

Response to Invitation to Comment on Remedies (Rule 12)

Getty Images / Shutterstock Merger Inquiry — ME/2252/25

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NON-CONFIDENTIAL (PUBLIC) VERSION — personal data redacted

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Executive Summary

The SLC identified in this inquiry is not limited to a narrow segment of the premium editorial market. It arises across three interrelated areas: the supply of stock and standard editorial content through integrated platforms; the acquisition of content from independent contributors, where the merger creates a significant increase in buyer power; and the emerging market for licensed visual datasets used in AI training.

The proposed remedies fail to address these concerns comprehensively. The Parties' proposal — limited to the divestiture of Splash News and Backgrid — does not replicate the competitive constraint currently exerted by Shutterstock across the broader platform. The Wider Shutterstock Editorial Divestiture would partially address premium editorial concerns but leaves the stock content business, standard editorial content, and the upstream contributor market entirely unaffected. Neither remedy addresses the AI training data market, which the Inquiry Group itself identified as a reason for extending the investigation by eight weeks.

The merger creates a structural reduction in the number of effective buyers at the professional tier, enabling the merged entity to worsen terms for contributors without competitive constraint. This is likely to result in downstream effects, including reduced quality and diversity of content available to customers.

The combination of the Parties' content libraries and metadata repositories creates significant control over a critical input for AI model development — specifically, the continuous flow of newly created, rights-cleared, professionally produced visual content — that is not readily replicable by competitors. This forecloses competition in AI-related markets.

The proposed structural remedies would not restore competition to pre-merger levels across these dimensions. This submission considers that prohibition is the only measure capable of

fully addressing the SLC identified. In the alternative, any partial structural remedy requires robust and enforceable behavioural conditions, as set out in section 2.4.

1. Introduction and Standing

I am a professional content creator and have been a registered contributor on both Shutterstock and Getty Images for over sixteen years, with simultaneous activity on both platforms throughout that period. I previously submitted third-party evidence to this inquiry on 26 February 2026 (case ME/2252/25).

I respond to the Inquiry Group's Invitation to Comment on Remedies published on 11 March 2026. I submit this response as an independent contributor whose livelihood is directly and materially affected by the upstream effects of the proposed merger, and as a representative in part of the wider community of approximately 2.6 million independent content creators who depend on these platforms for their professional income.

My response addresses three dimensions that the provisional SLC finding does not fully resolve: (a) the upstream market for content acquisition from independent contributors; (b) the market for AI training data licensing; and (c) the inadequacy of all proposed structural remedies to address those dimensions.

For the purposes of Enterprise Act 2002 s.30(4), contributors are relevant customers within the meaning of the Act: they are indirect customers at the upstream end of the chain of production and distribution. Harm to contributors translates directly into downstream harm — as contributor income falls and quality incentives deteriorate, the quality and diversity of content available to downstream customers (media organisations, publishers, brands) diminishes with it.

2. Position on the Proposed Remedies

2.1 Parties' Remedy Proposal (Splash News + Backgrid only) — INADEQUATE

The Parties propose to divest only the Splash News and Backgrid paparazzi brands. This proposal is inadequate for four reasons.

First, Splash News and Backgrid represent only a narrow segment of Shutterstock's editorial offering. The competitive constraint that Shutterstock currently provides derives from its full breadth across news, sports, entertainment (non-paparazzi) and archive content. Divesting two paparazzi brands does not replicate that constraint.

Second, editorial and stock content are commercially inseparable on both the supply and demand side. This requires precise explanation, as the Shutterstock platform operates two distinct editorial tiers:

- *Standard editorial content* (marked "Editorial Use Only") appears in the main shutterstock.com search interface alongside stock images in unified search results, is downloadable under a standard subscription, and is governed by the same Terms of Service and the same account relationship as stock content. A subscriber searching for news photographs of a public figure will retrieve both standard editorial and stock imagery in a single results page, downloaded through a single interface.
- *Premium editorial content* (professional news photography from accredited reporters and wire services, originating from Rex Features / Shutterstock Editorial) is priced separately — per image or in packs — and accessible through editorial.shutterstock.com and the dedicated Editorial tab. This is the content that is the subject of the Wider Shutterstock Editorial Divestiture.

This distinction is critical for the remedy design. The Parties' proposal addresses neither tier. The Wider Shutterstock Editorial Divestiture (Variant B) addresses only the premium editorial tier — it does not address the standard editorial content that is fully integrated into the stock platform under a unified subscription and Terms of Service.

On the contributor side, the same integration applies: contributors upload both stock and editorial content under a single contributor agreement and a single account. There is no separate contributor registration for editorial versus stock; the content type is determined by the nature of the image, not by a separate contractual relationship.

On the customer side, media organisations — newspapers, magazines, broadcasters — use both standard editorial and stock content when assembling a publication or broadcast, accessing both through a single subscription interface. Divestiture of premium editorial brands leaves the stock platform and standard editorial content fully merged, which does not restore the competitive relationship that currently exists.

Third, the Parties submitted this proposal only after the Interim Report was published, contrary to procedural expectations (Notice of Extension, footnote 5). This timing indicates a minimal defensive response rather than a good-faith remedy.

Fourth, this proposal leaves the upstream monopsony entirely intact. The evidence indicates that the Parties' Remedy Proposal would not be effective in addressing the SLC identified, and this submission considers that it should be rejected.

2.2 Wider Shutterstock Editorial Divestiture (Rex Features + Splash News + Backgrid) — PARTIALLY ADEQUATE for premium editorial, INSUFFICIENT for upstream and standard editorial

This remedy would more effectively address the premium editorial SLC. However, it has three structural deficiencies the Inquiry Group must squarely address.

First, Rex Features has not operated as a standalone business since 2015, when Shutterstock acquired it and migrated its content to the Shutterstock content platform. Divesting it now requires constructing a new business from fragments — a carve-out, in the CMA's own terminology (Notice of Extension, §5(b)). The resulting entity would lack the Shutterstock content platform, the Shutterstock Editorial brand, and the Shutterstock domains. The CMA has itself identified 'composition risks' as a reason for the 8-week extension: those risks are most acute precisely because this remedy is a carve-out of a business that has not existed independently for a decade.

Second, there is no obvious suitable purchaser. Reuters and Associated Press are themselves market participants whose acquisition of this business would raise independent SLC concerns. Smaller or less well-resourced purchasers may lack the editorial expertise and financial capacity to sustain a viable standalone agency.

Third, this remedy still leaves the entire global stock content business fully merged — including the standard editorial content integrated within it. The monopsony in the upstream market for stock and standard editorial content acquisition, which affects the 2.6 million contributors whose primary economic relationship with these platforms runs through the unified stock platform, is completely unaddressed.

2.3 Prohibition — PREFERRED

Prohibition is the only remedy that comprehensively addresses the SLC and its upstream adverse effects within the meaning of Enterprise Act 2002 s.36(3).

No partial divestiture remedies the monopsony in the upstream content acquisition market. No partial divestiture addresses the AI training data market, which the CMA itself has identified as requiring separate assessment. No partial divestiture removes the standard editorial content from the merged entity's unified platform.

The evidence indicates that no partial divestiture restores the competitive constraint currently exerted between the Parties across their core platform activities. The proposed structural remedies address only a limited subset of the identified concerns and would be unlikely to prevent the adverse effects arising in the upstream, stock, and AI training markets.

This submission considers that prohibition is the only measure capable of fully addressing the SLC in its entirety, as required by Enterprise Act 2002 s.36(3).

2.4 Third-party remedy proposal (Rule 12(1)(c)) — Minimum behavioural conditions

In the event that the Inquiry Group does not accept prohibition, the following behavioural obligations are proposed as minimum necessary supporting measures to any structural remedy. These are not offered as alternatives to structural remedies — they are conditions without which any partial structural remedy will fail to address the upstream adverse effects.

- **Minimum royalty floor:** the merged entity to maintain contributor royalty rates at no less than the higher of the two platforms' current published rates for a minimum of five years, with annual CPI indexation, enforceable by the CMA, with a mandatory independent review in year three and the possibility of extension if competitive conditions in the upstream market have not been restored. The five-year period with review is proposed in light of the annual reset mechanism described in section 3.2 — a shorter period does not provide adequate protection through multiple reset cycles under monopsony conditions. This behavioural floor is necessary not merely to protect supplier income, but to prevent the downstream quality degradation — catalogue homogenisation and the accelerated race to volume over originality — that inevitably follows when professional creators can no longer sustain their businesses on platform income alone.
- **Revenue transparency:** the merged entity to provide contributors with annual statements of total downstream licensing revenue attributable to their content, broken down by licence type (including AI training licences and enterprise editorial licences), consistent with DSM Directive Article 19. Contributors to have independent audit rights.
- **AI training opt-out:** the merged entity to implement a free, machine-readable, platform-interoperable mechanism enabling contributors to opt out of AI training and licensing use of their content, consistent with DSM Directive Article 4(3) and EU AI Act Article 53(1)(c) and (d). This opt-out must apply prospectively to new licences; the Inquiry Group should note that content already incorporated into trained AI models cannot be technically removed (see section 3.4). Critically, the opt-out mechanism must be genuinely neutral: the merged entity must be prohibited from using search ranking, discoverability algorithms, or any other platform mechanism to disadvantage contributors who exercise this right. The evidence set out in section 3.4.2 of this submission indicates that the current opt-out implementation may not be neutral in practice.
- **Account protection:** the merged entity to provide contributors with at least 30 days' written notice and specific reasons before any account restriction or termination, consistent with P2B Regulation Article 4(2), with an independent appeals mechanism. Both platforms' current contributor agreements reserve the right to terminate accounts with immediate effect, in direct conflict with these statutory requirements. Currently, the theoretical ability to transfer a portfolio to a competing platform provides contributors with some residual outside option against arbitrary termination. Post-merger, that outside option is eliminated, making statutory enforcement of termination protections not merely desirable but structurally necessary.
- **Subscriber lock-in:** early termination penalty clauses in annual subscription agreements not to be enforced against UK and EU customers in a manner inconsistent with the Consumer Rights Act 2015 and the retained P2B Regulation. Currently, Shutterstock's

standard terms impose a 50% early termination fee subject only to the caveat 'unless local law requires otherwise' — which places the burden of knowing and asserting local consumer protection rights on the customer.

- **DACS integration:** the merged entity to implement downstream publication tracking sufficient to enable contributor participation in DACS Payback and equivalent collective rights management schemes. Based on the submitting party's direct experience as a long-standing contributor to both platforms, neither Shutterstock nor Getty Images currently provides contributors with the publication tracking infrastructure necessary to claim DACS Payback entitlements on licensed content subsequently published in UK books and magazines. This results in a systematic gap in secondary-use remuneration that a merged entity with monopoly-scale licensing data is uniquely positioned — and should be required — to remedy. Currently, competitive pressure between platforms provides at least a theoretical incentive to improve contributor metadata tracking as a means of attracting and retaining contributors. Post-merger, the monopoly entity will have no incentive to incur the administrative cost of DACS integration, permanently foreclosing contributors from secondary-use remuneration to which they are legally entitled.
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3. The Upstream Market: Monopsony and Its Adverse Effects

3.1 Unilateral buyer power in a highly concentrated upstream market

Pre-merger, the upstream market for the acquisition of non-exclusive professional commercial visual content operates as a concentrated oligopsony, constrained primarily by three platforms: Shutterstock, Getty Images (including iStock), and Adobe Stock. The proposed merger represents a 3-to-2 consolidation at the professional tier.

The scale of the merging parties' combined position is directly evidenced by their most recent full-year financial disclosures. Shutterstock reported record full-year 2025 revenue of USD 989.9 million (announced 17 February 2026), driven primarily by its Data, Distribution and Services segment — which encompasses AI training data licensing. Getty Images reported record full-year 2025 revenue of USD 981.3 million (announced 16 March 2026), boosted in part by two significant multi-year licensing agreements signed in Q4 2025. The combined entity would control approximately USD 1.97 billion in annual licensing revenue, operating as a single unavoidable upstream buyer facing approximately 2.6 million independent contributors.

Notably, neither Shutterstock nor Getty Images transparently reports the exact amount paid to contributors as a discrete line item. Shutterstock consolidates contributor royalties within a broader 'Cost of Revenue' category that also includes hosting infrastructure and payment processing costs. Getty Images does not report contributor payouts as a separate disclosure. This structural opacity in financial reporting makes it impossible for contributors, analysts, or

regulators to independently calculate the effective contributor take-rate — the proportion of gross licensing revenue actually reaching creators — and precludes any empirical verification of whether that rate is declining over time. The Inquiry Group may wish to require the Parties to provide disaggregated contributor payout data as part of the Phase 2 evidence process.

The CMA's own Interim Report confirms that Getty is the clear market leader across archive, entertainment, news and sports segments, and that Shutterstock is one of very few material alternatives, with competition coming primarily from a small number of newswires (Interim Report, §7). In this narrowly concentrated upstream market, the elimination of the direct competitive constraint between Shutterstock and Getty is itself the source of buyer power harm.

Critically, under the CMA Merger Assessment Guidelines (CMA129), when merging firms are each other's closest competitors, a high combined share of a broadly defined market is not strictly necessary to find an SLC. The submission below (section 3.1.2) addresses why the Parties' broad market definitions, drawn from their investor-facing 10-K disclosures, should be disregarded for this analysis.

3.1.2 Rebuttal of the Parties' broad market definition

In their public financial disclosures, the Parties routinely list a vast array of purported competitors — including free image platforms, design SaaS tools, generative AI engines, and commissioned photographers — in order to project the appearance of a fragmented, competitive market. The Inquiry Group should approach these lists with caution. Under CMA129, the relevant market is defined by strict substitutability, not corporate benchmarking for investors. For the upstream market specifically, the test is not whether downstream customers can find alternative imagery, but whether an independent contributor facing a reduction in effective royalty rates has a viable alternative platform to which they can migrate their livelihood.

Free platforms (Unsplash, Pexels, Pixabay) — zero supply-side substitution. These platforms operate on a zero-remuneration model for creators. A professional contributor facing a 5-10% reduction in effective royalty rates cannot migrate their business to Unsplash (acquired by Getty Images in 2021) or Pexels/Pixabay (acquired by Canva in 2019), as the yield there is zero. These platforms exert no competitive constraint on the merged entity's ability to suppress contributor wages. Their ownership by the merging parties and their acquirers respectively makes this structural conflict of interest directly relevant to the remedy design.

Generative AI (Midjourney, DALL-E, Adobe Firefly) — a derivative, not a substitute. GenAI cannot produce factual editorial content — real news events, identifiable people, live sports — due to hallucination risks and the legal prohibition on deepfakes in editorial contexts. For commercial stock, enterprise customers purchase legal indemnification (copyright clearance), which unverified generative models cannot currently provide. Most critically from a competitive analysis perspective: generative AI models are trained on the upstream acquisition of human-created data. Allowing the merger to proceed consolidates the two largest repositories of commercially cleared, rights-managed training data under a single entity. This does not help the

merged entity compete with AI; it creates a structural barrier to entry (foreclosure) for any future AI developer seeking to train on licensed, legally cleared visual data at scale.

Design platforms (Canva, Adobe Express) — complements, not substitutes. Canva is a SaaS tool that historically sourced its content library through API agreements with Getty and similar platforms. Its contributor economics (pool-based flat rate distribution) operate on fundamentally different unit economics that cannot replace the per-licence income that professional contributors earn on Shutterstock or Getty. Adobe Stock is the only genuine close competitor to the merging parties in the professional, indemnified, non-exclusive commercial segment — and even Adobe's contributor base and market positioning are substantially differentiated from the merged entity's combined scale.

Commissioned photography — a different price tier entirely. A bespoke commissioned shoot typically costs an order of magnitude more than a stock licence. The two are not substitutes within any standard antitrust price range test.

The Inquiry Group should accordingly disregard the Parties' inflated competitor lists and focus the upstream analysis on the narrow market where independent professional creators actually earn their livelihood: a market constrained, post-merger, only by a single dominant platform and Adobe Stock.

3.2 Annual royalty reset: a structural mechanism for earnings suppression — and the competitive constraint that currently limits it

A critical and little-discussed feature of Shutterstock's royalty system is the annual reset mechanism, introduced in June 2020. Shutterstock operates a six-tier royalty structure ranging from 15% to 40%. The tier a contributor occupies is determined by the number of licences sold in the current calendar year. Every year on 1 January, all contributors are reset to Level 1 — the 15% minimum — regardless of their performance in previous years. They must then rebuild their tier from scratch through the first months of each new year.

The Parties may argue that this mechanism pre-dates the merger and is therefore irrelevant to the SLC analysis. This argument misunderstands the theory of harm. The submission does not claim that the merger creates the reset mechanism. It claims that the existence of Getty Images as an independent competing buyer has provided the only structural constraint preventing Shutterstock from further degrading the terms under which this mechanism operates — by, for example, lowering the ceiling tier rate, widening the gap between tiers, or extending similar structures to additional product lines. Post-merger, that constraint disappears entirely.

The structural asymmetry the reset creates is significant and quantifiable. A customer pays a flat annual subscription fee — the same amount in January as in December. But a contributor whose content is downloaded in January earns at the 15% rate, while the same content downloaded in November may earn at 35% or 40%. For the same content, under the same customer subscription, the contributor is paid at rates varying by a factor of two to three depending purely on time of year. A competing platform offering a non-resetting structure would attract

contributors in any normal competitive market. After the merger, no such competitor of comparable scale will exist.

A meaningful royalty floor remedy must therefore address the reset mechanism specifically — either by prohibiting it, or by imposing a floor that operates at the annual effective rate, not merely at the instantaneous headline rate.

The submitting party's own experience as a long-standing contributor is consistent with this analysis: following the introduction of the tier reset in June 2020, the primary mechanism of earnings suppression operated through declining download volume rather than through any change in the per-download royalty rate — a dynamic that cannot be addressed by a royalty floor alone without also regulating ranking transparency.

3.3 Customer lock-in and the suppression of competitive discipline

Both platforms currently operate subscription models that create high artificial switching costs for downstream customers — media agencies, publishers, freelance designers, and SMEs.

A prominent example is Shutterstock's standard annual subscription, billed monthly. If a customer attempts to cancel before the twelve-month term concludes, the platform automatically imposes a 50% early termination fee on the remaining contract balance. This practice conflicts with UK consumer protection law. Under the Consumer Rights Act 2015 (Schedule 2), contract terms that require a consumer to pay a disproportionately large sum in compensation for early termination are considered indicatively unfair. The practice is also addressed directly by the Digital Markets, Competition and Consumers Act 2024, which strengthens enforcement against subscription trap mechanisms that prevent consumers from exiting contracts on reasonable terms.

Shutterstock attempts to limit exposure to these statutory protections through two mechanisms: a caveat that the fee applies 'unless local law requires otherwise' — which places the burden of knowing and asserting local consumer rights on the individual customer — and a New York governing law clause, which purports to displace UK statutory protections from consumer contracts concluded with UK customers. Neither mechanism validly excludes mandatory UK consumer law protections.

The antitrust implication connects directly to the royalty reset mechanism described above. Because downstream customers are contractually locked in, the merged entity faces highly inelastic downstream demand in the short-to-medium term. This insulates it from immediate revenue loss and gives it unrestricted freedom to depress upstream contributor wages — through the annual reset mechanism and other structural mechanisms — without risk of downstream commercial consequence. Contractual lock-in, when combined with monopoly power, ceases to be a mere consumer dispute and becomes the structural precondition for unconstrained monopsony exploitation of contributors. Pre-merger, a customer aggrieved by punitive exit terms can migrate to Getty Images. Post-merger, that escape route is eliminated.

3.4 AI training data: control over the flow of recency data is the forward-looking harm

Both platforms have entered into substantial AI training data licences — Shutterstock with OpenAI and others, Getty Images with NVIDIA Edify — under which contributor content has been used to train generative AI models. A contributor opt-out mechanism has existed on Shutterstock only since January 2023. Content licensed for AI training prior to that date was included in datasets without any opt-out right; Shutterstock has confirmed that this earlier content will not be retroactively excluded.

The Parties may argue that the harm from past AI training is already done and irreversible — and therefore that prohibition cannot undo it. This argument, while technically accurate about the past, fundamentally mischaracterises the forward-looking harm.

The competitive value of a visual content library for AI purposes is not static. Generative AI models require continuous retraining on fresh, current content to remain accurate and commercially useful. A model trained exclusively on historical data — events, people, visual styles from five or ten years ago — rapidly degrades in relevance. The commercially critical resource is not the historical archive but the continuous flow of newly created, rights-cleared, professionally produced visual content: current news photography, live sports imagery, emerging design trends, new faces. This recency data is what the merged entity will uniquely control at scale, with no comparable competitor able to offer AI developers an equivalent licensed stream.

Post-merger, the merged entity will be the sole provider of commercially cleared, indemnified, continuously updated visual training data at the scale required by major AI model developers. This creates a structural barrier to entry in the AI training data licensing market: any future AI developer or competing platform seeking to build or maintain competitive models will face a single supplier with monopoly pricing power over the most commercially valuable data tier.

The Inquiry Group should therefore frame the AI harm not as retrospective (content already used) but as prospective: the merger forecloses competition in the market for continuously refreshed, professionally produced, legally cleared visual AI training data — a market whose competitive significance will grow, not diminish, as AI model development continues.

A contributor who opts out today, or who deletes their portfolio entirely, cannot remove their content from AI models already trained on it. The technical process of machine unlearning — extracting specific training data from a trained neural network — is not achievable at scale. This irreversibility of past harm strengthens, rather than undermines, the case for prohibition: the longer the merged entity operates before a remedy is in place, the more irreversible harm accumulates in future training cycles.

The Inquiry Group should also consider whether the existing Interim Undertakings accepted from Shutterstock on 1 December 2025 should be extended to prevent the conclusion of new AI training data licences by the merged entity pending the final decision.

3.4.1 Uncompensated metadata: the hidden layer of AI value extraction

A dimension of the AI data licensing market that has received insufficient attention is the commercial role of contributor-authored metadata. Generative AI models — specifically text-to-image models — do not learn from visual pixels alone. They require accurate, human-authored textual descriptions to map language to visual concepts. Every asset uploaded by an independent contributor includes curated metadata: titles, detailed descriptions, and targeted keywords. This textual annotation is the product of skilled human labour.

The merging parties explicitly acknowledge the commercial value of this metadata to AI developers. Shutterstock's investor disclosures state that the company observes «increased demand for access to our metadata for machine learning and generative AI model training» and markets its datasets as «ethically sourced and licensable metadata at industry-leading scale». Getty Images, in its AI partnership with NVIDIA, was specifically described as a unique partner not merely for its imagery but for its «rich metadata». In Getty's litigation against Stability AI, the company specifically cited the scraping of «captions and metadata» as a core component of the intellectual property harm — treating contributor-authored textual data as proprietary assets worth protecting in court.

However, under both platforms' contributor Terms of Service, textual metadata is bundled with the visual asset as part of a single undifferentiated «Content» definition. When platforms license these archives to AI developers, they are selling structured text-to-image datasets — yet contributors receive no separate compensation for the semantic annotation component, which is functionally as commercially valuable to an AI developer as the visual file itself.

Post-merger, the combined entity will control the world's largest proprietary repository of human-annotated, rights-cleared, text-to-image training data. The merged entity will have extracted the value of contributors' textual IP systematically, without pricing it into contributor remuneration, and without any competing platform remaining to create market pressure for a different approach. This is an additional dimension of the upstream monopsony harm that no proposed structural remedy addresses.

3.4.2 Opt-out and platform visibility: first-hand witness evidence

The following constitutes direct personal witness evidence from the submitting party, an active contributor with over sixteen years of continuous experience on the Shutterstock platform.

In February 2020, the submitting party received an official communication from Shutterstock amending its Contributor Terms of Service. One of the stated changes was: *«To allow for future updates to be enabled, the terms related to opting out of certain license types have been removed.»* In response to this removal of contractual opt-out protections, the submitting party exercised the available opt-out from AI training data licensing at that time.

Following this, the submitting party observed a material and sustained decline in download volume on the platform, without any corresponding change in portfolio size, content quality, or

upload activity. No explanation was provided by the platform for this change in performance.

The submitting party does not assert that this decline is causally attributable to the opt-out decision. Several confounding factors are present — including the onset of the COVID-19 pandemic in early 2020, the introduction of the tier reset mechanism in June 2020, and broader structural changes in demand for licensed stock imagery. The platform does not provide contributors with the data — search impression counts, ranking position data, or click-through rates by keyword — that would be necessary to isolate the effect of any single variable.

This opacity is itself the evidential point. P2B Regulation Article 5 requires providers to set out the main parameters determining ranking and the reasons for their relative importance. Without this disclosure, a contributor who observes a sustained decline in download volume on a stable portfolio has no means of identifying the cause, challenging the outcome, or seeking redress. A contributor cannot demonstrate algorithmic retaliation — and equally cannot rule it out. The platform's structural opacity removes accountability entirely.

Post-merger, with no competing platform of comparable scale available, contributors in this position will have no alternative and no recourse. The absence of a competing platform eliminates the only practical incentive for the merged entity to maintain transparent and neutral ranking practices.

3.5 The race to the bottom: a documented quality harm

The annual reset mechanism interacts with the volume-based tier structure to create systematic pressure toward high-volume, lower-quality production. Contributors who need to rebuild their tier each January upload large volumes of algorithmically optimised imagery — replicating successful formats, colour palettes, and compositions — because discoverability rewards volume over originality. The result is catalogue homogenisation: a degradation in content diversity that directly harms downstream customers seeking distinctive professional imagery. This is an adverse effect on the quality of goods in the relevant market under s.30(1)(a) of the Act, and one that intensifies under post-merger monopsony conditions with no competitive pressure to reverse it.

4. Relevant Customer Benefits

The Parties will likely submit claimed benefits including enhanced AI capabilities, operational efficiencies, and greater innovation in generative AI tools. The Inquiry Group is invited to examine these claims critically.

First, AI licensing benefits accrue primarily to the merged entity, not to customers or contributors. Both platforms pay an unspecified and unauditable share of AI data licensing revenue into collective contributor funds, with no individual-level attribution, no audit rights, and no mechanism for contributors to verify whether their specific content was included in any

particular licence or to calculate what they are owed. Downstream customers do not benefit from a larger AI training dataset; they benefit from competitive prices, content quality, and choice, all of which are harmed by the merger.

Second, efficiency gains under monopsony conditions are typically retained by the buyer rather than shared upstream with suppliers. There is no mechanism compelling the merged entity to pass synergies to contributors.

Third, contributors have already borne the cost of the claimed AI innovation without transparent compensation. AI models have been trained on contributor content under licences that provided no individual-level revenue data, no effective opt-out prior to January 2023, and no audit access. The merged entity now seeks to capitalise on that content base at monopoly scale.

The claimed RCBs do not outweigh the upstream adverse effects identified in this submission.

5. The AI Training Data Market: A Gap in Every Proposed Remedy

The Notice of Extension identified 'the competitive constraint arising out of Generative AI' as one of the two special reasons justifying the 8-week extension. None of the four remedy options on the table addresses this market.

The Parties' Remedy Proposal is irrelevant to AI training data. The Wider Shutterstock Editorial Divestiture leaves the entire stock archive — the primary source of AI training content — with the merged entity. Behavioural conditions address contributor rights but do not restore competition in the AI training data licensing market itself.

The evidence indicates that the proposed remedies would not be effective in addressing this concern. The Inquiry Group may wish to consider whether any partial remedy can be accepted without explicitly addressing why the AI training data market — identified as a reason for extending the investigation — is excluded from the scope of the structural remedy.

6. Conclusion

In order of preference:

- **(1) Prohibition** of the merger: the only remedy that fully addresses the SLC, the upstream monopsony, and the AI training data market, as required by Enterprise Act 2002 s.36(3).
- **(2) The Wider Shutterstock Editorial Divestiture**, with binding behavioural obligations as set out in section 2.4 — but only if the Inquiry Group is satisfied that a viable purchaser exists and the composition risks identified in its own Notice of Extension can be managed. This option does not address the standard editorial content integrated within the stock platform, nor the upstream monopsony for stock contributors.

- **(3) Rejection of the Parties' Remedy Proposal** as wholly inadequate.
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CMA case reference: ME/2252/25

This submission is filed in non-confidential (public) form. All personal data of the submitting party has been redacted. This version may be shared with the parties and published on the CMA case page.

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15. Shutterstock, Data Licensing and the Contributor Fund (opt-out from January 2023; pre-June 2023 content not retroactively excluded) — <https://submit.shutterstock.com/help/en/articles/10594694-shutterstock-data-licensing-and-the-contributor-fund>
16. Shutterstock, Editorial License (two-tier structure) — <https://www.shutterstock.com/help/en/articles/10617059-shutterstock-editorial-license>
17. Shutterstock, Terms of Service — <https://www.shutterstock.com/license>
18. Submitting party's Phase 2 Submission to the CMA, 26 February 2026 (case ME/2252/25) — available on request