<u>Press release: CMA leads Europe-wide</u> <u>action on car hire</u>

People renting a car from Europe's 5 biggest hire companies can now do so with more confidence following CMA-led action. Firms including Europcar and Sixt have made changes to deliver on previous commitments about how they display charges and other key information on their websites, so people will now know exactly how much they are paying upfront.

The move comes after a CMA review of whether the companies were complying with commitments they made to be clearer about their prices, in some cases about charges that people can't avoid when renting a car. This found the firms were still providing unclear information on some of their websites.

In 2015, Avis Budget, Enterprise, Hertz, Sixt, and Europcar made a <u>series of</u> <u>commitments</u> to the CMA, European Commission and other consumer enforcement authorities across Europe. These included providing customers with the total price they will pay at the start of the booking process and clearer information about any other costs, such as excess amounts and deposits. But, after reviewing the firms' practices, the CMA found that in some cases customers could still be hit by hidden costs or misled by unclear information.

After leading a Europe-wide project to address these concerns, the CMA is now satisfied that the 5 companies are making the necessary changes to make sure that key information is displayed clearly and prominently. These changes will also apply to Goldcar following its recent acquisition by Europcar, and, as this action has been taken across Europe, consumers across the EU will benefit from CMA's work.

George Lusty, Senior Director for Consumer Protection at the CMA, said:

No one should be misled or caught out by hidden fees when renting a car.

The big 5 told us in 2015 they would update their practices, but we've found they weren't doing all that they'd committed to. Following our further intervention, the charges people see on the big 5's websites will be clear, prominent and accurate, allowing customers to choose the best possible deal for them.

We'll keep the firms under close review to ensure they deliver on their commitments.

The CMA has also taken separate action against 2 Spanish car hire companies following concerns that UK holidaymakers were being misled by their practices. Centauro Rent-A-Car and Record Go Alquiler Vacacional have now agreed to improve the way they display information on their websites,

ensuring that they include all compulsory charges upfront.

George Lusty continued:

If a firm sells to UK customers, they do so under UK law and must answer to it.

We are prepared to act if we find any that any company is misleading UK customers – be it based in the UK or abroad.

This is the latest in a series of actions the CMA has carried out since 2015 in the car rental industry. Other examples include securing an estimated f100 million in benefits for UK customers following its initial investigation into the Big 5's practices, and enforcement action against a number of car hire comparison sites.

The CMA has also published <u>advice for car hire businesses</u> to help them comply with consumer law, as well as <u>advice for consumers</u> on what the watch out for when renting a vehicle.

Notes to Editors:

- 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 from unfair contract terms, and requires contract terms to be fair and transparent.
- 2. The companies involved are Avis Budget Group, Enterprise Rent-A-Car, Hertz Europe Limited, Sixt SE and Europcar Mobility Group (which acquired Goldcar in 2017). For more information, see the <u>summary of</u> <u>areas where further changes were required to be made</u>.
- 3. The CMA has not made a finding on whether the practices it is concerned about breach consumer protection law. All of the companies concerned agreed to make changes to their practices after the CMA raised its concerns. If necessary, the CMA can take action through the courts to enforce consumer law under Part 8 of the Enterprise Act 2002. Ultimately, only a court can rule that a particular term or practice infringes the law.
- 4. The CMA will continue to encourage compliance with consumer law in this sector in line with its published prioritisation principles.
- 5. Media enquiries should be directed to press@cma.gov.uk or 020 3738 6460.
- 6. For CMA updates, follow us on <u>Twitter</u>, <u>Facebook</u> and <u>LinkedIn</u>.