

# MOBILE BROWSERS AND CLOUD GAMING

Summary of provisional decision

22 November 2024

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*Website:* [www.gov.uk/cma](http://www.gov.uk/cma)

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The Competition and Markets Authority has excluded from this published version of the final report information which the inquiry group considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [X]. Some numbers have been replaced by a range. These are shown in square brackets. Non-sensitive wording is also indicated in square brackets.

# Summary

## Overview

The independent inquiry group appointed for this market investigation has provisionally found that a number of markets relating to browsers on mobile devices are not working well. This means that consumers could be missing out on new features when using mobile browsers; and businesses are limited in their ability to reach consumers through browser apps. Overall, this could be limiting innovation and growth in the UK. Mobile browsers are apps which provide the primary gateway for consumers to access the web on their mobile devices, and hence for businesses to reach consumers with their content and products.

Mobile browsers run on operating systems, which are the foundational layer of software on which other software operates on mobile devices. Respectively, Apple and Google control the operating systems used on iOS and Android devices, and there is a duopoly in smartphone operating systems in the UK: [50-60]% of mobile users used Apple's iOS and [40-50]% used Google's Android in 2023.<sup>1</sup> Further, Apple's Safari and Google's Chrome browsers have high and stable shares of supply in the UK, with Safari accounting for 88% of mobile browsers on iOS and Chrome 77% on Android in 2024.

We have provisionally identified a number of features in the markets for mobile browsers, browser engines and in-app browsing technology which restrict competition. Most of these features relate to the policies implemented by Apple in the relevant markets. In particular, we have provisionally found that various types of policies implemented by Apple are holding back innovation from other browsers.

First, Apple currently specifies that mobile browsers in the UK must use Apple's own underlying browser engine (WebKit), which determines what competing mobile browsers can do on iOS. We have provisionally found that this limits the extent to which competitors can differentiate their browsers and offer enhanced features to iOS users.

Second, we have provisionally found that Apple has withheld access or has delayed giving competing mobile browsers using its WebKit system the same level of access and functionality as its own browser Safari enjoys, which has a negative impact on competition and innovation.

As a result, we are concerned that consumers and businesses could be missing out on potential innovative features that mobile browsers can provide. We have seen persuasive evidence that Apple's rules limit competition and so may prevent:

- other browser companies such as Mozilla and Vivaldi from offering users additional privacy features when browsing the web;

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<sup>1</sup> Please note exact figures are covered by ranges, due to market sensitivity, as in standard CMA practice.

- Microsoft, Mozilla and others from providing additional security features to protect from malicious attacks online; and
- multiple browser providers loading pages on iOS as fast or efficiently as they could if they were allowed to use a browser engine other than WebKit like they use elsewhere.

In particular, Apple's rules appear to be holding back a category of apps known as 'progressive web apps' (PWAs) that are lower cost and easier for developers to build since they can run on any operating system. PWAs do not need to be listed on an app store and are not subject to app store charges. They can be saved onto a home screen like native apps. PWAs are offered by companies such as Spotify, Facebook, Trivago and Pinterest. Many smaller UK app developers told us that limits on web apps are holding back their business because they could be developing PWAs as a comparable and lower cost alternative to developing a native app.

Third, we have provisionally found that on iOS, Apple limits the technology available to link to web content from within an app, known as in-app browsing, which appears to be an increasingly significant proportion of all browsing which takes place on mobile devices. We have provisionally found that Apple's restrictions limit the traffic available to challenger browsers in this type of browsing and also limit the extent to which apps can customise their users' browsing experience as companies with millions of users like Meta would like to do. We have provisionally found that this limits competition and choice in terms of the options available to app developers to offer in-app browsing.

Fourth, we are concerned about revenue sharing arrangements between Google and Apple. We have provisionally found that Apple and Google earn significant revenue when their key rival's mobile browser is used on iOS, reducing their financial incentives to compete. In fact, the extent of this revenue-sharing is so large that the revenue share they earn from their competitor's product is lower but similarly significant to the revenue share they earn from their own, so that the incremental revenue from winning customers, and therefore the financial incentive to compete, is limited.

Fifth, we provisionally find both Apple's and Google's product design choices about when, whether and how users make certain decisions about mobile browsers, also known as choice architecture, are making it significantly harder for users to drive competition by actively choosing which mobile browser they use.

Apple is able to control these product design choices through its iOS operating system, and Google through agreements with device manufacturers in relation to its Android operating system. Importantly, Safari on iOS and Chrome on Android are pre-installed, placed prominently on the home screen of many new phones in the UK and often set as the default browser which will open when web content is being accessed. Apple's and Google's product design choices make it more difficult for consumers to switch to regularly using another browser app.

During the course of this market investigation, the CMA has been granted powers under the Digital Markets, Competition and Consumers Act 2024 which establishes a new pro-competition regime for digital markets. These powers enable the CMA to designate firms as having ‘strategic market status’ (SMS) in relation to one or more digital activities; and impose forward-looking requirements to guide the conduct of firms designated with SMS.

We have provisionally concluded that an effective and comprehensive means of addressing the competition concerns we have provisionally identified is to recommend to the CMA Board that, using these new powers:

- (a) it prioritises commencing SMS investigations to assess whether it would be appropriate to designate Apple and/or Google for their respective digital activities in mobile ecosystems; and it is recommended that the scope of such SMS investigations includes the supply of mobile browsers, browser engines and in-app browsing technology; and
- (b) if such designation(s) are made, it considers imposing appropriate interventions, such as those we have considered in this report.

We have also considered a number of potential measures which could, in principle, address certain of the competition issues identified above; and concluded that if implemented through the remedy-making powers available to us at the end of this market investigation, there would be a number of significant risks to the effectiveness of these measures.

Should the CMA Board proceed with the recommended course of action, the markets that are the subject of this investigation have the potential to function better; allowing a wider range of companies to invest, innovate and grow, thereby giving millions of consumers access to mobile browsers which may be faster, more secure and more private for use in their everyday lives.

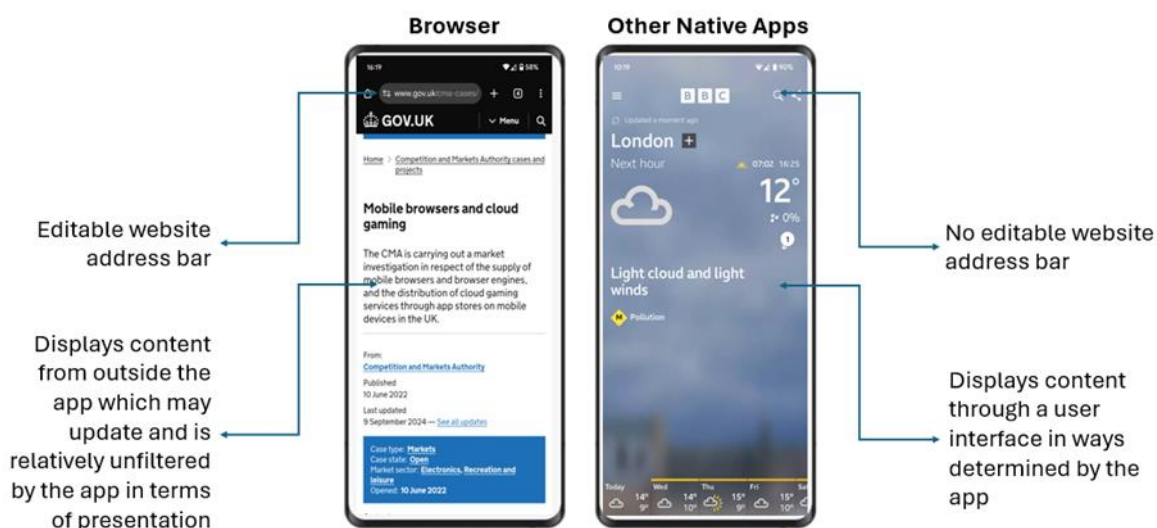
We also looked at cloud gaming on mobile devices. While a 2022 CMA market study which led to this market investigation had identified concerns that Apple’s rules were blocking the development of cloud gaming apps on iOS devices, Apple has since made significant rule changes, which look to have positive implications for competition in this market. We have not found provisional concerns in this area.

## **The focus of this market investigation**

1. UK smartphone users spend an average of three hours a day using their devices, of which around 30 minutes is spent in dedicated mobile browser apps.

2. A mobile browser is an app that consumers use to access the internet on their mobile device. As such, it is a key gateway through which 56 million UK users<sup>2</sup> access and search the internet.
3. Consumers make use of standalone mobile browser apps, including household names such as Safari, Chrome, Firefox, some of which are among the most used apps on UK's smartphones. Standalone browser apps are a specific type of native app<sup>3</sup> used on a mobile device. Browsers show an editable website address bar and access dynamic content, meaning regularly changing content across the internet which resides outside the mobile browser app.

**Figure 1.1: Visual comparison between a browser and other native app on a user device**



Source: CMA

4. Whether they know it or not, consumers also access a significant amount of internet content through 'in-app browsers'. These are browsers which are embedded in other apps, for example, within social media or online marketplace apps. These in-app browsers can often be distinguished from standalone browser apps as there is an option at the top of the screen to exit the in-app browser and return to the native app.
5. The way that a browser works on a mobile device is determined by the mobile operating system (OS). The OS is the foundational software upon which all other software on a mobile device must run.

<sup>2</sup> Statista, [Number of smartphone users in the UK 2020-2029](#).

<sup>3</sup> Applications written to run on a specific operating system and as such interact directly with elements of the operating systems in order to provide relevant features and functionality.

6. In the UK there is a duopoly in smartphone operating systems, with [50-60%] of smartphone customers using Apple's operating system (iOS), and [40-50%] using Google's operating system (Android), in 2023.<sup>4</sup>
7. The market power that Apple and Google hold in relation to mobile operating systems enables them to set the rules and parameters relevant to how mobile browsers, browser engines and in-app browsing are allowed to work on iOS and Android devices respectively. Accordingly, Apple's and Google's conduct has the potential to restrict competition in mobile browsers, reduce the pace of innovation and therefore diminish the quality of browsing experiences.
8. This investigation also relates to cloud gaming, which is a popular and growing service allowing video game content to be streamed over the internet, from powerful gaming hardware in a data centre, to be displayed on a user's choice of supported mobile device. In January 2024, there were [X] monthly average users accessing cloud gaming services on mobile devices in the UK.<sup>5</sup> Apple and Google are able to exercise control over the provision of cloud gaming services through their app stores – Apple's App Store and Google's Play Store.

### **This provisional decision report and consultation represent a significant milestone in the investigation**

9. This investigation follows a 12-month market study by the CMA examining the wider mobile ecosystem of which mobile browsers form an important part, through the Mobile Ecosystem Market Study (MEMS), which ran 2021-22.
10. Over the course of this investigation, we have so far obtained and analysed information from stakeholders and market participants active across the relevant browser markets and related digital space. More specifically, we have:
  - (a) Spoken or sent information requests to 17 companies which supply mobile browsers, 62 developers of apps and internet content, 17 companies which manufacture mobile handsets, and nine other industry groups and parties involved in mobile browsers more widely. We have also obtained and analysed a significant number of internal documents provided by Apple, Google and other stakeholders.
  - (b) Commissioned two professional research organisations to provide independent, quantitative and qualitative research.

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<sup>4</sup> Please note exact figures are covered by ranges, due to market sensitivity, as in standard CMA practice.

<sup>5</sup> This figure assumes that mobile users do not multi-home across iOS and Android mobile devices. Responses to the CMA's information requests [X].



(c) Held hearings with Apple and Google, the two main providers of mobile browsers, consulted on our emerging thinking through seven working papers, and analysed 55 responses to these papers.

11. We have looked in-depth at the technical features and markets within the area of mobile browsing, for example the underlying ‘browser engines’ which are crucial in determining the limits of what mobile browsers can do, the multiple forms of ‘in-app browsing’ where much browsing now takes place, and various forms of ‘web-apps’ – applications which allow users to access services such as email inboxes, music streaming and many others without needing to download a traditional ‘native app’ (ie an app designed for their specific operating system) on their device.

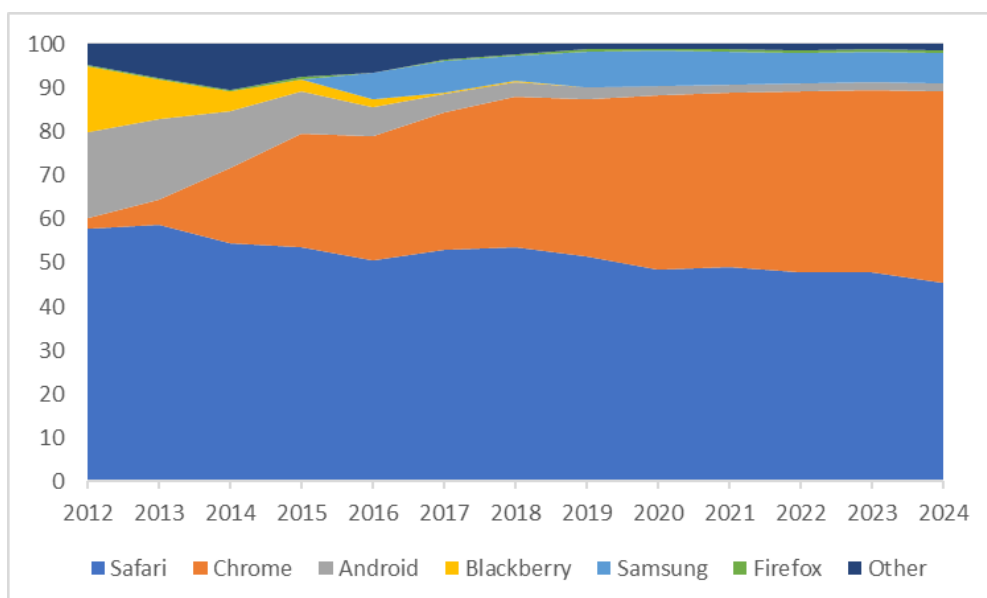
**Box 1: What browser engines are, and why they matter**

- Behind the branded browser interface users see when reading a news article or booking a cinema ticket online lies a complex body of several millions of lines of code known as a ‘browser engine’.
- While their presence is unknown to most consumers, these browser engines largely determine how fast and smoothly the browsers run, the levels of privacy the user has and the degree of security from malicious attacks while doing so.

**Apple’s and Google’s own browsers on iOS and Android devices have very high shares of supply**

12. Apple and Google have had consistently high shares in the supply of mobile browsers in the UK for the last 5-10 years at least, with 44% for Apple’s Safari and 46% for Google’s Chrome in 2024, as shown in Figure 1.2 below.

**Figure 1.2: UK browser shares of supply (mobile) – 2012 to 2024**



Source: Statcounter, *Mobile & Tablet Browser Market Share United Kingdom*. Notes: (i) Mobile refers to both smartphones and tablets; (ii) Android refers to AOSP-based browsers developed on top of the web browser apps made available through the Android Open-Source Project. European Commission, *Google Android Decision*, footnote 1034.

13. This picture is even starker looking at Apple's and Google's ecosystems separately. On iOS, as of March 2024, Apple's browser Safari has an overwhelming 88% share, with Google's Chrome 11% share accounting for much of the remaining supply. On Android, Google's Chrome has a share of 77%, with Samsung Internet, the second-largest, holding a share of 13%.
14. The situation is similar when looking at some of the key 'under the hood' aspects of mobile browsers. For browser engines, which are crucial to determining browser performance, Apple's WebKit has a 100% share of supply of browser engines on iOS. Mobile browsers based on Google's Blink engine have a 96% share of supply of browser engines on Android, with the remaining 3% coming from Mozilla's Gecko engine.<sup>6</sup>
15. Alternative third-party browsers do exist, from companies such as Microsoft, Mozilla, Brave, Opera, and Ecosia. Mozilla also offers an alternative browser engine on Android only. However, these third-party browsers and browser engines have struggled to gain significant footholds in the relevant markets, as shown by their low shares of supply.
16. We also observe low levels of users switching between mobile browsers, with only 16% of UK users having downloaded a different mobile browser from the one which came pre-installed with their phone.<sup>7</sup>

## **We have provisionally found that some inherent aspects of the supply of mobile browsers are contributing to competition problems**

17. We have provisionally found that two aspects of the markets for supplying mobile browsers are contributing to competition problems.
18. The first aspect stems from the fact that it costs time and effort for web developers to ensure that the websites they create are compatible with different mobile browsers and browser engines. Web developers are therefore most likely to design content to run on the mobile browsers with the most users, and users are therefore more likely to prefer those same browsers because they offer the best user experience. This creates 'network effects', giving the large incumbent players an advantage and making it more difficult for smaller mobile browsers or browser engines to compete effectively, and for new mobile browsers or browser engines to enter the market.

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<sup>6</sup> Please note shares do not sum to 100% due to rounding. Some of these browsers are also based on 'light forks', i.e. modified versions of Blink.

<sup>7</sup> Verian Group UK (2024), *Mobile Browsers Quantitative Consumer Research*, slides 82 and 83.

19. The second aspect is that many consumers do not readily understand what a 'browser' on their mobile device is; which particular browser they are using at any given time; the differences between providers, the initial settings which determine their default browser (ie the one which usually opens when they click on a website link); nor think about mobile browser options when they buy a device. The picture may be even less clear for many consumers when they access an in-app browser within apps whose primary purpose is something else, for example social media or email. This makes it harder for consumers to make active choices about which mobile browser they use.
20. We provisionally consider that these aspects are to a degree inherent in these markets, and are particularly problematic when combined with the impact of Apple's, and to a lesser extent Google's, policies on the markets, as we set out below.

### **We have provisionally found policies implemented by Apple in relation to mobile browsers and browser engines adversely impact competition**

21. As explained above, Apple's control over iOS gives it market power at the operating system level. In turn, this enables Apple to set the rules and parameters relevant to how mobile browsers are allowed to work on iOS.
22. We have heard widespread, detailed and compelling evidence that the rules Apple sets due to its control of the iOS operating system limit the ability of mobile browsers other than Apple's Safari to provide more innovative, differentiated features.
23. This is in contrast to Google's approach on Android, which is more open in terms of how it allows other mobile browsers to operate.
24. **Fundamental to this is Apple's rule on iOS which bans the use of different underlying browser engines**, which are crucial for determining browser performance, security, privacy, and new features (see Box 2).
25. We note that there is no such rule on Apple's desktop operating system macOS, where other browser engines are allowed, nor on other mobile platforms beyond iOS.

#### ***Box 2: mobile browser features which challenger firms have told us they could provide if Apple allowed alternative browser engines***

- **Better performance:** evidence from Microsoft, Mozilla, Vivaldi and others suggests the requirement to use WebKit means their mobile browsers cannot compete by providing improvements to the user experience, which could result in benefits such as faster loading times and fewer delays and glitches.

- **Stronger security:** Microsoft, Mozilla and others have told us they are prevented from fully offering additional security features against malicious attacks online. Examples include limits on introducing ‘Safebrowsing mode’, which provides warning messages about potentially dangerous sites or downloads and ‘site isolation’, which provides an additional layer of protection, making it harder for an untrustworthy website to attack or compromise other websites accessed through the browser.
- **Greater privacy:** companies such as Mozilla and Vivaldi have told us they are prevented from offering users additional privacy features when browsing the web.

26. We have considered submissions from Apple that insisting browsers only use WebKit is necessary because allowing alternative browser engines could raise security, privacy and performance risks.
27. We accept that the current restriction does reduce the risk of third-party browsers on iOS using outdated, vulnerable engines or implementing insecure new features. However, our provisional view is that the risks could be managed in other ways, eg by Apple imposing minimum security standards on mobile browsers using browser engines other than WebKit. We also note that alternative browser engines have strong records on security outcomes, and more widely, that Apple’s current restriction actually prevents mobile browsers competing and innovating on security and privacy features, for example by implementing security updates more frequently than Apple’s architecture currently allows.

***Box 3: progressive web apps – a potentially more direct way for users to access apps, currently limited on iOS***

- Progressive web apps (PWAs) are a version of a webpage saved on the home screen of a device. They are offered by companies such as Spotify, Facebook, Trivago and Pinterest,<sup>8</sup> and may look to a user like any other kind of app.
- Importantly, PWAs can be built to run on any operating system, thus lowering developers’ costs for developing apps and allowing them to offer more apps and greater choice.
- We have been told that Apple’s rules mean that PWAs on iOS do not perform optimally and have limited features, which in turn means developers are less able to offer sufficiently high-quality web apps.

28. Looking beyond Apple’s prohibition of alternative browser engines, we have provisionally found that **Apple’s own mobile browser Safari has greater and earlier access to key functionalities from the operating system and Apple’s**

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<sup>8</sup> [Examples of progressive web apps \(PWAs\) done right \(adobe.com\)](#).

**WebKit browser engine; when compared to other browsers – such as Firefox, Brave, Opera, Vivaldi and Chrome.**

29. As set out in box 4 below, we have provisionally concluded that this limits the ability of mobile browsers competing with Safari on iOS to attract users by offering high-quality products, and as a result, reduces competition and the resulting benefits for consumers.

***Box 4: features which challenger firms have told us they could provide or could have provided sooner if Apple allowed browsers access to the same functionalities as Safari***

- It is not currently possible for challenger firms to offer the same browser extension functionality – such as ad-blockers, productivity tools and others – as Safari does.
- Safari was able to implement full screen video almost four years before Apple allowed other browsers access to the functionality required to do so.
- Safari was able to offer Intelligent Tracking Protection, an important privacy feature, over two years before other browsers had access to the same functionality.

**We have provisionally found that a revenue sharing arrangement between Apple and Google is likely to reduce competition between the two main browsers on iOS devices**

30. We have provisionally found that competition between mobile browsers on iOS is likely further weakened by an agreement between Apple and Google, pursuant to which Google pays Apple a significant share of the search advertising revenue earned from traffic on Safari and Chrome on iOS.<sup>9</sup>
31. This means Apple and Google earn significant revenue when their key rival's mobile browser is used on iOS, reducing their financial incentives to compete. In fact, the extent of this revenue-sharing is so large that the revenue share they earn from their competitor's product is lower but similarly significant to the revenue share they earn from their own, so that the incremental revenue from winning a customer is limited.<sup>10</sup> We have provisionally found that this is likely to reduce competition between the two main mobile browsers on iOS devices.

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<sup>9</sup> Information Services Agreement, [redacted].

<sup>10</sup> Google response to the CMA's information request [redacted].

## **We have provisionally found that Apple’s rules on in-app browsing limit the user experience, competition and traffic to alternative browsers**

32. It appears that an increasing amount of web browsing now takes place within apps such as social media, email inboxes and others, rather than on dedicated browser apps. We have provisionally found issues which stem from Apple’s rules relating to the way these browsing experiences can be offered, for example in terms of browsing speed, stability and security.
33. **First, apps cannot fully customise the in-app browsing experience for their users because Apple does not permit apps to use alternative browser engines for in-app browsing.**
34. In our provisional view, banning the use of alternative browser engines for in-app browsing limits the development of the user experience within apps, and of new innovative products. It also limits the possibility that apps with in-app browsers might introduce new features that could be adopted or introduced more widely and therefore improve competition between standalone browser engines and between mobile browsers. One such example is the experience of Meta, a firm with millions of users through popular apps such as Facebook and Instagram. This is set out in box 5, below.

### ***Box 5: Case study on missed innovations: Meta’s desire to build its own in-app browser on iOS***

- Meta told us that it wants to build an in-app browser using its own browser engine on iOS that it could customise completely to create in-app browsing experiences.
- According to Meta, this would allow it to develop new features that could improve user experience, security and performance, for example, by being able to more quickly load web pages and also to make the in-app browser more stable.
- While Meta has been able to do this on Android, it cannot develop these features on iOS currently because Apple’s rules require apps to use Apple’s own technology – including its WebKit browser engine – for in-app browsing within apps like Facebook.

35. **Second, apps are prevented from using mobile browsers in place of a technical solution currently offered by Apple for in-app browsing, and this limits traffic to alternative browsers and browser engines, and reduces competitive pressure on Apple’s offering of in-app browsing and Safari.** We provisionally consider that it may be limiting the growth of alternative browsers and preventing innovation that could benefit apps and consumers.

**We have provisionally found that Apple’s product design choices make it significantly harder for consumers to drive competition by actively choosing which browser they use**

- 36. Apple’s control of its iOS operating system means it is able to determine key design decisions such as which products are placed prominently on a user’s screen and which apps are treated as the ‘default’ option.<sup>11</sup> We have seen evidence that this is happening in the Apple ecosystem with regard to browsers, when users first get their device, and again later, while they are using it.
- 37. We recognise that it can be helpful for consumers to have phones which are ready to use ‘straight-out-of-the-box’, but **we have provisionally found that the factory settings for Apple’s mobile browser can limit competition between browsers, particularly given low levels of consumer engagement with these types of products.**

**Figure 1.3: Placement of Safari on iOS devices.**



Source: CMA

38. In particular, Apple pre-installs Safari as a browser on new iPhones, places it in the ‘application dock/ hot seat’ along the bottom of the home screen, and sets it as the ‘default browser’, ie the one which usually opens when users click on a website link. The prominent placement of Safari on iOS devices can be seen in Figure 1.3.

39. We have provisionally found the pre-installation and prominent placement of Safari and default settings on iOS devices reduce user awareness, engagement and choice, increases barriers to entry and expansion for other browser vendors and further reinforces Safari’s very strong position on iOS.

<sup>11</sup> Design decisions can also be referred to choice architecture which specifies when, whether and how users make choices.

40. In addition, **Apple's design choices for how users need to navigate through device settings make it harder for users to change their default browsers away from Safari after the device set up.**
41. While on Android devices there is a central location in device settings for default settings; on Apple's iOS there is no simple and clear way for users to change the default browser. Instead, users must navigate a series of menus to do so.

**We have also provisionally found that Google's product design choices make it significantly harder for consumers to drive competition by actively choosing which browser they use, albeit to a lesser degree than on iOS.**

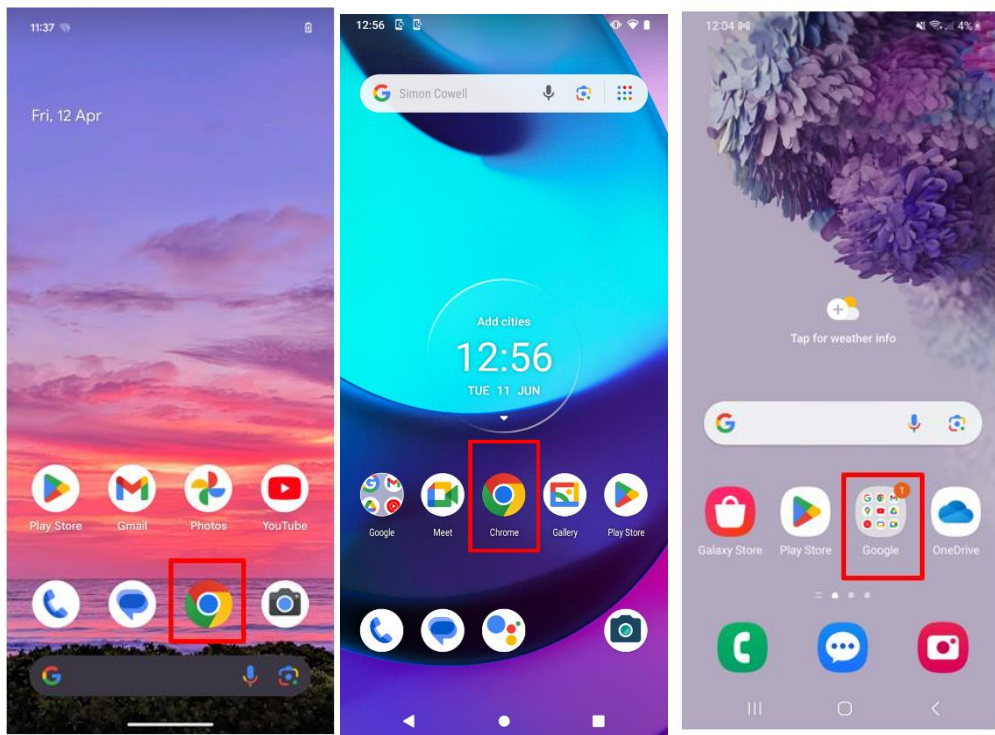
42. Google's control of the Android operating system means it is able to determine key design decisions such as which products are placed prominently on a user's screen and which apps are treated as the 'default' option. We have seen evidence that this is happening in relation to how browser options are presented when users first get their device, and again later, while they are using it.
43. Google uses factory setting agreements with device manufacturers who use Google's Android operating system, with Chrome being pre-installed, prominently placed,<sup>12</sup> and often set as the default browser on many devices. This can be seen in the three diagrams in Figure 1.4 below.

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<sup>12</sup> This happens to varying degrees depending on their agreement with the handset manufacturer.



**Figure 1.4 Prominent placement of Chrome on Android devices, as shown on Google Pixel, Motorola, and Samsung S20**

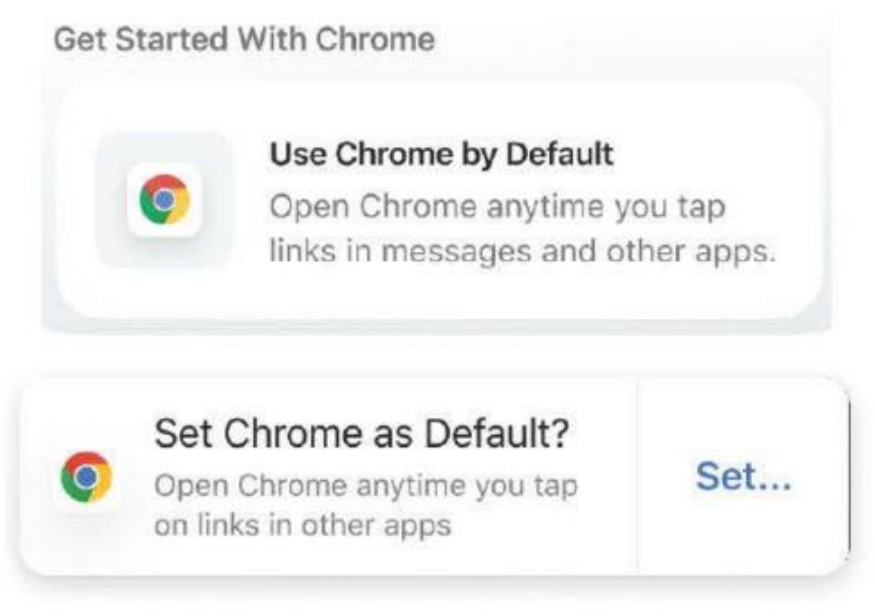


Source: CMA.

Note: Screenshot 1 taken on Google Pixel 6a running Android 14 in May 2024. Screenshot 2 taken on Motorola Moto E20 running Android 11 in June 2024. Screenshot 3 taken on Samsung S20 running Android 13 in April 2024.

44. We recognise that it can be helpful for consumers to have phones which are ready to use ‘straight-out-of-the-box’, but we have provisionally found that the **use of factory settings which see Google’s mobile browser app frequently pre-installed, given prominent placement, and in some cases set as default can limit competition, particularly given low levels of user engagement with these types of products.**
45. We have provisionally found that this raises barriers to entry and expansion for other browser vendors and maintains low levels of consumer awareness and engagement in relation to choice of mobile browsers, reinforcing Chrome’s very strong position on Android.
46. Furthermore, after device set-up, **Google allows its own apps, such as Gmail and Google Maps, to send ‘prompts’ encouraging users who have set a different browser as their default to switch back to Chrome** (see Figure 1.5).

Figure 1.5: Prompt on Chrome asking users to set it as a default browser (Android).



Source: Google.

47. We have provisionally found that Google’s use of prompts across multiple access point makes it harder for browser vendors to retain newly switched users and therefore, compete with Google, limiting competition between mobile browsers on Android.

### **Our provisional decision on remedies: recommendation to utilise new digital markets powers**

48. The Group has considered a number of potential measures which could, in principle, address the competition issues identified above; and concluded that there would be significant risks to the effectiveness of these measures if implemented through the remedy-making powers available to us at the end of this market investigation.
49. During the course of this market investigation, the CMA has been granted powers under the Digital Markets, Competition and Consumers Act which establishes a new pro-competition regime for digital markets. These powers enable the CMA to designate firms as having ‘strategic market status’ (SMS) in relation to one or more digital activities; and impose forward-looking requirements to guide the conduct of firms designated with SMS.
50. We have provisionally concluded that an effective and comprehensive means of addressing the competition concerns we have provisionally identified is to recommend to the CMA Board that, using these new powers:

- (a) it prioritises commencing SMS investigations to assess whether it would be appropriate to designate Apple and/or Google for their respective digital activities in mobile ecosystems; and it is recommended that the scope of such SMS investigations includes the supply of mobile browsers, browser engines and in-app browsing technology; and
- (b) if such designation(s) are made, it considers imposing appropriate interventions, such as those we have considered in this report.

**We have provisionally found the primary concern referred to us relating to cloud gaming in 2022 has been addressed following changes to Apple’s rules in January 2024; and further action is not warranted at this time**

- 51. We have also examined the distribution of cloud gaming services through app stores on mobile devices in the United Kingdom, as per the terms of reference for this market investigation.
- 52. As set out in the Issues Statement we published early in this investigation, our focus has been to consider whether Apple’s App Store policies effectively ban cloud gaming services and whether this weakens competition in the distribution of Cloud Gaming Services.
- 53. The CMA’s Mobile Ecosystems Market Study made a reference in 2022 for this market investigation to consider Cloud Gaming Services. The primary concern raised by the market study was that Apple did not allow cloud gaming apps to be available on the App Store.
- 54. During the course of our investigation cloud gaming service providers raised some additional concerns, such as the requirement for apps to use Apple’s in-app payment method and pay the associated commission.
- 55. However, it is our provisional view that, considered in the round, the available evidence is insufficient to conclude that Apple’s guidelines are limiting the availability of cloud gaming services as native apps on mobile devices. In this context, we note that we have seen some evidence of potential market entry by some cloud gaming service providers.

***Box 6: Apple’s January 2024 Cloud Gaming rule changes***

Prior to January 2024, Apple’s App Store Review Guidelines contained an effective ban on cloud gaming services being provided through native apps on the App Store. This was due to a requirement that each streaming game had to be submitted to the App Store as an individual app (previous Guideline 4.9) and a guideline precluding apps where code

distribution was the ‘main purpose’ and the code was offered in a ‘store or store-like interface’ (the previous Guideline 4.7).

In January 2024, Apple announced major worldwide changes to its Guidelines, including the deletion of Guideline 4.9 and amendments to Guideline 4.7. Apple has stated that it will now allow ‘game streaming apps’ on the App Store.

## **Next steps**

56. We welcome comments on this provisional decision report, by 13 December 2024.
57. We will consider all such comments, hold response hearings with the main parties in December 2024 – and consider any other relevant evidence.
58. We are required to publish our final report by 16 March 2025 as per the 18-month statutory deadline.<sup>13</sup>

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<sup>13</sup> The CMA may extend, by no more than 6 months, if we consider there are special reasons for doing so. See: EA02, section [137\(2A\)](#).