



Retail Risk Outlook Governance

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Introduction

In this Retail Risk Outlook: Governance edition, we examine the key legal and regulatory developments shaping the next 12 months, focusing on what is changing, where enforcement risk is increasing and the practical steps retailers can take now to protect their business and build resilient governance structures.

What a year 2026 is already shaping up to be. Retailers are facing an increasingly demanding landscape, with greater scrutiny from regulators, tougher enforcement regimes and growing expectations around governance and accountability.

This shift is being driven by a convergence of legislative reform, regulatory activism and changing societal expectations. New consumer enforcement powers under the Digital Markets, Competition and Consumers Act are strengthening the ability of regulators to intervene quickly and impose meaningful sanctions.

At the same time, the Crime and Policing Act signals a tougher stance on retail crime and violence against retail workers, reflecting rising concern across the sector and increased willingness to pursue criminal enforcement.

Economic pressures remain a constant backdrop. With higher costs, tighter margins and ongoing uncertainty, more retailers are exploring restructuring and rescue options, bringing governance, stakeholder engagement and regulatory risk sharply into focus.

This is going to be a challenging year for retail businesses, and more than ever, it's important to keep on top of governance and enforcement risks. Reactive compliance will no longer be sufficient. Retailers need clear ownership, strong internal controls and a proactive approach to identifying and addressing regulatory risk.

If you have any questions about these changes or would like assistance in preparing for them, please get in touch.



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Consumer enforcement: 12 months of the new DMCCA regime

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What's changing?

The CMA has wasted no time exercising its new enforcement powers under the Digital Markets, Competition and Consumers (DMCC) Act: over 150 advisory letters sent, 14 new enforcement cases opened and the first fines issued. Retailers should assume continued cross-economy sweeps, more advisory letters and selective “signal” cases.

The Law Commission’s review of the UK’s consumer class actions regime, launched in April 2026, may add further risk.

What should retailers do to prepare?

Price transparency: The CMA’s final guidance and early enforcement cases target ‘drip pricing’, misleading time-limited offers and default paid add-ons, with significant fines already imposed. Retailers should map every mandatory charge and ensure total pricing is surfaced at the earliest “invitation to purchase” moment.

Fake reviews: The CMA has launched infringement investigations into practices including suppression of negative reviews and incentivised ratings. Retailers must undertake a risk assessment to understand their exposure and implement proportionate measures.

Subscriptions: The new subscription regime is now expected to be implemented in Spring 2027, but existing subscriptions

remain subject to general consumer law, as the CMA’s case against Adobe demonstrates. Retailers shouldn’t delay reviewing existing subscription contract terms.

Green claims: New CMA guidance emphasises shared but differentiated supply-chain responsibility for green claims; crucially, a retailer may be treated as repeating a misleading upstream claim simply by stocking and presenting it to consumers. Retailers without processes to ensure environmental claims are accurate are particularly at risk.

Unfair contract terms: Revised guidance on unfair contract terms is awaited following the CMA’s recent consultation. Retailers should revisit their consumer T&Cs now.

For more detail, please see our in-depth [insight article](#).

Crime and Policing Act

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What's changing?

The Crime and Policing Act 2026 received Royal Assent on 29 April 2026. Among its wide-ranging provisions, the Act introduces the following measures to ensure that the police and courts have the powers to help tackle assaults against retail workers and shop theft:

- **Assault:** The Act creates a standalone offence of 'assault of a retail worker'. Those found guilty could face up to six-months' imprisonment, a fine or both. On a first conviction, courts will be expected to consider a Criminal Behaviour Order (CBO)—which can ban offenders from specific shops or behaviours.
- **Theft:** The Act also repeals the legislation covering 'low-value shoplifting'. Shoplifting will be dealt with under section 1 Theft Act 1968, triable in both Magistrates and Crown Courts with sentences of up to seven years' imprisonment. Currently, section 22A of the Magistrates Court Act covers theft of goods valued under £200, but has faced significant criticism, with many suggesting a causal link between its introduction and rising consumer theft.

What should retailers do to prepare?

Retailers should keep a watching brief for implementation dates in relation to these provisions.

As we outlined in our **Retail Agility report: the rise in retail crime** last year, a multi-faceted strategy is essential to combat the growing threat of retail crime. To prepare for the changes in the Act, retailers must establish robust incident reporting systems and provide comprehensive staff training on escalation procedures. Fostering a workplace culture that encourages employees to report assaults and theft is essential for effective enforcement.

Corporate reporting

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What's changing?

Payment reporting

For financial years beginning on or after 1 January 2026, large UK companies must now publish, in their annual directors' report, their invoice payment performance and practices.

The government has published guidance on this new reporting duty [here](#).

Companies House reforms

Companies House has delayed the next phase of its key identity verification to no earlier than November 2026. Individuals filing documents with Companies House on behalf of corporate entities must first have verified identities, and third party agents making filings must be registered as an Authorised Corporate Service Provider.

Ongoing for many corporates is identity verification of their individual directors and PSCs (people with significant control). This was introduced on 18 November 2025 but has phased implementation depending on a person's role and the date at which a corporate's next confirmation statement is due.

Companies are now no longer required to create or maintain certain statutory registers, but, there is value in choosing to do so – to better track share movements and as a useful record of a company's ownership and management.

For more information on these reforms, view our [timeline](#), [guidance](#) and [In Focus](#) page.

What should retailers do to prepare?

- Develop a process to gather the data needed to comply with the invoice payment reporting reforms.
- Map out who will need to file documents with Companies House when the next phase of verification reforms are introduced. For individuals, consider asking them to voluntarily verify ahead of November. For third party agents, check their ACSP status closer to the time.

Restructuring plans: a new era for retail rescues

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What's changing?

Retailers are increasingly using restructuring plans (RPs) as a preferred restructuring tool to secure their future in a tough market.

Historically, an administration or CVA has been the favoured tool for retail restructuring. Both fell year-on-year in England and Wales in 2025, while new RP cases rose by 144% making it the busiest year since RPs were introduced.

Courts approved two key retail RPs in 2025 (River Island and Poundland) despite landlord objections. Judges confirmed that dissenting creditors would be no worse off than in administration. HMRC also shifted position: it voted in favour of certain RPs and appeared in court to support them, removing a significant barrier for retailers. New court guidance has streamlined the RP process, making it more accessible to mid-market retailers.

What should retailers do to prepare?

If your business is financially strong, market conditions create real acquisition opportunities as distressed competitors look to sell. To take advantage, you need:

- **A clear acquisition strategy:** Strong advisory connections and market intelligence
- **Funding that can be deployed at pace:** If your business is under financial pressure, act early. Courts and creditors increasingly expect early engagement.

Prioritise:

- Opening dialogue with lenders, landlords, key suppliers, and HMRC
- Ensuring your management team understands their legal duties under financial stress as creditors' interests may become paramount

The restructuring toolkit available to retailers has never been stronger. Turnaround plans, refinancing, CVAs, RPs, and managed exits are all viable options. Taking advice early is key to protecting your position and keeping those options open.

Modern Slavery update

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What's changing?

In December 2025, the Independent Anti-Slavery Commissioner (IASC) published a **report** on strengthening the UK's forced labour and human rights legislative framework. The report includes a proposed Forced Labour and Human Rights Bill, which seeks to replace section 54 of the Modern Slavery Act 2015 with broader human rights due diligence and reporting obligations,

backed by civil penalties of up to 5% of global turnover and criminal offences for the most serious harms.

In the King's Speech on 13 May 2026, the government announced a new Immigration and Asylum Bill that will, among other things, reform the modern slavery legislative framework. The detail will become clearer as the Bill progresses through Parliament, but the IASC's proposals remain a useful guide to the likely direction of reform.

In the EU, the Forced Labour Products Regulation becomes applicable on 14 December 2027, prohibiting products made with forced labour from being sold on the EU market, with seizure at EU borders.

What should retailers do to prepare?

Retailers should review and, where necessary, update modern slavery policies, training and statements to align with the "good" and "best" practice set out in the updated **statutory guidance**.

They should also consider the direction of reform signalled by the Immigration and Asylum Bill and the IASC's proposals - particularly on risk management, remediation and reporting. Retailers should ensure these processes are effective and defensible.

For EU exposure, retailers should ensure supply chains can withstand scrutiny by December 2027 and prepare systems to evidence that forced labour has been eliminated from product manufacturing.

Competition update

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What's changing?

In the King's Speech on 13 May 2026 the government announced the Competition Reform Bill (the Bill) setting out changes to how the Competition and Markets Authority (the CMA) should conduct reviews of most complex markets and mergers. Currently members of the CMA panel lead such investigations. The CMA panel includes a group of experts who are independent from the CMA Board or senior executive team.

If enacted the Bill would replace the panel with a subcommittee of the CMA board, consisting of both the executive and non-executive directors.

What should retailers do to prepare?

If enacted, these will be the biggest changes to how the CMA conducts market and Phase 2 merger investigations since it was created in 2014.

On one hand, these reforms mean that the senior CMA executives who are accountable for CMA decisions to Parliament and the government, will be directly involved in making these decisions. It will also bring the markets and merger regimes in line with recently introduced digital markets regime.

On the other hand, it will remove a second layer of independence as the CMA executives will play a bigger role in deciding market and Phase 2 merger investigations. Some commentators expressed concerns that this might open doors to greater political

interference in CMA decision-making than it is the case now.

A draft text of the Bill is yet to be published, and it will have to go through further consultations before it is formally introduced in Parliament. We will continue to provide updates on its progress in due course.

Contact our retail team

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