

Press release: Hotel booking sites to make major changes after CMA probe

Expedia, Booking.com, Agoda, Hotels.com, ebookers and trivago have been the subject of CMA enforcement action due to serious concerns around issues like pressure selling, misleading discount claims, the effect that commission has on how hotels are ordered on sites, and hidden charges.

The Competition and Markets Authority (CMA) took action last year because it was concerned that practices such as giving a false impression of a room's popularity or not displaying the full cost of a room upfront could mislead people, stop them finding the best deal and potentially break consumer protection law.

All companies under investigation by the CMA have co-operated with its work and voluntarily agreed to the following:

Search results: making it clearer how hotels are ranked after a customer has entered their search requirements, for example telling people when search results have been affected by the amount of commission a hotel pays the site.

Pressure selling: not giving a false impression of the availability or popularity of a hotel or rushing customers into making a booking decision based on incomplete information. For example, when highlighting that other customers are looking at the same hotel as you, making it clear they may be searching for different dates. The CMA also saw examples of some sites strategically placing sold out hotels within search results to put pressure on people to book more quickly. Sites have now committed not to do this.

Discount claims: being clearer about discounts and only promoting deals that are actually available at that time. Examples of misleading discount claims may include comparisons with a higher price that was not relevant to the customer's search criteria. For example, some sites were comparing a higher weekend room rate with a weekday rate or comparing the price of a luxury suite with a standard room.

Hidden charges: displaying all compulsory charges such as taxes, booking or resort fees in the headline price. Sites can still break that price down, but the total amount the customer has to pay should always be shown upfront.

CMA Chairman, Andrew Tyrie, said:

The CMA has taken enforcement action to bring to an end misleading sales tactics, hidden charges and other practices in the online hotel booking market. These have been wholly unacceptable.

6 websites have already given firm undertakings not to engage in these practices. They are some of the largest hotel booking sites. The CMA will now do whatever it can to ensure that the rest of the

sector meets the same standards.

Not all firms engaged in all of the practices cited above, but all have nonetheless agreed to abide by all the principles set out in the undertakings.

The CMA will now monitor compliance with the commitments made by the booking sites. All changes must be made by 1 September at the very latest, though the sites have already started making improvements.

It will also write to other hotel booking sites including online travel agents, metasearch engines and hotel chains setting out clear expectations for how they should be complying with consumer protection law. The CMA also expects these sites to make necessary changes by 1 September. If it finds sufficient evidence that others could be breaking consumer protection law, it will consider taking further enforcement action.

Notes to editors

1. The key piece of consumer protection legislation relevant to the CMA's investigation is the Consumer Protection from Unfair Trading Regulations 2008 (CPRs). The CPRs contain a general prohibition against unfair commercial practices and specific prohibitions against misleading actions, misleading omissions and aggressive commercial practices.
2. The CMA has not made a finding on whether the hotel booking sites' practices have breached consumer law. Ultimately, only a court can decide whether a particular practice infringes the law. As an enforcer under Part 8 of the Enterprise Act 2002, the CMA can enforce the above legislation through the courts if necessary. However, all parties co-operated with the CMA and agreed to make changes to their practices. The provision of undertakings is not an admission of a breach of the law.
3. Media enquiries should be directed to the CMA Press Office at press@cma.gov.uk or 020 3738 6460.
4. Not all firms engaged in all of the practices cited above, but all have nonetheless agreed to abide by all the principles set out in the undertakings.
5. More information can be found on the [online hotel booking](#) case page.