

Miatta Fahnbulleh MP
Parliamentary Under-Secretary of State
Minister for Devolution, Faith and
Communities
Ministry of Housing, Communities and Local
Government

From: Emma Cochrane
Executive Director
Consumer Protection

27 April 2026

Dear Minister,

CONSUMER PROTECTION AND THE PRIVATE PARKING SECTOR

1. I am writing to you as the Minister with responsibility for off-street parking to share insights from our ongoing work in the private parking sector ('the sector') to help inform MHCLG's work in this area. Based on our work to date, this letter provides recommendations for requirements we consider could be placed on private parking operators ('operators') to improve outcomes for motorists.¹ Such requirements could be included in the proposed Private Parking Code of Practice ('the Code') or added to the Code once established.

Background

2. The CMA is the UK's principal competition and consumer authority. Our purpose is to promote competition and protect consumers with a clear end goal – to drive economic growth and improve household prosperity.² The CMA has a statutory function to provide information and advice to government and public authorities and, in our 2026-29 Strategy, we have committed to dial up our role as an enabler of competition through expert advice and recommendations to government.³
3. The CMA also has a range of powers and functions to address consumer protection concerns. This includes the power to investigate and enforce certain

¹ For the remainder of this document, we use the term 'consumers' to refer to motorists.

² [CMA strategy 2026 to 2029](#).

³ Under Section 7(1) of the Enterprise Act 2002, the CMA has a function of making proposals, or giving information and advice, "on matters relating to any of its functions to any Minister of the Crown or other public authority (including proposals, information or advice as to any aspect of the law or a proposed change in the law)". The CMA's advice and recommendations to government and public authorities are made with a view to ensuring that policy decisions take account of the impacts on competition and consumers.

consumer protection legislation (including unfair commercial practices and unfair terms) against individual businesses through its civil powers under the direct enforcement regime or court-based enforcement.⁴

The CMA's work in the private parking sector

4. The smooth operation of private car parks across the UK plays an important role in supporting the economy, local businesses and high streets. However, parking charge notices ('PCNs') can represent a significant, often unexpected cost to consumers particularly in the context of wider cost of living challenges. Appealing a PCN can also be a stressful experience for consumers, and, as our work has found, may result in outcomes which they perceive to be unfair.
5. As part of our pipeline/intelligence work on potential consumer protection issues across the economy, we have identified a number of challenges that consumers can face when they receive a PCN. We are currently considering whether to take enforcement action against certain parking operators and whether to issue any warning letters. Any enforcement action taken by the CMA has to be against individual businesses for specific breaches of consumer law. We do not have the general power to impose new rules or requirements on the sector through our consumer enforcement work.
6. As such, our powers complement those of the government, which is already empowered to improve outcomes for consumers across the whole sector by introducing new sector-wide rules and requirements. Recognising MHCLG's ongoing work in the sector, including on the Code, we are writing to you now to share insights from our information gathering and analysis. As part of this, we set out recommendations we consider government could implement in the sector to help improve consumer outcomes. These recommendations focus on:
 - making the PCN appeals process work better for consumers; and
 - ensuring consumers can make informed decisions about whether to pay or appeal a PCN.
7. We encourage government to take account of these recommendations as it develops policy in respect of the sector and considers how they can be reflected in the Code, whether in its initial form or in future updates.
8. The CMA's enquiries into the sector were prompted by a review of consumer complaints about operators, an assessment of the publicly available information about the number of PCNs overturned on appeal by the Parking on Private Land

⁴ The CMA also has the power to prosecute traders criminally if they engage in most unfair commercial practices, see for example Chapter 1 of Part 4 of the DMCC Act. The direct enforcement regime is set out in Chapter 4, Part 3 of the DMCC Act and Schedule 5 of the CRA.

Appeals ('POPLA') and operators issuing record numbers of PCNs.^{5 6} Our focus has been on the processes involved when a PCN is issued, appealed or enforced, and whether those processes give rise to consumer law concerns.

9. Alongside a review of consumer complaints (those publicly available as well as those recorded on the Citizens Advice Database) and publicly available information, we also obtained information directly from organisations in the parking sector, including some parking operators.⁷ The information obtained, via our formal information gathering powers, included a sample of PCNs appealed by consumers where the internal appeal made to the operator was decided between 6 April 2025 and 6 July 2025 ('the sample of PCN appeal files').⁸ The CMA reviewed the information received, assessing it in light of consumer law requirements and the Private Parking Sector Single Code of Practice (the 'Industry Code').⁹
10. Our work identified some practices which could indicate potential non-compliance with consumer law and/or may not be in the spirit of the Industry Code and the Appeals Charter ('the Charter'), contained in Annex F of the Industry Code. Specifically, we have found that:¹⁰
 - some PCNs which should be revoked or reduced to £20 during the appeal to the operator ('internal appeal') are not, including in circumstances where they should be under the requirements set out in the Industry Code and the Charter;¹¹
 - further evidence from consumers is not always requested by operators during the internal appeal, contrary to requirements of the Industry Code and the Charter;
 - operators' appeals processes can lead to inconsistent and suboptimal outcomes for consumers;
 - communications sent to consumers by operators can be confusing and should be improved; and

⁵ [POPLA Annual report 2024 Appendix 01 & 02](#).

⁶ In the 12 months leading up to March 2025, a total of 14.4 million PCNs were issued to UK consumers. This is double the amount issued just six years ago and 13% up on the 12.8 million PCNs issued between April 2023 and March 2024 ([Private parking companies issue a record 14.4m tickets to drivers in a single year | RAC Drive](#)). Revenue in the sector is estimated to reach £1.3 billion in 2025-26 with profits around 4.8% and set to increase to £1.4 billion by 2030-31 (IBISWorld, Carparks in the UK December 2025).

⁷ Citizens Advice is a UK charity that provides free, confidential and impartial advice about a range of issues including financial, legal and consumer problems. It also plays a key role in identifying emerging consumer harms and systemic issues by capturing evidence on a database in relation to the advice they provide to individuals. There are a number of organisations, such as Trading Standards and the CMA, which can access this database.

⁸ The CMA has the power to give notice to a person requiring the production of information under paragraph 14, Schedule 5 of the Consumer Rights Act 2015 ('CRA').

⁹ Following the government issued Parking Code of Conduct being withdrawn in 2022 due to a legal challenge from the parking industry, the industry published the Private Parking Sector Single Code of Practice in June 2024. While this code is not legally binding, the sector trade associations require their members to abide by it and trade association membership is required for operators to access vehicle keeper data from the Driver and Vehicle Licensing Agency.

¹⁰ The Charter sets out the circumstances in which a PCN should be cancelled or reduced to £20 subject to relevant evidence being provided by the appellant upon appeal.

¹¹ Consumers must first go through an operator's internal appeals process before they become eligible to seek ADR.

- operators may be relying on potentially unfair terms seeking additional charges when enforcing PCNs which remain unpaid.

Insights and recommendations from the CMA's work in the private parking sector

11. We have grouped our recommendations into four key areas:

- 1) Operators' approach to the consideration period
- 2) Operator communications
- 3) PCN appeals process and ADR
- 4) Monitoring the effectiveness of the new regime

1) Operators' approach to the consideration period

12. For a contract to be formed, a consumer must have sufficient opportunity to understand the terms and conditions and decide whether to accept them. If a consumer cannot do that, the terms of the contract are unenforceable. In the context of parking, a consumer must have the opportunity to decide whether to park their vehicle on controlled land. A sufficient consideration period is therefore important as it enables a consumer to find a suitable parking space and make payment (if required). By default, a parking period should not start at the point of entry onto the site, where a vehicle is captured on ANPR cameras, before the consumer has had the opportunity to consider the terms and conditions in place.

13. In circumstances where operators cannot demonstrate when a consumer accepted the terms and conditions and the contract was formed (for example, because no time-stamped ticket is issued), they should add the full consideration period, as required by the Industry Code or any future Code, to the end of a parking session before a PCN can be issued. This will ensure consumers receive this contractual consideration period. Although the consideration period should not operate simply as a threshold before the driver becomes liable to pay for parking, it must also be long enough to ensure the consumer has the opportunity to understand and decide whether to accept the terms and conditions.

14. Our analysis of a sample of PCN appeal files shows that some PCNs are being issued to consumers who enter a car park and leave between 5 to 11 minutes later (e.g. 5 minutes and 32 seconds but more typically between 6 to 11 minutes). Considering the grounds of appeal raised by consumers in these cases, this includes examples where consumers are unable to park because they cannot pay for parking via the means available at the site, such as poor phone signal, broken payment machines or a lack of parking bays suitable to their needs (for example, designated Blue Badge parking).

15. This suggests that some operators may interpret the 5-minute consideration period as a maximum rather than a minimum, as stipulated in the Industry Code, despite the Industry Code providing for the option to extend this time if required (as briefly outlined below and set out in more detail in the Annex).¹²
16. Our analysis of the sample of PCN appeal files shows that some PCNs are also issued where consumers decide to park but appear, based on the ANPR camera records, to overstay slightly beyond the parking period purchased (for example, consumers leaving a car park within 11 or 12 minutes of their purchased parking period coming to an end).
17. In such cases, the operators appear to calculate the time spent on site based on entry and exit times as captured by ANPR cameras and apply the minimum grace period of 10 minutes required by the Industry Code before issuing a PCN. However, the effect of this is that the consideration period is treated as being fully subsumed within the parking period, which means that the period of parking is treated as commencing from the moment the consumer entered the car park, not from the time they agreed to enter the contract. We consider that operators should not issue a PCN until at least 15 minutes after the conclusion of the parking period, calculated from time of entry into the car park (based on the current Industry Code, which provides a 5-minute consideration period and a 10-minute grace period), to ensure that drivers enjoy their full contractual entitlement.
18. Our recommendations, if implemented, would help reduce consumer harm by preventing consumers from being penalised where they were in fact still within the grace period, based on the contractual period of parking commencing at the conclusion of the consideration period.

We recommend that government:

- 1. considers whether the 5-minute minimum set out in the Industry Code gives consumers sufficient opportunity to decide whether to enter into a contract with the operator.**
- 2. clarifies that any minimum consideration period provided is not interpreted by operators as a hard ‘cut off’ and is not seen as the ‘maximum’ consideration period that may be provided by operators.**

¹² Annex B of the Industry Code sets out the minimum consideration periods at table B.1 this ranges from 1 minute to 10 minutes depending on factors including the size of the site and whether a tariff is paid. Most types of controlled land listed in table B.1 have a 5-minute minimum consideration period.

3. **considers placing a requirement on operators that, unless they can demonstrate that the consideration period ended early, they should add the full consideration period to the end of a parking period, in addition to the grace period, before issuing a PCN.**

2) Operator Communications

19. Having reviewed the communications sent by some operators to consumers when PCNs are issued, we consider that improvements should be made in this area to ensure the communications allow consumers to make informed decisions about whether to pay or appeal a PCN.
20. On receipt of a PCN, a consumer may not be aware of the existence of the Industry Code. Consequently, when deciding whether to pay or to make an appeal, a consumer may not know whether their particular circumstances meet any of the criteria in the Charter and whether their PCN should be cancelled or reduced under the provisions of the Industry Code. We consider the existence of the Industry Code, the Charter and where they may both be found as '*material information*' needed by consumers to take an informed decision regarding whether to pay or appeal a PCN.¹³
21. Substantive communications from operators to consumers should also explicitly refer to the fact that lodging an appeal, be it with the operator or an ADR body, is always free for the consumer.

We recommend that government:

4. **requires all substantive correspondence sent by operators to consumers to direct consumers to the Charter (or any replacement code of practice), which outlines the circumstances which lead to a reduction or cancellation of a PCN.**¹⁴
5. **requires all substantive correspondence sent by operators to consumers to make clear that lodging an appeal, be it with the operator or an ADR body, is always free.**

¹³ Material Information means information that the average consumer needs to take an informed transactional decision, see section 227(2) of the DMCC Act.

¹⁴ Such correspondence includes letters informing a consumer that a PCN has been issued (also known as 'Notice to Keeper'), payment reminder letters, and letters sent during the internal appeals process.

3) PCN appeals process and ADR

Extension of the Early Payment Discount ('EPD') to cover ADR

22. Data we obtained from operators in respect of consumer appeals shows that a relatively small percentage of consumers seek ADR following an unsuccessful internal appeal. As a result, we explored potential barriers discouraging consumers from seeking ADR and how the current EPD structure is working for consumers from a behavioural science perspective.
23. The loss of the EPD creates a financial incentive to pay the reduced PCN rather than appeal and risk paying more later. Along with other behavioural factors, such as loss aversion and outcome uncertainty, this could encourage consumers to pay a PCN even when they may feel they have strong grounds to pursue ADR. We have seen consumer complaints where consumers state that loss of the EPD was a factor in their decision not to pursue ADR.
24. Extending the EPD to consumers who are seeking ADR is particularly important given we have found that internal appeals processes are not consistently working effectively.

Improving operators' internal appeals processes

25. Our analysis of the sample of PCN appeal files found that operators' internal appeals processes may lead to unsatisfactory and inconsistent outcomes for consumers. In particular, based on the cases considered, we found examples of operators failing to:
 - request additional evidence from consumers and instead prematurely rejecting appeals where consumers were asserting that they had a legitimate reason to park and/or had circumstances recognised by the Charter where the PCN should be reduced.
 - engage with the grounds of appeal raised and instead rejecting internal appeals inappropriately. We have seen examples where it appears the internal appeal should have resulted in the PCN being cancelled or reduced if the grounds had been properly considered or pending receipt of further evidence. As a result, consumers had to appeal to ADR bodies unnecessarily, and in some cases PCNs may have been paid when there was no payment due in the first place.
 - reduce PCNs to £20 in line with the Charter and instead continuing to demand either the EPD or full value of the PCN despite these sums not being due.
 - take a consistent approach to considering appeals. As a result, similar circumstances can lead to different outcomes for consumers.

26. To help strengthen the operators' internal appeals processes, which consumers have to follow before becoming eligible to lodge an appeal with the ADR bodies, we recommend that operators are not permitted to reject an appeal based on insufficient evidence being provided without first having explicitly asked the appellant to provide evidence supporting their grounds of appeal. Further, we also recommend that operators give consumers a clear indication of the type of supporting evidence they are seeking.
27. Implementing these recommendations could help alleviate the concerns we have around instances of operators not meaningfully engaging with the grounds of appeal raised by consumers and instead rejecting appeals prematurely, which results in consumers either paying PCNs when they may not have been due or having to pursue ADR to achieve a fair resolution.

We recommend that government:

- 6. requires (i) the EPD rate to be extended to consumers who, having initially appealed their PCN to the operator within the EPD period, subsequently appeal their PCN to the ADR body, and (ii) consumers remain eligible to pay the EPD rate until a reasonable period after the outcome of the ADR appeal is known.**
- 7. requires operators to request additional, supporting evidence from consumers and to consider their grounds of appeal where the consumer either: (i) provides insufficient evidence going to an appeal ground within the Charter (or any code of practice); or (ii) fails to provide any supporting evidence but indicates that, in their specific circumstances, they meet the criteria within the Charter (or any code of practice) which requires a PCN to be either reduced or cancelled.**
- 8. requires operators to give consumers an indication of the evidence they may want to provide when requesting additional evidence.**

4) Monitoring the effectiveness of the new regime

28. Given the challenges faced by consumers in the sector, we welcome the compliance framework the government is seeking to introduce in order to uphold the Code.
29. Based on our experience of analysing the sample of PCN appeal files, we have developed a set of metrics which operators should report to an appropriate body so that conduct and compliance can be monitored. Crucially, we believe that the

resulting data would aid the identification of potential areas for future amendments to the Code. These metrics are fully outlined in the Annex and include operators being required to annually report on:

- where an appeal (including both appeals made to operators as well as to an ADR body) is upheld or rejected, the reason(s) under the Code for the decision (i.e. pointing to the relevant provision in the Code); and
- the number of ADR appeals withdrawn/not contested by the operator, including the reason(s) for the withdrawal.

30. While the set of metrics we have developed will give some insight into operators' individual compliance with the Code, they are designed to help monitor the overall effectiveness of the new regime and assess whether changes should be made to the Code and compliance framework during its early stages.

31. The current sanctions regime is based solely on an operator's loss of access to Driver and Vehicle Licensing Agency ('DVLA') vehicle keeper data. As part of its future reviews of the effectiveness of the Code and compliance regime, government should consider whether a wider range of possible enforcement interventions are needed to enable proportionate action against various forms of non-compliance.¹⁵

We recommend that government:

9. considers requiring operators to report key metrics (which are fully outlined in the Annex) annually to an appropriate body.

10. considers whether a wider range of enforcement interventions are needed to enable proportionate action against non-compliance.

Potentially unfair additional fees terms

32. Over the course of our work, we have identified concerns around operators relying on potentially unfair terms when recovering additional fees where PCNs remain unpaid after 28 days of being issued or having been unsuccessfully appealed.

33. In particular, we have seen examples of clauses permitting additional charges which may constitute unfair terms. Our concerns are that these charges may be unfairly high and may not be properly brought to consumers' attention or even incorporated into parking contracts. From the examples we have seen, these

¹⁵ The Parking (Code of Conduct) Act 2019 does not currently contain any provisions that would allow for operators to be fined in case of non-compliance. The only sanction the Act envisages is based on removing an operator's access to DVLA vehicle keeper data which would render an operator unable to function properly as they would not be able to continue to issue PCNs.

potentially unfair clauses are referenced on signage, but not generally displayed prominently or transparently, meaning consumers may be unaware that additional fees will be levied. For instance, we have seen these terms on parking signs in small print or on signs separate to the main parking sign so that they may easily be missed by consumers.

34. Examples of additional charges demanded by operators include debt collection fees (where a debt collection agency is instructed on behalf of an operator to enforce a PCN) as well as fees threatened ahead of court action.

35. Having considered the unfair terms provisions in Part 2 of the Consumer Rights Act 2015, we have concerns that these clauses may be contrary to the requirement of good faith, creating a significant imbalance in the parties' rights and obligations to the consumer's detriment.¹⁶ The CMA will be undertaking further work on this matter and will be providing an update on its findings in due course.

Next steps and CMA support

36. In the coming months, the CMA will:

- make a decision on whether to open an enforcement case against one or more parking operators;
- share our recommendations with trade associations and publish an open letter to operators to encourage action ahead of regulatory change; and
- publish tips for consumers who have received a PCN to help inform their decision-making.

37. We would also be happy to engage further with you and your officials to reflect consumer law considerations in the development of the Code and compliance framework, and future reviews of the Code.

Yours sincerely,

Emma Cochrane
Executive Director for Consumer Protection

¹⁶ Under section 62(4) of the CRA a term is unfair if, contrary to the requirement of good faith, it causes a significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer.

Annex – Insights and recommendations from the CMA’s work to date in the private parking sector

The CMA’s work in the private parking sector

1. As part of our pipeline/intelligence work, we have been looking at the private parking sector. This work was prompted by a review of consumer complaints, an assessment of the publicly available information about the number of PCNs overturned on appeal by POPLA, and operators issuing record numbers of PCNs. It has focused on the processes involved when a PCN is issued, appealed or enforced and whether those processes give rise to consumer law concerns.

The CMA’s consumer law powers

2. The CMA has a range of powers and functions to address consumer law concerns. These include investigatory powers and the power to enforce a range of consumer protection legislation (including the prohibition on unfair commercial practices and unfair terms provisions) through its civil powers under the direct enforcement regime or court-based enforcement.^{17 18 19} The CMA is currently the only authority that can use this direct enforcement regime, which gives it powers to investigate, determine and take enforcement action to address breaches of certain consumer laws.²⁰
3. The CMA may also promote consumer law compliance through providing information and advice to consumers and businesses about their rights and obligations under consumer law. This includes publishing advice, guidance or information or issuing warning or advisory letters to businesses where there are concerns about potential consumer law breaches and/or to encourage compliance. The CMA may also do anything that helps to facilitate its functions.²¹ In particular, the CMA has a lead role in relation to unfair terms law and contractual fairness and targets its action where it can secure wide-ranging changes to markets.^{22 23}

¹⁷ Investigatory powers are set out in Schedule 5 to the Consumer Rights Act 2015 ('CRA').

¹⁸ Prohibition of unfair commercial practices as set out in Chapter 1, Part 4 of the Digital Markets Competition Consumers Act 2024 ('DMCC Act') and unfair terms in Part 2 of the CRA.

¹⁹ The CMA also has the power to prosecute traders criminally if they engage in most unfair commercial practices, see for example Chapter 1 of Part 4 of the DMCC Act.

²⁰ The direct enforcement regime set out in Chapter 4, Part 3 of the DMCC Act and Schedule 5 of the CRA.

²¹ See paragraph 20, Schedule 4, Enterprise and Regulatory Reform Act 2013.

²² The CMA shares this role with local authority Trading Standards Services and sectoral regulators. As part of this the CMA has published guidance documents setting out the CMA's understanding of the Consumer Rights Act 2015 so far as it deals with unfair consumer contract terms and notices. The CMA is currently analysing consultation responses for draft revised unfair contract terms guidance.

²³ For more on the CMA's consumer protection role and powers see [Consumer protection enforcement guidance](#).

Insights and recommendations from the CMA's work to date in the private parking sector

4. Our recommendations are divided into four categories reflecting where they are expected to deliver improvements for consumers:
 1. Operators' approach to the consideration period
 2. Operator communications
 3. PCN appeals process and ADR
 4. Monitoring the effectiveness of the regime

1. Operators' approach to the consideration period

5. As a result of our work, we have concerns that consumers are not consistently receiving an appropriate consideration period in order to consider the applicable terms and decide whether to enter into a contract with the operator after entering a site.

Requirement for consumers to review and accept terms and conditions

6. For a contract to be formed, a consumer must have sufficient opportunity to understand the terms and conditions and decide whether to accept them. If a consumer cannot do that, the terms of the contract are unenforceable. In the context of parking, a consumer must have the opportunity to decide whether to park their vehicle on controlled land. A sufficient consideration period is therefore important as it enables a consumer to find a suitable parking space and make payment (if required). By default, a parking period should not start at the point of entry onto the site, where a vehicle is captured on ANPR cameras, before the consumer has had the opportunity to consider the terms and conditions in place.²⁴

Challenges consumers are facing when the consideration period is strictly applied

7. As outlined in paragraph 14 of the letter, our analysis of the sample of PCN appeal files shows that PCNs are being issued to consumers who enter a car park and leave after 5 to 11 minutes (e.g. 5 minutes and 32 seconds but more typically between 6 and 11 minutes). This includes in cases where it appears consumers are unable to park because they cannot make payment for parking via the means available at the site. For example, because of factors such as poor phone signal, broken payment machines, and/or being

²⁴ Although there may be circumstances for example where a parking period is pre-booked and paid for and a consumer has considered and agreed to the terms and conditions before they arrive at the parking site. In such circumstances where there is evidence of that terms and conditions have been accepted, the parking period may start at the point of arrival once a parking space has been located. Indeed, Annex B of the Industry Code (table B.1) states no minimum consideration period is applicable for parking booked in advance and pre-booked users.

unable to find a parking bay that suits their needs (such as designated Blue Badge parking).

8. Our findings suggest that some operators may be interpreting the 5-minute consideration period provided by the Industry Code as a maximum rather than the minimum period. This is contrary to the Industry Code which stipulates that the consideration period may be extended if the circumstances require this, as outlined in more detail below.
9. The Industry Code recognises the importance of the consideration period with the introduction to clause 5 stating that:

“As a matter of contract law, drivers need to be given an appropriate opportunity to understand and decide whether to accept the terms and conditions that apply should they choose to park a vehicle on controlled land. The amount of time needed varies according to the nature and size of the premises, and in car parks open to the public includes the time needed to find and access a vacant parking bay, or to leave the premises should the driver decide not to park, hence the need for a consideration period before the contract between the driver and the parking operator is made.”

10. Section 5.1 and Annex B of the Industry Code specifically provide for a consideration period to enter a car park, review the terms and conditions and decide whether to accept them. Annex B of the Industry Code sets the mandatory minima for the consideration period required to apply under section 5.1. Section 5.1 lists a number of factors which should be taken into account by operators when allowing a consideration period of appropriate duration.²⁵ In most circumstances, the mandatory minimum consideration period is set at 5 minutes and this applies to parking on most types of controlled land (open to the public and restricted) except for limited circumstances such as short stay areas, where there are over 500 spaces or for pre-booked/advance booking.
11. Given the challenges we have observed consumers are facing in relation to the consideration period, government should consider whether the 5-minute

²⁵ Annex B of the Industry Code sets the mandatory minima for the consideration period required to apply under section 5.1. Section 5.1 lists a number of factors which should be taken into account when allowing a consideration period of appropriate duration. These include:

- the time required for a driver to identify and access a parking bay appropriate to their needs (such as Blue Badge parking);
- the time required for a driver to identify and read signs that display the parking terms and conditions, or the consequences of choosing to park where public parking is not invited;
- the time required for a driver to identify and comply with requirements for payment;
- the time required for a driver to leave the controlled land if they decide not to accept the terms and conditions;
- the impact of the layout of the controlled land;
- the impact of the number of vehicles accessing the car park; and
- the impact of the volume of traffic within the controlled land.

minimum set out in the Industry Code gives consumers sufficient opportunity to decide if they want to enter into a contract with the operator.

12. We also recommend that government clarifies that any minimum consideration period provided is not interpreted by operators as a hard 'cut off' and is not seen as the 'maximum' consideration period that may be provided by operators.

Ensuring consumers are granted a consideration period

13. Similar to the requirements relating to the consideration period, section 5.2 and Annex B sets out that upon leaving a car park, a minimum 10-minute grace period is afforded to account for returning to a vehicle and leaving the site save for limited circumstances.²⁶
14. As outlined in paragraph 16 of the letter, our analysis of the sample of PCN appeal files shows that PCNs are also issued where consumers decide to park but overstay slightly beyond the parking period they purchased (for example consumers leaving a car park within 11 or 12 minutes of their purchased parking period coming to an end).
15. In such cases, the operators appear to base the time spent on site (based on entry and exit times as captured by ANPR cameras) and applied the minimum *grace period* of 10 minutes before issuing a PCN. However, the application of a *consideration period* could have extended the authorised stay, and it is not clear how, if at all, the consideration period was taken into account in these examples.
16. From the sample of PCN appeal files we reviewed, it appears that PCNs based solely on entry and exit times are being issued where a consumer overstays beyond their paid for parking time subject to the relevant grace period being applied. In such cases, the operators appear to calculate the time spent on site based on entry and exit times as captured by ANPR cameras and apply the required minimum grace period of 10 minutes (based on the Industry Code) before issuing a PCN. However, the effect of this is that the consideration period is treated as being fully subsumed within the parking period. This means that the period of parking is treated as commencing from the moment the consumer entered the car park, not from the time they agreed to enter the parking contract with the operator. As a result drivers never enjoy the full period of parking and end up being penalised when they are likely to have expected the period of parking to

²⁶ Section 5.1 of the Industry Code notes that the grace period applies only where the driver has parked in compliance with the applicable terms and conditions. Annex B specifies the minimum grace period that operators are required to provide before issuing a PCN.

have ended later than the point at which the operators calculated it, based on ANPR records.

17. PCNs issued very shortly after 10 minutes following the expiry of the parking period are often overturned by the ADR bodies on the grounds that an insufficient consideration and/or grace period was applied by the operator. Our analysis of ADR body rulings found that ADR bodies state in their decisions that the consideration period of 5 minutes is a minimum period and individual factual circumstances should be reflected in the consideration period applied to each individual parking period.
18. In respect of the consideration period ending early, Annex B states that *“It is important to note that where there is evidence the consideration period has expired the minimum period of time for the consideration is not relevant however, the operator should retain evidence to show how the consideration period had ended”*. Therefore, in the absence of clear evidence that a consumer has accepted the terms and conditions at a particular time the minimum consideration period provided for should be applied to a parking period.
19. If applied properly, the minimum consideration period and grace period combined can extend the authorised stay by an additional 15 minutes based on the current Industry Code providing for a minimum 5-minute consideration and a 10-minute grace period (and longer if the consumer has circumstances which require this). The CMA therefore considers that PCNs should not be issued until 15 minutes after a parking period has come to an end, unless the operator can demonstrate that the consideration period ended early, to ensure that drivers enjoy their full contractual entitlement.
20. The CMA therefore recommends government considers placing a requirement on operators that unless they can demonstrate that the consideration period ended early, they should add the full consideration period to the end of a parking period, in addition to the grace period, before issuing a PCN.

2. Operator communications

21. Our recommendations relating to improvements in operator communications focus on improving the information consumers receive from operators when PCNs are issued and during the internal appeals process.
22. As outlined in the corresponding section in the letter, having reviewed a sample of the communications sent by some operators to consumers when PCNs are issued, we consider that improvements should be made in this

area to ensure consumers can make informed decisions about whether to pay or appeal a PCN.

23. We found that the Notice To Keeper ('NTK') letter, payment reminder letters and communications sent to consumers during the internal appeal do not signpost consumers to the Industry Code and the Charter.²⁷
24. On receipt of a PCN, a consumer may not be aware of the existence of the Industry Code and/or the Charter. Consequently, when deciding whether to pay or to make an appeal, a consumer may not be aware whether their particular circumstances fall within any of the criteria in the Charter and whether their PCN should be cancelled or reduced under the provisions of the Industry Code.
25. We consider the existence of the Industry Code and Charter, and where this can be found, is 'material information', which the consumer needs to take an informed decision whether to pay the PCN or appeal. Material Information means information that the average consumer needs to take an informed transactional decision in line with section 227(2) of the Digital Markets Competition and Consumers Act 2024 (the 'DMCC Act').²⁸
26. So that a consumer can make an informed choice as to whether to appeal or pay a PCN, we recommend that government requires that all substantive correspondence sent by operators to consumers (including the NTK, payment reminder letters, and letters sent during the internal appeals process) must direct consumers to the Charter (or any replacement code of practice), and highlight the circumstances which lead to a reduction or cancellation of a PCN. This will allow consumers to better consider whether they have circumstances which mean they are not liable to pay the full value of the PCN and decide whether they wish to appeal or pay the PCN.
27. The operator communications also do not state that making an appeal is free for consumers. We recommend that government requires that all substantive correspondence sent by operators to consumers must make clear that lodging an appeal, be it with the operator or an ADR body, is always free and does not result in any additional costs for consumers to ensure consumers are not deterred from seeking ADR because they think this could incur a cost.

²⁷ A notice to transfer a liability to the vehicle keeper is known as a Notice to Keeper.

²⁸ A transactional decision is defined as any decision made by a consumer relating to: (1) the purchase or supply of a product (including whether, how or on what terms to make the purchase or supply); (2) the retention, disposal or withdrawal of a product (including whether, how or on what terms to retain or dispose of it); or (3) the exercise of contractual rights in relation to a product (including whether, how or on what terms to exercise such rights). Section 245 DMCC Act.

3. PCN appeals process and ADR

28. Our recommendations in relation to the appeals process and ADR in the sector centre on improving the consistency and fairness of outcomes for consumers who seek to appeal a PCN which they believe was unjustly issued.

Extension of the Early Payment Discount to cover ADR

29. A discount of 40% known as the EPD is provided to consumers who pay a PCN within 14 days of being issued. Where a consumer appeals a PCN within 14 days of it being issued, the amount of the PCN will remain frozen at the EPD rate until the outcome of the internal appeal is known. However, where a consumer seeks an appeal with the relevant ADR body, the EPD is lost and the full value of the PCN will be payable if the appeal is unsuccessful.

30. Our analysis of the data provided by operators in respect of appeals sought by consumers for PCNs issued in the period between 6 April and 6 July 2025 has shown that there are relatively low numbers of ADR appeals made compared to the amount of unsuccessful appeals to each operator.

31. The loss of the EPD creates a financial incentive to pay the reduced PCN rather than appeal and risk paying more later. Along with other behavioural factors, this could encourage consumers to pay a PCN even when they may feel they have strong grounds to pursue ADR.

32. To illustrate, based on the value of the PCN being £100, the current EPD structure presents consumers with the opportunity to choose one of the following options after having made an internal appeal within 14 days which was rejected by the operator.

- Option 1: Pay £60 with full certainty.
- Option 2: Pay £100 with an unknown probability if pursuing ADR.

33. The choice between the two options puts consumers at a disadvantage and creates a strong disincentive for consumers to pursue ADR, even when they think they have legitimate grounds to do so. It is particularly problematic in circumstances where the consumer has valid grounds of appeal, but the parking operator has wrongly rejected their internal appeal. The following table explores the behavioural barriers that the current EPD system creates and maintains to consumer uptake of ADR in more detail.

Behavioural factor	How it can affect consumers' decision making
Loss aversion²⁹	We know from behavioural science research that people are disproportionately sensitive to losses and make decisions to protect themselves against losses even if the decisions they take are not in their best interests. This loss-framed choice may exert pressure on consumers to pay the PCN at the discounted rate.
Uncertainty aversion	We know from behavioural science research that people disproportionately value certainty over uncertainty. Thus, many would prefer to pay the £60 with full certainty than incur the risk of paying £100 with some likelihood they incorrectly believe to be high.
Ambiguity aversion³⁰	Linked to uncertainty aversion is the idea that people do not like ambiguity and will take decisions to avoid ambiguity even if these decisions do not secure the best outcomes for them. Within the EPD system there are three primary sources of ambiguity. - Consumers may be unaware of the rules and procedures of pursuing ADR . - Consumers might not understand their rights in the ADR process. - Consumers' unawareness might be caused by sparsity of information provided to them.
Stress	The consumer may want to quickly end a stressful experience and concede by paying the PCN at the EPD rate.
Pessimism about outcomes	Some reasons from the pessimism consumers feel about the outcomes of an appeal might include: - Consumers failing to receive the appropriate resolution at the internal appeal stage, even where their circumstances ought (under the Charter) to justify success. - Consumers might believe that the ADR bodies are aligned with the operators. This might be due in part to the idea that consumers do not think the ADR bodies are independent.

34. We have also seen publicly available consumer reviews that suggest some consumers are deterred from pursuing ADR because of the loss of the EPD.

35. Given the pressures the current EPD payment structure creates for consumers, we recommend that government requires (i) the EPD rate to be

²⁹ Kahneman, Daniel, and Amos Tversky. 1979. "Prospect Theory: An Analysis of Decision Under Risk." *Econometrica*, 47(2): 263–292; Köszegi, Botond, and Matthew Rabin. 2006. "A Model of Reference-Dependent Preferences." *Quarterly Journal of Economics*, 121(4): 1133–1165; Brown, A. L., Imai, T., Vieider, F. M., & Camerer, C. F. (2024). Meta-analysis of empirical estimates of loss aversion. *Journal of Economic Literature*, 62(2), 485-516.

³⁰ Bühren, C., Meier, F., & Pleßner, M. (2023). Ambiguity aversion: bibliometric analysis and literature review of the last 60 years. *Management Review Quarterly*, 73(2), 495-525.; Aydogan, I., Berger, L., & Bosetti, V. (2023). Unraveling ambiguity aversion. *Review of Economics and Statistics*, 1-32.

extended to consumers who, having initially appealed their PCN to the operator within the EPD period, subsequently appeal their PCN to the ADR body, and (ii) consumers remain eligible to pay the EPD rate until a reasonable period after the outcome of the ADR appeal is known. This would remove pressure from consumers to pay potentially unjustly issued or upheld PCNs to secure the EPD.

Strengthening operators' appeals processes

36. Our analysis of the sample of PCN appeal files found that the internal appeals process of operators can lead to unsatisfactory and inconsistent outcomes for consumers.
37. In particular, based on the sample of PCN appeal files we found examples of operators failing to:
- request additional evidence from consumers and instead prematurely rejecting appeals where consumers were asserting that they had a legitimate reason to park and/or had circumstances recognised by the Charter where the PCN should be reduced.
 - engage with the grounds of appeal raised and instead rejecting internal appeals inappropriately. We have seen examples where it appears the internal appeal should have resulted in the PCN being cancelled or reduced if the grounds had been properly considered or pending receipt of further evidence. As a result, consumers had to appeal to ADR bodies unnecessarily, and in some cases PCNs may have been paid when there was no payment due in the first place.
 - reduce PCNs to £20 in line with the Charter and instead continuing to demand either the EPD or full value of the PCN despite these sums not being due.
 - take a consistent approach to considering appeals. As a result, similar circumstances can lead to different outcomes for consumers.
38. To improve outcomes for consumers at the internal appeal stage, we recommend government requires operators to request additional, supporting evidence from consumers and to consider their grounds of appeal where the consumer either: (i) provides insufficient evidence going to an appeal ground within the Charter (or any code of practice); or (ii) fails to provide any supporting evidence but indicates that, in their specific circumstances, they meet the criteria within the Charter (or any code of practice) which requires a PCN to be either reduced or cancelled.
39. Linked to this, we also recommend that operators give consumers an indication of the evidence they may want to provide when requesting additional evidence. For instance, where a consumer claims they were a

valid customer on site because they were a patron of a shop, hotel, or restaurant, the operator should explain that they may want to provide a receipt or bank statement showing that they were a customer on the relevant day. This should as a minimum be required as part of the operator's letter seeking additional evidence from the consumer during the internal appeal. However, to streamline the appeals process, operators should also make clear what type of evidence a consumer may want to provide when issuing the PCN to ensure consumers are better informed when making an appeal.

4. Monitoring the effectiveness of the new regime

40. To inform ongoing reviews of the effectiveness of the code and compliance regime, we consider it would be beneficial for operators to report information to an appropriate body (such as their trade association). From our review of the sample of PCN appeal files, we have developed a set of metrics (set out below) which we consider would assist ongoing compliance and monitoring of the new regime.
41. Due to the number of PCNs issued every year, reviewing a representative sample of PCNs and consumer appeals for each operator will be time consuming and we consider that the below metrics would enable the envisaged '*Scrutiny and Oversight Board*' to identify trends and potentially review a more targeted sample of PCNs issued and appeals made.
42. While the set of metrics we have developed will give some insight into operators' individual compliance with the Code, they are designed to help monitor the overall effectiveness of the regime and assess whether changes should be made to the Code and compliance framework during the early stages of the regime.
43. We recommend that each operator should report on the following on an annual basis:
- Total number of internal and ADR appeals heard;
 - Number of internal and ADR appeals upheld;
 - Number of internal and ADR appeals rejected;
 - Where an internal or ADR appeal is upheld or rejected, the reason(s) under the Code for reaching such a decision (i.e. pointing to the relevant provision in the Code); and
 - Number of ADR appeals withdrawn/not contested by the operator, and the reason for the withdrawal.
44. The current sanctions regime is based solely on an operator's loss of access to DVLA vehicle keeper data. As part of its future reviews of the

effectiveness of the Code and compliance regime, government should consider whether a wider range of possible enforcement interventions are needed to enable proportionate action against a range of non-compliance.