



Department for  
Business, Energy  
& Industrial Strategy

# THE GOVERNMENT'S STRATEGIC STEER TO THE COMPETITION AND MARKETS AUTHORITY

July 2019



**OGL**

© Crown copyright 2019

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at: [enquiries@beis.gov.uk](mailto:enquiries@beis.gov.uk)

# The Government's Strategic Steer to the Competition and Markets Authority

Consumers benefit when competition in markets leads to more choice, lower prices, or better and more innovative products and services. The CMA has a key role in helping consumers and benefiting the wider economy. Building on the CMA's achievements to date, during this Parliament, the Government looks to the CMA to play a key role in the Industrial Strategy, by championing consumers, confronting the challenges of new digital services, and taking a bold approach in its enforcement and markets activity and public profile.

The Government acknowledges that, whilst the CMA has a relatively robust range of powers, these will require reform in response to new challenges, including the growing digital economy and the need to ensure public confidence in markets. The Government will consult on reforms, including those proposed by the CMA, shortly.

The CMA will be expected to have regard to the new Steer during its activities but retains full independence in how it approaches its work, its selection of cases and the tools it uses to tackle them.

## The CMA's key role in the Industrial Strategy's aims

The UK's Industrial Strategy aims to boost the earning power of people, places and businesses across the UK – particularly by improving productivity. Strong competition drives productivity and growth, so the CMA has an important role to play in supporting the Industrial Strategy's aims. The CMA should:

- take timely action to improve competition in sectors which have a significant impact on productivity, including in local or regional markets across the UK;
- promote the Industrial Strategy by making recommendations that help to improve productivity where appropriate;
- work to minimise barriers to new businesses successfully entering markets; and
- report publicly on competition issues affecting productivity, including steps the CMA is taking to improve competition in these areas, and highlighting issues that require Government intervention.

## Champion consumers

Consumer harm can be substantial when markets do not work well, with people in a vulnerable situation in particular at risk of losing out. The CMA should:

- focus its activities on businesses and markets where the potential for harm is clear;
- tackle market failures, and take a cross-disciplinary approach including thinking from behavioural economics and data science;

- lead work with sector regulators to ensure the overall competition regime is co-ordinated and that consumers are protected from illegal and anti-competitive practices; and
- make markets work well for vulnerable consumers.

## Make the most of the challenges and opportunities of the digital economy

The Government wants to embrace the opportunities that the digital economy brings for UK consumers and business, as set out in the Digital Charter. For these markets to operate in the interests of consumers and provide opportunities for new businesses, new approaches may be needed. The Government will ensure that CMA's powers can provide it with the flexibility to adapt to these challenges, providing the scope for the CMA to pioneer innovative approaches to finding and solving competition and consumer problems. The CMA should:

- anticipate and make the most of the competition challenges of new and emerging markets, seeking high-impact outcomes;
- help consumers get the most from the digital economy, through building consumer trust in these markets and enforcing the law to protect consumers; and
- engage and lead the UK and international debate on competition and consumer policy in the digital economy.

## Enforcement

The Government urges the CMA to take action to tackle anti-competitive behaviour and unfair trading, now and after the UK leaves the European Union. The CMA should:

- be ambitious in the number and type of cases it carries out, and the pace at which it conducts them; and
- make positive changes across markets where consumers are losing out by using its consumer protection powers to protect consumers from unfair trading practices and contract terms as well as enforcing anti-trust rules robustly, fairly and effectively.

## Being a strong and independent voice

The CMA is established in statute as an independent decision-making body, separate from ministers. In addition, it has important functions to give information to the public and to make recommendations and give advice to ministers, including on legislation. In line with its powers, the CMA should:

- be a prominent voice for consumers and improve public understanding of competition and consumer law;
- make recommendations on regulatory, policy or legislative matters, and their implications for competition and consumers at either national or local level;

## The Government's Strategic Steer to the Competition and Markets Authority

---

- raise objections at the highest levels if ministers or civil servants are failing to use competition or protect consumers effectively; and
- report publicly on the CMA's impact on the health of competition across the UK economy and on creating and maintaining markets that work well for all, including the steps the CMA is taking and issues that require Government intervention.

The Government commits to responding publicly to the CMA's recommendations within 90 days, clearly indicating the steps that it will take in response to each recommendation or the reasons that it is unable to take forward recommendations. There will be a presumption that the Government will accept all the CMA's published recommendations unless there are strong policy reasons not to do so.

---

This publication is available from: [www.gov.uk/government/publications/governments-strategic-steer-to-the-competition-and-markets-authority-cma](http://www.gov.uk/government/publications/governments-strategic-steer-to-the-competition-and-markets-authority-cma)

If you need a version of this document in a more accessible format, please email [enquiries@beis.gov.uk](mailto:enquiries@beis.gov.uk). Please tell us what format you need. It will help us if you say what assistive technology you use.