

Promoting Competition | for consumers, business and the economy

Year One

Our third bulletin coincides with an important milestone for the CMA – our first birthday. A year ago, we [formally assumed our powers](#) as the UK's new unitary competition and consumer authority.



It's been a challenging and enjoyable year, in which we feel we have fulfilled the ambitious aims and objectives we set ourselves - and I hope that our partners, stakeholders and everyone that has worked with us over the past year will feel that we have met or exceeded their expectations of the CMA. I [gave a speech](#) earlier today at King's College which outlines in detail my thoughts on our first year, and our plans and aspirations for the future.

Making a difference

So what material effect have we had? There are a few numbers by which you can measure our impact.

Following our investigations we have developed remedies that will tackle competition issues leading to consumer detriment of up to £124 million in the private motor insurance market, £174 million in the private health care market and £85 million in the payday lending market.

Across our portfolio, we reviewed more than 80 mergers, 11 of which raised significant competition issues, and completed two in-depth phase 2 merger investigations.

We completed three market investigations, into the [private healthcare](#), [private motor insurance](#) and [payday lending](#) markets. We completed a market study into [property management services](#) which has secured industry agreement to increase protections for leaseholders, and whose recommendations the Chancellor accepted in his recent [Budget](#).

We have also concluded five competition enforcement cases. A week ago we announced [the outcome of one such case](#): an association of estate and lettings agents in Hampshire, three of its estate agent members and a newspaper publisher have admitted breaching competition law and have agreed to pay penalties totalling over £775,000. This case demonstrates we will take

action in local markets as well as big national ones and that, where infringements take place within the context of trade associations, both the members of the association and the association itself can be found to have breached the law. Not surprisingly, the case has received a lot of attention amongst estate agents.

We're on track to achieve £10 in consumer welfare for every £1 we spend, under the published performance framework set for us by the Department for Business, Innovation and Skills.

Compliance and consumers

For us, enforcement requires more than merely prosecuting cases: it's about maximising our impact. Although it is important to deter anti-competitive behaviour through delivery of successful enforcement cases, deterrence also requires as many businesses as possible to hear about those cases, and to understand the requirements of the law.

We believe strongly in creating a culture of compliance and we are increasingly using completed cases to emphasise why firms need to comply with the law, and providing tailored materials to make this easier to achieve.

As well as delivering messages to business, our compliance team have also ensured that consumers are aware of their rights, issuing top tips in the form of our '60-second summaries' on areas including higher education and the secondary ticketing markets. The promotion of these messages has been well supported by consumer and membership bodies such as Which?, Citizens Advice, and the National Union of Students.

Annual planning

In the last bulletin I mentioned that we were consulting on our annual plan. We [published the final version](#) last week, in which we set out a challenging and ambitious programme of work for the year ahead.

At the core of this is delivering successfully on the big strategic investigations and cases we've started this year. But we have also looked at where else we should turn our attention.

In our [Strategic Assessment](#), we identified six areas which present particular risks and challenges. These are factors inhibiting consumer choice, the digital economy, emerging sectors, regulated sectors, markets for public services, and those markets which can significantly affect economic growth.

Advocacy and developing productive relationships with policymakers and regulators in the UK and internationally are crucial to maximising the impact of our work, so we are especially pleased to be [assuming the Presidency](#) of the International Consumer Protection and Enforcement Network ([ICPEN](#)) from July 2015 to June 2016. During our term of office, the CMA aims to further develop the Network and achieve positive outcomes for consumers in an ever more interconnected global marketplace.

Working in a digital world

We are looking ahead to the challenges of an increasingly digital economy, which permeates most aspects of consumers' lives. As I mentioned above, following our Strategic Assessment published in November 2014, we committed to identifying online market developments and practices that might be causing consumer detriment. This led us to launch a call for information into the [commercial use of consumer data](#) as we want to better understand the ways in which consumer data is used, and the consequences which follow. We will examine the harm, and the benefits, and identify how best to promote competition in this area. In February we launched a call for information into [online reviews and blogging](#) to examine how these features of evolving online markets affect consumer choice and behaviour.

These two digital projects will help attune us to a changing marketplace that is bringing new challenges and opportunities for firms and consumers.

Looking Ahead

We have much to deliver this year, notably in our [banking](#) and [energy](#) investigations – both markets which matter greatly to consumers and businesses of all sizes, and which are important for the overall health of the economy. Several of our enforcement cases will reach key milestones, including significant decisions across our antitrust portfolio and a criminal cartel case due for trial in June. And we will launch new cases where there is the requisite intelligence and resources to do so, as well as where we are required to do so, such as in merger review and regulatory appeals. In order to achieve these important outcomes, we also need to remain focused on improving the CMA to manage our workload as efficiently as possible.



Alex Chisholm CEO
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