EXPLANATORY MEMORANDUM TO

THE PRICE MARKING (AMENDMENT) ORDER 2025

2025 No. 592

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Business and Trade and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Justin Madders MP, Minister for Employment Rights, Competition and Markets at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

2.2 Priya Ramdas, Deputy Director for Consumer Policy, at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Danielle Gazi at the Department for Business and Trade email: Danielle.gazi@businessandtrade.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The Price Marking (Amendment) Order 2025 amends the Price Marking (Amendment) Order 2024[1](the "2024 Order") which in turn amends the Price Marking Order 2004[2] (the "2004 Order").

4.2 The purpose of this instrument is to make minor amendments to respond to business, consumer group, and enforcer feedback. The amendments do not change the policy outcomes sought by the 2024 Order. The amendments assist with the overall aim of the legislation to improve price information transparency for consumers. This will ensure consumers can continue to benefit from clear prices that facilitate comparison, provide clarity to business and enforcement bodies, and ensure compliance with the legislation is simple and practicable.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdictions which the instrument forms part of the law of) is Great Britain. Consumer policy is devolved to Northern Ireland, where they have their own but similar version of the Price Marking Order.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is Great Britain.

[1] https://www.legislation.gov.uk/uksi/2024/1055/made
[2] https://www.legislation.gov.uk/uksi/2004/102/contents

5. Policy Context

What is being done and why?

5.1 The 2004 Order sets out the pricing information that a trader must display on price labels for the goods that the trader is selling. The 2004 order does not apply to services. The pricing information that a trader must display includes the 'selling price' which is the price that a consumer pays for an item (this includes any relevant taxes), and, where applicable and required, a 'unit price' which is the price which would be charged for a particular weight or volume of the goods. This is to aid price comparison, for example by giving the unit prices of goods per litre or per kilogram.

5.2 The 2004 Order was updated by the 2024 Order. The 2024 amendments sought to make it easier for a consumer to identify and compare selling prices and unit prices through the introduction of a more standardised approach to unit pricing, greater transparency over the display of scheme prices, and legibility requirements - amongst others.

5.3 The 2024 Order was developed with input from a variety of stakeholders through public and targeted consultation and was laid in October 2024 with a come into force date in October 2025. Representations from various stakeholders received after the laying of the 2024 Order. Upon reviewing these, the Government has decided that amendments are required to 4 articles. The amendments are explained below.

What was the previous policy, how is this different?

5.4 These are amendments to the 2024 Order and do not alter the policy position but provide clarity and completeness.

5.5 The first amendment to the 2024 Order includes a reference to regulations 5, 6, and 7 of the Weights and Measures (Packaged Goods) Regulations 2006 and a reference to article 9 of Regulation (EU) No. 1169/2011 of the European Parliament and of the Council on the provision of food information to consumers[3] (the "FIC Regulations") to article 5 of the 2004 Order, to ensure price marking duties apply to relevant products previously covered under Part V of the of the Weights and Measures Act 1985. The second amendment is provided to clarify when traders can use general notices to advertise price reductions, as provided in article 9 of the 2004 Order. This confirms that the default position should be for price displays to be altered so customers receive accurate pricing information but, in cases where it wouldn't be reasonably practicable for retailers to alter individual sales labels or notices, a general notice indicating the reduction can be used. A further clarificatory amendment is made to the exemptions to the requirement to unit price (in Schedule 2(3) of the 2004 Order) in relation to multi-offers to confirm that this exemption also applies where every item offered in the multi-buy is the same price, but some are of different weight or volume (as applicable). Finally, commencement of all amendments to the PMO 2004 is delayed to April 2026 to give businesses time to comply.

6. Legislative and Legal Context

How has the law changed?

6.1 This instrument amends the 2024 Order, which in turn, amends the 2004 Order.

[3] EUR 2011/1169.

6.2 Article 2(3)(a) of the 2024 Order (which amends article 5 of the 2004 Order) is amended by this instrument to add a reference to regulations 5, 6, and 7 of the Weights and Measures (Packaged Goods) Regulations 2006[4] and article 9 of the FIC Regulations.

6.3 Article 2(6) of the 2024 Order (which amends article 9 of the 2004 Order) is amended to make provisions for the application of general reduction notices.

6.4 Article 2(9) of the 2024 Order (which amends Schedule 2(3) of the 2004 Order) is amended to provide that offers encompassing items sold at different wights or volumes are not subject to unit pricing requirements.

6.5 Finally, this instrument amends the coming into force date of the 2024 Order from 1st October 2025 to 6th April 2026.

Why was this approach taken to change the law?

6.6 These changes could not have been achieved by other means as they amend secondary legislation.

7. Consultation

Summary of consultation outcome and methodology

7.1 The changes in The Price Marking (Amendment) Order 2024 were consulted on in September – October 2023, and the consultation response was published in January 2024[5].

7.2 214 respondents answered questions relating to the display of pricing information. The respondents were comprised of a mixture of consumers, businesses (of all sizes), consumer representative bodies, enforcement bodies, and local and national government bodies and agencies. Most of the consultation responses were supportive of the proposals to amend the Price Marking Order 2004.

7.3 As the changes made by this instrument are targeted and do not impact the policy intent or significantly change the obligations imposed by the legislation, targeted consultation in line with the requirements of section 4 of the Prices Act 1974 was undertaken with key stakeholders, comprising relevant retailers, consumer groups and enforcers. This consultation was undertaken through the gathering of written feedback and minuted meetings and ran for 3 weeks between 10-27 February 2025. Further finalisation discussions were held in April 2025.

8. Applicable Guidance

8.1 A guidance document will be published ahead of the legislation coming into force in April 2026. This guidance will cover the changes made by the Price Marking (Amendment) Order 2024 and the Price Marking (Amendment) Order 2025. This will be publicly available on the Department for Business and Trade's website (on Gov.UK).

[4] https://www.legislation.gov.uk/uksi/2006/659

[5] https://www.gov.uk/government/consultations/smarter-regulation-improving-price-transparency-and-product-information-for-consumers/outcome/government-response-to-consultation-on-smarter-regulation-improving-consumer-price-transparency-and-product-information-for-consumers

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because the Assessment issued for The Price Marking (Amendment) Order 2024 remains applicable. This was published and can be found at The Price Marking (Amendment) Order 2024 - Impact Assessment[6].

Impact on businesses, charities and voluntary bodies

9.2 The impact on business, charities or voluntary bodies is expected to remain in line with the assessment made for the changes brought in by the Price Marking (Amendment) Order 2024. The impact on business, charities or voluntary bodies is minimal. The PMO primarily concerns the display of pricing in grocery stores which are over a certain size. These changes are therefore unlikely to affect charities or voluntary bodies.

9.3 The legislation does not impact the majority of small or micro shops. Following the consultation, Ministers decided the small shop exemption should continue to apply, which exempts small shops from having to unit price all products they sell. The small shop exemption applies to businesses with a 'relevant floor space' of 280 square metres.

9.4 There is no significant, impact on the public sector because, although there will be a cost for implementation, the simplified legislation will be easier to understand and enforce.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is that the Government will monitor how the amended requirements of the Price Marking Order 2004 work in practice.

10.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Minister Madders has made the following statement:

10.3 In line with the approach taken to the Price Marking Order 2024, which the Price Marking Order 2025 amends, and due to the anticipated economic impact of this instrument (<£10 million), a statutory review clause would be disproportionate and is, therefore, not required.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

[6] https://www.legislation.gov.uk/uksi/2024/1055/impacts

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").