

Competition and Markets Authority Annual Plan 2023/24 consultation

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Presented to Parliament, the Scottish Parliament, Senedd Cymru, and the Northern Ireland Assembly pursuant to paragraph 13(2) of Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (as amended by section 40(3) of the United Kingdom Internal Market Act 2020)



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Consultation information page

Scope of this consultation

The consultation is intended to give interested parties the opportunity to provide views and comments on the Competition and Markets Authority's (CMA) proposed Annual Plan and areas of focus for 2023/24, within the context of the organisation's purpose, ambition, and proposed medium-term priorities over the next 3-year period.

Questions for the consultation

We welcome views by email or using the webform on the consultation's webpage, ideally with reference to the following questions:

What are your views on the CMA's proposed medium-term priorities for the next 3 years?

What are your views on the CMA's proposed areas of focus for 2023/24?

Are there any other issues you think the CMA should look at?

Duration

15 December 2022 – 30 January 2023

How to respond

When responding, please state whether you are responding as an individual or representing the views of an organisation. We ask that any comments be submitted in writing via the webform on the consultation's webpage or by email to general.enquiries@cma.gov.uk by 30 January 2023 at the latest.

For enquiries, please email general.enquiries@cma.gov.uk.

After the consultation

We will consider all responses to the consultation and publish a summary of the responses, along with a final version of the Annual Plan, by the end of March 2023.

Compliance with the Cabinet Office Consultation Principles

This consultation is compliant with the latest Cabinet Office Consultation Principles.

The Cabinet Office Consultation Principles criteria can be found at www.gov.uk/government/publications/consultation-principles-guidance.

Data protection and confidentiality

Please note that any personal data that you supply will be processed by us in line with data protection legislation.¹ We will only retain and use your personal data for the purposes of our work (to ensure that we take your response into account) and we will then securely delete it. We will not share your personal data with any third party. For more information about how the CMA processes personal data, please see our [Privacy Notice](#).²

We will summarise all responses and publish this summary. It will include a list of organisations that responded, but not people's personal names, addresses, or other contact details.

Before publishing information, we will have regard to any restrictions placed on us by the law. If you consider that your response contains information which is commercially sensitive or confidential for some other reason, please identify it, mark it as commercially sensitive or confidential and explain why.³

Please note that information and personal data supplied to us in consultation responses may be the subject of requests by members of the public under the Freedom of Information Act 2000 (FOIA).⁴

Feedback about this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please send an email to: general.enquiries@cma.gov.uk

Fred Houwen, Director of Strategy, CMA

¹ In responding to the consultation, you will be supplying us with personal data (your email contact details, for example). Personal data is information which relates to a living individual who may be identifiable from it.

² It includes information about your rights in relation to your personal data, including how to contact us and how to complain.

³ See [Transparency and Disclosure: Statement of the CMA's policy and approach \(CMA6\)](#).

⁴ In responding to such requests, we will take into account any comments you have made about confidentiality. See also CMA6 (see footnote 3 above) about the CMA's approach to FOIA requests.

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Foreword

The CMA is taking a new approach to its Annual Plan consultation this year.

In a change from the past, we are setting out our Plan in two time horizons: our ambition and medium-term priorities for the next 3 years, and the key areas on which the CMA intends to focus in the next 12 months.

To get there, we have taken a step back and asked afresh some important questions. What is the purpose of the CMA? What is our ambition - that is to say, what are the outcomes that we aim to deliver for those we serve? And how should these shape our priorities for the next three years and our activity in the year ahead?

Since its establishment, the CMA has championed competition and the needs of consumers. Over the past three years it has delivered over £20 of direct financial benefits to consumers for every £1 of taxpayers' money spent. Now, as we face far-reaching changes to our external environment and equally material changes to the CMA's responsibilities and functions, it is the right time to reconsider our strategic objectives and how we can deliver the biggest positive impact for people, businesses and the UK economy in the years ahead.

Macro forces are shaping the environment in which all of us operate, from the rising cost-of-living to climate change, and these are set to make the work of the CMA even more vital. Meanwhile, the continuous development of new technologies and business models requires the CMA to anticipate how markets and the bases of competition could evolve – and to identify actions needed today to ensure that people will continue to get a fair deal and competition will continue to thrive in the future.



With the UK's exit from the EU, the CMA has taken on new responsibilities and has set up the Subsidy Advice Unit (SAU) and the Office for the Internal Market (OIM). It has also established the Digital Markets Unit (DMU), which is expected to be the vehicle for the new pro-competition digital regulatory regime that the Government has committed to introducing through new legislation in the current parliamentary session.



Alongside this change, organisations are making greater use of data, digital technologies and AI, and the expectations of employees continue to evolve. The CMA must similarly adapt in order to amplify our effectiveness and impact. And in doing so, we must manage our budget carefully, as households and businesses across the UK are having to do.

Now, with a new leadership team in place, we are considering how best to meet the challenges ahead. From our conversations in the past few months with consumer and third-sector organisations, with organisations representing businesses and

investors, and with colleagues across the CMA, we are confident that the CMA is well-positioned to meet these challenges, due not least to the quality of our people, the evidence-based rigour of their work, their commitment to doing the right thing and their openness to exploring new ideas. These strengths have enabled the CMA to deliver significant benefits for consumers and businesses through a range of merger control, enforcement, market remedies and advocacy work across a wide range of issues and sectors, from overcharging of pharmaceutical drugs to unfair leasehold contracts, children’s social care to social media endorsements, subscription traps and fake online reviews.



In this draft Plan, we first set out the CMA’s purpose – to help people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour – and how this purpose shapes our ambition. Second, we explain our ambition in terms of the outcomes we want to help deliver over the medium and long-term:

- people can be confident they are getting great choices and fair deals
- competitive, fair-dealing businesses can innovate and thrive
- the whole UK economy can grow productively and sustainably.

Third, this draft Annual Plan then goes on to set out our medium-term priorities for the next three years and our proposed specific areas of focus for 2023/24.

Both of us are excited to engage with our stakeholders in the coming weeks to hear what you think about the themes in our draft Annual Plan. We hope you will take part in the consultation and have your say on how the CMA can best deliver positive outcomes for people, businesses and the UK economy.

Marcus Bokkerink

Chair



Sarah Cardell

Interim Chief Executive



1. About the CMA

- 1.1 The CMA is an independent non-ministerial UK Government department and is the UK's principal competition and consumer protection authority. We help people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour.
- 1.2 We derive our powers from the Enterprise and Regulatory Reform Act 2013⁵ and our work is overseen by a Board and led by the Chief Executive and senior team. Decisions in some investigations are made by independent members of the CMA Panel.
- 1.3 Our main functions are:
- Investigating mergers that have the potential to lead to a substantial lessening of competition. If a merger is likely to reduce competition substantially, the CMA can block it or impose remedies to address such concerns.
 - Investigating businesses to determine whether they have breached UK competition law and, if so, to end and deter such breaches, including by fining businesses and seeking the disqualification of directors of the companies involved, as well as pursuing individuals who commit the criminal cartel offence.
 - Enforcing a range of consumer protection legislation, including in cases where the unfair treatment of consumers or the challenges they face in making choices suggests there may be a systemic market problem.
 - Conducting studies, investigations or other pieces of work into particular markets where there are suspected competition and consumer problems. The CMA can take action – and recommend action be taken by others – in markets where competition may not be working well.
 - Giving advice to policymakers and Ministers about our functions including how they can design and implement policy in a way that harnesses the benefits of competition and protects and promotes the interests of consumers.
 - Providing information and advice to people and businesses about rights and obligations under competition and consumer law.

⁵ The powers for the OIM, which officially launched on 21 September 2021, are set out in the UK Internal Market Act 2020. The CMA also has powers linked to the SAU which derive from the Subsidy Control Act 2022.

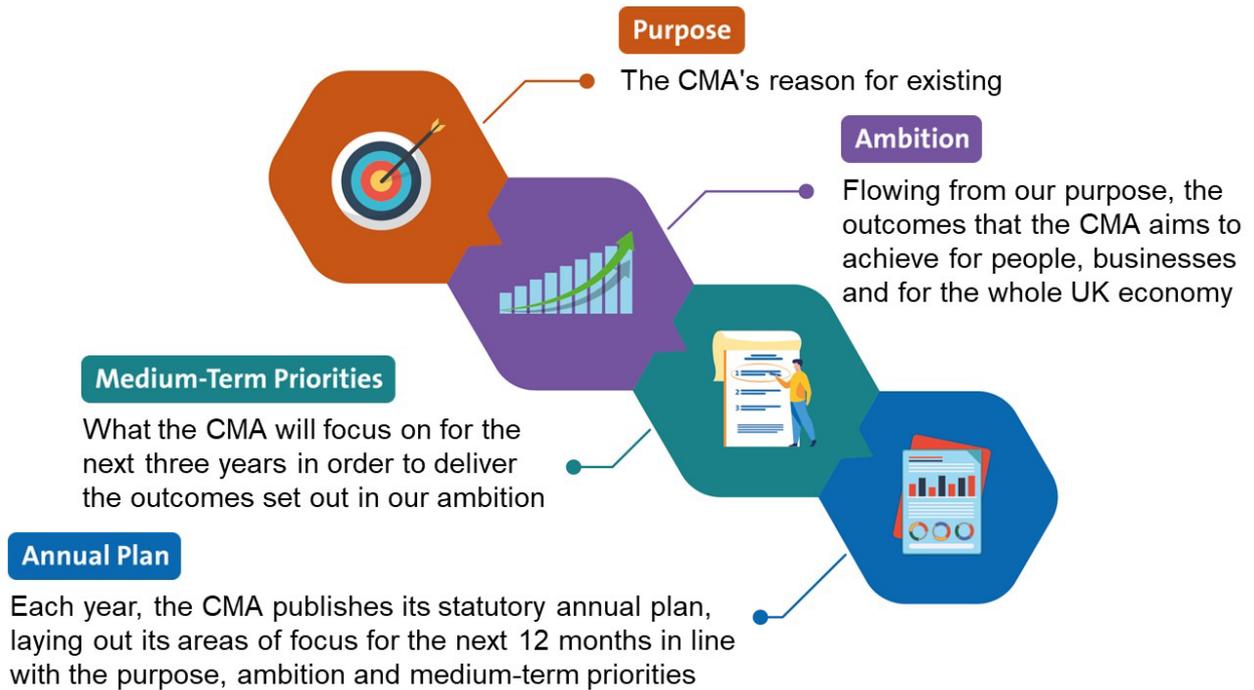
- Promoting stronger competition in the regulated industries (gas, electricity, water, aviation, rail, communications and health), working with the sector regulators.
 - Conducting regulatory appeals and references in relation to price controls, terms of licences or other regulatory arrangements under sector-specific legislation.
 - Providing technical advice, reporting and monitoring in relation to the UK internal market, through the Office for the Internal Market (OIM).
 - As of 4 January 2023, providing advice, reporting and monitoring in relation to government subsidies, through the Subsidy Advice Unit (SAU).
- 1.4 In its 2022 Autumn Statement the Government committed to introducing legislation to provide the CMA with powers to operate a statutory pro-competition regime for digital markets through its Digital Markets Unit (DMU). The DMU, which currently supports our work across digital markets using the CMA's existing powers, has already begun work to operationalise the new regime.
- 1.5 We will also be preparing for new consumer protection and competition law powers under the proposed legislation, including moving to an administrative enforcement model, with fining powers, for consumer protection.
- 1.6 We adopt an evidence-based and integrated approach to our work, selecting those tools we believe will achieve maximum positive impact for consumers and businesses, wherever they live and operate in the four nations, and the UK economy.
- 1.7 The CMA has a UK-wide remit, with offices in Belfast, Cardiff, Edinburgh, London and Manchester in addition to the new Microeconomics Unit to be based in Darlington. The Microeconomics Unit will provide analysis and expertise on the issues of UK competition, consumer rights, innovation, productivity, and supply-side reforms.
- 1.8 We are committed to being a great place to work. We want our staff to work in an organisation that is continually learning and improving, providing them with career development opportunities and an excellent work/life experience.
- 1.9 Through our hybrid operating model, we want everyone to feel a strong sense of belonging and connectivity with a CMA that is modern, resilient and forward-thinking. We are embedding a culture and ways of working that reflect our UK-wide presence and enable us to do our best work and lead balanced and healthy lives, all built on a foundation of inclusivity and respect. This will enable us to continue to attract and retain talented people in a competitive labour market.

- 1.10 The CMA is determined to build a diverse and inclusive workforce, including at senior levels, that reflects and understands the public we serve. Diversity of experience and thinking is also critical to delivering the best outputs we can and something we are intent on further cultivating in our workforce. We have identified race and disability as areas that need to be prioritised within the CMA and have established dedicated action plans for each of these. But our commitment to equality, diversity and inclusion is deeper and broader than this. That is why our Race and Disability Action Plans sit within a broader four-year diversity and inclusion strategy.
- 1.11 We are progressing delivery of a targeted set of actions within our first Disability Action Plan, which is aligned with the National Disability Strategy and the Civil Service Diversity and Inclusion Strategy. This ensures we have achievable plans to continue to support career progression and deliver opportunities for disabled colleagues.
- 1.12 As part of our Race Action Plan, we have made strong progress in supporting career progression for under-represented groups with targeted skills development programmes, a sponsorship offer and mutual mentoring opportunities.
- 1.13 Whilst we have made significant progress, both in relation to our Race and Disability Action Plans and in relation to equality, diversity and inclusion more broadly, we recognise there is more we can and must do to ensure a truly representative workplace with equality of opportunity for all.

2. Shaping the Future CMA

- 2.1 The CMA set out its initial ‘Vision, Values and Strategy’ at the time it was established in 2014, when it took on the functions of the Office of Fair Trading and the Competition Commission. That document explained how the new organisation intended to give effect to its primary duty to ‘seek to promote competition, both within and outside the United Kingdom, for the benefit of consumers’. It set out the CMA’s ‘overall ambition’ to ‘consistently be one of the leading competition and consumer agencies in the world’ and its mission to ‘make markets work well in the interests of consumers, businesses and the economy’. That document was therefore necessarily focussed to a significant extent on issues associated with the establishment of the operating model and culture of the newly-founded CMA.
- 2.2 There have, of course, been significant developments since 2014. The macroeconomic, technological, environmental and consumer context in which the CMA operates has changed significantly. Internally, the CMA has matured as an organisation and has also grown significantly in the scope and extent of its functions and responsibilities. That context provides a good opportunity to take a fresh look at our strategy. The recent appointment of a new Chair and Interim Chief Executive provide further impetus to undertaking such a review.
- 2.3 We are executing that review through our ‘Shaping the Future CMA’ programme to determine how we can have the greatest positive impact over both the medium-term and near-term; and how we need to evolve as an organisation in order to achieve that impact.
- 2.4 As part of that programme, we are setting out a clearer and more tangible articulation of the CMA’s purpose, ambition and medium-term priorities over the coming 3-year period and our areas of focus for the year ahead. We summarise how these elements are joined up in Figure 1.

Figure 1 Joining up the CMA's strategy



- 2.5 At the same time, we are conducting an internal review of the CMA's values. The current values were developed in 2014 and although they have an enduring relevance, the context has changed. For example, we have been placing greater emphasis in recent years on equality, diversity and inclusion. It is therefore right to take stock and adapt the current articulation of the CMA's values to reflect the culture we want to maintain and develop going forward.

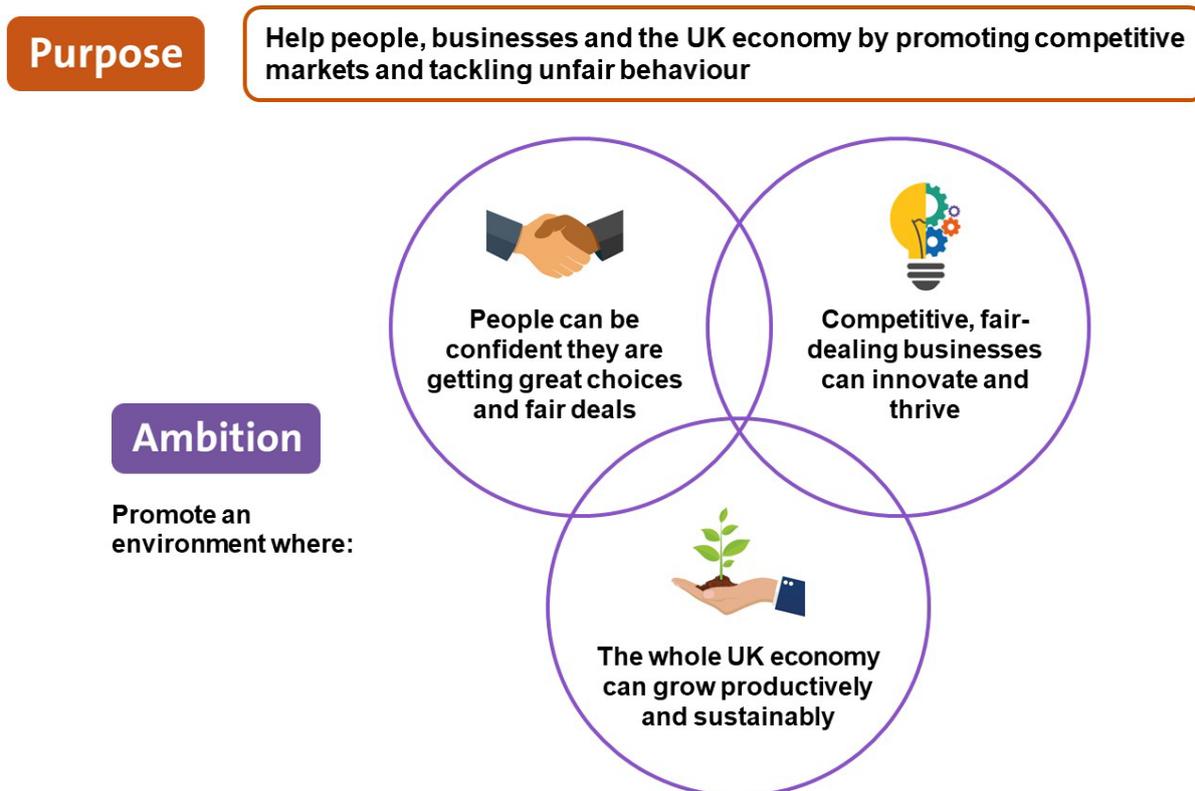
3. Purpose



3.1 In this year's Plan, we start by setting out a clearer explanation of the CMA's purpose: **to help people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour.**

3.2 We provide more detail on this and on our ambition, which flows directly from our purpose, in the following section.

Figure 2 The CMA's purpose and ambition



3.3 There are two key elements of our purpose:

Who we serve - **People, businesses and the UK economy:**

- The CMA's work should benefit people not only in their capacity as consumers but also as taxpayers and stakeholders in our society.
- Where the CMA acts to ensure effective competition or prevent consumer harm, this benefits competitive and fair-dealing businesses, who play a vital role in the UK economy and our wider national life.
- The CMA's work helps drive innovation, productivity and growth across the economy and across all 4 nations of the UK. While some individual pieces of our work might directly focus on a specific group of people or

businesses, our work has broader, systemic benefits which are important in supporting the UK economy as a whole.

How we serve them - Promoting competitive markets and tackling unfair behaviour:

- As the UK's competition authority, promoting competitive markets is at the heart of our work. The CMA's primary statutory duty is to 'promote competition, both within and outside the UK, for the benefit of consumers'. We use our merger control, market investigation and competition law enforcement powers to ensure competitive market outcomes. We also provide advice to policymakers and information to the public to encourage effective competition. Additionally, the OIM provides objective advice to the 4 governments in the UK as they manage the effective operation of the UK internal market.
- Beyond promoting competition, the CMA's statutory functions also extend to protecting consumers from harms. The CMA has important enforcement and advocacy roles in tackling unfair behaviour covered by consumer protection legislation. We also consider adverse effects on consumers when conducting market studies.

4. **Ambition**



- 4.1 We articulate the CMA's ambition in terms of the outcomes we seek to achieve for people, businesses and the whole UK economy over the medium and long term. Each is set out below.

People can be confident they are getting great choices and fair deals

- 4.2 When people are buying goods and services, they should be able to rely on the competitive process and trust that businesses are dealing with them on fair terms. The CMA's work should ensure that competitive markets provide choice and variety and drive lower prices. We will use our competition and consumer law powers – along with our advocacy role of giving advice to government and our public-facing campaigns – to ensure that people are empowered to make the choices that are right for them.

Competitive, fair-dealing businesses can innovate and thrive

- 4.3 In an effectively functioning market, the businesses that produce the most innovative products and services that best meet consumer needs should be able to thrive, with broader benefits to the economy and society. The CMA's actions should empower competitive, fair-dealing businesses to compete, including by addressing the behaviour of a small minority of businesses that try to harm consumers, restrict competition or prevent markets from functioning properly.

The whole UK economy can grow productively and sustainably

- 4.4 The CMA's work to promote competitive markets and tackle unfair behaviour should support productivity, innovation and growth across the whole of the UK economy. We will focus particularly on ensuring that competition supports a resilient economy that can grow sustainably. Our work should drive benefits across all 4 nations of the UK.
- 4.5 Parliament has also given us particular responsibilities for monitoring and reporting on the effective operation of the UK internal market. That responsibility is discharged through the OIM, which sits within the CMA. Separately, our SAU will, from 4 January 2023, provide advice to public authorities when they are giving subsidies that have the greatest potential to lead to distortive effects on competition and investment.

5. Medium-Term Priorities



- 5.1 To deliver our purpose and ambition, we are proposing medium-term priorities linked to each of the three strategic outcomes set out in our ambition. These cover a 3-year horizon and, in turn, inform the specific areas of focus for next year. We summarise our proposed medium-term priorities in Figure 3.

Figure 3 Proposed medium-term priorities



- 5.2 These priorities will principally inform the activities where we have a degree of discretion over the work we undertake, such as competition and consumer law enforcement, market studies and investigations and our advocacy work⁶.

- 5.3 Within the priorities, when we take decisions about when and how to act, we will apply the following foundational requirements.

Foundational requirements

We will challenge ourselves to ensure that our work:

- Delivers tangible, demonstrable benefits
- Is executed as rapidly as possible consistently with rigour and procedural fairness
- Uses the full range of our toolkit

⁶ In merger control our caseload is affected principally by which mergers are announced in a given period.

Each medium-term priority, and the foundational requirements are detailed further below.

People can be confident they are getting great choices and fair deals

Consistently focus action on the core areas of consumer spending and time, particularly for people who need help the most

5.4 The CMA wants to achieve real impact for the people we serve. It is therefore important we are active across areas that are most important to people, such as:

- Having somewhere to live
- Feeding ourselves and our families
- Getting about and travelling
- Learning, playing and socialising
- Caring for ourselves and others.

5.5 We will have particular regard to consumers who need help the most. Vulnerability can be context-specific and can take a range of forms. When targeting our interventions, we will therefore take into account the specific context in which people may need particular help to protect them from harm and get a fair deal.

Protect people from harmful practices

5.6 We will use our competition and consumer law powers to protect people from harmful business practices. This benefits people directly but also benefits those businesses that do the right thing, and who should not be placed at a competitive disadvantage as a result.

Resolutely deter anti-competitive behaviour

5.7 We must also take action against businesses that breach competition law. Such action is necessary not only to address the breach in question but also to help deter businesses that might otherwise be tempted to break the law. Such action ultimately benefits people in the form of lower prices and better choices.

Competitive, fair-dealing businesses can innovate and thrive

Enable open access to markets for innovating businesses

5.8 Competition through innovation drives productivity and improved customer choice. We will take action across both established and emergent markets to ensure that innovating businesses can gain effective market access to drive that competitive process.

Help emergent sectors to develop into high growth, innovative and competitive markets

- 5.9 Sometimes, the CMA can be more effective when we intervene at an early stage of market development. In such cases our involvement can help ensure that the market develops in a competitive way. Our involvement can take different forms, including advocacy and market studies.

The whole UK economy can grow productively and sustainably

Help accelerate the UK's transition to a net zero economy

- 5.10 The CMA will continue to take action to accelerate the transition to a net zero economy and promote environmental sustainability. We have already published advice to the UK Government on how competition and consumer laws can help meet the UK's environmental goals, and announced the creation of a Sustainability Taskforce, which is now operational and leading our work in this area by bringing together colleagues from across the CMA, while also drawing on external expertise.

Prioritise sectors that offer the biggest potential for improvement in innovation and productivity

- 5.11 When considering what more we can do to support the growth of the UK economy, the CMA will prioritise action in sectors which may have a particularly positive impact on innovation and productivity - for example:
- markets at an early stage of development but with the potential for significant growth; and
 - markets that appear to have significant productivity gaps and where competition appears muted.

Promote resilience through competition

- 5.12 The CMA will also take action to promote economic resilience over the medium term. Our starting point is that effective competition plays a vital role in mitigating the risks of over-reliance on a limited number of suppliers in a given market, by supporting plurality of supply. We will be alert to strategically important markets where competition may not be functioning properly, putting the supply of essential goods and services at risk of disruption.

Foundational requirements

Deliver tangible, demonstrable benefits

- 5.13 The work of the CMA must deliver tangible, demonstrable benefits for people, businesses and for the whole UK economy.

Execute our work as rapidly as possible consistently with rigour and procedural fairness

- 5.14 Often, to achieve successful outcomes we need to act quickly. This will be a relevant consideration as we choose when and how to act, recognising of course that we need to comply with due process when using our formal powers.

Use the full range of our toolkit

- 5.15 The CMA is able to act using a range of formal powers. We can also intervene on a more informal basis, for example through advocacy, informal engagement, and information campaigns. Our starting point is to consider a given issue before deciding on the most appropriate tool.

Core enablers

- 5.16 Executing these priorities effectively and consistently will require us to continue to strengthen and improve how we work. We have identified 3 priority enablers for the next 3 years:

- Adapt our business model
- Build and reinforce critical capabilities
- Upgrade our employee value proposition

Adapt our business model

- 5.17 In order to amplify our effectiveness, we propose to adapt our business model in 3 ways:

- Expand our use of data and AI to all our work
- Leverage a broader ecosystem of external expertise and partners
- Deploy ourselves more flexibly and dynamically.

Build and reinforce critical capabilities

- 5.18 We propose to build or reinforce the following critical capabilities:

- Sustain excellence in the CMA's existing 'professions'
- Further develop our digital, AI and technology capabilities
- Strengthen our capabilities in designing and implementing ex ante remedies
- Strengthen our horizon-scanning and advocacy capabilities.

Upgrade our employee value proposition

5.19 The CMA's talented staff are the foundation of our success. The CMA is not generally able to match the salaries offered by private sector businesses that recruit from the same pool of staff, so providing a high-quality employee experience and value proposition that takes into account factors beyond salary is of critical importance. We propose to prioritise the following steps in particular:

- Provide unique opportunities for our staff to make a real impact through the work they undertake
- Enhance our apprenticeship, graduate scheme and other learning and development opportunities
- Empower employees to contribute and to deliver outcomes
- Ensure a diverse, inclusive and respectful environment
- Provide a flexible working environment that adapts to personal goals.

Joining up our priorities and areas of focus with the CMA's current 'prioritisation principles'

5.20 After this consultation, we will review the existing 'prioritisation principles' that the CMA currently uses to guide its choices and selection of cases, to ensure they are consistent with the newly established ambition, medium-term priorities and annual areas of focus.

6. Areas of Focus for 2023-24



- 6.1 In this section we set out how we propose to focus our work in the near-term, during the 12-month reporting period starting on 1 April 2023, as we work towards achieving our medium-term priorities. We welcome comments and further suggestions in response to this consultation.
- 6.2 Beyond this consultation, we will continue to engage with business groups, consumer organisations and other stakeholders such as organisations in the third sector, to further develop our areas of focus. We will also continue to work with other regulators, international and domestic organisations such as Trading Standards, Which? and Citizens Advice, along with business organisations such as the CBI and local chambers of commerce, to help get the best possible understanding of the challenges facing people and businesses across the UK.
- 6.3 These proposed areas of focus are necessarily non-exhaustive. A significant proportion of the CMA's work is non-discretionary - for example in reviewing mergers that are announced or completed and working on regulatory appeals - and we will also need to be flexible in responding to unforeseen developments during the course of the year that require us to take action to help people, businesses and the economy.
- 6.4 In parallel with this consultation exercise, the CMA will continue to review its own intelligence and evolving pipeline of potential near-term work across candidate sectors, projects or cases that align with our medium-term priorities.

Figure 4 Proposed areas of focus

People can be confident they are getting great choices and fair deals

- Act in areas of **essential spending** and where people are under particular financial pressure, such as accommodation and caring for ourselves and others
- Address pressure selling and **false or misleading pricing practices**, including through online choice architecture
- **Deter anti-competitive behaviour**, including cartels in public procurement, and other areas which have direct effects on public and household expenditure

Competitive, fair-dealing businesses can innovate and thrive

- Enable **innovating businesses to access digital markets** such as mobile browsers and the distribution of cloud gaming services, e-commerce and digital advertising
- Encourage **effective competition in emergent markets**

The whole UK economy can grow productively and sustainably

- Act in existing and emergent markets for **sustainable products and services**. Undertake further work on green claims and on energy efficiency
- Identify and act in areas where we can have the most positive impact on **innovation and productivity** and influence the pro-competitive development of markets
- Ensure **digital markets are competitive**, including through preparing for the introduction of new statutory powers for the DMU
- Identify economic risks the CMA is well-placed to address to support the **resilience of the UK economy**
- Further develop the work of the OIM and establish the work of the SAU

People can be confident they are getting great choices and fair deals

6.5 In the past year, we have delivered material benefits for people across the UK. For example, we completed a market study of the children’s social care market, looking at the suitability and affordability of placements in children’s homes or foster care. We provided recommendations for reform as governments across the UK develop their wider policy programmes for children’s social care.

6.6 We also worked on behalf of people using fertility treatments such as IVF and secured positive changes from some clinics after we raised concerns about

practices like failing to provide key price information and making misleading claims about success rates.

- 6.7 Elsewhere, we are continuing our work into potential 'greenwashing' (i.e. misleading claims about the environmental characteristics of products and services) by some firms. As part of this, we opened an investigation earlier this year following concerns about the eco-friendly and sustainability claims made by ASOS, Boohoo and George at Asda about their fashion products.
- 6.8 We have been undertaking significant work on behalf of people with leasehold homes who fall victim to unfair terms, specifically by securing the removal of doubling ground rent clauses from leasehold contracts and obtaining refunds for thousands of householders. Looking ahead, we expect that promoting competitive markets and tackling unfair practices across the accommodation sector more broadly will be a continued area of focus over the next 12 months.
- 6.9 We will also retain a focus on caring for ourselves and others, to ensure that people can be confident they are getting great choices and fair deals, especially when budgets are tight. Across our current work, we will continue to defend appeals against our decisions which imposed fines for anti-competitive practices, including excessive prices, in the supply to the NHS of certain medicines relied on by millions of people. We will also continue to focus on ensuring that patients of private healthcare providers are given clear and consistent information in line with our Private Healthcare Order and, in merger control, we will ensure that important sectors such as vets and dentists are not subject to anticompetitive mergers.
- 6.10 When it comes to tackling misleading online practices, we plan to continue with our 'Online Rip-Off Tip-Off' campaign, and we will look to do more focused work in this area to help protect people from exploitative practices, including through a programme of consumer enforcement work focused on online choice architecture. This work aims to tackle potentially harmful online selling practices, including pressure selling tactics such as urgent time-limited claims and other potentially harmful practices often used across the online economy.
- 6.11 At a time when public and household finances are under particular pressure, we will also continue to clamp down on cartels and other collusive behaviour that stops public bodies and private households making the most of their available budget, for example agreements that seek to keep prices up in public procurement or interfere in labour markets.

Competitive, fair-dealing businesses can innovate and thrive

- 6.12 In the past year, we have worked to help competitive, fair-dealing businesses innovate and thrive. For example, following our initial assessment, we were concerned that chip manufacturer NVIDIA's proposed purchase of Arm would lead to a loss of competition that could stifle innovation across several markets including data centres, gaming, the 'internet of things', and self-driving cars. The deal was abandoned earlier this year.
- 6.13 We completed a market study into mobile ecosystems, concluding that Apple and Google have an effective duopoly that allows them to exercise a stranglehold over these markets. Following on from this we've opened a market investigation in respect of the supply of mobile browsers and browser engines, and the distribution of cloud gaming services through app stores on mobile devices in the UK. Elsewhere in the digital space, following an investigation of Google's Privacy Sandbox proposals, we accepted commitments from Google under which we are supervising the tech firm's activity in this space.
- 6.14 We will continue our drive to enable innovative businesses to access digital markets, including investigating Google over concerns it may be using its position within 'ad tech' to favour its own services to the detriment of its rivals and its customers.
- 6.15 In the coming year, we will also bring a greater focus to emergent markets where the CMA may be able to provide advice or recommendations to help shape effective competition.

The whole UK economy can grow productively and sustainably

- 6.16 The CMA's recent State of Competition report is an example of work we do to inform public debate and policy formulation around issues such as the drivers of greater productivity and innovation.
- 6.17 The CMA has a continuing role to play in supporting innovation, productivity and growth and productivity across the UK economy. Our Microeconomics Unit in Darlington will be a centre of gravity for this work, developing and producing a programme of research culminating in the third edition of the State of Competition report referred to above. It will support the wider work of the CMA and policymakers, exploring areas including investment, innovation and competition. In addition, we will continue our work to analyse how competition can support market resilience and prevent or address supply chain disruption.
- 6.18 Our work on environmental sustainability includes advising the Government on how competition and consumer laws can help meet the UK's environmental goals. Supporting an effective transition to net zero will be an important area of focus in the coming year. As well as continuing our

ongoing programme of work to address possible ‘greenwashing’, we will also follow up on our call for information in the green heating and insulation sectors. More broadly, we will provide guidance to businesses and industry associations on how they can ensure competition law compliance when collaborating to develop or accelerate the adoption of more environmentally sustainable products and services.

- 6.19 The CMA will also continue its preparations in the coming year to be ready to operate the proposed statutory pro-competition regime for digital markets once the legislation is adopted. This will include working closely with Government officials and stakeholders as the legislation is finalised as well as recruitment to support the DMU, particularly at our new office in Manchester.
- 6.20 Looking at our other new responsibilities, the OIM will build on its first published reports (including our report on the impact of a ban on the sale of peat in England) to provide expert, independent, trusted advice to support effective trading between the 4 nations of the UK. Following publication of our SAU guidance and launch of the new domestic subsidy regime in January 2023, we will provide independent advice to public authorities on their assessments of the most potentially distortive subsidies and establish our monitoring function.

7. Resources and staff time

- 7.1 As in previous years, we expect to enter 2023/24 with a substantial volume of ongoing work. At the time of writing, we have 32 merger investigations (including 5 Phase 2 reviews), 13 competition enforcement cases, 7 consumer protection cases and 3 market studies and 2 market investigations underway. The OIM is also working on its first request and its first statutory reports are due by the end of March 2023. Since April 2022, we have issued 2 infringement decisions, imposing £72m in fines, as well as one commitments decision. In addition, 4 of our decisions have been appealed to the Competition Appeal Tribunal. All our cases can be found at www.gov.uk/cma-cases.
- 7.2 Figure 5 and Figure 6 below illustrate how CMA staff time has been split across different types of work over the past 2 years. The distribution of staff time for the period October 2021 to September 2022 includes resources allocated to our newly established functions, namely the DMU, the OIM and preparatory work for the SAU. It also includes time spent on Pipeline, Policy and Advocacy work.

Figure 5 Distribution of staff time October 2020-September 2021⁷

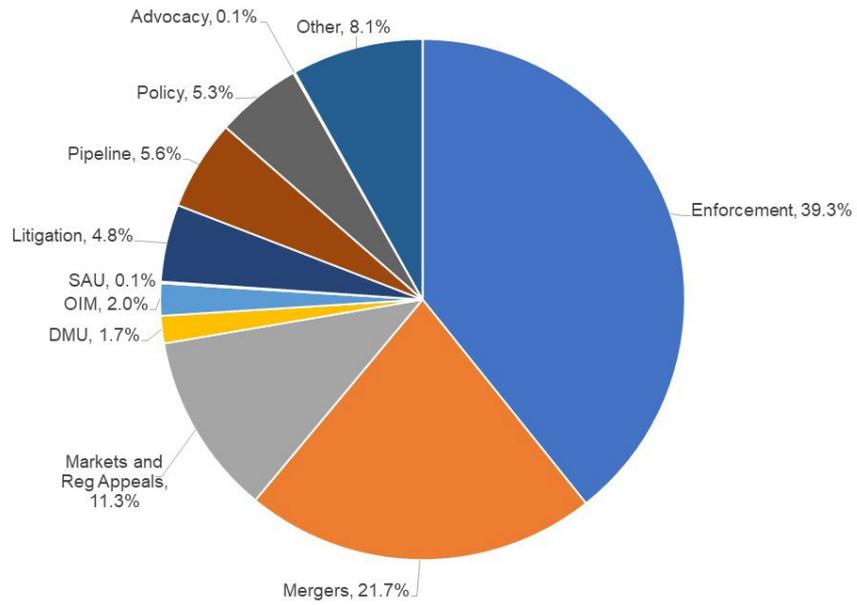
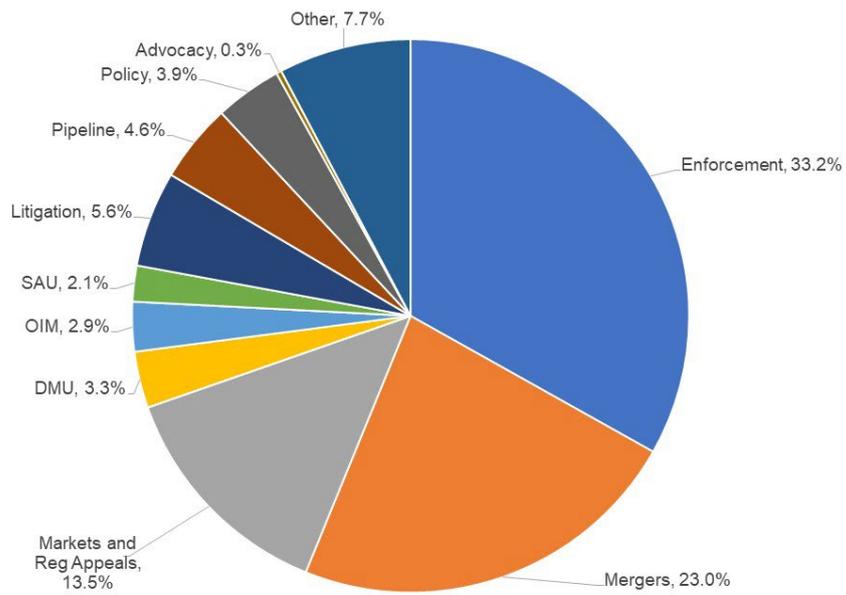


Figure 6 Distribution of staff time October 2021-September 2022



⁷ The numbers differ from last year, following further analysis of the time recorded for our new functions.

8. Glossary

Digital Markets Unit (DMU)	The DMU has been established within the CMA to begin work to operationalise the future pro-competition regime for digital markets.
Office for the Internal Market (OIM)	The OIM is part of the CMA and supports the effective operation of the UK internal market. It assesses whether the internal market is operating effectively and provides expert and independent advice to UK government and devolved administrations.
Subsidy Advice Unit (SAU)	The SAU sits within the CMA. It is a function created by the Subsidy Control Act, which provides a regime for governing the provision of subsidies within the UK following its exit from the EU.

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