

Appendix N: Egress fees – free switching programmes

Background

- N.1 This appendix sets out the evidence gathered on the programmes providing free egress for switching ('free switching programmes') that have been introduced by some cloud providers in response to the forthcoming requirements of the European Union's (EU) Data Act (the 'EU Data Act').¹
- N.2 This appendix is focussed on egress fees incurred during the switching and/or multi-cloud process. Where we use the term 'egress fees', we refer to fees charged to transfer data out of one cloud provider's cloud into another cloud provider's cloud, unless stated otherwise (ie 'egress fees in general').
- N.3 The EU Data Act contains provisions relevant to egress fees for EU customers, including a current requirement that any 'switching charges' (which includes data egress charges relating to switching) 'cannot exceed costs incurred by the provider of data processing services that are directly linked to the switching process concerned'.² From 12 January 2027, a full removal of switching charges is required.³
- N.4 Since the start of the application of Article 29(2) of the EU Data Act, free switching programmes have been introduced by the three main cloud providers globally:
- (a) on 11 January 2024, Google announced a global programme of providing free egress for customers switching to other cloud providers (or to on-premises).⁴
 - (b) on 5 March 2024, AWS announced a similar programme of providing free data transfer out to the internet to customers globally who want to move to another IT provider (effective as of the date of announcement).⁵
 - (c) on 13 March 2024, Microsoft announced that it also offers free egress globally for customers leaving Azure when taking their data out of the Azure

¹ Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonised rules on fair access to and use of data and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828 (Data Act) ('EU Data Act'). The EU Data Act came into force on 11 January 2024.

² EU Data Act, Articles 29(2) and 29(3).

³ EU Data Act, Article 29(1).

⁴ Eliminating data transfer fees when migrating off Google Cloud, accessed 22 February 2024.

⁵ Promoting customer choice: AWS takes another step to lower costs for customers changing IT providers, accessed 22 February 2024.

infrastructure via the internet to switch to another cloud provider or an on-premises.⁶

- N.5 Other cloud providers such as IBM and Oracle have not introduced similar free switching programmes, in the EU or globally. However, Civo, a UK-based smaller cloud provider, announced on 4 April 2024 that it had abolished all egress fees for its customers.⁷ Civo's removal of egress fees does not have any customer requirements or limits (such as being specific to switching egress) according to its announcement.

IBM and Oracle approach to EU Data Act switching provisions

- N.6 IBM said it plans to charge egress at cost for EU-based customers that are switching cloud provider between 11 January 2024 and 11 January 2027, after which this egress will reduce to nil in line with the EU Data Act. IBM said [REDACTED].⁸
- N.7 IBM said [REDACTED].⁹
- N.8 Oracle said [REDACTED].¹⁰ We understand this to mean [REDACTED] is therefore already compliant with the current Data Act provisions in relation to egress fees for switching.
- N.9 IBM's 'at cost' egress rate will not apply to UK customers, and Oracle has indicated that its current egress rates (including those applicable in the UK) are [REDACTED].¹¹

Rationale for introducing free switching programmes

- N.10 AWS submitted that [REDACTED].¹²
- N.11 AWS said that it made the decision to provide free switching egress due to [REDACTED].¹³
- N.12 [REDACTED].¹⁴
- N.13 Google said that it introduced its free switching programme globally as [REDACTED].¹⁵
- N.14 On the 60-day switching period for its programme, Google said that the EU Data Act has different timelines for different aspects in relation to switching, and it considered 60 days to be a long enough period to cover all of these different

⁶ Microsoft website, [Now available: Free data transfer out to internet when leaving Azure](#), accessed 14 March 2024.

⁷ [Civo abolishes all egress fees to advance cloud simplicity strategy](#), accessed 24 September 2024.

⁸ IBM's response to the CMA's information request [REDACTED].

⁹ IBM's response to the CMA's information request [REDACTED].

¹⁰ Oracle's response to the CMA's information request [REDACTED].

¹¹ IBM response to the CMA's RFI [REDACTED]. Oracle response to the CMA's information request [REDACTED].

¹² AWS' submission to the CMA [REDACTED].

¹³ Note of meeting with AWS, [REDACTED].

¹⁴ [REDACTED] response to the CMA's information request [REDACTED].

¹⁵ Note of meeting with Google, [REDACTED].

aspects. Google also noted that the 60-day period was longer than its customer contract termination period of 30 days.¹⁶

- N.15 A Google internal document with internal FAQs also states that [REDACTED].¹⁷ Another Google internal document states that [REDACTED].¹⁸
- N.16 On the rationale for introducing the free switching programme globally, Microsoft said [REDACTED]. Microsoft said [REDACTED]. Microsoft also said [REDACTED].¹⁹ A Microsoft internal FAQs document on the announcement of the free switching programme states that [REDACTED].²⁰
- N.17 Microsoft's website notes that the exemption on data transfer out to the internet fees 'aligns with the European Data Act'.²¹ Microsoft said it introduced free switching programme in response to the EU Data Act.²² Microsoft's internal documents relating to its free switching programme also indicate that [REDACTED].²³

Coverage of the free switching programmes

- N.18 We have considered the applicability of AWS, Google and Microsoft's free switching programmes from information received and the cloud providers' websites. The coverage of each cloud providers' programme is set out below.

AWS' programme

- N.19 AWS' programme is described as being for data transfer fees when a customer is moving all data off of AWS (and won't be covered by AWS' existing free tier). Customers who want to move their total usage of a single service, but not their entire account, off AWS may also contact AWS Customer Support to request credits under the programme.²⁴ AWS confirmed that single service switches are also eligible, although this may not apply to individual workloads, and partial switches of single services are ineligible.²⁵
- N.20 AWS' programme does not apply to ongoing multi-cloud use. AWS did not provide its reason for not including ongoing multi-cloud use in its programme, however as

¹⁶ Note of meeting with Google, [REDACTED].

¹⁷ Google's response to the CMA's information request [REDACTED].

¹⁸ Google's response to the CMA's information request [REDACTED].

¹⁹ Note of meeting with Microsoft, [REDACTED].

²⁰ Microsoft's response to the CMA's information request [REDACTED].

²¹ [Now available: Free data transfer out to internet when leaving Azure](#), accessed 30 September 2024.

²² [Summary of hearing with Microsoft](#), paragraph 60.

²³ Microsoft's response to the CMA's information request [REDACTED].

²⁴ [Amazon EC2 FAQs – AWS](#).

²⁵ AWS' uptake data notes as a reason for ineligibility [REDACTED] - AWS provides DTO [egress] credits for full migration or service switches and [REDACTED]. Note of meeting with AWS, [REDACTED].

noted above AWS' submitted rationale for introducing its programme included [REDACTED].²⁶

- N.21 AWS' programme applies globally, from any AWS region.²⁷ The programme has a number of restrictions and limitations, such as:
- (a) customers with less than 100GB of data stored on AWS are not eligible for additional credits for switching under the programme (beyond the 100GB monthly free tier for egress that AWS normally allows).²⁸
 - (b) customers have 60 days to complete their move off of AWS.²⁹
 - (c) customers must request AWS' pre-approval for the free switching programme before moving their data out of AWS,³⁰ and the request must come from a customer's [REDACTED].³¹
- N.22 Customers are required to contact AWS customer support to initiate the process of getting approval for this programme and once approved, receive a temporary credit for the cost of egress (based on the volume of all data stored at the time of AWS' calculation).³² Customers can notify AWS Customer Support if they can't complete their move off AWS within 60 days, but AWS does not specify what process will be followed in those circumstances.³³ An AWS submission noted that [REDACTED].³⁴
- N.23 [REDACTED].³⁵ However, this is not specified on AWS' website, and AWS' method for calculating the switching egress credit indicates that a customer would not receive credits for transferring data more than once.³⁶
- N.24 In response to the PDR, AWS noted that customers are eligible to use the credits they receive under the programme for egress across all services and all data types, including for the purposes of effecting a multi-cloud strategy during the process of a partial or total switch from AWS.³⁷ AWS submitted that the PDR was incorrect to state that its programme terms preclude multi-clouding during switching and that there are limits to the scope of the programmes in relation to service or data type eligibility restrictions.³⁸

²⁶ Note of meeting with AWS, [REDACTED].

²⁷ [Free data transfer out to internet when moving out of AWS](#).

²⁸ [Amazon EC2 FAQs](#), accessed 22 February 2024.

²⁹ [Amazon EC2 FAQs](#), accessed 22 February 2024.

³⁰ [Amazon EC2 FAQs](#), accessed 22 February 2024.

³¹ AWS' response to the CMA's information request [REDACTED].

³² [Amazon EC2 FAQs](#), accessed 22 February 2024.

³³ [Amazon EC2 FAQs](#), accessed 22 February 2024.

³⁴ AWS' submission to the CMA [REDACTED]; [Amazon EC2 FAQs – AWS](#).

³⁵ Note of meeting with AWS [REDACTED].

³⁶ As the credit is based on the volume of all data stored at the time of AWS' calculation.

³⁷ [AWS' response to the CMA's PDR dated 28 January 2025](#), paragraph 55.

³⁸ [AWS' response to the CMA's PDR dated 28 January 2025](#), footnotes 89-90.

- N.25 In response to our request for clarification, AWS submitted that customers are eligible to use the credits they receive under its programme to transfer data how they choose across all services and regardless of the purpose of the transfer, including, for the purpose of effecting a multi-clouding strategy.³⁹ We note that this specifies that customers can choose how to use their programme credits, not that customers will receive credits for any temporary multi-cloud egress data transfers enabling a switch.
- N.26 To enact a switch, we would expect customers to need to transfer all of their data stored in their account or in the single service being switched. As noted further below, we also consider that the switching process for a customer can involve periods of temporarily running on multiple clouds. We would expect in a period of multi-cloud that customers are likely to transfer some of their data more than once. As noted above, AWS' programme terms indicate that customers will only receive enough credit to cover the transfer of their stored data once. We therefore consider AWS' programme to provide insufficient credits for temporary multi-cloud during switching.
- N.27 We have not found AWS' programme to have restrictions on the type of service or data eligible under the programme, but we do consider the limitation to customers with 100GB or more of data to be an eligibility restriction, as well as the requirement to submit switching applications in advance as this may impact the ability and timing for certain customers with respect to switching (eg if a customer has a to complete its switch before is contract ends).
- N.28 AWS' website FAQs also note that 'AWS may make changes with respect to free data transfers out to the internet at any time' and 'AWS may review your service usage to verify compliance with these requirements. If we determine your use of data transfer out was for a purpose other than moving off of AWS, we may charge you for the data transfer out that had been credited'.⁴⁰
- N.29 AWS' programme also requires customers to delete all remaining data and workloads from their AWS account (or for single service switches, all remaining data from the switched service), or close their account.⁴¹ AWS submitted that this is to comply with the EU Data Act's requirements to guarantee "full erasure of all exportable data and digital assets generated directly by the customer" once a customer has completed their switch.⁴²

³⁹ AWS' response to the CMA's information request [X].

⁴⁰ [Amazon EC2 FAQs – AWS](#).

⁴¹ [Free data transfer out to internet when moving out of AWS](#); [Amazon EC2 FAQs – AWS](#); Note of meeting with AWS [X].

⁴² AWS' submission to the CMA [X].

Google's programme

- N.30 Google's programme applies to customers who want to do a complete exit from Google Cloud. Google's website also states that it will review cases where customers want to migrate only a portion of their data off Google Cloud on a case-by-case basis.⁴³ Google has since confirmed that its free switching programme applies to partial switching,⁴⁴ but has not specified how it defines partial switching for eligibility purposes.⁴⁵
- N.31 Google's programme does not apply to ongoing multi-cloud use. [REDACTED].⁴⁶
- N.32 Google's programme applies globally to all customers.⁴⁷ The programme has a number of restrictions and limitations, such as:
- (a) the free switching egress only applies to data residing in Google Cloud data storage and data management products.⁴⁸
 - (b) customers must move all their workloads and data out of Google Cloud and terminate their contract with Google Cloud, except in cases where customers are migrating only a portion of their data.
 - (c) customers must complete their move within 60 days of eligibility approval.⁴⁹
 - (d) customers must submit a request for free switching egress prior to the termination of their Google Cloud agreement.⁵⁰
 - (e) [REDACTED].⁵¹
- N.33 The approach to identifying relevant egress data transfers is for customers to submit a Google Cloud exit form, which the Google Cloud support team will then assess for eligibility and approval.⁵² Google's website notes that if customers are unable to complete their migration within the specified 60 days, they must notify the Google Cloud Support team of their new timeline for completing migration.⁵³ Google said that [REDACTED],⁵⁴ although we note this is not specified on Google's website.

⁴³ Google's FAQs state 'For cases where customers are migrating only a portion of their data and not completely migrating off Google Cloud, customers are not required to terminate their Google Cloud agreement. Please contact us by completing the form with the specifics of your migration and the Google Cloud Support team will review the case and get back to you.' [Google Cloud Exit free data transfer request](#).

⁴⁴ [Google's response to Egress fees working paper](#), Annex response (b).

⁴⁵ A Google internal document indicates that [REDACTED]. Google's response to the CMA's information request [REDACTED].

⁴⁶ Note of meeting with Google [REDACTED].

⁴⁷ [Google Cloud Exit free data transfer request](#).

⁴⁸ Data sources eligible include BigQuery, Cloud Bigtable, Cloud SQL, Cloud Storage, Datastore, Filestore, Spanner, and Persistent Disk. [Google Cloud Exit free data transfer request](#), accessed 22 February 2024.

⁴⁹ [Google Cloud Exit free data transfer request](#).

⁵⁰ [Google Cloud Exit free data transfer request](#).

⁵¹ Google's response to the CMA's information request [REDACTED].

⁵² [Google Cloud Exit free data transfer request](#).

⁵³ [Google Cloud Exit free data transfer request](#).

⁵⁴ Note of meeting with Google [REDACTED].

- N.34 Following notification of approval from Google Cloud Support, customers will receive a credit amount for the cost of egress for its migration, based on the amount of data and workloads the customer has on the Google Cloud platform at the time of its request submission.⁵⁵
- N.35 Google said [REDACTED].⁵⁶ However, we note that this is not specified on Google's website, and Google's method for calculating the switching egress credit indicates that a customer would not receive sufficient credits for transferring data more than once. Google's programme does not apply to ordinary course multi-cloud use.⁵⁷
- N.36 A Google internal document setting out implementation options for the programme [REDACTED].⁵⁸ This indicates that some [REDACTED] in Google's implementation of free switching. The internal document also states that [REDACTED].⁵⁹

Microsoft's programme

- N.37 Microsoft's programme is for full switching only and does not apply to partial switches for workloads or a single service.⁶⁰ Microsoft said its free switching programme would cover multi-cloud egress done as part of a customer's process for switching during the programme's 60-day switching period.⁶¹
- N.38 Microsoft's programme does not apply to ongoing multi-cloud use. Microsoft did not provide its reason for not including ongoing multi-cloud use in its programme, however as noted above Microsoft's submitted rationale for introducing its programme referred to [REDACTED].⁶²
- N.39 Microsoft's programme applies globally to all Azure customers.⁶³ The programme has a number of restrictions and limitations, such as:
- (a) only egress charges for moving Azure Storage data out of Azure are eligible (according to Microsoft's website terms).⁶⁴
 - (b) customers that need to egress less than 100GB per month for the switch are not eligible (noting that Microsoft provide a 100GB monthly free tier for egress normally).⁶⁵

⁵⁵ [Google Cloud Exit free data transfer request](#).

⁵⁶ Note of meeting with Google [REDACTED].

⁵⁷ Note of meeting with Google [REDACTED].

⁵⁸ Google's response to the CMA's information request [REDACTED].

⁵⁹ Google's response to the CMA's information request [REDACTED].

⁶⁰ Note of meeting with Microsoft [REDACTED]; [Cancel and delete your Azure subscription - Microsoft Cost Management](#).

⁶¹ Note of meeting with Microsoft [REDACTED].

⁶² Note of meeting with Microsoft [REDACTED]; Microsoft's response to the CMA's information request [REDACTED].

⁶³ [Now available: Free data transfer out to internet when leaving Azure](#).

⁶⁴ [Cancel and delete your Azure subscription - Microsoft Cost Management](#).

⁶⁵ [Now available: Free data transfer out to internet when leaving Azure](#).

- (c) customers have 60 days to egress data out of Azure and must cancel all Azure subscriptions associated with their account.⁶⁶
- (d) only egress data transfers via the ISP network can be used under the free switching programme, not Microsoft's Premium Global Network routing.⁶⁷ Microsoft submitted that the EU Data Act requires 'Data Processing Services' such as Azure services to enable customers to switch for free and to use another service in-parallel at cost, [REDACTED].⁶⁸

- N.40 Customers must submit a request to Azure Support with their planned date for commencing switching and estimated amount of data egress to initiate the eligibility process for Microsoft's free switching programme. Customers' 60-day window for switching starts from the date the customer indicated as their planned commencement date in their request.⁶⁹ Microsoft's website does not specify whether or in what circumstances additional time will be granted under the programme, however it notes that customers will only receive credit for a maximum of 60 calendar days of egress charges.⁷⁰
- N.41 Customers will be eligible for a credit when their data transfer process for the switch is complete and all their Azure subscriptions have been cancelled.⁷¹ Customers must contact Azure Support a second time (after their switch has been completed and subscriptions have been cancelled) to request this credit.⁷²
- N.42 Microsoft's website also notes that 'If we determine the customer request doesn't follow the documented process, we might not issue the credit request' and 'Azure might make changes regarding the egress credit policy in the future'.⁷³

Summary of AWS, Google and Microsoft programmes

- N.43 In summary, AWS, Google and Microsoft have each introduced global programmes which allow for free egress for customers that switch cloud providers. However, each programme has differences in eligibility and requirements for customers.
- N.44 The table below summarises the differences in coverage for full switching, partial switching, and multi-cloud use either on an ongoing basis or to enable switching. In addition, we note the following commonalities:

⁶⁶ [Cancel and delete your Azure subscription - Microsoft Cost Management.](#)

⁶⁷ Note of meeting with Microsoft, [REDACTED].

⁶⁸ Microsoft's response to the CMA's information request [REDACTED].

⁶⁹ Microsoft's website notes that if customers need more than 60 days to egress data, they should include a migration timeline in their initial Azure support request. [Cancel and delete your Azure subscription - Microsoft Cost Management.](#)

⁷⁰ [Cancel and delete your Azure subscription - Microsoft Cost Management.](#)

⁷¹ [Now available: Free data transfer out to internet when leaving Azure.](#)

⁷² [Cancel and delete your Azure subscription - Microsoft Cost Management.](#)

⁷³ [Cancel and delete your Azure subscription - Microsoft Cost Management.](#)

- (a) both AWS and Microsoft limit their programmes to customers with more than 100GB of data, based on their monthly free egress tier of 100GB.
- (b) both Google and Microsoft limit their programmes to specified types of data stored (according to their website terms).
- (c) both Google and Microsoft limit their programmes to their 'standard' egress routing service, and do not include their 'premium' routing service under their programmes.⁷⁴
- (d) all three main cloud providers allow for a 60-day switching period under their published website terms.
- (e) all three main cloud providers require customers to submit requests in advance of switching to be eligible for the programmes.
- (f) eligibility for all three programmes is largely at the discretion of the providers. Decisions on the programmes are made by customer support teams, rather than an automated system of eligibility checks, and none of the programmes specify any customer dispute mechanism.
- (g) all three main cloud providers' programmes rely on customers self-identifying their eligibility and manually submitting switching applications.

Figure N.1: Summary of switching and multi-cloud egress eligibility for free switching programmes under standard terms (assuming other customer eligibility criteria are met)

<i>Egress use case:</i>	<i>One-off switching of total cloud account</i>	<i>One-off switching of partial cloud account</i>	<i>Temporary multi-cloud use to enable switch</i>	<i>Ongoing multi-cloud use (non-switching)</i>
AWS	Eligible	Eligible if a 'single service switch'	May not be eligible for credits according to website terms ⁷⁵	Not eligible
Google Cloud	Eligible	Eligible for a 'single service exit'	May not be eligible for credits according to website terms ⁷⁶	Not eligible
Microsoft Azure	Eligible	Not eligible	Total switch: eligible Partial switch: not eligible	Not eligible

Source: CMA analysis of [Amazon EC2 FAQs – AWS](#); [Cancel and delete your Azure subscription - Microsoft Cost Management | Microsoft Learn](#); [Google Cloud Exit free data transfer request](#).

⁷⁴ Note: AWS does not offer tiered 'standard' and 'premium' routing options for its egress data transfer service.

⁷⁵ Given that AWS calculates the credit provided to customers under the programme based on the amount of data they have stored at the time of switching request, this indicates that a customer will only receive a credit for transferring data once, therefore customers will not receive sufficient credits for multiple egress data transfers due to temporary multi-clouding during switching under the published website terms.

⁷⁶ Given that Google calculates the credit provided to customers under the programme based on the amount of data they have stored at the time of switching request, this indicates that a customer will only receive a credit for transferring data once, therefore customers will not receive sufficient credits for multiple egress data transfers due to temporary multi-clouding during switching under the published website terms.

Customer awareness requirement

- N.45 Microsoft, AWS and Google rely on customers self-identifying that they are eligible for reduced egress fees for switching and notifying the cloud providers of this (eg by submitting a form, contacting the customer support team or opening a ticket in their account).⁷⁷ IBM also relies on customers self-identifying that they are eligible for reduced egress fees for switching.⁷⁸
- N.46 AWS submitted that it is difficult to imagine that sophisticated customers of AWS would not be aware of its programme if they considered egress fees to be a barrier that was harming them, as customers would be monitoring any policies around these fees to take advantage of any changes.⁷⁹ AWS noted that rivals that have complained about the existence of egress fees could inform customers they seek to win about the free switching programmes as part of their strategy to encourage migration to their services.⁸⁰
- N.47 AWS also submitted that its relatively stable trend in customer engagement (including requests) across data transfer credit programmes from March 2024 shows that customer awareness of its programme was never an issue.⁸¹
- N.48 AWS said its programme had been publicised through a number of AWS channels and had received significant media coverage.⁸² AWS cited AWS website blog posts, media coverage of the announcement of its programmes and the discussion of the programme by senior AWS leadership as part of the AWS GenAI Analyst Summit of November 2024.⁸³
- N.49 Microsoft submitted that it has actively marketed its programme via a number of different channels, citing three website pages with its programme announcement and terms as examples.⁸⁴
- N.50 Google submitted that it publicised the introduction of its free switching programme extensively and noted its efforts to publicise its free switching programme as including its blog post on the announcement of the programme, its GCP website webpage with the steps for getting the free switching programme and FAQs, and news reports, with a number of examples provided.⁸⁵

⁷⁷ [Google Cloud Exit free data transfer request](#), accessed 30 September 2024; [Amazon EC2 FAQs](#), accessed 30 September 2024; [Cancel and delete your Azure subscription - Microsoft Cost Management](#), accessed 30 September 2024.

⁷⁸ IBM's response to the CMA's information request [🔗].

⁷⁹ AWS' submission to the CMA [🔗].

⁸⁰ AWS' submission to the CMA [🔗].

⁸¹ AWS' submission to the CMA [🔗].

⁸² AWS' response to the CMA's information request [🔗]; [AWS' response to the CMA's PDR dated 28 January 2025](#), paragraph 54.

⁸³ AWS' response to the CMA's information request [🔗].

⁸⁴ Microsoft's response to the CMA's information request [🔗].

⁸⁵ Google's response to the CMA's information request [🔗]; Google's response to the CMA's information request [🔗].

Our analysis of customer awareness of the programmes

- N.51 As of 6 May 2025, the main public egress pricing webpages for AWS,⁸⁶ and Google,⁸⁷ did not mention their free switching programmes. However, AWS' webpage states 'EU customers may request reduced data transfer rates for eligible use cases under the European Data Act. Please contact AWS Customer Support for more information'.⁸⁸ Microsoft's main public egress pricing webpage includes the free switching programme in the FAQs.⁸⁹
- N.52 We consider information about the existence of the free switching programmes to be readily available for any customers that look for it. We also accept that the publicising of the programmes by Microsoft, AWS and Google as submitted is likely to mean there is some degree of customer awareness, and that rival cloud providers may be incentivised to promote these programmes to try to win customers.
- N.53 We do not consider that it can be assumed that all or almost all customers are aware of the programmes given the three main cloud providers' have not publicised the programmes through direct communications to customers. We also do not consider that customers for whom egress fees are a barrier to switching and/or multi-cloud use would necessarily be actively monitoring for new egress policies, if egress fees are one barrier amongst others.
- N.54 We do not consider AWS' trend in customer requests to be particularly informative about customer awareness, given the relatively low number of requests compared to the size of AWS' customer base and as this data could include duplicates.⁹⁰ We also note that in the latest uptake data provided by AWS (discussed below), [REDACTED] of the [REDACTED] requests determined to be ineligible under AWS' programme were due to the customer's migration already being underway (without notifying AWS in advance) and [REDACTED] of the ineligible requests were due to customers failing to provide notice within 30 days of switching date.⁹¹ We would not expect these issues to arise if customers were aware of the programmes.
- N.55 Overall, we recognise that information on the programmes is available on the three main cloud providers' websites but requires individual customers to proactively search for details on the programmes themselves, as the three main cloud providers do not publicise the programmes through direct communication. For any individual customer that is unaware of the programmes, this will be a substantial

⁸⁶ [EC2 On-Demand Instance Pricing – Amazon Web Services](#).

⁸⁷ [All networking pricing](#).

⁸⁸ [EC2 On-Demand Instance Pricing](#).

⁸⁹ 'What data transfer fees are applied when moving all data off Azure', [Pricing - Bandwidth - Microsoft Azure](#).

⁹⁰ A number of requests received by AWS for its free switching programme since launch have been deemed ineligible as [REDACTED]. AWS' response to the CMA's information request [REDACTED].

⁹¹ CMA analysis of AWS' response to the CMA's information request [REDACTED].

limiting factor to the extent to which the programmes reduce barriers to switching from egress fees.

Other submissions from the three main cloud providers on the free switching programmes

- N.56 AWS submitted that restrictions in its free switching programme noted in the PDR are protective measures designed to prevent abuse and to provide clarity and certainty to AWS and customers.⁹²
- N.57 AWS submitted that the requirement that a switch be effected within a 60-day timeframe is double the EU Data Act's prescribed 30-day timeframe for a switch, as AWS considered 60 days to be more appropriate. AWS submitted that its programme should not be criticised for giving customers more time than what is legally mandated under the EU Data Act.⁹³
- N.58 Google submitted that Article 29 of the EU Data Act [REDACTED].⁹⁴
- N.59 AWS submitted that its 60-day limit is a legitimate safeguard to prevent abuse and suggested that without this limit a customer could theoretically request credits and continue to transfer data out of AWS in the ordinary course, without ever actually switching away from AWS.⁹⁵
- N.60 AWS submitted that there are numerous AWS case studies which show how quickly customers are able to migrate, both from on-prem and from another cloud provider, and that these indicate that the 60-day time period is more than satisfactory for the vast majority of customers. AWS cited a case study for FanDuel Group, which migrated live stream channels from a third-party vendor, and UFE Mongolia which migrated from on-premises to AWS.⁹⁶
- N.61 AWS also submitted that customers can also apply for extensions in the limited circumstances that they are required, and said that of the [REDACTED] extension requests it had received as of 3 April 2025 under its free switching programme, [REDACTED] had been approved; four were not granted because [REDACTED].⁹⁷ AWS said this demonstrates that the 60-day timeframe is more than sufficient for the overwhelming majority of AWS customers.⁹⁸

⁹² AWS' response to the CMA's PDR dated 28 January 2025, paragraph 55.

⁹³ AWS' response to the CMA's PDR dated 28 January 2025, paragraph 55.

⁹⁴ Google's response to the CMA's information request [REDACTED].

⁹⁵ AWS' response to the CMA's information request [REDACTED].

⁹⁶ AWS' submission to the CMA [REDACTED].

⁹⁷ AWS' submission to the CMA [REDACTED].

⁹⁸ AWS' response to the CMA's information request [REDACTED].

Customer evidence on time required for switching

- N.62 Across different methods of customer engagement, nine customers commented on how long it takes to switch, either describing how long a switch might take or providing a more concrete estimate. This includes:
- (a) a large supermarket said that ‘even the simplest’ workloads take more than a month to port, and the most complex can take over a year, due to differences in how clouds work.⁹⁹
 - (b) a financial institution said that switching between cloud providers would require a significant amount of time, effort, and resources to migrate, configure, and test the existing applications and data on the new platform.¹⁰⁰ The main impact of switching would be the disruption of engineering effort – it would take 12 months and tie up approximately 1,000 employees.¹⁰¹
 - (c) one customer targets to have achieved [30-40]% cloud migration (from [X]) by the end of 2024 and to have substantially executed such migration by 2026.¹⁰²
 - (d) another customer’s internal documents show that for one of its US businesses, migration from Azure into AWS was scheduled to take over a year from start to finish (March 2023 – Sept 2024).¹⁰³
 - (e) a bank told Ofcom that ‘a switch would likely entail a gradual depreciation and wind-down in our use of one cloud in favour of another. This would be opposed to a sudden, wholesale switch, which would likely entail significant operational risk.’¹⁰⁴
 - (f) one customer has not considered switching cloud providers because of, amongst other factors, the time it takes.¹⁰⁵
 - (g) another customer said the largest challenge of migration is the complexity and the time it takes to migrate. It continued that this means that there is no certainty that there will be positive return on the investment within a few years of the migration which acts as a disincentive to carry out the migration in the first place.¹⁰⁶

⁹⁹ Note of meeting with [X].

¹⁰⁰ [X] response to the CMA’s information request [X].

¹⁰¹ Note of meeting with [X].

¹⁰² [X] response to the CMA’s information request [X].

¹⁰³ [X] response to the CMA’s information request [X].

¹⁰⁴ [X] response to Ofcom’s information request [X].

¹⁰⁵ [X] response to the CMA’s information request [X].

¹⁰⁶ [X] response to the CMA’s information request [X].

- (h) a customer said to Jigsaw research that when it decided to switch it 'expected 1 month of work, but it was more like 3'.¹⁰⁷
- (i) another said that its switch 'did have its challenges, including in terms of the quality of support from the third-party. It took longer than expected, around 4 months in total'.¹⁰⁸
- (j) The Jigsaw report said that customers found that switching could be a straightforward process of a few weeks for start-ups, or take up to months or years for more established or complex businesses, followed by a long process of learning and consolidation to optimise and increase efficiency.¹⁰⁹

N.63 In addition, Google submitted it takes time for customers to learn how to and implement multi-cloud, stating that one large customer took two to three years to fully set-up a multi-cloud architecture for a Microsoft legacy workload.¹¹⁰

Our analysis of the time required for switching

- N.64 We do not consider the timeframe prescribed by the EU Data Act to impede our assessment of the relevance of the free switching programmes to UK customers, as we are concerned with whether UK customers can make effective use of these programmes such that barriers to switching and/or multi-cloud use from egress fees are removed.
- N.65 Similarly, whilst cloud providers may consider it necessary to have restrictive measures in the programmes to limit potential customer misuse, we do not consider this to provide evidence either way on the effectiveness of the programmes in enabling a customer switch.
- N.66 Given AWS' submission that it considered 60 days to be more appropriate, we asked AWS to provide any evidence of the length of time it takes customers to enact a switch, and of the customer behaviour(s) that the "protective measures" in the AWS programme are seeking to prevent. We note that in response to this, AWS only provided data on the number of extensions under its free switching programme and its FanDuel and UFE Mongolia case studies.
- (a) we do not consider the case studies provided to be relevant. This is because the UFE Mongolia case study relates to a cloud migration from on-premises, rather than switching between cloud providers and the FanDuel case study appears to be a specific use case relating to live streaming data transfer services.

¹⁰⁷ [Cloud Services Market Investigation Qualitative Customer Research](#) conducted by Jigsaw (2024), paragraph 3.6.5.

¹⁰⁸ [Cloud Services Market Investigation Qualitative Customer Research](#) conducted by Jigsaw (2024), page 43.

¹⁰⁹ [Cloud Services Market Investigation Qualitative Customer Research](#) conducted by Jigsaw (2024), paragraph 3.6.8.

¹¹⁰ Summary of hearing with Google, paragraph 18; Transcript of hearing with Google, [X].

- (b) we also note that whilst AWS' submission cites [redacted] extension requests out of over [redacted] engagements, only [redacted] of these engagements have been approved as eligible,¹¹¹ and we assume that only customers that have been approved as eligible for the programme would be able to submit an extension request. On that basis [redacted] of [redacted] eligible requests [redacted] have had extension requests. We do not consider this to prove that the 60-day timeframe is more than sufficient for the overwhelming majority of AWS customers. This data is part of the programme uptake data submitted by the three main cloud providers, which we consider further below.

N.67 Given the customer evidence set out above and our analysis of AWS' extension request data, we consider a 60-day timeframe unlikely to be a sufficient period of time to complete a switch for many customers.

Our analysis of relevance of free switching programmes to UK customers

N.68 Our view is that UK customers of Microsoft, AWS and Google that are seeking to do a complete switch from one cloud to another (or to on-premises) should be to a large extent currently covered by these programmes in terms of eligibility, though not completely covered given some service eligibility restrictions, as well as being reliant on programme terms remaining unchanged.

N.69 However, we consider there to be some substantial limitations in the extent to which these programmes apply to the switching and multi-cloud behaviour of UK customers which is the focus of this investigation, both under the terms of the programmes and in practice:

- (a) free egress for switching is only available (and subject to requirements and restrictions in some cases) for the customers of Microsoft, AWS, Google and Civo. UK customers of other cloud providers do not benefit from these programmes.
- (b) the free switching programmes do not cover ongoing multi-cloud egress for UK customers (or globally).
- (c) Microsoft's UK customers are not eligible for free egress for partial switching, and for AWS customers, full switches of individual services are eligible but partial switches of services are not. We consider customers' ability to do a partial switch to be a similar competitive pressure to full switching and note that as each of Microsoft's and AWS' market share in the UK is between [30%-40%],¹¹² this limitation could apply to a substantial portion of UK customers.

¹¹¹ AWS' submission to the CMA [redacted].

¹¹² See appendix D of this report for more detail.

- (d) AWS' and Google's UK customers do not receive sufficient programme credits for temporary multi-cloud egress during the 60-day switching period in order to enable their switch. Some customer evidence has suggested switching involves periods of multi-clouding.¹¹³ We note that [X].¹¹⁴ This indicates that for these customers, receiving credit based on data being transferred only once during a switch was insufficient to cover the completion of their switches.
- (e) Microsoft, AWS and Google only provide a 60-day period for switching under the standard terms of the programmes (and Microsoft's terms say customers will only receive a credit for a maximum of 60 calendar days). Based on our customer evidence on time required for the switching process (discussed above), this is unlikely to be a sufficient period of time to complete a switch for many customers, particularly those with less IT resource or more complex IT architectures.
- (f) there is cost and eligibility risk to customers given that the programmes have been voluntarily introduced. The cloud providers could change the applicability and eligibility rules of the programmes at any time, and Microsoft's and AWS' websites specifically note their ability to unilaterally change the programme terms. We also note that:
 - (i) Microsoft's customers can only become eligible for a credit when their switch is complete, all their Azure subscriptions associated with their account have been cancelled, and a second request has been made. This means Microsoft's customers bear the upfront egress costs during switching and have uncertainty over the value and receipt of their credit.
 - (ii) for AWS, of the [X] switching requests received by AWS globally up to 3 April 2025, [X] are 'pending' requests and [X] are 'pending receipt of further information'.¹¹⁵ It is unclear what the standard time frame is for cloud providers to review and approve or reject switching requests, which will also impact uptake data.
- (g) customers need to be aware of the programmes in order to apply for them and factor them into any decision-making. As set out above, we consider the level of customer awareness of the free switching programmes to be unknown, but for any individual customer that is unaware of the programmes,

¹¹³ The Jigsaw report found that switching typically involved running two sets of services concurrently, then switching off the legacy system when ready. Cloud Services Market Investigation Qualitative Customer Research conducted by Jigsaw Research (2024). [X] said that a switch would involve "leaving the old environment running for a while in case there are problems with the new one." Note of meeting with [X] response to Ofcom's information request [X].

¹¹⁴ [X] submission to the CMA [X].

¹¹⁵ CMA analysis of AWS' response to the CMA's information request [X].

this will be a substantial limiting factor to the extent to which the programmes reduce barriers to switching from egress fees.

- N.70 We have assessed egress fees in the context of switching and multi-cloud being a complex and lengthy decision. We do not suggest that egress fees are the only consideration for customers in their decision to switch and/or multi-cloud. Our view is that there are a number of factors which affect a customer's decision to switch or multi-cloud, of which egress fees are one factor. Similarly, we consider that there are a number of factors which affect the extent and effectiveness of the programmes introduced by cloud providers with respect to the switching and multi-cloud behaviour of UK customers.

Uptake of free switching programmes

Cloud provider submissions

- N.71 AWS submitted that the PDR disregards AWS' free switching programme without any evidence. AWS submitted that there has been low customer uptake of its free switching programme so far, and the fact that the free switching programme does not appear to be driving significant changes in customer behaviour demonstrates that customers are satisfied with the data transfer service they receive. [REDACTED].¹¹⁶
- N.72 AWS characterised the PDR's assessment of other explanations for the lack of uptake of the programmes by customers, which included a lack of customer awareness and programme restrictions or uncertainty, as 'speculative'.¹¹⁷
- N.73 AWS submitted that it has received roughly [REDACTED] engagements per month from customers globally about data transfer credit programmes since the introduction of its free switching programme in March 2024, and that relative to the total number of over half a million customers, this level of engagement is insignificant.¹¹⁸
- N.74 Microsoft submitted that the PDR disregards the reality that there has been low uptake on the major providers' elimination of egress fees for switching in the past year; if egress fees were a meaningful barrier to switching, then a material use of this offer would be expected.¹¹⁹
- N.75 Google characterised the level of switching as '[REDACTED]'. It said the level of switching shows that [REDACTED].¹²⁰

¹¹⁶ AWS' response to the CMA's information request [REDACTED]; [AWS' response to the CMA's PDR dated 28 January 2025](#), paragraph 54.

¹¹⁷ AWS' submission to the CMA [REDACTED].

¹¹⁸ AWS' submission to the CMA [REDACTED].

¹¹⁹ [Microsoft's response to the CMA's PDR dated 28 January 2025.pdf](#), paragraph 99.

¹²⁰ Google's response to the CMA's information request [REDACTED].

- N.76 Following publication of the PDR, we requested updated data on programme uptake from AWS, Microsoft and Google.
- N.77 AWS said that it has received [redacted] requests for its programme between its launch and 3 April 2025, consisting of [redacted] eligible requests (of which [redacted] are UK customers), [redacted] pending requests, [redacted] ineligible requests, and [redacted] requests pending further information. Of the [redacted] eligible requests, [redacted] have been for full account switches and [redacted] have been for full switches of an individual service, with the average credit provided upon approval for these [redacted] respectively. Of the [redacted] requests deemed to be ineligible, the most common reason in the data provided was because [redacted]¹²¹ ([redacted] of the [redacted] requests). The reasons for other requests being ineligible included: [redacted].¹²²
- N.78 Microsoft said that [redacted] switched to a competing cloud provider under the free switching program since it was introduced, and it did not have the value of the switching credit or the length of time taken to complete the switch readily available. Microsoft did not specify whether this was for the UK or globally. Microsoft also did not provide a response to our request for information on the number of customers that have applied for Microsoft's free switching programme since it was introduced and the reason for any rejected applications.¹²³
- N.79 Google said that it received [redacted] requests under its free switching programme between January 2024 and 28 February 2025, of which [redacted] requests were from UK customers and [redacted] of the requests were approved so far. However, Google also noted that it received [redacted] global customer requests under the free switching programme during this period, but [redacted] of these requests were made in error by customers who simply wished to close their billing accounts (but had no data to transfer out of GCP as part of closing down their accounts). Google said it does not monitor whether customers complete their switch or how long it takes, but said the average value of the credit received by customer under the programme is [redacted] for all customers and [redacted] for UK customers, and Google submitted that [redacted].¹²⁴

Our analysis on the uptake of free switching programmes

- N.80 Based on Microsoft's, AWS' and Google's submitted data, uptake of the free switching programmes has been low relative to the size of these cloud providers' customer bases, although the number of requests received (of which a number

¹²¹ [redacted].

¹²² [redacted]. CMA analysis of [redacted].

¹²³ Microsoft's response to the CMA's information request [redacted].

¹²⁴ Google's response to the CMA's information request [redacted].

have been determined to be ineligible or in error) by AWS and Google may indicate some broader customer interest in switching.¹²⁵

N.81 We consider that the low uptake could be due to a number of factors:

- (a) the egress cost to customers for switching may not be a factor influencing the decision to switch.
- (b) there may be other factors deterring customer switching that the reduction in egress fee costs alone cannot overcome (for example, technical barriers).
- (c) some customers may not be aware of Microsoft's, AWS' and Google's free switching programmes and, for EU customers of other cloud providers, their entitlements under EU Data Act provisions. As discussed above, we consider the level of customer awareness of the free switching programmes to be unknown but to be a substantial limiting factor for any customer that is unaware of the programmes.
- (d) the requirements, restrictions and/or uncertainty around discretionary aspects of the free switching programmes may mean some customers are not eligible or would not have a sufficient amount of egress usage covered, thereby preventing or deterring use of the programmes. We note that AWS' data shows more customers that have applied for its programme have been [redacted], whereas a high proportion ([redacted]) of Google's applicants have been approved once applications deemed to have been made in error are excluded [redacted].
- (e) there is likely to be some time lag between customers becoming aware of the free switching programmes and this influencing any decisions about switching (given that assessing and signing off on decisions within organisations can take time, and some customers may only reevaluate their cloud set-up at certain points in time, eg when approaching contract renewal).¹²⁶

N.82 We also do not expect lowering barriers to switching to necessarily translate into actual switching; it can also work to enhance the threat of switching and thereby increase the competitive pressure on cloud providers. Therefore, the low uptake cannot be interpreted solely as evidence that egress fees are not a barrier or concern for customers.

N.83 Given this, we consider the customer uptake data to be inconclusive in terms of whether egress fees are or are not a barrier to switching and multi-cloud, and

¹²⁵ As noted above, Microsoft did not provide information on the number of customer requests received. Google said that [redacted] of the [redacted] requests it received were made in error by customers who wished to close their billing accounts but had no data to transfer out. This could indicate switching interest or switches that have already taken place.

¹²⁶ We note that AWS submitted that, based on anecdotal customer feedback, [redacted]. This suggests that for some customers there could be a period of time between making a decision to switch and enacting the switch. AWS' submission to the CMA [redacted].

therefore they do not impact our analysis of whether egress fees act as a barrier to switching and/or multi-cloud use.

Free switching cost to cloud providers

N.84 We considered evidence on the costs to AWS, Microsoft and Google of introducing the free switching programmes:

- (a) [REDACTED]¹²⁷
- (b) Microsoft did not submit cost estimates for the cost of introducing the programme of free egress for switching.¹²⁸
- (c) A Google internal document prepared for internal decision-makers on Google's 'Cloud Exit' approach indicates that Google expects [REDACTED].¹²⁹ It also sets out Google's estimates for expected number of customers using the free switching programme and associated costs. These estimates indicate.¹³⁰

N.85 In relation to recovering costs, AWS and Google confirmed [REDACTED].¹³¹

N.86 Microsoft said [REDACTED].¹³²

Multi-cloud provisions of the EU Data Act

N.87 The EU Data Act also contains provisions relevant to egress fees for multi-cloud use by customers. Article 34(2) requires that egress data charges for customer use of data processing services in parallel with another data processing service (which we consider to cover multi-cloud use) cannot exceed costs incurred by the provider. Our understanding is that this will take effect along with other main provision of the EU Data Act on 12 September 2025.

N.88 We considered further information on how cloud providers will comply with the requirements of Article 34(2) of the EU Data Act for 'in parallel use' data transfer fees.

Cloud providers' submissions

N.89 AWS said [REDACTED].¹³³

¹²⁷ AWS' response to the CMA's information request [REDACTED].

¹²⁸ Note of meeting with Microsoft, [REDACTED].

¹²⁹ Google's response to the CMA's information request [REDACTED].

¹³⁰ Google's response to the CMA's information request [REDACTED].

¹³¹ Note of meeting with AWS, [REDACTED]; Note of meeting with Google, [REDACTED].

¹³² Note of meeting with Microsoft, [REDACTED].

¹³³ Note of meeting with [REDACTED].

- N.90 AWS said [REDACTED].¹³⁴
- N.91 AWS said [REDACTED].¹³⁵
- N.92 Google said it intends to comply with Article 34(2) of the EU Data Act [REDACTED].¹³⁶
- N.93 Google noted [REDACTED].¹³⁷
- N.94 Google said [REDACTED]. Google said it is incentivised to encourage multi-cloud, [REDACTED].¹³⁸
- N.95 As of 7 April 2025, Microsoft said [REDACTED] the requirement for in parallel use egress fees not to exceed costs incurred under the EU Data Act. Microsoft said it will be [REDACTED].¹³⁹ It said the complexity of applying different egress rates (for the free switching programme and the ‘in-parallel use’ provisions of the EU Data Act) is a challenge.¹⁴⁰ Microsoft noted it was difficult to determine EU customers,¹⁴¹ and that the EU Data Act [REDACTED].¹⁴²
- N.96 IBM said that for the purposes of its compliance with the ‘at cost’ pricing provision under the EU Data Act requirements, EU-based customers are determined by the address of the corporate headquarters for that company, eg, the headquarter is based in an EU territory.¹⁴³
- N.97 IBM said that it [REDACTED].¹⁴⁴

Internal documents

- N.98 We reviewed internal documents referring to the free switching programmes and compliance with the egress fee provisions of the EU Data Act. We found the following relevant information in relation to cloud providers’ approach to the ‘in parallel use’ provisions of the EU Data Act:
- (a) [REDACTED].¹⁴⁵ [REDACTED].¹⁴⁶
 - (b) Google internal documents indicate that Google has been [REDACTED]¹⁴⁷:
 - (i) [REDACTED];

¹³⁴ Note of meeting with [REDACTED].

¹³⁵ Note of meeting with [REDACTED].

¹³⁶ Google’s response to the CMA’s information request [REDACTED].

¹³⁷ Note of meeting with Google, [REDACTED].

¹³⁸ Note of meeting with Google, [REDACTED].

¹³⁹ Microsoft’s response to the CMA’s information request [REDACTED].

¹⁴⁰ Note of meeting with Microsoft, [REDACTED].

¹⁴¹ Note of meeting with Microsoft, [REDACTED].

¹⁴² Microsoft’s response to the CMA’s information request [REDACTED].

¹⁴³ IBM’s response to the CMA’s information request [REDACTED].

¹⁴⁴ IBM’s response to the CMA’s information request [REDACTED].

¹⁴⁵ [REDACTED] response to the CMA’s information request [REDACTED].

¹⁴⁶ [REDACTED] response to the CMA’s information request [REDACTED].

¹⁴⁷ Google’s response to the CMA’s information request [REDACTED].

- (ii) [REDACTED];
 - (iii) [REDACTED]; and
 - (iv) [REDACTED].
- (c) A Google internal document states that [REDACTED].¹⁴⁸
- (d) A Microsoft internal document indicates that Microsoft's engineering and business planning teams are [REDACTED].¹⁴⁹

¹⁴⁸ Google's response to the CMA's information request [REDACTED].

¹⁴⁹ Microsoft's response to the CMA's information request [REDACTED].