

Competition and Markets Authority Annual Plan 2024/25 Consultation

Summary of Responses



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1. Overall summary

- 1.1 This document provides a high-level summary of feedback received from organisations and individuals in response to the consultation on the draft of the Competition and Markets Authority's (CMA) Annual Plan for 2024/25. This includes those who submitted a formal written response to the consultation and those that attended our stakeholder engagement events in Belfast, Cardiff, Edinburgh and Manchester during the consultation period. We have been able to gather feedback from a wide range of stakeholders, and are very grateful to everyone who participated.
- 1.2 We have divided this document into two parts. The first is a summary of the written feedback we received from respondents to the consultation. We asked two questions in the consultation, and we have grouped the feedback we received (as well as our response to it), by question. The second section is a summary of the feedback received at the stakeholder events we held in the four nations of the UK, and our response to this feedback.
- 1.3 The feedback received has shown that there is broad support for the draft plan, including for the updates we have proposed to our medium-term priorities, core enablers and areas of focus. All feedback has been carefully noted and the views expressed taken into consideration. In particular, on the basis of the feedback received, we will be reversing one of our proposed changes to our areas of focus and retaining specific reference to accommodation.
- 1.4 The full list of organisations that provided formal responses to the consultation or attended our events are listed in the Appendix.

2. Consultation question responses

Do you agree with the CMA's proposed updates to its medium-term priorities, core enablers, and areas of focus?

- 2.1 The majority of the respondents that engaged with this question indicated a broad support for our proposed updates to our medium-term priorities, core enablers and areas of focus.
- 2.2 Several respondents indicated that they agreed with the proposed update to our medium-term priorities, in that a combined medium-term priority to prioritise sectors that offer the biggest potential for impact on innovation, productivity and promoting resilience through competition made sense in light of the evolving nature of challenges facing the UK economy. However, one respondent stated that the CMA should balance attention between sectors that offer scope to promote innovation with sectors that may be less innovative, but which are nevertheless essential to consumers' day-to-day lives.
- 2.3 Where respondents expressed views on the proposed updates to our core enablers, they were also broadly supportive. In particular, several respondents welcomed our proposal to develop our capabilities as an ex ante regulator in digital markets, in advance of assuming new powers under the Digital Markets, Competition and Consumers (DMCC) Bill. One respondent noted the importance of the CMA building greater familiarity with the markets it is required to regulate and with novel technologies. Another respondent commented on our proposal to deploy ourselves more flexibly and dynamically, stating that adequate resource should be set aside for the exercise of new powers by the CMA's Digital Markets Unit (DMU). Other comments on our exercise of new digital markets powers are set out in our response to the second consultation question below.
- 2.4 Respondents were also broadly supportive of the CMA's proposed updates to its areas of focus for 2024/25. Different responses chose to highlight different proposed areas of focus, but a number of respondents all emphasised their support for the areas of focus relating to area of essential spending, preparing for new consumer powers, and applying new powers in digital markets.
- 2.5 Although several respondents welcomed the explicit inclusion of travel in the proposed area of focus covering action in areas of essential spending, some also commented that the CMA should continue to focus on accommodation as a core area of essential spend.

The CMA's view

- 2.6 We welcome the feedback on the proposed updates to our medium-term priorities, core enablers, and areas of focus set out in our draft Annual Plan and are reassured by the broad support that was expressed by the majority of respondents that engaged with the question.
- 2.7 In relation to comments on our medium-term priorities, we agree that it is important to achieve the right balance between focussing on the most innovative markets and those where consumers spend the most money and time. This is why we have maintained distinct medium-term priorities around both these areas. These have guided our efforts over the past year, which have spanned an ambitious programme of work in the groceries sector, resolute action in other areas of essential spend (such as road fuels and infant formula), and seeking to influence the development of significant emergent markets, such as AI Foundation Models, in a way that would put consumer protection and healthy competition at its heart.
- 2.8 We also welcome the feedback from several respondents on our core enablers, particularly those that related to developing our capabilities as an ex ante regulator in digital markets. The introduction of new powers to regulate digital markets will mark a step-change in our work and will enable us to intervene more effectively in these markets using new and targeted powers. We have been making extensive preparations for this over the last two years. This has included large-scale recruitment and upskilling of our people; regular engagement with a broad range of domestic and international stakeholders throughout the digital economy to deepen our understanding of the relevant technologies and business models; and the appointment of nine specialists from across academia and industry to advise us and provide insights as we prepare for the new regime.
- 2.9 Finally, we also welcome the positive response to our proposed updates to our areas of focus, which gives us confidence that our efforts in the year ahead will be well-targeted. We agree with comments on the significance of accommodation and that we should continue to act in this area of essential spend. We have therefore decided to retain reference to accommodation in the relevant area of focus and this is reflected in our final Annual Plan for 2024/25. We will continue to progress our work on housebuilding and in the private rented sector. Following the publication of our market study report on housebuilding in February, we will continue to engage with interested stakeholders in relation to our proposals and potential follow up action. We will also publish updated guidance on the application of consumer protection law for lettings.

Do you have any other comments on the CMA's draft Annual Plan?

- 2.10 Several respondents provided us with suggestions for areas of work that could be prioritised for action. These included off-grid energy sources, online search engines, mobile ecosystems including app stores, professional football, advertising standards, intellectual property, and the package holiday sector. One respondent encouraged us to progress the work we have commenced in the vets sector in the year ahead. Another respondent stated that we should take into account the circumstances of each nation and region within the UK when deciding which interventions to make – for example, differing levels of harm caused to consumers and the potential impacts of regulatory divergence.
- 2.11 Some respondents commented on how they would like us to progress our work in the year ahead. One respondent commented on the need for us to make use of a broad range of tools to tackle issues and to raise awareness, and that we should seek to offer informal guidance to stakeholders wherever possible. Several respondents pointed to the need for increased collaboration between the CMA and consumer bodies, particularly but not limited to Trading Standards, particularly as we prepare to operate enhanced consumer enforcement powers under the DMCC Bill.
- 2.12 Several respondents also provided views on our approach to exercising our existing and future functions in digital markets (including the comments made in relation to our proposed core enablers, set out above). Some respondents said that our current and future approach should take into account the impacts on growth and innovation in the digital sector, including when we review mergers in the sector using our existing powers. Some stated that the CMA and other regulators should avoid intervening too early in emergent digital markets. One respondent pointed to the need for guidance on how we will exercise our new digital markets functions through the DMU, and some respondents highlighted the importance of engagement within and beyond the sector, including with start-ups, consumer groups, and in specific areas such as climate technology. Several respondents noted that we had made a positive start in our preparations for proposed new digital markets powers under the DMCC Bill.

The CMA's view

- 2.13 We are grateful for all the suggestions from stakeholders about where we should focus our efforts in order to deliver positive outcomes for people, businesses and the UK economy. A number of these relate to work that the CMA will undertake in the year ahead. For example, we recently launched a

consultation on making a Market Investigation Reference in the vets sector, which would enable us to consider further the extent of competition within the vets sector and whether consumers may be overpaying for some treatments and pet medicines. This forms part of our broader work to act in areas of essential spending, including our work in the groceries sector such as our recently launched market study on infant formula. In addition, we have recently resumed our market investigation relating to web browsers on mobile devices and the distribution of cloud gaming services through app stores on mobile devices in the UK.

- 2.14 However, in deciding which work we will undertake, the CMA must necessarily make careful consideration of how to maximise our impact given the resources we have available. To be as rigorous and transparent as possible with regard to these decisions, we have embedded new processes for planning and prioritising our work. This includes the recently published updates to our Prioritisation Principles, which help guide our choice of work where we have discretion to act. In applying these Principles, we consider a range of factors including whether the CMA is the best placed body to act from those with the power to do so. In some areas, the CMA shares responsibility with other regulators for ensuring that competition can function effectively (known as concurrency) and in our Annual Plan we set out some of the ways in which we do this.
- 2.15 We will continue to engage with a broad range of stakeholders to understand how the CMA's work across our various tools and functions can help drive positive outcomes for people, businesses and the economy in all parts of the UK. We recognise the particular importance of cooperating with consumer bodies in order to maximise the outcomes we are able to achieve using our new consumer enforcement powers under the DMCC Bill. We will also work with regulators and other partner bodies such as Trading Standards, both where we share particular responsibilities as well as on a more general basis where collective efforts can deliver positive outcomes for people, businesses and the UK economy.
- 2.16 In relation to the feedback on use of a broad range of tools, we note that the strategic framework set out in our Annual Plan includes a set of Foundational Requirements that inform decisions about when and how to act. For example, these include ensuring we make use of both our formal and informal powers, as these may have different benefits depending on the situation at hand. The informal powers in the CMA's toolkit include advocacy, engagement, and information campaigns, with our starting point being to consider a given issue before deciding on the most appropriate tool.

- 2.17 As outlined in the previous section, we continue to progress ambitious and carefully laid preparations to ensure we are ready to take on the new powers to regulate digital markets under the DMCC Bill. We are reassured by responses which indicate that stakeholders consider our actions so far to be positive. We are highly aware that the DMU must be properly resourced in order to fulfil its statutory duty and we have taken this need into account in our preparations over the last two years. We agree with the need for transparency and accountability in the new regime and have recently published an overview of how we expect to exercise our new powers.¹ We will also be consulting on guidance about the new regime before we start operating it. In implementing our new responsibilities, we will engage fully and deeply with a wide range of stakeholders and market participants and will do so in a variety of ways, tailored to what is most appropriate for the stakeholder and the situation.
- 2.18 In relation to other comments around the CMA's current and future approach to digital markets, we are focused both on ensuring fair and open competition and also on fostering innovation and growth. This includes effective merger control across digital markets and the broader economy, through which we ensure that transactions that would harm competition are prohibited or modified, so that markets remain open to effective competition and innovative new entrants over the medium and long term. The new Digital Markets competition regime will provide us with additional tools to proactively drive more dynamic digital markets and prevent harmful practices that hold back innovation and growth.
- 2.19 Turning to our approach in emergent digital markets specifically, we are committed to pro-active and early activity here. This is both to build and deepen our own understanding and expertise and also to help shape the development of these markets so that they deliver the best outcomes for people, businesses and the UK economy. Our recent work on AI Foundation Models, for example, involved a considered, collaborative approach to develop a set of proposed principles for the promotion of competition and consumer protection in the development of these markets. We continue to engage a broad range of stakeholders on the evolution of the principles and on our broader work on AI.

¹ [Overview of the CMA's provisional approach to implement the new Digital Markets competition regime - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/overview-of-the-cma-s-provisional-approach-to-implement-the-new-digital-markets-competition-regime)

3. Feedback from consultation events in the regions and nations

- 3.1 Our consultation events held across all four nations of the UK yielded a rich set of stakeholder reflections, particularly on our proposed updates to our areas of focus. Stakeholders were keen to emphasise the continued impact of the rising cost of living on consumers and were encouraged to see the CMA's continued focus on areas of essential spending. Issues such as higher prices for food and energy, and the challenges for vulnerable consumers in engaging with an increasingly digitised economy, were raised by stakeholders across our four events.
- 3.2 Stakeholders welcomed our continued commitment to act in areas of essential spend and where people are under particular financial pressure in our areas of focus. Attendees at all four events told us that this area of focus was among the most relevant in their nation or region of the UK. However, as was the case with the formal consultation responses, some stakeholders were concerned that an explicit reference to action in the accommodation sector had not been carried into this year's Annual Plan.
- 3.3 Stakeholders were also keen to engage with the CMA's proposals for expanding the ways in which we measure the impact of our work (as set out in our Annual Plan). They gave a number of useful suggestions about relevant sources of evidence and insight we might use for these purposes.
- 3.4 We provide further detail on the specific issues raised at each of our events below.

Belfast

- 3.5 We welcomed representatives from 27 organisations to our Belfast event. Attendees in Belfast broadly endorsed the CMA's proposed areas of focus for the year ahead, particularly our focus on areas of essential spend and encouraging innovation, productivity and resilience in the economy. Stakeholders reportedly positively on the relevance of the event as an opportunity to find out more about the CMA's work and as a marker in our efforts to build new relationships with businesses, consumer groups, and others in Northern Ireland.
- 3.6 Attendees told us about various challenges affecting people and businesses in Northern Ireland, as well as characteristics of the local economy. For example, the increased concentration of small and medium-sized enterprises

and microbusinesses in many sectors, as well as the particular significance in Northern Ireland of effective competition in parts of the travel sector. Further issues raised included energy and the impacts of the structure and regulation of the all-island market for electricity for consumers; how small businesses can be supported to make the transition to Net Zero; potentially higher costs for accessing insurance for Northern Ireland consumers; and the potential impacts for businesses and consumers of trade-flows within the UK.

Cardiff

- 3.7 In Cardiff, our event was attended by representatives from 17 organisations. Stakeholders commented positively on our proposed areas of focus for 2024/25 and welcomed the continuously growing presence of the CMA in Wales.
- 3.8 Stakeholders were encouraged by the CMA's continued focus on cost of living issues, and highlighted work in the grocery and accommodation sector as areas that could deliver positive outcomes for people and businesses. A number of additional issues specific to stakeholders in Wales were raised. These included the potential impacts for people and businesses of a less extensive network of electric vehicle charging points in Wales, the balance between use of private and public transport in Wales compared to other parts of the UK, and how proposed legislation around food labelling could lead to increased costs for the businesses involved in food production in Wales, as well as consumers. Particular challenges were discussed around fostering competition for, and delivery of, infrastructure services (such as broadband and electric vehicle charging) in rural areas where scale is difficult to achieve.
- 3.9 Attendees encouraged us to share our work more widely across the Welsh public sector, and praised the increased potential for collaboration generated by the Welsh Regulators Network. Attendees also encouraged cooperation between relevant agencies in taking forward outreach work, particularly to explain differences in English and Welsh consumer law. Attendees also expressed interest in the Subsidy Advice Unit (SAU), including how public authorities can request advice and in what circumstances.

Edinburgh

- 3.10 In Edinburgh, representatives from 16 organisations participated in our event. Attendees broadly welcomed the CMA's Annual Plan for 2024/25 and the updates proposed to our strategic framework.

- 3.11 As with the other events, participants told us that acting in areas of essential spend had the most relevance in Scotland, and there was a particular focus on consumer issues. Attendees commented on matters such as consumers' experiences of supermarket loyalty schemes and potentially misleading online content generated by AI. The increased cost of energy was also noted, and the growing significance of supporting consumers to make their homes more energy efficient.
- 3.12 Some stakeholders also highlighted the need for us to collaborate with other regulators to ensure that exercise by the CMA of enhanced consumer enforcement powers in future complement wider efforts to deliver positive outcomes for people in Scotland.
- 3.13 More generally, stakeholders shared valuable insights into the distinct nature of certain Scottish markets – such as energy – and the impacts of rural isolation for consumers in accessing certain goods and services.

Manchester

- 3.14 Representatives from 13 organisations joined us for our Manchester event. We are continuing to expand our presence in Greater Manchester and the wider region and, as such, there was a strong focus at the event on building awareness of the CMA as an organisation and as an employer, as well as how we can connect with stakeholders in the region. Attendees were keen to understand more about our work, particularly around labour markets and the DMCC Bill. They were also keen to understand the CMA's relationship with regulated sectors and their regulators, such as Ofcom and the Office for Rail and Road, as well as opportunities for collaboration such as through the Digital Regulation Cooperation Forum.
- 3.15 Other issues that were raised included whether the CMA could do more work in the package holidays sector; whether connectivity should be considered as part of our focus on areas of essential spend; and the ability of small firms to compete with larger firms on a level playing field when it comes to marketing sustainable products and services.
- 3.16 Some respondents noted that they were not sure when or how best to contact the CMA, particularly in relation to reporting potentially illegal practices. This was initially in reference to sustainability, but the wider point was made that it was not universally known or understood that the CMA welcomes stakeholders reaching out directly to notify potential breaches of competition or consumer protection law.

The CMA's view

- 3.17 We were delighted with the range of stakeholders that attended our events and grateful for the invaluable local insights that they brought. We were particularly encouraged to hear a broad consensus across the nations of the UK for our continued focus on protecting people from the rising cost of living, building on our work in areas like groceries, road fuel and accommodation in the past twelve months. We agree with our stakeholders that cost of living pressures will continue to be a feature of the coming twelve months, and we remain committed to helping people and businesses to tackle this challenge. As stated above, we agree with comments on the significance of accommodation and that we should continue to act in this area of essential spend. We have amended our Annual Plan accordingly.
- 3.18 We are also mindful that issues brought to our attention at events include areas where the CMA is already taking action (like our ongoing work around the cost of living) or where the CMA has a defined role to play in-keeping with relevant legislation (for example through the advice and monitoring role carried out by the Office of the Internal Market).
- 3.19 The CMA will, however, always welcome insights from stakeholders and suggestions for where we could take action and deliver outcomes for people, businesses and the UK economy. There are a number of means for stakeholders to get in touch with the CMA, which are set out on our website. Concerns about anti-competitive behaviour can be submitted through our General Enquiries service. We also operate an anonymous whistleblowing service for current and previous employees of a business to tell us about any suspected illegal activities or suspicious behaviour and a cartels hotline.
- 3.20 We were able to provide information to attendees on a number of specific questions that were raised during events on questions relating to CMA's functions and how they can interact with them. This included how public authorities can request advice from the SAU on subsidies they propose to award. The SAU has published guidance on how it exercises its functions.
- 3.21 Stakeholders also raised issues in sectors like energy and transport in which the CMA shares responsibility with other regulators for ensuring that competition can function effectively. We are always conscious of the need to collaborate with other regulators in areas that can make a difference to people, businesses and the UK economy where our respective roles may intersect. More generally, we look forward to working with many of the stakeholders that attended our events over the year ahead.

4. Conclusion

4.1 We once again thank all stakeholders that took the time either to submit written responses to our consultation or to attend our stakeholder events in the four nations of the UK. We have noted the feedback provided by stakeholders on both our Annual Plan for 2024/25 and more broadly on the work of the CMA.

4.2 The proposed updates to the medium-term priorities, core enablers and areas of focus for 2024/25 were broadly endorsed and we will be adopting them in our final Annual Plan. We have also decided to retain specific reference to accommodation in our area of focus on acting in areas of essential spend.

4.3 We will be keen to engage further with stakeholders on matters including our preparations for our new consumer enforcement and digital markets powers, as well as our wider work in the nations and regions of the UK.

Appendix: Organisations with which the CMA engaged

Organisations that either responded in writing or provided verbal comments

- Centre for Policy Studies
- Citizens Advice
- Coalition for App Fairness
- Consumer Council of Northern Ireland
- Consumer Scotland
- Hanbury Strategy (on behalf of Spotify)
- On The Beach
- Reed Smith LLP
- Skyscanner
- Society of Chief Officers of Trading Standards in Scotland
- Startup Coalition
- Tech UK
-
- Trust Alliance Group
- Which?

We also received three responses from individual consumers, professionals and members of the public.

Organisations represented at the CMA's Annual Plan events included:

Belfast

- A&L Goodbody
- Arthur Cox
- Bank of Ireland
- Brown O'Connor Communications
- Business in the Community
- Carson McDowell
- Centre for Competitiveness
- Chartered Accountants Ireland
- Co Ownership
- Competition and Consumer Protection Commission
- Confederation of British Industry (CBI)
- Construction Employers Federation
- Consumer Council for Northern Ireland
- Department for Communities
- Department for the Economy
- Fiscal Council
- Manufacturing NI

- Mineral Products Association
- Money Savers Network
- Northern Ireland Council for Voluntary Action
- Private Healthcare Information Network
- Police Service of Northern Ireland (PSNI)
- Sustainability NI
- The Federation of Small Businesses (FSB)
- Trading Standards Service Northern Ireland
- UK Regulators Network
- Utility Regulator

Cardiff

- ACCA
- Cabinet Office
- CBI Cymru
- Community Housing Cymru
- Cynnal Cymru
- Development Bank of Wales
- Food and Drink Federation Cymru
- Geldards Solicitors
- Information Commissioners Office
- KPMG
- Senedd Cymru
- Shelter Cymru
- Solicitors Regulation Authority
- Trading Standards Wales
- Trust Alliance Group
- UK Regulators Network
- Welsh Government

Edinburgh

- Addleshaw Goddard
- Advice Direct Scotland
- Arnold Porter
- Citizens Advice Scotland
- Consumer Scotland
- Federation of Small Businesses
- Ofcom
- Office for the Secretary of State for Scotland
- Prosper
- Scottish Wholesale Association
- Shepherd & Wedderburn

- Skyscanner
- Society of Chief Officers of Trading Standards in Scotland (SCOTTS)
- SSE
- Trading Standards Scotland
- UK Regulators Network

Manchester

- Addleshaw Goddard
- Co-operative Group Limited
- Department for Business and Trade
- Eversheds Sutherland
- Greater Manchester Chamber of Commerce
- Greater Manchester Combined Authority
- Institute of Directors
- JD Sports Fashion plc
- Knights Plc
- On the Beach Group plc
- Surge Communications
- The Co-operative Bank
- University of Manchester