

Innovate Finance Response to the CMA Consultation on the Proposed Decision to Designate Apple with Strategic Market Status in its Mobile Platform

About Innovate Finance

Innovate Finance is the independent industry body that represents and advances the global FinTech community in the UK. Our membership is broad, encompassing businesses from seed-stage start-ups to global financial institutions. It includes a wide range of FinTech innovators such as payment firms, smart data companies, buy now, pay later (BNPL) providers, challenger banks, financial apps, Digital ID and other RegTech specialists.

When engaging on policy and regulatory issues we aim to reflect the UK FinTech ecosystem and specifically the needs of start-ups, scale-ups and high growth enterprises. Our policy and regulatory position is formulated with and for our FinTech membership and ecosystem, including digital ID providers

Response to CMA Consultation Questions

Innovate Finance welcomes the Competition and Markets Authority's (CMA) investigation under the Digital Markets, Competition and Consumers (DMCC) Act 2024 and supports the provisional conclusion to designate Apple with Strategic Market Status (SMS) for its mobile platform.

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

The CMA has identified and delineated the key pillars of the mobile ecosystem. The description of the operating system (OS) as the foundational layer is accurate. We agree that functionalities supporting digital wallets fall within the Smartphone Operating System and Tablet Operating System activities, such as access to the NFC chip, which is of particular importance to the payments sector.

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?

Innovate Finance endorses the CMA's provisional conclusion to treat these activities as a single, integrated 'mobile platform'.

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 end users and content providers.

No response. Our insight is focused on barriers to entry for FinTech firms to reach their market rather than the mobile platform market per se.

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

No response. Our insight is focused on barriers to entry for FinTech firms to reach their market rather than the mobile platform market per se.

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

We agree with the CMA's provisional finding. The primary route to market for FinTech apps on iOS devices is via the App Store.

Question 6: Do you have any 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 5 years?

We would highlight four areas of development in the market and in the provision of financial and related services that may have a bearing on this:

- Artificial Intelligence, including the use of agentic AI used in payments and transactions and financial management and advice.
- Reusable Digital ID: becoming an integral part of not only financial services but also transactions and services more widely.
- Use of new digital payments methods in retail environments - such as open banking payments / account to account and digital money (Central Bank Digital Currency, stablecoin and/or commercial bank digital money) at point of sale.
- Smart data and open finance: extending the principles of open banking to other data sets and services and enabling new services that combine data.

Agentic AI and Automated Payments: The next paradigm shift in technology may well be Agentic AI, where autonomous software agents will execute complex, multi-step tasks on behalf of users with minimal human intervention. In financial services, this could manifest as AI agents residing within a user's digital wallet, capable of optimising spending in real-time, automatically sweeping funds to higher-yield savings accounts, negotiating bills, and

providing hyper-personalised financial advice.¹

Agentic AI can enable automated transactions and payments based on criteria and permissions set by the consumer². This could include integration into search engines³. It is also worth noting that AI companies are also looking at this space - for example it has been reported that Open AI has developed a payment checkout system⁴. Generative AI can also provide cheap, accessible, insightful forms of financial management advice - which increasingly can democratise financial advice (following the FCA's work on targeted support). This is an area that could be developed by mobile platforms as well as potentially creating some new competitors. Access to AI services can include via web browsers, search engines, app stores and wallets.

Reusable digital ID: this is one service that is fast emerging, not least on the basis of a UK legal framework in the Data (Use and Access) Act 2025. This could be a service hosted in a digital wallet or integrated into other systems and include digital verification at point of sale (eg age check for alcohol). Some of our members have suggested that in the long term wallets may be succeeded by web3 based digital ID and blockchain payments. In the UK there is a nascent ecosystem of digital verification providers. Equally, digital identity or verification services can create an additional 'gateway' for access to other services.

New digital payments methods: we are seeing significant investment and regulatory development for new forms of payments in the UK and globally: with significant focus on stablecoin payments (especially for cross border), continued work on Central Bank Digital Currencies (including by the Bank of England, with its 'payment initiation provider' model, which would see a role for a payments wallet, as well as the European Union and ECB) and development of digital commercial bank deposits (digital commercial bank money). In the UK, the Government, regulators and industry have also committed to developing open banking payments as a ubiquitous form of payment as part of the National Payments Vision. Whilst digital money has implications for wallets and account-to-account payments will be made via banking apps and third party provider apps, these also have the potential to be used at Point of Sale (shops, ticket gates etc) - provided that mobile devices enable communication with relevant terminals (whether contactless or for example by QR code etc).

Smart Data and Open Finance: The UK's ambition to build a world-first Smart Data economy is predicated on the ability of consumers to securely share their data with trusted third-party providers to access innovative, personalised services. The digital wallet is emerging as the natural user interface for managing these complex data permissions. If the wallet provider is also the platform gatekeeper, it could be positioned to control the flow of this data, potentially self-preferencing its own services, limiting the data available to rivals, or charging monopoly rents for access. It should be noted that the Department for Science, Innovation and Technology (DSIT) has published a [call for evidence](#) on how Smart Data could be used in digital markets to support innovation, competition, and better outcomes for consumers and businesses - which could also have the effect of opening up access to data held by mobile platforms as well as other digital markets.

¹<https://www.jbs.cam.ac.uk/2025/from-automation-to-autonomy-the-agentic-ai-era-of-financial-services>

² See for example <https://finovate.com/4-companies-bringing-agentic-ai-to-checkout/>.

³ See for example [Simon Taylor's take for Sardine](#).

⁴<https://www.reuters.com/business/openai-working-payment-checkout-system-within-chatgpt-ft-reports-2025-07-16/>

These examples illustrate the fact that in payments, financial services and digital verification, services are evolving quickly. Whilst we can not predict the effect on competition in the market, and the possibility of some new entrants, the nature of these developments does suggest that mobile platforms will play a very significant role. We therefore agree with the CMA's provisional conclusion.

Taken together - with digital payments enabling programmable and agentic transactions, verified by digital credentials - these will lead to further integration of digital services. The evolution of the digital wallet serves as a prime example. It is transforming from a simple payment tool into the central command centre for a consumer's digital and financial life, integrating digital identity, data permissions, and automated financial management.

Question 7: Do you have any 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?

Apple's mobile platform acts as a critical, non-substitutable gateway for the vast majority of our FinTech members, to reach the nearly 50% of UK consumers who use iOS devices.

We have seen some recent commercial partnerships providing integration of FinTech services within Apple Pay. While such integrations can offer consumers more choice in how they pay, they occur within the framework and on the commercial terms set by the platform owner. They highlight the necessity for FinTechs to work *with* the gatekeeper, rather than being able to compete *against* them on a level playing field.

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

A central theme of our submission is that mobile platforms, including the digital wallet and browser, are increasingly providing integrated financial services. This is evolving into the primary consumer interface for digital identity, the control panel for managing permissions under Smart Data schemes, and the execution vehicle for Agentic AI as well as in-person transactions (e.g. utilising the NFC technology).

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