



# Pricing Practices

## Introduction

The giving of information about prices is controlled by law. Although some trade sectors are subject to specific pricing law, there are also general provisions which apply to businesses that give price information to consumers.

## Check List

- Must not** mislead consumers about the price of a product, or the way in which the price is calculated.
- Must not** mislead consumers about there being a particular price advantage.
- Must give** certain pricing information where a communication to a consumer allows for the consumer to make a purchase.
- Must not** indulge in certain pricing practices.
- Must not** advertise in a way which misleads other traders as to price.
- Advertising which identifies a competitor or a competitor's goods or services **must meet** certain requirements.

## Legislation

- The Consumer Protection from Unfair Trading Regulations 2008
- The Business Protection from Misleading Marketing Regulations 2008
- Further Guidance: "Pricing Practices Guide: Guidance for traders on good practice in giving information about prices" Department for Business, Enterprise and Regulatory Reform

## Detailed information

1. You must take care to ensure that you do not indicate a price for goods or services (eg. on an advertisement, website, or shelf-marker) which is less than the price you actually charge. The Government has produced detailed guidance for traders on pricing practices (including on giving the actual price to consumers). More information on the BERR Pricing Practices Guide can found at their website [www.berr.gov.uk](http://www.berr.gov.uk). It also includes guidance that all price indications given to consumers should include VAT.
2. If you make price comparisons, you must be able to justify them and to show that any claims are accurate and valid. In particular, any price advantage claimed must be real. Generally, you should compare like with like; the basis of the price comparison should be reasonable in terms of time. The Government has produced detailed guidance for traders on pricing practices (including price comparisons and price promotions). More information on the BERR Pricing Practices Guide can found at their website [www.berr.gov.uk](http://www.berr.gov.uk).
3. Commercial communications which include a price and product information and which allow the consumer to make a purchase, must include details of the main characteristics of the product, the identity of the trader and full information of the price. This is so that the consumer is fully aware of the total cost.
4. Certain pricing practices are banned. These include 'bait' advertising, 'bait and switch', false information about limited availability, false information about ceasing to trade, passing on inaccurate information about market conditions, and describing a product as "free" if the consumer has to pay anything other than the unavoidable cost of responding and collecting or paying for delivery of the item (More information on these 'banned practices' can be found on the Office of Fair Trading's website [www.offt.gov.uk](http://www.offt.gov.uk)).
5. Any form of representation promoting goods or services to other businesses must not be misleading (including in relation to price or the way the price is calculated). Such advertising is considered misleading if it deceives (or is likely to deceive) and for such reasons could harm another trader's economic interests or injure a competitor.
6. Advertising which in any way identifies a competitor - or their goods or services - must not mislead and must be fair and objective. It must compare like-with-like, must not create confusion, and must not discredit or take unfair advantage of a competitor.

### **If you would like more advice or information, please contact:**

Trading Standards Service, Hillfield House, Denmark Road, Gloucester, GL1 3LD  
Tel: 01452 426201 - Hours of opening: Monday to Friday, 8.30am to 5.00pm  
[www.tradingstandards.gov.uk/glos](http://www.tradingstandards.gov.uk/glos)