

YOU log on to a shopping website and search for the classic board game Monopoly. It will make the perfect Christmas present for a child in your family and, given the uncertain financial situation, the sooner they learn how to manage money the better.

It costs £23.69 — marked down, so the website tells you, from £24.90. You think about it for ten minutes, wondering whether Cluedo would be better. But when you refresh the page, finally intending to buy, what's this? Now Monopoly costs £26.99!

Worse, the Uggs slippers you'd been eyeing up for your mother have gone up from £67 to £85. And the VR headset you reckon the teenager would love — a Meta Quest 2 — has soared from £299 to £399.

Welcome to the brave new world of 'surge pricing' or, more euphemistically perhaps, 'dynamic pricing'. A world in which there is no fixed price for anything, but it all depends on algorithms, timing and how badly you — and everyone else — want what's on offer.

We're already familiar with the idea of holidays costing more in August when the schools are out, but this takes that concept to a whole new level.

Concert tickets, utilities, music and TV streaming, taxis, phone contracts, even a pint of beer in a pub — with 'surge pricing' you'll rarely pay the same amount twice.

Now many online shops are rushing to join the likes of Amazon and employing sophisticated tech to hike prices at times of heavy demand — such as the run-up to Christmas.

Consumers have clocked the trend, and don't like it. A survey published by Barclays recently revealed that 47pc of respondents had noticed a growing number of retailers using surge pricing and 32pc had experienced pubs and bars raising the price of food and drink at peak times.

Earlier this year, for example, the Slug & Lettuce chain announced a pint will cost an extra 20p at times of high demand.

So, is it a clever business strategy or simply inflation-by-stealth — and at a time when we are least able to afford it?

'Modern dynamic pricing is different from the kind we've grown used to in the travel industry, in that it involves more frequent and less predictable price changes,' explains Ratula Chakraborty, professor of business management at Norwich Business School.

Indeed, thanks to clever algorithms and AI, the cost of things is often adjusted hour by hour, she says. If you suspect the algorithm knows you're checking a site or have been there before, you're right. It does.

DANIEL GREEN, the technical director of price-checking website CamelCamelCamel, says: 'It used to take a lot of expensive resources to make dynamic pricing happen, but now it is far more technologically accessible to smaller and mid-sized retailers. I imagine everyone who can implement it does.'

So what can we do to avoid paying over the odds? 'Consumers will need to learn to live with dynamic pricing,' says Professor Chakraborty. 'Many will be caught in situations where demand is unexpectedly high and then be stung with rip-off prices that they have no means of avoiding.'

'But smart consumers who keep their demand flexible will be able to take advantage of low prices — and may even be able to predict these to grab bargains.'

Deborah Shanahan, deals expert at *MoneySavingExpert.com*, agrees: 'It's not all doom and gloom with surge pricing. It is avoidable, but forward planning is key.'

Here, then, is our hourly guide to beating the price spikes and making dynamic pricing work for you. All examples given are real.

8am: Gill, a mum of two who works three days a week and is married to Pete, is perched at her kitchen counter waiting for the children to finish eating their breakfast, idly scrolling online for Christmas present ideas. Pete has been

Amazon prices that change every 10 minutes

Holiday bill hike if you keep on looking at a deal

Pay 20p more for a pint at peak times

Penalties for shopping on Fridays... except this one!

HOW TO STOP SURGE PRICING

blowing a hole in your Christmas budget

By Louise Atkinson

dropping heavy hints about the latest model of the Apple watch, but as she refreshes the page, she notices the price has jumped from £250 to £259. Add the Monopoly set, the Uggs boots and the VR headset mentioned earlier, and the price for this shopping spree is now £769.99.

Surge-saving tip: Deborah Shanahan recommends running your

Christmas list through comparison sites such as *pricerunner.com* or *pricespy.co.uk* (which show prices at different online outlets).

Free tools such as *uk.camelcamel.com* enable you to check the price history of any product sold on Amazon, so you can see if the item has ever been cheaper and, crucially, if there are patterns in price hikes.

Click to be notified by email when the price drops. The website shows the VR headset can drop to £250; Monopoly was £17.99 back in June and the Apple watch was £199 for a few weeks last month.

MoneySavingExpert.com runs a Christmas Deals Predictor every year and a Black Friday Deals Update which, says Deborah,

'helps you decide when to pounce on a deal, or when to hold off for a better one'.

Professor Chakraborty recommends buying early to avoid being caught by festive surge pricing as demand peaks, and focusing on Black Friday discounts.

As the experts all agree, that's the only Friday you should be online shopping. Since more people shop on a Friday, demand and prices are always higher. Shop on a Monday or Tuesday instead.

Shopping expert Gemma Bird who shares tips to her 410,000 Instagram followers as @moneymumofficial, recommends 'spoo shopping', where you put the items you want in your basket and then wait for the money-off offers to come in to tempt you to complete the purchase.

8.30am: Gill puts on the dishwasher and loads the washing machine. The family recently switched to a

flexibly priced energy account such as E.ON Next Drive so they can charge their electric car more cheaply overnight (9.5p/kwh between midnight and 7am), but the quid pro quo means electricity during the day is three times as expensive (33.18p per kwh).

So a daytime wash load costs around 60p (compared with 18p at night) and the dishwasher cycle costs £2 even on eco cycle (compared with around 66p at night).

Price surge: £1.76 per day (or £642.40 per year if you do one load of each every day).

Surge-saving tip: Get to know how the timers work on your appliances so you can pre-programme them before bed.

10am: At work, Pete uses a coffee break to look-up a post-Christmas Center Parc break.

Three nights in Sherwood Forest on December 27 will cost £1,299, but if he books for the week before

Christmas, the same holiday costs nearly half that price at £679.

Disenchanted, he flicks to Mark Warner to look for a week in Greece next summer and sees seven nights in Rhodes, including flights, on August 3 at £7,411. The same holiday at the end of June would cost £5,106.

Price surge: £2,925 (for both of the holidays).

Surge-saving tip: The pricing of hotel rooms fluctuates based on occupancy rates, time of booking, and seasonality. Many hotel chains now use advanced algorithms that might include local events, competitor pricing and even weather forecasts to create surges.

Deborah recommends booking European holidays for the May half-term because many countries don't have a school holiday then.

Or, if you can, fly from Scotland because Scottish children usually return to school in mid-August,

making flights from Glasgow, say, cheaper than those from Gatwick.

Yes, prices could change every time you refresh your screen if the airline AI is looking through your browsing history, purchase patterns, and even the type of device you use (Apple owners are believed to be wealthier, for example).

You can fox the price hike algorithms by using a bit of computer wizardry. First, try rejecting cookies when offered the option. Cookies are used by retailers to track you as you move

around the internet, so you can anonymise yourself and your intentions by going into your web browser settings and clicking on 'clear cookies' and/or 'clear cache' before booking airline fares.

Or use two devices — one to browse prices and one to place your booking, meaning the algorithm will think you're a new purchaser.

If you're not limited by school holidays, Deborah recommends looking for an airline's release schedule, as many seats are released in several tranches

throughout the year. 'At the beginning of that period you'll often find the cheapest seats as it has the most availability,' she says.

Alternatively, if you 'like' easyJet's Facebook page you'll get a heads-up a few days before new seats are released.

12.30pm: Gill drives to meet friends for lunch in Buckinghamshire and fills her car up with fuel at Beaconsfield services on the M40 (unleaded petrol is 181.9p per litre, which is £109.14 for a full 60-litre tank). Then, on her way

home, she spots that Asda in High Wycombe is selling the same fuel at 150.7p per litre, which would have filled her car up for £90.42.

Price surge: £18.72, or £973.44 a year if you fill up every week.

Surge-saving tip: Always avoid filling up on a motorway, where, according to the RAC, prices are typically 20p more per litre because they have a captive market.

Instead, putting your postcode into *petrolprices.com* will show forecourt prices in your area without you having to squander fuel driving around to compare the prices.

5pm: Pete leaves work and goes to the gym near his office (his premium peak-time membership at PureGym costs £36.99 a month vs off-peak membership of £27.99 a month, or £19.99 a month if he had chosen off-peak membership at a gym closer to home).

Price surge: £17 a month or £204 a year.

Surge-saving tip: Membership costs will vary according to location and facilities.

Avoid premium-priced city memberships and work to an off-peak fitness schedule (exercising in the mornings, late evenings and at the weekends).

6.30pm: The family supermarket delivery arrives at a cost of £7 (booked for early evening because Gill bought essentials for dinner that night), but the driver tells her the delivery would have been £3 if she'd booked a 'flexi-saver' spot in the 4pm-8pm window.

Price surge: £4 per week or £208 for a year of weekly deliveries.

Surge-saving tip: Money-SavingExpert recommends brand disloyalty when it comes to supermarket home deliveries and taking advantage of any introductory offers.

For instance, Ocado gives unlimited free delivery for three months for new customers, while Iceland offers free next-day delivery on all orders over £40. If you do stick with one supermarket, be aware that Saturdays and evenings tend to be the most expensive slots, so choose late evening (9-10pm) mid-week to avoid surge pricing.

7pm: Pete meets colleagues for a drink at the local Slug & Lettuce pub. He's too late for happy hour 'two for one' cocktails and is rather dismayed to find the place is heaving and there's a 20p surcharge on his £7 pint of lager.

Price surge: 80p on four pints.

Surge-saving tip: Drink at a pub with no dynamic pricing — independently run pubs are less likely to implement it — or avoid peak drinking times.

10.30pm: Pete realises he's cutting it fine to make the last train back to Oxford, so he checks his Uber app to order a taxi to get him to the station. He sees one quoting £6 for the journey and is about to confirm when he is distracted by a colleague. Ten minutes later he checks again. Now it's raining heavily and the same short journey is being offered at £18.

Price surge: £12.

Surge-saving tip: When demand for taxis in a certain region is high (around big events, or during rush hour, transport strikes or bad weather) Uber automatically increases customer prices and, if people pay those prices, more drivers will come to the high-demand area. When the demand has been met, prices fall back to normal levels.

You can avoid the surge price by calling a metered cab, waiting until demand drops, or walking away from the high-demand zone (marked in red on your app).

Cashback trick to boost your saving

SHOPPERS can earn hundreds of pounds this Black Friday if they maximise high cashback rates on offer on big-ticket items.

For example, if you need a new television, Samsung has cut the price of its OLED TVs by up to £300. It also offers up to £300 cashback, depending on the size and model.

The cheapest of the discounted TVs is a 55in S92C OLED 4K HDR Smart TV, down £200 to £1,299. Consumers can also get £100 cashback. A 77in S92C OLED 4K HDR Smart TV is on sale for £2,999 (was £3,299) with £300 cashback.

Customers can shop with Samsung or retailers such as John Lewis, AO.com and Argos.

Consumer expert Martyn James says: 'Cashback deals are a wonderful — and relatively new — way of recouping a bit of cash or getting discounts.'

'But there's no point overspending to get cashback. Shop only for what you want or need.'

Ele Clark, Which? retail editor, says: 'Cashback could take months to reach your account. It's important to compare upfront costs first.'

'Even the most generous cashback offers won't count for much if you've paid over the odds in the first place.'

HAVE YOU BEEN HIT BY SURGE PRICING?

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Picture: SHUTTERSTOCK