://www.flexiblecarhire.com>.

4. This brings to an end the CMA work on car hire online intermediaries. However, it will continue to take steps to encourage and maintain compliance with consumer law in this sector. The next piece of work will focus on overseas firms selling directly to UK customers online.
5. People looking to hire a car online can check our [consumer advice](#).
6. The CMA has published a short summary for [car rental businesses](#).
7. In 2017 the CMA published a market study into [digital comparison tools](#) (which includes price comparison websites).
8. Media enquiries to the CMA should be directed to press@cma.gsi.gov.uk or 0203 738 6460