

Consumers to save around £400 million every year from government crackdown on costly subscription traps

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Hard working Brits will keep more of their cash under a new government crackdown on unwanted and misleading subscriptions.

- New measures set out to make subscriptions clearer and far easier to manage or cancel
- Changes will help tackle the cost of living, by saving consumers around £400m annually with new rules to stop “free trials” turning into pricey surprises
- Consumers at the heart of action, with protections against daily grinds such as endless phone queues to cancel subscriptions signed up to with the click of a button

Hard working Brits will keep more of their cash under a new government crackdown on unwanted and misleading subscriptions, which will save consumers around £400 million every year.

New rules, announced today [2 April], will make it simpler and far less painful to escape unwanted subscriptions, stop people being silently rolled onto expensive contracts and ensure that companies are upfront and open when selling subscription services.

This will help tackle the cost-of-living head on by giving consumers greater control over their spending to help them keep hold of their hard-earned cash at a time when household budgets are under pressure.

Kate Dearden MP, Minister for Consumer Protection, said:

“There’s nothing more frustrating than seeing money you’ve worked hard for, disappear from your account for a subscription you’ve forgotten you had.

“These new rules will put consumers back in control of their money - making subscriptions clearer, fairer and far easier to cancel.”

Once the rules come into force, expected to be in Spring 2027, consumers will benefit from:

- Clear, simple information before signing up to any subscription
- Reminders before free or discounted trials end, or 12month+ contracts automatically renew
- Straightforward cancellations, including online exits for online sign ups

- A new 14-day cooling off period, after a free or discounted trial ends, or when a contract renews for 12 months or longer

Across the UK, there are 155 million active subscriptions – with nearly 10 million of them believed to be unwanted.

Over 3.5 million people are being quietly rolled from free or discounted trials into fully costed contracts, whilst another 1.3 million are caught out by unexpected autorenewals.

By making it easier to cancel unwanted services, consumers could save around £14 every month (on average) per unwanted subscription – nearly £170 a year.

Sue Davies, Which? Head of Consumer Rights Policy, said:

“Subscription traps can be costly and wreak havoc on finances that are already under strain from the cost-of-living crisis.

“The strengthening of subscription laws will be welcome news for those struggling with rising costs.

“These new rules will help put consumers in the driving seat with proper transparency and protection.”

New measures mark another major milestone in enhancing consumer protections and implementing measures introduced in the Digital Markets, Competition and Consumers Act 2024 (DMCCA).

As well as strengthening consumer rights, measures will support competition and growth by ensuring all businesses operate on a level playing field.

The measures are expected to come into force in spring 2027.

Lord Richard Walker, Government’s Cost of Living Champion, said:

“At a time when every pound matters, these new rules will give consumers the clarity and control they deserve.

“By stopping companies from quietly rolling people onto costly contracts and making cancellations far simpler, households can stay on top of their budgets and keep more of their money where it belongs: in their own pockets.

Tackling subscription traps is just one of the many steps this government is taking to support consumers. Other recent action includes rewiring enforcement to clamp down on rogue traders like rip-off locksmiths and launching a new Smart Data strategy as part of our Industrial Strategy.

Smart Data empowers consumers by giving them secure access to their own data and the ability to share it safely with trusted third parties, enabling personalised tools that help shoppers identify better-value products and services.

This strengthens and helps ensure firms offer fair prices and high-quality outcomes for consumers.

Today the Chief Secretary to the Prime Minister and Secretary of State for Business and Trade have written to all Secretaries of State and heads of regulators asking them for new ideas to protect consumers to drive down the cost of living. These will be published in a consumer action plan later

this year.

NOTES TO EDITORS

- The Government will bring forward regulations for:
- Initial cooling-off period refunds: Ensure that for contracts covered by the new rules, initial cooling-off rights and refunds are broadly consistent with the existing Consumer Contract Regulations. This includes retaining a waiver for digital content. This will maintain existing consumer protections and provide consistency for both consumers and businesses.
- Renewal cooling-off period refunds: Ensure that for contracts covered by the new rules, consumers have a 14 day period after a trial or 12 month+ contract auto-renews to cancel and receive a full or proportionate refund. This will ensure consumers are not out of pocket if they miss the auto-renewal date, and proportionate refunds ensure businesses are compensated for the proportion of contract services or digital content supplied.
- Charitable memberships: Certain memberships of charitable, cultural and heritage organisations will be excluded from the new rules given the unique role they have in preserving and opening up access to the nation's history, landscapes, and cultural collections.
- Information and notices: Ensure requirements for information and notices are coherent and consistent. This will make it easier for businesses to manage and consumers to make informed decisions and take appropriate action.
- Technical operational detail: Ensure that the consequences and remedies for breaches are fair and that the technical operation of the regime is consistent with the Consumer Contract Regulations where possible. This will ensure a clear, fair and functioning regime that protects consumers from harm and has safeguards, so traders are not unfairly penalised.
- Digital Markets, Competition and Consumers Act - impact assessment and statistics

<https://www.gov.uk/government/news/consumers-to-save-around-400-million-every-year-from-government-crackdown-on-costly-subscription-traps>