

Rt Hon Ian Murray MP
100 Parliament Street
London
SW1A 2BQ
United Kingdom

From: Sarah Cardell
Chief Executive

20th January 2026

Dear Minister,

Thank you for your letter of 11th December on public service media and the wider TV ecosystem.

You rightly note the importance of public service media to the UK's economy, democracy and cultural life. DCMS's Industrial Strategy sector plan for the creative industries presents the government's ambition to enhance the UK's position as a global creative superpower, against the backdrop of what Ofcom has described as a rapid transformation of the UK media landscape.

With this in mind, I welcome your letter both in the context of our commitment to provide advice to government in support of its industrial strategy, and our strategic commitment to foster a regulatory landscape that attracts investment and instils business confidence.¹

In responding to your questions, this letter aims to provide clarity to stakeholders across the sector on the role and approach of the CMA with respect to mergers, partnerships and other forms of collaboration. In particular, it sets out:

- Background on the CMA's merger regime and our approach to our merger assessments, including the role of previous decisions, how our assessments take account of future trends, and the evidence we consider, including the views of sector regulators such as Ofcom.
- How the CMA considers collaborations between competitors that do not fall under the mergers regime, including the ways we are stepping up action to enable legitimate, pro-growth collaborations, while preventing anti-competitive practices that harm consumers.

¹ [CMA Strategy 2026 to 2029 - GOV.UK](#), 20 November 2025.

The CMA's merger control regime

The CMA's merger control regime is 'voluntary', meaning that the CMA reviews mergers that are either voluntarily notified to it by merging parties or called in for review by the CMA's mergers intelligence function.² In either case, the CMA can only review a merger where certain statutory criteria are met: the nature of the transaction must constitute a reviewable 'merger';³ at least one of three jurisdictional tests must be met; and statutory review deadlines must not have expired.⁴

The vast majority of mergers do not raise concerns. Of the 881 transactions considered by the CMA's merger function in 2025, only 39 went through a formal Phase 1 investigation and 4 were referred to an in-depth Phase 2 investigation.⁵

The fundamentals of the CMA's mandate – to promote competition and protect consumers, taking our decisions independently and objectively – remain constant. But how we discharge that mandate reflects the context for the UK, today and in the years ahead. The CMA's current strategy is to deliver on our mandate with the end goals of economic growth and improved household prosperity in mind.⁶ In line with this, the CMA has recently undertaken a suite of measures as part of its ongoing work to embed the '4Ps' – pace, predictability, proportionality and process – into its merger control regime. These include introducing new processes and updates to our mergers jurisdictional and procedural guidance;⁷ publishing updated guidance on our approach to merger remedies;⁸ and launching a review of our approach to efficiencies in merger assessments.⁹

² Where a case is called in, the merging parties are required to comply with information notices from the CMA, and the CMA has powers to impose interim measures to prevent pre-emptive action, however there is no mandatory notification requirement as part of the general mergers regime (firms with 'strategic market status' designation are subject to certain reporting requirements). A key benefit of the voluntary nature of the regime is that the CMA can focus its resources on the types of cases that are more likely to raise concerns.

³ The definition of what constitutes a reviewable merger under the [Enterprise Act 2002](#) (EA02) turns on whether there has been an acquisition of a certain level of control of one 'enterprise' over another. It is agnostic as to the form that might take (eg whether it is an acquisition of one business over another or a merger of equals, whether it's effected by a share purchase agreement or an asset sale, etc). Mergers: Guidance on the CMA's jurisdiction and procedure, 19 December 2025 ([CMA2](#)), paragraph 4.2. We have recently updated our guidance on the lowest level of control that may give rise to a relevant merger situation, see footnote 7.

⁴ See further [CMA2](#), paragraph 4.3.

⁵ Including mergers considered formally (via the notification process) and informally (via the CMA's mergers intelligence function). Of the 4 cases that were referred to Phase 2, 2 were cleared unconditionally, 1 was cleared with remedies and 1 was blocked. See [Annual merger investigation outcomes - GOV.UK](#).

⁶ [CMA Strategy 2026 to 2029 - GOV.UK](#), 20 November 2025.

⁷ ['4Ps' changes to the CMA's mergers guidance \(CMA2\) and mergers notice template](#), 1 August 2025.

⁸ [Revised merger remedies guidance](#), as updated on 16 October 2025.

⁹ [CMA call for evidence: reviewing our approach to assessing merger efficiencies](#), 15 January 2026.

The CMA's approach to merger assessments

The role of the CMA's previous decisional practice and guidance

It is established in case law that the CMA's merger decisions do not constitute precedents and that each case turns on its own facts.¹⁰

The CMA's merger assessment guidelines provide a framework for its merger analysis and the CMA will have regard to the guidelines in its merger assessments. In 2021, the CMA updated these guidelines in part in recognition of the changes in the UK economy and with it, the types of mergers that the CMA reviews. A particular focus of the update to the guidelines was on setting out how the CMA approaches its merger assessments in relation to fast-changing and evolving markets.¹¹

While the CMA seeks to achieve consistency through the application of its guidance, the review of any merger, particularly in fast-changing and evolving markets, will be case-specific. The particular circumstances of a sector, market or business and the consumers who will be affected by the merger, are the critical factors in any merger assessment.¹²

The CMA's merger assessment framework

In its merger control assessments, the CMA must assess whether a qualifying merger has, or is expected to, result in a substantial lessening of competition (an **SLC**) within a UK market.¹³

To do so, the CMA applies a framework in which it: identifies (often briefly) the competitive situation that would occur without the merger (referred to as the 'counterfactual'); analyses the competitive impact of the merger (which involves a comparison of the prospects for competition with the merger against the counterfactual); and considers whether there are efficiencies resulting from the merger or other countervailing factors that would offset the anti-competitive effects of the merger.

¹⁰ [Ecolab Inc. v Competition and Markets Authority \[2020\] CAT 12](#), paragraph 93: 'merger decisions of the CMA do not constitute precedents and it is axiomatic that each case turns on its own facts and that the characteristics of one market may be very different from those of another. Consistency is achieved by the CMA applying its statutory guidance...'. See also the CMA's Merger Assessment Guidelines, 18 March 2021 ([CMA129](#)), paragraph 1.12 and footnote 13.

¹¹ [CMA129](#), paragraph 1.4.

¹² While past case references are included in the merger assessment guidelines for illustrative purposes, decisional practice naturally evolves over time and past cases do not constrain the approach of the CMA. [CMA129](#), paragraph 1.12.

¹³ See [s22](#) and [s33](#) EA02 and [CMA129](#), paragraph 2.1.

How the CMA determines the counterfactual

The counterfactual assessment is not intended to be a detailed description of the conditions of competition (which are better considered in the competitive assessment) but will rather typically focus on the competitive *relationship* between the merger firms.¹⁴ The CMA's starting point is that the counterfactual is broadly the same as the pre-merger (or, in the case of anticipated mergers, 'prevailing') conditions of competition. The CMA then considers whether, absent the merger, there would have been significant changes in the competitive relationship between the merger firms¹⁵ that mean the prospects for competition with the merger should be compared against a competitive situation that is more competitive or less competitive than the pre-merger conditions of competition.¹⁶

As the counterfactual assessment is focused on the relationship between the merger firms, the wider market context – including, for example, how overall conditions of competition are evolving – is taken into account in the assessment of the impact of the merger (see below) rather than the counterfactual.

How the CMA's assessment takes account of future market trends and the evidence that it considers

In its competitive assessment, the CMA generally takes a forward-looking approach to the assessment of any theories of harm, considering the effects of the merger now and in the future,¹⁷ including the likely development of markets several years into the future.¹⁸ This approach applies irrespective of the nature of the markets in question or the theories of harm being considered.¹⁹

Where a merger takes place in sectors characterised by fast-moving technological and commercial developments, the types of evidence that are available to the CMA may be more restricted (for example, if it is the case that recent evidence from the pre-merger period is not likely to be a good indicator of future competitive conditions). In such cases, the CMA may place particular weight on evidence such as internal documents, the expected number of competitors after the merger,

¹⁴ [CMA129](#), paragraphs 3.7 and 3.8.

¹⁵ Such as entry into new markets in competition with each other, significant expansion by the merger firms in markets where they are both present, or exit by one of the merger firms. [CMA129](#), paragraphs 3.8 and 3.9.

¹⁶ For example, because, absent the merger, one of the merger firms would have exited the market in which it was competing against the other (meaning that the competitive situation would have been less competitive than pre-merger conditions of competition) or entered or significantly expanded in a market in competition with the other (meaning that the competitive situation would have been more competitive than pre-merger conditions of competition). [CMA129](#), paragraphs 3.2 and 3.8.

¹⁷ [CMA129](#), paragraph 2.14.

¹⁸ [CMA129](#), paragraph 2.27.

¹⁹ For example, whether the CMA is considering a loss of existing competition (where pre-merger the merger parties are direct competitors) or a loss of future competition (where pre-merger the merger parties may not be direct competitors but absent the merger one or both would have entered or expanded in competition with the other).

similarities between the characteristics of the products or services that are under development (as applicable) and the views and expansion plans of market participants.²⁰

How the CMA takes into account interests of different groups

Where a merger involves firms that operate multi-sided platforms which supply services to two or more distinct but related customer groups (such as advertisers and consumers), the CMA may consider the impact on each 'side' separately or it may consider the overall competition between platforms (incorporating both sides in one assessment). The approach taken will depend on a number of factors including how competition works, the extent to which competitive conditions differ by side and the strength and direction of network effects.²¹

Where the CMA identifies a potential harm in a market, it will consider whether that harm may be offset by merger efficiencies in that market or by customer benefits occurring in another market in the UK, as discussed below.

Merger efficiencies

Mergers and acquisitions can help deliver benefits to UK customers. For example, the newly merged entity may benefit from greater economies of scale, which can lead to an increase in its efficiency and productivity and deliver benefits to UK customers in the form of lower prices.

The CMA considers two broad categories of efficiencies that might result from a merger: (i) rivalry-enhancing efficiencies (ie efficiencies that change the incentives of the merger firms, inducing them to act as stronger competitors to their rivals) arising in the markets where there are potential concerns and (ii) relevant customer benefits (other than improved competition) (RCBs) which may arise in or outside the market in which the competition concern arises.²²

Rivalry-enhancing efficiencies may prevent an SLC (and as such are considered as part of the competitive assessment) whereas customer benefits cannot (but may be taken into account in the CMA's assessment of whether or not to refer a case that results in an SLC to an in-depth Phase 2 assessment).

The CMA may also consider the scope for remedies to preserve or embed merger efficiencies that would otherwise not prevent an SLC. For example, in its review of the Vodafone/Three merger, the CMA found that a remedy package which included

²⁰ The absence of certain types of evidence such as historical data will not in itself preclude the CMA from concluding that the SLC test is met on the basis of all the available evidence assessed in the round. [CMA129](#), paragraph 2.28.

²¹ See further [CMA129](#), paragraphs 4.21 to 4.25.

²² The CMA will also consider whether the merger is likely to prompt entry and/or expansion that would offset potential concerns in a given market. See further [CMA129](#), paragraphs 8.28 to 8.46.

binding commitments to make pro-competitive network investments, overseen by Ofcom, supported by short term customer protections, resolved competition concerns.

As noted above, we have recently published revised remedies guidance, which recognises that in certain circumstances remedies can be used to preserve rivalry-enhancing efficiencies and RCBs.²³ We have also recently launched a review of our approach to efficiencies in merger assessments, and will consider whether there is a need to revise our approach in light of that review.²⁴

How the CMA works with Ofcom and other sector regulators

Under the Act, it is the CMA that must decide whether a merger has or is expected to result in an SLC.²⁵ However, the CMA routinely consults the sectoral regulators about any mergers in which they are likely to have industry-specific knowledge and will take into account the views and evidence they provide.²⁶

By way of recent example, the CMA engaged closely with Ofcom on a wide range of issues in its assessment of the Vodafone / Three merger, given its industry expertise as the sectoral regulator overseeing communication services, including mobile services. Among other things, the CMA consulted with technical specialists at Ofcom in relation to the Parties' competitive efficiencies claims and remedies (including in particular the design of the network investment commitment). While the CMA carefully considered Ofcom's views, it was ultimately for the inquiry group to decide on whether the merger resulted in an SLC. The CMA found that a remedy package which included binding commitments to invest the merger parties' combined network (overseen by Ofcom), together with short term customer protections – resolved concerns identified in the UK retail and wholesale mobile telecommunications markets.

In media mergers where the Secretary of State has issued a Public Interest Intervention Notice, Ofcom will advise the Secretary of State on public interest aspects of the case at Phase 1. Should the Secretary of State refer the case to Phase 2 on public interest grounds, the CMA advises the Secretary of State on those

²³ Considering rivalry enhancing efficiencies, the proposed changes acknowledge that in some cases (as in the example of Vodafone/Three above) remedies can address concerns which the CMA may have about the likelihood or timeliness of such efficiencies. In relation to RCBs, the proposed changes include further guidance on how certain types of possible RCBs will be considered by the CMA but do not propose change to the current high evidentiary bar for RCBs, which are not expected to arise very often.

²⁴ [CMA call for evidence: reviewing our approach to assessing merger efficiencies](#), 15 January 2026.

²⁵ At Phase 1, this assessment is made to the 'realistic prospect' standard by the CMA case team; at Phase 2, this assessment is made on the balance of probabilities by an independent inquiry group appointed by the chair of the CMA. [s22](#), [s33](#) and [s34\(c\)](#) EA02; [CMA129](#), paragraph 2.8, footnote 19.

²⁶ Those regulators may also carry out their own public consultation before providing comments to the CMA. [CMA2](#), paragraphs 2.12 and 9.50.

grounds,²⁷ but Ofcom may continue to advise the Secretary of State at Phase 2 following receipt of the CMA's report.²⁸

Competition Act 1998

As you mention in your letter, not all partnerships between businesses qualify as a 'merger' under the UK merger control regime.²⁹ Where a collaboration between businesses falls short of a merger under EA02, the UK's competition law concerning anti-competitive agreements (the Competition Act 1998 ('CA98')) may apply.

The Chapter I prohibition

The CA98 prohibits agreements or concerted practices between competitors which have as their object or effect the prevention, restriction or distortion of competition within the UK and which may affect trade within the UK. This is known as the Chapter I prohibition. Agreements for the purpose of the Chapter I prohibition can either be horizontal (between actual or potential competitors) or vertical (between businesses at different levels of the supply chain).

An agreement prohibited by Chapter I is void and not enforceable. It may also lead to a financial penalty, in the event of enforcement action by the CMA or a concurrent regulator. In addition, third parties may bring their own private claims for compensation through the UK courts (without any action from the CMA) if they believe they have suffered harm.

Ofcom is a concurrent regulator (meaning that it shares powers with the CMA under the CA98 to enforce competition law) with respect to certain sectors for which it is responsible, namely broadcasting, electronic communications and postal services. The concurrency arrangements provide for co-operation between the CMA and the sector regulators in relation to their concurrent competition powers so that the CMA and regulators benefit from each other's knowledge and expertise. These arrangements include legal requirements on the CMA and sector regulators to share information and consult each other on the exercise of their concurrent powers.

²⁷ The CMA will appoint an independent inquiry group to report to the Secretary of State on whether the merger operates or may be expected to operate against the public interest. If the inquiry group considers that this is the case, it makes recommendations as to the action the Secretary of State (or others) should take to remedy any adverse effects. See [CMA2](#), paragraphs 15.6(d) and 15.8. See for example the CMA's report in relation to the Proposed acquisition of Sky by 21st Century Fox [CMA Phase 2 Report - GOV.UK](#).

²⁸ [CMA2](#), paragraph 15.6.

²⁹ As set out above, the definition of what constitutes a reviewable merger under EA02 (which provides the statutory basis for the CMA's merger control regime) turns on whether there has been an acquisition of a certain level of control of one enterprise over another and is agnostic as to the form that such acquisition might take. For example, a 'merger' for the purposes of EA02 could take the form of a partnership or joint venture where it involves a qualifying acquisition of control. Mergers: Guidance on the CMA's jurisdiction and procedure, 17 December 2025 ([CMA2](#)), paragraph 4.2.

How business collaborations are assessed

Common types of collaborations between businesses include:

- research and development, for example to develop or improve a product or technology
- production, for example sharing resources to produce something together, including through joint ventures
- specialisation, for example two businesses agreeing that one will give up producing something and instead purchase it from the other
- purchasing, for example jointly negotiating and purchasing from suppliers
- commercialisation, for example working together to bring a new product to market
- information exchange, for example sharing information so that businesses can benchmark against each other's best practices
- standardisation, for example developing a product standard.

Many collaborations between businesses do not raise competition law concerns. Indeed, the CMA recognises that collaborations can be beneficial and is stepping up action to enable legitimate, pro-growth business collaboration (see further below).³⁰

Whether a collaboration between public service media providers engages the Chapter I prohibition will depend on the circumstances of each collaborative arrangement.

Even when a collaboration restricts competition, it will not be illegal and will not break the Chapter I prohibition where it meets certain criteria. In summary, an arrangement is exempt from the Chapter I prohibition if it meets all of the following conditions:

- it contributes to generating clear efficiencies, such as improving production or distribution, or promoting technical or economic progress;
- it provides a fair share of the resulting benefits to consumers;
- any restriction arising from the collaboration is indispensable to achieving the efficiencies; and
- it must not eliminate competition in respect of a substantial part of the products or services concerned.

In addition, certain categories of agreements between businesses are covered by block exemptions, which means that they are exempt from the Chapter I prohibition if they meet certain criteria. There are currently several block exemptions in the UK,

³⁰ As set out in our [Strategy 2026 to 2029](#).

including in relation to [research and development](#), [specialisation](#) and [licensing technology rights](#).³¹

Collaborations between competitors are also excluded from the application of CA98 (i) where they are made in order to comply with a legal requirement or (ii) where a public policy exclusion order has been put in place by the Secretary of State through secondary legislation. Exclusion orders have been used in some instances previously, but these have tended to be temporary and in circumstances of heightened crisis (such as, for example, during the COVID-19 pandemic to maintain supply chains).

Supporting beneficial collaborations

The CMA is keen to know if there are sectors of the economy where we could play a role in enabling legitimate, pro-growth business collaboration.

Businesses can contact us where they have conducted a self-assessment of whether their actions comply with competition law and consider that the proposed collaboration would have a wider benefit, such as supporting investment, innovation and growth.

While the CMA will not be able to provide legal advice to individual businesses, we (together with Ofcom) may be able to step in if there is evidence that businesses are being deterred from collaborating in ways that may be beneficial to consumers or the wider economy because of uncertainty about how competition law applies.

To date, we have provided greater clarity on collaborations in specific sectors, for example:

- we have been supporting higher education providers with beneficial collaborations, for example by [setting out](#) some areas where competition law concerns are unlikely;³²
- as regards labour markets, the CMA published a [guide](#) to staying on the right side of competition law when recruiting workers, and setting pay and other working conditions;³³
- in the life sciences sector, the CMA published a [prioritisation statement](#) that the CMA would not prioritise investigations under the CA98 into specific forms of combination drug therapies between medicine manufacturers;³⁴

³¹ A full list of the current block exemptions in force can be found at [Block exemptions - GOV.UK](#).

³² CMA blog: [Supporting higher education providers through beneficial collaborations](#), May 2025.

³³ [Competing for Talent: What businesses need to know when recruiting workers and setting pay and other working conditions](#), September 2025.

³⁴ [Combination therapies: prioritisation statement](#), November 2023.

- we have published guidance specifically on the application of the Chapter I prohibition to environmental sustainability agreements between businesses.³⁵

The CMA also has a number of more general publications to assist businesses and their legal advisors when conducting their self-assessment and considering collaborations, for example:

- [collaborating with other businesses](#);
- [horizontal agreements](#), including individual exemption criteria and the block exemptions on research and development and specialisation; and
- [joint venture business advice](#).

Concluding remarks

Thank you again for your letter – I hope it provides greater clarity to you and industry stakeholders. We will continue to engage with your officials on any questions that might arise on the content.

Recognising that the CMA's discretion is limited by the legal framework and duties set out in statute, we also stand ready to engage constructively with you should you require our advice on any policy or legislative steps government is considering to deliver its objectives for the public service media.

Best regards

Sarah Cardell
Chief Executive

³⁵ [Green Agreements Guidance: Guidance on the application of the Chapter I prohibition in the Competition Act 1998 to environmental sustainability agreements](#) (CMA185), October 2023. The guidance includes practical examples that businesses can use to inform and shape their own decisions when working with competitors on environmental sustainability initiatives. The CMA operates an open-door policy whereby businesses considering entering into an environmental sustainability agreement can approach the CMA for informal guidance on their proposed agreement if there is uncertainty on the application of the Green Agreements Guidance.