

FINANCIAL SERVICES FIRM

Response to the CMA consultation

‘Proposed Decision: SMS Investigation into Apple’s Mobile Platform’

Submitted on 29 August 2025

1. As a **leading UK financial services provider**, we strongly support the CMA's proposed Strategic Market Status (SMS) designation for Apple and the efforts to address entrenched market power in mobile ecosystems. Given its platform is an indispensable gateway to digital services, we believe regulatory intervention is essential to restore competition, foster innovation, and protect consumer choice.

Digital Activities Definition

2. We agree with the CMA's definitions of smartphone and tablet operating systems, native app distribution, and mobile browsers/browser engines, but with **some important caveats**. We urge the CMA to explicitly recognise that these systems are not merely intermediaries—they are gatekeepers to critical device functionalities, particularly NFC access. These features are foundational to financial services, and their restriction by Apple constitutes a direct barrier to competition. We also recommend that **NFC access and digital wallets must be treated as a core competitive lever. The CMA's designation does not currently cover the Apple Wallet itself, which we view as a gap in scope that could undermine the effectiveness of any remedies. We also urge the CMA to clarify that digital wallets are fully within scope of the current SMS designation, and to use the designation to put in place the conditions needed to allow competition from alternative wallets.**
3. Apple's substantial and entrenched position in the supply of wallets through its mobile ecosystem **has already resulted in significant costs in payments markets which ultimately harms the UK economy, industry players and UK consumers, and this harm will continue to grow with the increased use of wallets.** Further the lack of competitive tension means there is not a strong incentive for Apple to invest in the broadest range of innovations and features, which would best serve consumers and support long-term UK growth. For example, there is limited incentive to drive the adoption of new payment methods such as Open Banking as card payments are already monetised, and alternatives would (at best) be no different. Similarly, there is no meaningful competitive pressure to reduce the costs associated with providing wallets.

Mobile Platform Aggregation

4. While we understand the rationale for grouping these digital activities into a single "mobile platform," we caution that **bundling may obscure important differences in control and competitive dynamics. We recommend maintaining analytical separation to enable targeted and proportionate remedies across distinct layers of the ecosystem.**

Competitive Constraints

5. We agree with the CMA's finding that Apple faces limited competitive constraints. High switching costs, ecosystem entrenchment, and the necessity of iOS distribution for reaching a majority of UK consumers reinforce Apple's market power. For content providers, Apple's control over app distribution and commercial terms further limits viable alternatives.

Barriers to Entry

6. We concur with the CMA's assessment of high barriers to entry. These are compounded in the case of digital wallets, where Apple deploys opaque, non-negotiable, and commercially punitive terms for access to essential APIs like NFC and SE. Our considerations on launching a wallet have been hampered by what can be viewed as a form of "malicious compliance"—a convoluted process designed to frustrate third-party access. Apple's terms are not only commercially unsustainable but could be strategically exclusionary.

7. Moreover, Apple's pre-installation of its own wallet, combined with ecosystem-level self-preferencing, ensures that alternative wallets are disadvantaged from the outset. Their merchant networks, secured over years (with our promotional support) and deeply integrated into their platforms, require regulatory intervention to free up. This entrenched position stifles innovation and limits consumer choice.

Limited Alternatives

8. Apple's closed distribution model and user behaviour reinforce its gatekeeping role. Non-mobile devices do not offer meaningful substitutes and alternative content distribution channels are effectively non-existent on iOS. This entrenched control restricts competition and innovation.

Lack of Disruptive Developments

9. We agree that no foreseeable developments are likely to erode Apple's market power over the next five years. **Only targeted regulatory intervention can address the structural barriers and enable effective competition.** Apple's agility in responding to geopolitical shifts, such as relocating production in response to tariffs, further insulates it from market-led disruption.

Substantial and Entrenched Market Power

10. Apple's pricing power, end-to-end ecosystem control, lack of substitutes, and strategic gatekeeper role confirm its substantial and entrenched market power (SEMP) and position of strategic significance (POSS). Its refusal to negotiate wallet fees underscores its dominance and lack of competitive pressure. We, of course, remain very vulnerable to Apple raising its fees in the future.

Recommendations

11. We urge the CMA to:
- **Explicitly include digital wallets and all connected devices** (e.g. smartwatches) **within the SMS designation** to ensure its ability to apply remedial measures to Apple's ecosystem is not undermined.
 - **Require access to SE/HCE should be provided for free.** Apple has already demonstrated that it can provide access in a major geographic and economic region to the HCE for free. We see no reason why equivalent free access cannot be provided in the UK.
 - **Prohibit self-preferencing**, including default settings and pre-installation advantages.
 - **Enable alternative app distribution channels to reduce gatekeeper bottlenecks.**
12. In summary, we support the CMA's proposed designation of Apple and strongly recommend that Apple Wallet, digital wallets, and all connected devices are explicitly included within scope. We believe the mobile platform market is characterised by high and persistent barriers to entry and expansion, which reinforces the market power of incumbents like Apple and limits the scope for meaningful competition. We have also outlined additional actions that we believe are essential to ensure the digital economy functions effectively. We agree with the CMA that measures are needed to ensure a higher quality user experience, greater consumer choice, and lower prices and to enable businesses across the UK to thrive and unlock opportunities for all mobile platform participants—to invest, innovate, and grow. We would be happy to discuss our response in more detail.

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

1.1 In broad terms, we welcome the CMA's proposals and the focus on the evolving digital landscape. With some important caveats, we consider the proposed descriptions appropriately reflect, at least some of the main core components of Apple's mobile ecosystem and their role in enabling digital services. However, we consider the CMA should note the points we make in the following paragraphs.

1.2 **Smartphone and Tablet Operating Systems** – we agree that these operating systems act as intermediaries between hardware and software, enabling applications and services to function. However, **we believe the CMA should explicitly recognise that these systems also serve as gatekeepers to critical device functionalities**—such as NFC access, biometric authentication, and secure enclave usage—which are essential for financial services like digital wallets and secure banking apps. **The potential for such gatekeeping to restrict competition should be within scope of the CMA's designation.**

1.3 **Native App Distribution** – we strongly support the inclusion of native app distribution as a distinct digital activity. The Apple App Store is the sole distribution channel for iOS apps in the UK, and there are no credible alternatives for reaching iPhone users.¹ This exclusivity gives Apple significant control over app availability, discoverability, and monetisation. For completeness, on Android, while alternatives like Samsung Galaxy Store exist, Google Play remains dominant and fragmentation limits the viability of other stores.

1.4 **Mobile Browser and Browser Engine** - we agree with the CMA's inclusion of mobile browsers and browser engines, which are critical for accessing web-based services. While iPhone users can download browsers other than Safari, and Android users browsers other than Chrome, Safari remains the default browser on 88% of iPhones and Chrome on 77% of Android phones.²

1.5 **We appreciate the CMA's efforts to define these activities but encourage further refinement to ensure that all relevant functionalities—especially those critical to financial services—are captured within scope. The CMA's designation does not currently cover the Apple Wallet itself, which we view as a gap in scope and are concerned that this could undermine and/or limit the effectiveness of any remedies.**

1.6 We recognise that, positively, the CMA has included NFC in the scope of its SMS designations however we note that the Wallet itself is not considered part of the operating system as “it does not fulfil an intermediary role between hardware and software”. **We have significant concerns with this approach if it results in wallets not falling within the designation or otherwise materially hindering the CMA's ability to apply the necessary remedial measures (which is a very real concern that we have).** Wallets are an increasingly critical technology in a range of markets and services: Apple (and Google) have dominant positions through their mobile ecosystems, and there are significant benefits to customers from expanded competition for wallets and other services.

1.7 **We urge the CMA to clarify that digital wallets are fully within scope of the current SMS designation, and to use the designation to put in place the conditions needed to allow competition from alternative wallets.** Regulation is imperative and it will be needed to ensure that third parties are provided with viable commercial access terms, restrictions on the ability for Apple (and Google) to self-preference (including default settings), and third-party access to key iOS features that are critical to the customer experience.

¹ Since 2025, users in the EU can download some apps from a limited number of alternative app stores, but these are largely limited to games.

² See: The future of mobile browsers: time for a new model? | TechRadar

1.8 **Connected devices scope should be expanded:** The CMA’s provisional decision is not clear on the inclusion of WatchOS (or WearOS) in the SMS designation. We strongly believe that connected devices such as smartwatches, alongside digital wallets, should be explicitly included in the CMA’s SMS designation.

1.9 Connected devices are integral to payment behaviour in the UK, with a growing share of transactions now taking place via wearables such as smartwatches. The CMA has already acknowledged how Apple’s approach to connected devices can strengthen and cement its market power, the importance of interoperability for users, and the potential need for remedial action (in its July 2025 Roadmap). Therefore, excluding certain connected devices risks leaving a significant gap in regulatory coverage and would allow Apple to continue restricting NFC access on these devices, undermining competition and limiting consumer choice.

Question 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 Apple’s mobile devices in order to allow users to access, view and engage with such content and services on their mobile devices?

2.1 We welcome the steps proposed by the CMA and recognise the underlying logic behind grouping the mobile operating system, native app distribution, and mobile browser/browser engine as a single digital activity—referred to as a “mobile platform.” However, it is not currently clear to us why the CMA considers bundling these components together to be the most appropriate approach. Each of these elements plays a distinct role in facilitating user interaction with digital content and services, and we are concerned that grouping them may risk overlooking important differences in functionality, control, and competitive dynamics.

2.2 We would appreciate further clarity on the rationale behind this proposed bundling. If the CMA believes that treating these components as a unified platform enhances its ability to assess market power and deliver effective remedies that benefit consumers and promote competition, then we would be supportive of that approach. **Our priority is ensuring that any framework adopted by the CMA enables meaningful intervention and reflects the realities of how digital ecosystems operate.**

2.3 While we recognise that these components are interrelated and collectively shape the user experience on mobile devices, we believe that aggregating them into a single digital activity risk oversimplifying the distinct roles, competitive dynamics, and regulatory considerations associated with each layer. Our rationale is as follows:

- a. **Distinct Market Dynamics:** Each component—operating system, app distribution, and browser/browser engine—operates within its own competitive and technical environment. For example, while the mobile operating system (OS) may be tightly integrated with the device, app distribution and browser choice can vary significantly across platforms and user preferences. Treating them as a single activity may obscure important differences in market power and user control.
- b. **Implications for Remedies and Oversight:** A bundled approach could limit the CMA’s ability to design targeted and proportionate remedies. For instance, concerns around app store fees or browser restrictions may require different regulatory responses than those related to NFC pricing and availability, operating system interoperability or security. Disaggregating these layers may allow for more nuanced and effective interventions.
- c. **Impact on Innovation and Security:** We are particularly mindful of the need to balance competition with platform integrity and security—especially in the context of financial services. A single-platform framing may underplay the legitimate technical and security justifications that platform providers use to manage these components differently.

- d. **User and Developer Experience:** From both a user and developer perspective, the boundaries between these components are meaningful. Developers interact with app stores and browser engines in ways that are distinct from their engagement with the OS. Similarly, users may switch browsers or app stores (where permitted) without changing their device or OS.

2.4 In summary, **while we acknowledge the interconnectedness of these digital activities, we believe that maintaining separation between them is essential for a fair, effective, and proportionate assessment of market power, competitive constraints and appropriate remedies.**

Question 3: Do you have views on our provisional finding that the competitive constraint on Apple's mobile platform from Google's and other rival mobile ecosystems is limited? This relates specifically to the competitive constraint in attracting: (i) end users, and (ii) content providers.

3.1. We agree with the CMA's provisional finding that the competitive constraint on Apple's mobile platform from Google's and other rival mobile ecosystems is limited—particularly in the context of attracting users.

3.2. Our rationale for the lack of **competitive constraints for users** is as follows:

- **High Switching Costs for End Users:** From a consumer perspective, switching between Apple and rival ecosystems (such as Android) involves significant friction. This includes the cost of new hardware, loss of familiarity with the user interface, and potential incompatibility with previously purchased apps or services. These factors contribute to a high degree of user lock-in, limiting the competitive pressure Apple faces from other platforms.
- **Ecosystem Entrenchment:** Pairing and compatibility between mobile devices and wearables is achievable, and interoperability is technically possible across platforms. However, performance may be sub-optimal when devices from different ecosystems are used together. This can result in reduced functionality, limited feature access, or inconsistent user experience, which in turn may discourage consumers from mixing platforms and reinforce ecosystem lock-in.

3.3. In terms of **competitive constraints in attracting content providers:**

- **App Store Control and Developer Constraints:** Apple's control over app distribution through the App Store, including its review processes, commercial terms, and technical restrictions, limits the ability of content providers to reach users outside of Apple's terms.
- While alternative mobile ecosystems do exist, their ability to exert meaningful competitive pressure on Apple—either by attracting users or enabling content providers to bypass Apple's platform—is limited in practice.
- **Necessity of iOS distribution:** it is a necessity for our business that we distribute on both Android and iOS. Our objective is to provide mobile banking services for all our customers. The existence of Android (or other mobile ecosystems) is therefore not a competitive constraint on iOS so long as material numbers of our customers use iPhones and other Apple devices. In practice, **a large number of our app-active customers are on iOS** and the existence of alternatives is irrelevant to our need to serve them on iOS. We would expect many other firms that aim to provide mobile apps to face similar dynamics, including in sectors such as retail, airlines, tech and social media, and travel.

3.4. For firms aiming to generate revenues directly from their mobile apps, we would also note that commercial value is likely to be even greater on iOS given higher spending and income customers on average (as we observe through

digital wallets). iOS may, therefore, be more generally seen as a critical platform to engage the widest number of customers and ensure viable business models.

- 3.5.** The strong, substantial positions of Apple's (and Google's) mobile ecosystems mean that we are dependent on them to ensure we can provide the financial services experience that our customers increasingly expect (an indispensable trading partner, in competition law parlance). Moreover, Apple is readily able to leverage its market power in mobile ecosystems to other activities/markets, as has already been seen with the provision of their digital wallet offerings. Accordingly, there is a credible, material and reasonably foreseeable risk that healthy and fair competition is detrimentally impacted in a growing range of other connected markets and digital activities. It is therefore critical, through necessary intervention from the CMA and other regulators, that the competitive environment is nurtured and protected and, where necessary, restored in mobile ecosystems and other (potentially) impacted markets and activities. **In conclusion, we support the CMA's provisional finding on this point.**

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

- 4.1 We agree with the CMA's provisional finding that there are high barriers to entry and expansion for mobile platforms. In our view, these barriers are both structural and strategic, and they significantly limit the ability of new or smaller players to compete effectively in the mobile ecosystem. We expand on this below:
- 4.2 **Entrenched Ecosystem Effects:** Apple's mobile platform benefits from a deeply integrated ecosystem of hardware, software, and services. This integration creates a seamless user experience that is difficult for new entrants to replicate. Consumers who are invested in the Apple ecosystem (e.g. through iCloud, iMessage, Apple Pay, and device interoperability) face switching costs and inconvenience, which could discourage movement to alternative platforms.
- 4.3 **Developer and Content Provider Lock-In:** Content providers and app developers often prioritise platforms with the largest and most engaged user bases. Apple's control over app distribution through the App Store, combined with its commercial terms and technical requirements, creates a dependency that is difficult to overcome. New entrants would struggle to attract the same level of developer support or consumer trust.
- 4.4 **Brand Strength and Consumer Perception:** Apple's brand attributes are reinforced through marketing and user experience, making it challenging for new platforms to gain traction—even if they were to offer comparable or superior technical capabilities. Users have formed the habit of downloading apps from Apple's App Store and may well (likely) consider doing so from other sources unnecessarily risky and counterintuitive.
- 4.5 **Regulatory and Compliance Complexity:** For financial services providers like us, engaging with new platforms requires significant investment in security, compliance, and integration. The cost and risk associated with supporting additional platforms further entrenches the dominance of existing players and discourages experimentation with emerging alternatives.
- 4.6 **Limited Commercial Incentives for OEMs and Developers:** The commercial incentives for device manufacturers and developers to support new platforms are limited, particularly when dominant platforms already offer scale, monetisation opportunities, and established user bases.

Individual parts of the platform also face high barriers to entry.

- 4.7 Even large providers have failed to launch alternative propositions to Apple and Google's platforms. For example, Amazon and Huawei both attempted to persuade developers to publish their apps on the Amazon Appstore and Huawei AppGallery, respectively. Despite significant outreach efforts, they were largely unsuccessful, as

developers felt the effort required to support these alternative platforms was not justified by the limited and uncertain commercial benefit. This illustrates the difficulty new entrants face in overcoming entrenched network effects and developer inertia in markets dominated by Apple and Google.

4.8 Our own experience is deepest as it relates to digital wallets. For this component of the platform there are **additional barriers in the commercial terms offered by Apple, the ability to self-preference in pre-installation of the wallet and self-preferencing in wider ecosystem integration.** In addition to these barriers Apple (and Google) have secured (with our promotional support) extensive merchant networks in e-commerce and with service providers in non-payment use cases.

4.9 As a result, we do not expect any meaningful increase in competition or the benefits that would flow from it without targeted intervention from the CMA, specifically to address the problems with digital wallets as an activity.

We see significant costs to consumers and the economy from barriers to entry.

4.10 Apple and Google's substantial and entrenched position in the supply of wallets through their mobile ecosystem **has already resulted in significant costs in payments markets which ultimately harms the UK economy, industry players and UK consumers, and this harm will continue to grow with the increased use of wallets.** Excluding wallets from the SMS designation therefore risks missing a key area of harm flowing from Apple's substantial and entrenched, and absence regulatory intervention enduring, market position in relation to mobile ecosystems and intrinsically linked activities.

4.11 The lack of competitive tension means that there is not a strong incentive for Apple (or Google) to invest in the broadest range of innovations and features, which would best serve consumers and support long-term UK growth. The lack of any diversity in providers also likely limits the scope and types of innovation. There is limited incentive to drive the adoption of new payment methods such as Open Banking as card payments are already monetised, and alternatives would (at best) be no different. There is also no incentive or competitive pressure to reduce the costs of providing wallets.

4.12 Genuine competition would deliver a wider range of benefits, including greater innovation, lower costs, new payment types such as open banking, and more choice for consumers. Given the wide-ranging potential of wallets, competition would also mitigate the risk that one or two firms have an entrenched position as key 'gatekeepers' to financial services and other digital products in the UK.

4.13 If effective competition in digital wallets were enabled, we believe consumers and the UK economy would see significant and long-lasting benefits. Competition would:

- **Drive innovation** in features and user experience, such as account-to-account payments, budgeting tools, loyalty schemes, and rewards.
- **Support wider service integration**, including emerging services like Digital ID, which is likely to be a major source of customer and economic value.
- **Lower costs in payments** by reducing the charges banks face when customers use wallets, which better allows the banks to focus resource on customer services and needs (driving competition in the wider financial services sector).
- **Accelerate wallet adoption**, as competing providers promote their products through marketing, offers, and rewards, expanding the reach of more secure and convenient payment methods.

- **Ensure competitive access** to financial services and other products if wallets are a mainstream access method for customers.

4.14 In summary, we believe the mobile platform market is characterised by high and persistent barriers to entry and expansion, which reinforces the market power of Apple (and Google) and limits the scope for meaningful competition.

Question 5: Do you have views on our provisional finding that the competitive constraint on Apple's mobile platform from: (i) alternatives to content distribution within Apple's mobile ecosystem, and (ii) alternatives on non-mobile devices is limited?

5.1 We agree with the CMA's provisional finding, which we expand on below:

- Closed Distribution Model:** Apple's mobile ecosystem is tightly controlled, with the App Store serving as the sole authorised channel for native app distribution on iOS devices. Unlike Android, which at least permits sideloading and third-party app stores (albeit with limitations), Apple's restrictions effectively eliminate alternative distribution routes. This gives Apple significant gatekeeping power over which content providers can reach users and under what terms.
- User Behaviour and Trust:** Users are conditioned to download apps exclusively through the App Store, and Apple has generated a high level of trust in its curation and security standards. This behavioural norm further entrenches Apple's control and makes it difficult for alternative distribution models to gain traction.
- Non-Mobile Devices Are Not Substitutes:** For many consumers, mobile devices are the primary or sole means of accessing digital services. Desktop or laptop alternatives do not offer the same convenience, portability, or immediacy, and therefore do not exert meaningful competitive pressure on Apple's mobile platform.
- Impact on Content Providers:** Content providers, including financial institutions like us, must comply with Apple's technical and commercial requirements to reach iOS users. This includes adhering to App Store policies, payment processing rules, and update cycles. The lack of viable alternatives limits negotiation leverage and reinforces Apple's market power.

5.2 In summary, Apple's control over content distribution within its mobile ecosystem, combined with the limited substitutability of non-mobile devices, results in a constrained competitive environment. We support the CMA's provisional finding on this issue.

Question 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 Apple's substantial market power in the provision of its mobile platform over the next five years?

6.1 We agree with the CMA's provisional conclusion that there are no expected or foreseeable developments likely—whether individually or in combination—to be sufficient in scope, timeliness, and impact to eliminate Apple's substantial market power in the provision of its mobile platform over the next five years. The only meaningful change we can envisage would come with the support of targeted regulatory intervention. Apple's entrenched position is reinforced by a consistent and inflexible approach to commercial terms, which are typically non-negotiable and opaque, leaving little room for competitive alternatives.

6.2 Importantly, Apple has demonstrated an ability to adapt swiftly to regulatory and geopolitical developments in ways that other firms may not be able to. For example, following tariff announcements in the United States, Apple rapidly shifted parts of its production to India—highlighting its agility and global leverage. This responsiveness further insulates Apple from external pressures and reinforces its resilience against market-led disruption and competitive constraints.³

6.3 We support our comments above with these examples:

- **Closed Distribution Model:** Apple's App Store remains the only authorised channel for native app distribution on iOS. We have no viable alternative for reaching iPhone users, as sideloading is not permitted and alternative stores do not exist on iOS outside the EU – and even there they are largely limited to a few games.
- **Digital Wallet Barriers:** Apple's commercial terms represent a persistent and structural barrier to effective competition in the digital wallet and mobile platform markets; not only for new entrants but also customers of banks currently loading their cards onto Apple wallet.
- **User Behaviour and Trust:** Consumers overwhelmingly trust Apple's curated ecosystem. The close integration of hardware and software, and the usability of the iPhone, have led to a higher level of engagement from iPhone users than those on other platforms. This behavioural norm reinforces Apple's gatekeeping role and limits the traction of alternative distribution models.
- **Lack of Substitutes:** Non-mobile devices do not offer the same immediacy or portability. Mobile platforms dominate customer engagement.
- **Strategic Significance:** Apple's dominance in high-value transactions and control over app distribution and wallet functionality gives it entrenched market power.

6.4 We therefore fully support the CMA's proposed designation and urge the CMA to proceed with conduct requirements and pro-competition interventions to address these structural barriers.

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

7.1 We agree with the CMA's provisional conclusion that Apple holds substantial and entrenched market power (SEMP) and a position of strategic significance (POSS) in respect of its mobile platform. Our rationale is as follows:

- a. **Pricing Power:** A key manifestation of Apple's entrenched market power is its ability to impose non-negotiable and commercially unattractive pricing for loading cards onto Apple Wallet. Apple's refusal to negotiate these terms, even in the face of increased adoption and evolving market dynamics, underscores the lack of competitive pressure and reinforces its gatekeeping role. Similar dynamics are likely at play in App store charging.
- b. **End-to-End Control of the Ecosystem:** Apple exercises comprehensive control over its mobile ecosystem—from hardware and operating system to app distribution and payment infrastructure. This vertical integration allows Apple to set the rules of engagement for both users and content providers, reinforcing its market power and limiting external influence.
- c. **Lack of Effective Substitutes:** For the majority of consumers, including those in the UK, Apple's iOS platform is not easily substitutable. The high switching costs, combined with the perceived superiority of

³ See, for instance: [Apple says most US-bound iPhones no longer made in China as tariffs bite - BBC News](#)

Apple's privacy, security, and user experience, contribute to sustained user loyalty and reduce the effectiveness of competitive alternatives. For consumer apps from companies with which the user didn't already have a relationship, the thought of searching for apps anywhere other than on the official App Store would be virtually hypothetical.

- d. **Strategic Gatekeeper Role:** Apple's control over the App Store and its associated policies (e.g. in-app payment rules, app review processes, and data access restrictions) gives it a gatekeeper role that is strategically significant for content providers. For financial services firms, like us, access to iOS users is essential, and Apple's terms and conditions directly affect how we deliver services and innovate on the platform.
- e. **Entrenched Position Unlikely to Erode:** As outlined in our response to Question 6, we do not foresee any developments in the next five years that would materially challenge Apple's entrenched position as far as distribution on iPhone, iPad and Apple Watch are concerned. Its market power is self-reinforcing, and its strategic significance is likely to persist absent regulatory intervention. It is likely that if other device types were to emerge and gain traction with users, Apple's dominance would likely extend onto those as well.

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

- 8.1 We strongly support the CMA's proposal to designate Apple with Strategic Market Status (SMS) and recognise the significance of this step in addressing entrenched market power in mobile ecosystems. As outlined in previous submissions to the CMA, we have consistently called for targeted regulatory action to address the structural barriers that limit competition—particularly in relation to digital wallets and access to NFC functionality. Apple's strategic market position and approach to ecosystem control have significant implications for competition, innovation, and consumer choice within the UK mobile market. We support the CMA's efforts to investigate and address these concerns and urge the CMA to implement remedies that balance security, privacy, and competitive neutrality.
- 8.2 The CMA is uniquely positioned to promote competition in digital markets, following its new powers stemming from the Digital Markets, Competition and Consumers Act 2024. The FCA has stated that "*effective competition... helps create stronger firms and makes the UK an attractive market, supporting international competitiveness*". We echo this view and encourage the CMA to take bold, forward-looking action that sets a global benchmark for digital market regulation.
- 8.3 We remain committed to working collaboratively with regulators, Apple, and other stakeholders to build an open, secure, and innovative digital environment for all UK consumers.
- 8.4 In our view, Apple's approach to ecosystem management frequently results in:
 - **Restricted access to core device capabilities** (such as NFC for contactless payments) for non-Apple services
 - **Anti-competitive pricing practices that are designed to limit new entry** and alternative choices for customers
 - **Opaque and occasionally inconsistent App Store review and enforcement processes**
 - **Limited availability of alternative app distribution channels**
 - **Tied services and default settings which advantage Apple's own offerings.**
- 8.5 While we recognise the value of privacy, security, and user experience in Apple's ecosystem, it is crucial that these are not used as a pretext for practices that stifle innovation, limit consumer choice, or undermine competition.
- 8.6 Additionally, Apple's ability to collect and leverage vast amounts of user data across its mobile ecosystems gives it a significant commercial advantage. Through deep integration of hardware, software, and services, Apple can track user behaviour, preferences, and interactions—enabling highly targeted and personalised marketing. This not only

reinforces Apple's market power by increasing monetisation opportunities but also raises serious privacy concerns. The extent of data collection and the opacity around how this data is used for commercial gain is troubling. We are particularly concerned about the implications for consumer trust and data protection, especially given the sensitive nature of financial services. Regulatory oversight is essential to ensure that data usage practices are transparent, proportionate, and aligned with consumer expectations and privacy standards.

8.7 We support interventions that uphold high standards of privacy and security, but which also ensure a level playing field for all market participants. Specifically, we recommend the following remedies:

- **Mandated Access to Core Device Capabilities:** Apple should be required to provide third-party apps—on an objective and non-discriminatory basis—access to hardware features such as NFC, where security and user consent can be maintained.
- **Alternative App Distribution:** The ability for consumers to install apps from sources other than the App Store would encourage innovation, provide alternative business models, and reduce single-gatekeeper bottlenecks.
- **Greater Transparency and Accountability:** Apple should make its review and enforcement processes more transparent, with clear service-level commitments for app reviews, appeals, and dispute resolution.
- **Unbundling of Tied Services:** Users should have a genuine choice in default apps (e.g., payment, browser, email), with the ability to set third-party alternatives as defaults.
- **Fair Commercial Terms:** Any fees and terms should be subject to regulatory oversight to ensure they are, in principle, justified and, if so, that they are fair, reasonable, and non-discriminatory.
- **Regulatory Oversight:** to ensure that data usage practices are transparent, proportionate, and aligned with consumer expectations and privacy standards.