Coalition for APP FAIRNESS

SMS investigation into mobile platform: Google consultation
Coalition for App Fairness Response

1. Do you have any views on our proposed descriptions of the relevant digital activities, namely (i) the mobile operating system, (ii) native app distribution, and (iii) mobile browser and browser engine?

The Coalition for App Fairness (CAF) strongly supports the CMA's proposed descriptions of the relevant digital activities: Mobile Operating System, Native App Distribution, and Mobile Browser and Browser Engine. These descriptions accurately capture the core components through which Google exercises its gatekeeper power.

We particularly welcome the comprehensive description of Native App Distribution. The confirmation that this activity includes not only the Play Store but also the "pre-installation of first party apps," "cloud management tools such as Google Play Console," and "developer tools... such as Android Studio and Firebase" is crucial. This correctly identifies that Google's control extends far beyond a simple storefront and is embedded in the entire development process. This integrated, holistic designation is an important foundation for the UK's bespoke regulatory approach to address these interconnected harms.

2. Do you have any views on our provisional conclusion that it would be appropriate to treat those activities as a single digital activity, referred to as a mobile platform, whose purpose is to facilitate interactions between users and providers of digital content and services on Android mobile devices in order to allow users to access, view and engage with such content and services on their mobile devices?

We strongly agree with the CMA's provisional conclusion to treat these activities as a single, integrated 'Mobile Platform'. This is the only approach which reflects the commercial and technical reality of Google's business model, which was designed to ensure customers are entrenched and engaged within Google's products and ecosystem.

This holistic view is essential because the harms identified by the CMA stem directly from the interplay between these components. Google uses its control over the operating system to enforce a dominant position in native app distribution; it then uses that dominance to mandate developers offering its own billing system and impose anti-competitive restrictions on in-app communication and rival app stores. A piecemeal approach invites the kind of circumvention we have seen in other jurisdictions. The UK's ability to designate this entire bespoke platform is a key advantage of the DMCC regime, allowing the CMA to impose holistic, ecosystem-wide remedies that cannot be sidestepped.

3. Do you have views on our provisional finding that the competitive constraint on Google's mobile platform from Apple's and other rival mobile ecosystems is limited?

CAF wholeheartedly supports the CMA's provisional finding that the competitive constraint on Google from rival mobile ecosystems is limited. The CMA's detailed investigation has produced an overwhelming body of evidence that validates the reality our members have endured for over a decade: Apple and Google operate as stable and highly profitable parallel monopolies, not as fierce competitors.

The CMA's analysis correctly identifies several structural factors that contribute to this outcome, including:

- The different price segments that Apple and Google predominantly target, with Apple focused on higher-priced devices and Google on lower-priced ones.
- The high barriers to switching for consumers, which mean end-users are often "'sticky' and disinclined to switch" from their current ecosystem.
- The Information Services Agreement (ISA) between Apple and Google, which the CMA correctly identifies as a mechanism that "significantly limit[s] their incentive to compete for users."

However, while these are all important factors, CAF is concerned that the analysis does not place greater emphasis on the root causes of this uncompetitive dynamic, which are the specific, artificial restrictions Google imposes to foreclose competition on its platform. This market power is able to persist with limited head-to-head competition precisely because there is no threat of competition over:

- Alternative App Stores, which the CMA notes are permitted on Android but face severe technical and contractual obstacles, and account for a negligible share of downloads.
- Direct App Downloads (Sideloading), which is technically possible but subject to significant friction and user deterrence.
- Alternative In-App Payment Systems, which are restricted in favour of Google's own system.
- Direct In-App Communication (Steering), where the CMA finds that "Google places some restrictions on the ability of app developers to steer consumers outside of the app, for example to alternative ways to purchase digital content and services."

These restrictions insulate Google from the very competitive pressures that would otherwise force it to lower prices, improve its services, and innovate. Having so clearly established the profound lack of competition, the CMA must now focus its remedies on these core restrictions to inject the competition that is so conspicuously absent.

4. Do you have views on our provisional finding that there are high barriers to entry and expansion for mobile platforms?

The Coalition for App Fairness (CAF) strongly agrees with the CMA's provisional finding of high and significant barriers to entry and expansion for mobile platforms. The CMA's investigation correctly concludes that there are "significant barriers to entry and expansion in providing a competing Mobile Platform," a finding powerfully illustrated by the historic failure of even "well-resourced companies... such as Microsoft and Amazon" to gain a foothold.

The CMA's detailed analysis correctly identifies that a "particularly strong barrier" is the "indirect network effects related to attracting native app developers to a new operating system." This creates what the CMA terms a powerful "'chicken and egg' problem," which has thwarted even major companies who were unable to attract enough app developers to their platforms.

From our members' perspective, it is crucial to understand why this barrier is so insurmountably strong. It is not an unavoidable law of nature; it is a direct result of Google's specific policies designed to eliminate all forms of competition.

This strategy of foreclosure is built on several pillars, including the mandatory use of Google's in-app payment system, contractual and technical restrictions on rival app stores, the requirement for pre-installation and prominent placement of Google's own apps, and restrictions on direct in-app communication with customers.

By making the Play Store the default and pre-installed route to app discovery, and by imposing contractual and technical obstacles to rivals, Google ensures that no new platform or app store can ever achieve the critical mass of users needed to attract developers, thus locking in the “chicken and egg” problem permanently.

It is precisely this kind of entrenched conduct that the UK's new digital markets regime was created to dismantle. In this context, we were pleased to see the implementation Roadmap prioritise important first steps, such as tackling anti-steering provisions to allow direct in-app communication and demanding fairer app review processes. However, we are deeply concerned that crucial measures to enable competition through effective rival app stores, facilitating sideloading without friction and facilitating alternative in-app payment systems are not included in the first batch of consultations, with the CMA instead adopting a "wait and see" approach. This delay fails to address the root cause of the problem and allows the harms to UK developers and consumers to continue unchecked.

5. Do you have views on our provisional finding that the competitive constraint on Google’s mobile platform from i) alternatives to content distribution within Google’s mobile ecosystem and ii) alternatives on non-mobile devices is limited?

The CMA is right to find that Google faces only weak competitive constraints from both (i) alternatives within its ecosystem and (ii) alternatives on other platforms. But it’s essential to be clear that this is not a natural market outcome — it is the product of deliberate design choices by Google to block and degrade rival routes to market. Those choices are the root cause of Google’s entrenched position, and they must be the priority for regulatory action.

(i) Alternatives within Google’s mobile ecosystem

The CMA is correct in finding that developers have no meaningful alternative to the Play Store for reaching Android users. This is because Google has structurally eliminated every other route.

- Rival app stores are permitted in theory, but in practice account for less than 10% of downloads and face substantial technical and contractual obstacles, including discoverability, installation friction, and restrictions on pre-installation and placement.
- Sideloading is possible but discouraged through warning screens, security prompts, and lack of feature parity, resulting in minimal usage.
- Developers are required to offer Google’s in-app payment system for all transactions.
- In-app steering to external offers is restricted.
- Web apps are technically viable but remain commercially non-viable due to lack of access to APIs, inferior performance, and poor discoverability compared to native apps distributed via the Play Store.

The result is complete dependency. Developers cannot avoid Google’s 30% cut, cannot build their own customer relationships, and cannot compete on price or user experience. These are the core mechanisms by which Google maintains its dominance — and they are fully within the CMA’s power to address.

(ii) Alternatives on non-mobile devices or platforms

We also agree with the CMA’s finding that services delivered through non-mobile platforms — including desktop, consoles, smart TVs and other connected devices — do not provide effective competitive constraint on Google’s mobile platform. But the reason why needs to be properly understood.

First, these platforms are not substitutes from a user perspective. As the CMA notes, mobile is now the dominant access point for digital services — not just for communication or entertainment, but for

banking, shopping, transport, and public services. Native mobile apps are often the primary or only way users engage with a business. Developers cannot “pivot” to desktop or console when locked out of Android — because that isn’t where their users are.

Second, even where firms operate across platforms, Google’s rules prevent that cross-platform presence from functioning as a constraint. Developers are barred from communicating with their Android users about cheaper or better offers elsewhere. They cannot link out to subscriptions on their own websites, cannot use alternative billing systems, and cannot promote cross-platform access in-app. Google actively ensures that these potential substitutes remain commercially irrelevant.

Third, as the CMA notes, the feature set available on non-mobile platforms is often inferior or inapplicable for the service in question. Mobile apps integrate location, notifications, offline functionality, biometric login, and payment — features that are not replicable in a desktop environment. That’s why, in practice, these channels are complements, not substitutes.

Given the above reasons for (i) and (ii), we are concerned that the CMA’s implementation roadmap delays consultation on even basic anti-steering provisions until the end of October, and has indefinitely delayed action on effective competition in alternative app stores, facilitating sideloading and facilitating alternative in-app payments ‘pending international developments’. Many of these remedies the CMA has been analysing, in detail, for a number of years, first in its Mobile Ecosystems Market Study (which was commenced in June 2021, with the final report published in June 2022) and later in its app store investigations into Apple and Google, which were commenced in 2021-2022 and closed in August 2024 on the basis that the DMU should be better placed to tackle these issues. In that context, it is hard to understand how these key issues are yet again being indefinitely postponed.

It is simple: if a large part of Google’s power comes from blocking rival distribution, then restoring those alternatives should be the starting point — not a second-phase consideration.

6. Do you have views on our provisional conclusion that there are no expected or foreseeable developments that are likely (whether individually or in combination) to be sufficient in scope, timeliness and impact to eliminate Google’s substantial market power in the provision of its mobile platform over the next five years?

We agree. The CMA is right to conclude that no foreseeable development — whether technological, market-led or regulatory — will be sufficient to dislodge Google’s entrenched position within the next five years. This reflects both the structural barriers identified in the CMA’s analysis and Google’s proven capacity to neutralise external pressure.

The CMA identifies indirect network effects — especially the difficulty of attracting both developers and users to a new platform — as a particularly strong barrier to entry. That’s accurate, but it’s only part of the story. The real problem is that Google has constructed a system in which those network effects can never be challenged in the first place. By making rival app stores practically unusable, restricting sideloading, mandating its own payment system, and limiting in-app communication, Google ensures no rival can gain the critical mass needed to break in. There is no pathway for entry — not even for large, well-resourced firms.

We also agree with the CMA’s conclusion that AI and AR/VR technologies are not likely to materially alter the competitive landscape. Google will integrate these developments into its closed ecosystem on its own terms, using the same pattern: privileged access for itself, degraded access for others, and tight control over distribution. Without intervention, these technologies are more likely to entrench Google’s position than erode it.

Similarly, developments in other jurisdictions — such as the DMA or US litigation — may have some impact, but they are unlikely to be applied effectively in the UK even if they are effective in their own

jurisdictions. Google has already demonstrated a capacity for regulatory evasion through technical workarounds, staggeringly high commission fees which exist even when Google is not handling the transaction, and pretextual app review rejections. “Wait and see” is not a credible strategy in this environment given the significant consumer detriment that results from lack of competition.This can have a particularly outsized impact on innovative, but subscale UK-based app developers without the capacity to build for different jurisdictions, as Google maintains its restrictive UK terms and conditions even when they have been forced to change them in other countries.

7. Do you have views on our provisional conclusion that Google has substantial and entrenched market power (SEMP) and a position of strategic significance (POSS) in respect of its mobile platform?

Yes. The CMA is right to conclude that Google meets both SMS criteria — substantial and entrenched market power (SEMP) and a position of strategic significance (POSS). The evidence is overwhelming.

On SEMP, the CMA’s own data shows that Google has a [40–50%] share of mobile device use in the UK and that developers have no meaningful alternative if they want to reach this user base. Google’s control over native app distribution is near-total, and the restrictions it places on third-party payment systems, rival app stores, sideloading and in-app communication are specifically designed to insulate that position from competition. The CMA is also right to highlight that network effects — while real — are not a law of nature: they are reinforced and locked in by Google’s own rules.

On POSS, the CMA correctly identifies that Google’s mobile platform is essential infrastructure for hundreds of thousands of UK businesses. As the report notes, the app economy now generates around 1.5% of UK GDP and supports 400,000 jobs — with many businesses relying entirely on native apps to reach their customers. Google is not just dominant; it is effectively a regulator of the UK digital economy. Its rules determine what businesses can build, how they can reach users, and what revenue models they can adopt.

There is no question that Google meets the statutory threshold. The designation is justified and overdue. What matters now is that the CMA follows it with meaningful and prompt remedies.

8. Do you have any other views in relation to the assessment/evidence set out in the proposed decision?

We welcome the CMA’s thorough analysis. But there are three key areas where the final decision should go further.

1. Make explicit the link between Google’s restrictions and market outcomes.

The CMA documents extensive harms — inflated fees, degraded innovation, lack of choice, and reduced consumer benefit — but stops short of stating clearly that these are the result of specific, enforceable policies Google has chosen to impose. It should do so. Google’s dominance is not a function of quality or consumer preference. It is maintained through technical and contractual obstacles to rival app stores, friction in sideloading, payment competition, and developer-user communication. The final decision should say this plainly — because it is the basis for the necessary remedies.

2. Address retaliation risk.

The CMA’s report references developer concerns around app review but understates the extent to which Google’s opaque, discretionary processes are used to punish dissent or block competitive threats. This has been a consistent pattern — including recent examples where developers have

faced delays or rejections following public criticism. The CMA must treat this not as poor customer service but as a barrier to accountability and market entry. Future conduct requirements will need to address this risk head-on.

3. Provide a clear and credible timeline for intervention.

As we noted in response to Q5, the roadmap published alongside the provisional decision delays consultation on key measures and postpones others indefinitely. This is not a process issue — it is a market signal. Each month of uncertainty reinforces Google's control and deters new investment. The CMA must accelerate the timeline and confirm strong measures addressing app distribution, payments, and steering will be part of the first package of binding conduct requirements.

4. Fight the anti-growth narrative

We recognise that both the current Government and its predecessor, have been subject to extensive lobbying by Apple, Google, and other major platforms throughout the drafting and implementation of the DMCCA. In recent months, much of this lobbying has been framed around the Government's legitimate objective of promoting economic growth in the UK. However, if the Government is genuinely committed to fostering domestic innovation and economic expansion, it should use tools like the DMCCA to empower app developers supplying valuable services to the UK to grow and compete - not merely serve as conduits for the extraction of profits by tech giants.

The CMA's profitability analyses make clear that Apple and Google enjoy extraordinary profit margins. These profits are not being reinvested in the UK economy, and a recent report from the IPPR showed that greater competition in the mobile app ecosystem could generate over £10 billion in savings for UK developers and consumers throughout this Parliament. Now is the time for the CMA to act to protect UK consumers.

In short: the CMA has correctly diagnosed the problem. It now needs to show that it is willing to solve it.