



Department for Business & Trade

Lord Leong CBE
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Department for Business and Trade

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15 December 2025

Dear all,

I am writing to you in relation to questions raised during the oral question on the 2nd December regarding subscription contracts.

I would like to thank everyone once again for the valuable contributions made to this important topic.

I am writing to correct the record on two points. In response to Lord Clement-Jones CBE's question, I said:

'The noble Lord makes an interesting point. Let us look at the policy. We are talking about unwanted subscriptions, which account for some £1.6 billion a year. This Act will save consumers some £14 a month, which is about £147 million a year. As it stands, charities have to comply with consumer law irrespective of charitable status. Companies, especially digital service organisations, have the legislation that is currently in place, so that will stay as it is. The cooling-off period under the new Act is just an extension from distance contracts to in person.'

I would like to take the opportunity to update the record and correct the following statement:

'This Act will save consumers some £14 a month, which is about £147 million a year.'

I intended to say: *'This Act will save consumers some £14 a month, which will deliver £400 million of consumer benefits per annum.'*

Furthermore, in response to The Rt Hon. the Lord Grayling, I said:

'I thank the noble Lord for that. It is precisely what we are doing. We are taking our time to consider the consultation and we are analysing the responses. We must get this right. As I said, charities have to comply with current consumer protection regulations. As it stands, most charities, perhaps because they do not understand the implications of the Act, have been claiming gift aid, even though their membership may be for a provision of services. We need to ensure that HMRC and the DCMS work through the technicalities so that we are not caught in the loophole that the noble Lord mentioned.'

I would like to take the opportunity to update the record and correct the following statement:

'As it stands, most charities, perhaps because they do not understand the implications of the Act, have been claiming gift aid, even though their membership may be for a provision of services.'

I intended to say: 'As it stands, most charities, perhaps because they do not understand the implications of the Regulations, have been claiming gift aid, even though their membership may be for a provision of services.'

I hope that this correction and clarification is helpful. I can confirm that a copy of this letter will be deposited in the House Library.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "J. Leong".

Lord Leong CBE
Lord in Waiting (Government Whip)
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