

COVID-19 refunds: CMA warns wedding firms over unfair practices

News story

The CMA has issued new warnings to firms over concerns that couples are still not receiving fair refunds for weddings that could not go ahead during the pandemic.



Following the [publication of its statement on wedding cancellations and refunds](#), the Competition and Markets Authority (CMA) [took action against Bijou Weddings Group](#) to secure fair refunds for its customers. However, the CMA has continued to receive new complaints from couples who had their big day booked with other wedding party providers, prompting the CMA to write directly to several firms which may have broken consumer law. Couples have complained about being misled about the level of refund they are entitled to or being offered the opportunity to rebook but only at a higher price.

These businesses are being asked to review their practices to ensure they comply with the law, or risk enforcement action if they fail to do so – including being required to provide refunds.

As a result of concerns highlighted by the most recent complaints, the CMA is also making its views clear to all wedding firms:

- businesses should not make deductions from the refund unless they can prove those costs were incurred directly for the wedding in question and have provided a breakdown of those costs. Where a contract is for venue hire only, the CMA would generally not expect there to be any deductions. The CMA has not set a 'benchmark' amount when it comes to providing refunds and each case must be assessed on an individual basis
- businesses need to meet their legal obligations promptly and should not unreasonably delay or refuse to provide refunds to couples when they are due
- couples should not face additional charges when they voluntarily agree to reschedule their wedding to a comparable date and service, instead of seeking a refund

All wedding firms are being urged to look at their policies on refunds and cancellations and make changes where needed.

Andrea Coscelli, CEO of the CMA, said:

It's not right that couples are facing an uphill battle over costs for weddings which couldn't go ahead due to the pandemic. We know that businesses are continuing to face the impact of coronavirus, but consumers cannot be expected to lose out as a result.

Many couples will be entitled to a full refund, but in the cases where they are not, we are absolutely clear there is no 'one size fits all' approach to retaining costs. Any proposed deduction should only cover costs already incurred in relation to the particular wedding in question, and those costs should be proven by the firm and clearly broken down. All wedding firms need to take note of the CMA's action in this area and provide refunds where they are due, without unnecessary delay. Those who refuse to do so risk enforcement action.

This update on the wedding sector is part of a wider programme of CMA investigations into businesses that have reportedly failed to respect refund rights during the pandemic.

All updates on the CMA's work on refunds can be found on the [COVID-19 response page](#).

Notes to editors

1. The key pieces of consumer protection legislation relevant to the CMA's investigation are the Consumer Rights Act 2015 (CRA) and the Consumer Protection from Unfair Trading Regulations 2008 (CPRs). The CRA prohibits the use of unfair terms in contracts between businesses and consumers. The CPRs prohibit unfair commercial practices by businesses towards consumers.
2. In some cases, where lockdown laws prevent a business from providing a service or the consumer from receiving it, the business may be able to deduct a contribution to the costs it has already incurred in relation to servicing the specific contract in question (where it cannot recover them elsewhere). Read more in [the CMA's statement on weddings](#).
3. When calculating the amount Bijou Weddings must refund, the CMA calculated that 37.2% of the contract price was the maximum amount Bijou could deduct from its refunds to any customer. However, this amount was dependant on how close the wedding date was to the start of lockdown. As it turned out, there were no cases in which Bijou was entitled to retain 37.2%. The average amount that Bijou was able to deduct was 28% – just over a quarter. The CMA has at no point advised or implied that this calculation is a standard to be used across the sector. On the contrary, the CMA has made clear that each case must be considered individually. The CMA considers that any sums retained by a wedding business must have

already been incurred in relation to that particular wedding, and this must be proven.

4. For more information about the CMA's work on weddings, [visit the inquiry page](#).
5. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.

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