

Competition and Markets Authority

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3 June 2026

Dear CMA Business Software SMS Team,

RE: MOW Response to the CMA's Invitation to Comment in the Strategic Market Status Investigation into Microsoft's business software ecosystem

We write on behalf of the Movement for an Open Web ("MOW"), a non-profit organisation dedicated to promoting an open and competitive web. We refer to the Invitation to Comment on Microsoft's SMS status within the business software ecosystem (the "ITC").¹ We thank the CMA for considering MOW's submission in the ITC.

In brief, we are concerned about the compatibility of the CMA's approach with its stated priorities and how its investigation will safeguard the interests of consumers and promote jobs and growth in the UK.

The CMA's Questions

Q1: Please give your views on the proposed scope of our investigation and candidate descriptions of Microsoft's business software ecosystem.

We support the CMA's inclusion of numerous products and services as part of one single digital activity where the digital activities "*fulfil the specific purpose of providing a software environment that enables organisations to perform work tasks effectively, securely and at scale.*"² Due to the vertical integration of technological software and the different layers of the tech stack, such method for designation fits the reality of the way the entity operates its business model.

Q2: Please provide any submissions or evidence relevant to the avenues of investigation we have set out above. Are there other issues that the CMA should take into account, and if so, why?

- A. In terms of importance to UK growth and consumer welfare, business software does not appear to be the CMA's highest priority digital market issue and the CMA has not explained why this has become a priority.**

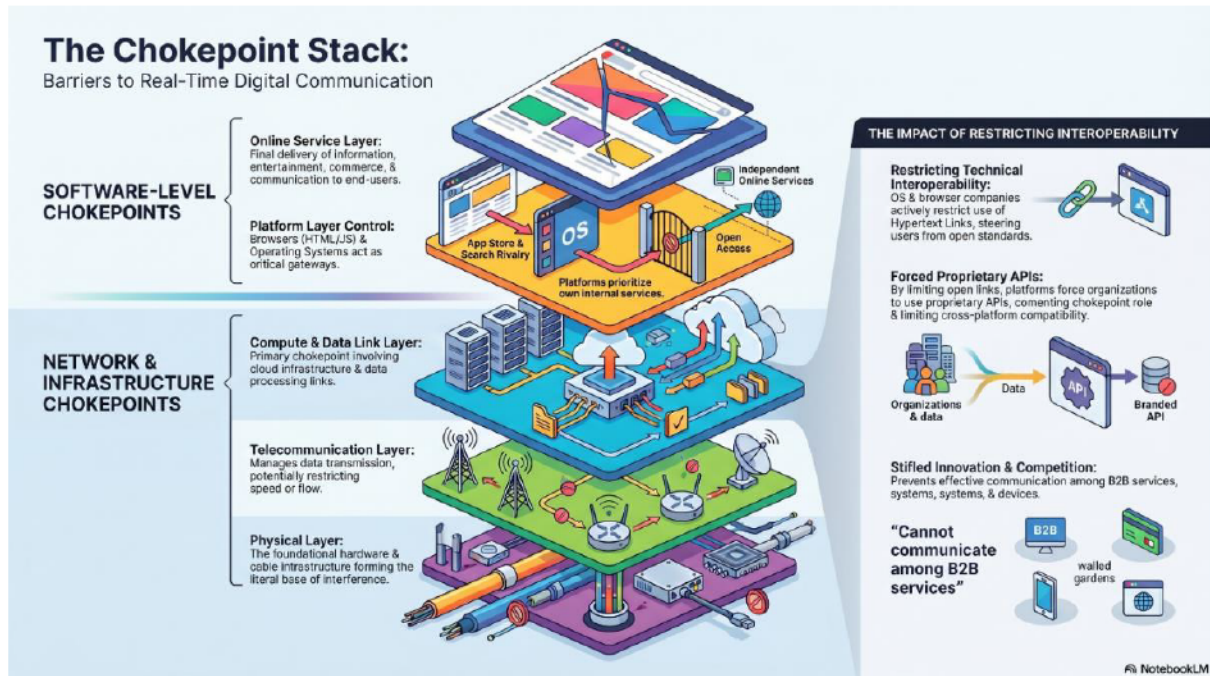
We agree with the CMA that the web and any business stack should be interoperable, which is crucial in fostering innovation across different technology sectors. We also agree that business customers should be able to choose different products and services across their business software. However, the future of

¹ https://assets.publishing.service.gov.uk/media/6a0495ca97000cb6073e4d8f/Invitation_to_comment.pdf

² Ibid., para. 21.

the UK’s knowledge economy is being undermined by serious headwinds,³ few if any appear to be addressed in the announced investigation.

Our representation of the “bottlenecks” or “chokepoints” is provided below, which demonstrates the layers and the relevant chokepoints which need to be addressed (image created by Google’s NotebookLM).



We are aware that there are numerous issues in digital markets for the CMA to tackle and due to the limited resources, the CMA follows its prioritisation principles to decide which issues to prioritise, in accordance with the CMA’s strategic steer focusing on UK investment and growth. The CMA also follows the 4Ps framework announced at the end of 2024 consisting of pace, predictability, proportionality and process.⁴ Delivering at pace means identifying key areas of particular concern.⁵ In terms of proportionality, it is about interventions which have a clear and direct impact for UK consumers and businesses.

Although MOW supports the CMA’s focus of unbundling and promoting interoperability, we respectfully believe that the key ecosystem issues do not lie with Microsoft’s business software and that the remedies will make no difference to consumer prices, growth or jobs in the UK. Therefore, the

³ As noted by the response from Anonymous 5 (“one of the world’s largest publishers”) to the CMA’s consultation on the conduct requirements in the Google Search & Search Advertising DMCCA investigation:

By being the “highway rather than the destination”, Google created one of the biggest companies in history, but that “that model is over. Google is now rebuilding themselves as the destination not the highway”, this directly affects consumers and every business with a website and “Consumer choice is replaced with Google’s choice.” This is of the highest priorities when considering consumer impacting digital activity that needs to be investigated by the CMA.
https://assets.publishing.service.gov.uk/media/69b970d8c06ba9576435ab51/Anonymous_5.pdf

In addition, Google’s announcements at the 2026 I/O conference of an overhaul of Google Search with AI features have been unaddressed by the CMA despite Google’s SMS designation and the purported flexibility of the DMCCA regime to be able to address changes in digital markets quickly. See Google’s statement in the following blog: <https://blog.google/products-and-platforms/products/search/search-io-2026/>.

⁴ <https://www.gov.uk/government/speeches/driving-growth-how-the-cma-is-rising-to-the-challenge>
⁵ <https://www.gov.uk/government/speeches/promoting-competition-and-protecting-consumers-in-the-digital-age-a-roadmap-for-growth#:~:text=Focusing%20as%20quickly,clear%20as%20possible>

logical connection between the CMA's published priorities and its decision to expend efforts and resources on this investigation is unclear.

We note that the finding of SMS does not mean that the CMA finds any evidence of wrongdoing, which will be subject to a separate investigation under the DMCCA remedy phase. The remedy requires expending further resources on remedy design, implementation and monitoring, which we do not believe should be the focus of the CMA's resources.

The CMA refers to the [CMA's Cloud Market Investigation](#) (concluded on 31 July 2025), which identified anti-competitive issues in the cloud industry. If the CMA's focus in this investigation is to address the issues identified in the Cloud MI, the CMA's concerns regarding Microsoft's ability to leverage business software into cloud services cannot be assessed in isolation. The Cloud MI identified concerns relating not only to Microsoft, but also to AWS and Google Cloud regarding egress fees and the concentration of players in the infrastructure as a service market. Where the CMA chooses to investigate one provider while declining to pursue equivalent SMS investigations into other providers operating at adjacent levels of the same ecosystem, it should clearly explain the basis for that distinction. Otherwise, there is a risk that market participants perceive the DMCCA regime as being applied selectively rather than according to a consistent set of competitive principles. The CMA would also need evidence from the other large cloud services providers to be able to effectively assess the market issues that need to be addressed.

We understand that the CMA has engaged in pre-SMS investigation informal negotiations with Microsoft and AWS who have "*set out actions on cloud egress fees and interoperability to support greater choice for businesses and public sector organizations in the UK.*"⁶ The CMA's reasoning behind conducting an SMS investigation into Microsoft but not AWS (and Google Cloud) remains elusive.

We are also concerned that by refusing to rectify the issues identified in the Cloud MI, the CMA may also be close to failing to use its DMCCA powers to fulfil its duties under Article 360 of the Trade and Cooperation Agreement ("TCA")⁷ between the UK and the EU.

For any investigation that is commenced, there should be a clear explanation of the scale of benefits such as reducing prices, boosting growth, creating new jobs, improving UK productivity and interoperability that enhances competition of UK business relative to US incumbents.

In Annex 1, we summarise the investigations in digital markets that the CMA has opened and their status. In our view, there are other issues that are more pressing and warrant the CMA's attention that can deliver measurable benefits for the UK economy as follows. Absent any justification to the contrary, the CMA's choices on the prioritisation of resources on this investigation rather than the following issues are unclear.

- **The cost of digital advertising on households**

This was identified by the CMA as early as 2020 being at £500 per household⁸ and that Google's return on capital in 2018 was 40% and Facebook's was 50%.⁹ The cost figure is estimated to be at over £1,000 per household so addressing anti-competitive practices in these markets would directly reduce costs to businesses and consumers at a much larger scale. However, there have been no remedies imposed by the CMA in digital advertising (whether digital advertising or search advertising).

⁶ [CMA announces package of actions on business software and cloud services - GOV.UK](#)

⁷ [Trade and Cooperation Agreement between UK and EU](#)

⁸ [Online platforms and digital advertising market study](#) (2020), para 9 of the Introduction and para 6.21.

⁹ [Online platforms and digital advertising market study](#) (2020), para 12 of the Introduction and para 2.78.

We note that the CMA is investigating certain issues under the DMCCA regime (such as Google’s Search & Search Advertising and Google & Apple’s Mobile Platform) but no remedies regarding advertising have been implemented and the delay is unclear (especially considering the EU’s more advanced DMA, which the Commission has found in April 2026 is fit for purpose¹⁰).

There has been no CMA update regarding an investigation into Meta’s practices in digital advertising nor social media.

- **Mobile browsers**

The CMA found that Google and Apple’s rules and design choices in their respective browsers limit competition in alternative browsers. In addition, the revenue sharing agreement between Google and Apple reduces incentives to compete¹¹ and provides exclusive use of Apple users data to Google. The combination affects prices for online products in the UK and ties up both suppliers of operating systems used on handsets that are used by the vast majority of UK consumers.

We are aware that the CMA is planning to address these issues as part of the Mobile Platform DMCCA investigations but the CMA’s [Google Mobile Platform roadmap](#) says they will confirm prioritisation of these issues at some point in 2026. We believe the CMA’s choices on prioritisation for consumers are manifestly inconsistent with its stated goals.

- **Apple’s ITP and ATT**

As early as 10 June 2022, the CMA identified Apple’s and Google’s privacy changes and their impact on competition.¹² The CMA’s [Apple Mobile Platform roadmap](#) states that they will not pursue these issues in the first half of Apple’s SMS designation period (i.e., not until 2028).

Q3: What are your views on how business software may evolve in future, including as a result of AI and increased cloud adoption, and how Microsoft’s business software ecosystem might be affected by these changes?

Efforts to strengthen national digital and cloud sovereignty is likely to adversely impact Microsoft’s position in the market. Alternatives to Microsoft’s services are in use and are possible. For example, France has moved from Windows OS to Linux¹³ and the Dutch parliament passed eight motions urging its government to move public services off American platforms entirely¹⁴ and Switzerland may be following suit also.¹⁵ At the wholesale level, business providers are migrating to cloud providers in the EU.

The EU’s Cloud Sovereignty Framework¹⁶ and the Euro Stack¹⁷ are also well underway.

In addition, there is the growth of containerisation, which AWS leverages and describes as a method that “*bundles an application’s code with all the files and libraries it needs to run on any infrastructure*”.¹⁸ In other words, this makes applications portable across numerous cloud platforms. AWS has invested

¹⁰ https://digital-markets-act.ec.europa.eu/review-highlights-digital-markets-act-remains-fit-purpose-and-has-positive-impact-2026-04-28_en

¹¹ [CMA Mobile Browsers and Cloud Gaming Final Decision Report](#) (12 March 2025), chapter 9.

¹² CMA Mobile Ecosystems Market Study (10 June 2022), [Appendix J](#), which sets out Apple’s privacy changes and their impact on competition.

¹³ <https://uk.pcmag.com/operating-systems/164365/france-kicks-windows-to-the-curb-pivots-to-linux-os>

¹⁴ <https://www.theregister.com/off-prem/2025/03/19/time-to-ditch-us-tech-services-says-dutch-parliament/411129>

¹⁵ <https://www.europesays.com/ch/52634/>

¹⁶ https://commission.europa.eu/document/download/09579818-64a6-4dd5-9577-446ab6219113_en?filename=Cloud-Sovereignty-Framework.pdf

¹⁷ <https://eurostack.eu/>

¹⁸ <https://aws.amazon.com/what-is/containerization/#what-are-containerization-use-cases--1u81ae8>

heavily in Docker support, Kubernetes, Amazon ECS and EKS.¹⁹ We believe that the CMA should also prioritise DMCCA investigations into Amazon's AWS service.

Q4: Please give your views on whether the issues outlined in this section are the right ones for the CMA to focus on, or whether there are others we should consider.

As mentioned above to Q1, we believe that the issues the CMA is focusing on are unlikely to deliver the meaningful results in the market and that the Cloud Market Investigation, Mobile Ecosystems Market Study, Mobile Browsers and Cloud Gaming investigation, Privacy Sandbox commitments process and Search investigations have each identified significant competition concerns affecting broad segments of the UK economy.

Yet, many remain unresolved or subject only to voluntary commitments. Before initiating further resource-intensive interventions, the CMA should demonstrate how the proposed investigation will produce tangible benefits in terms of lower prices, greater innovation, increased investment, improved interoperability or stronger UK competitiveness.

Furthermore, pricing outcomes observed in Microsoft's business software ecosystem may not necessarily reflect conduct specific to Microsoft alone, but could also arise from broader commercial and accounting approaches adopted across the industry. Where the CMA may provide useful insight and guidance for the benefit of users would be in establishing baseline information on accounting standards and how costs are assessed by different businesses, which then translate into prices for wholesale offerings and retail pricing.

To compare different offers from different players would, we suggest, require an investigation into the different suppliers (such as AWS and Google Cloud) so that the CMA can compare and contrast pricing models. Investigating Microsoft's practices in isolation risks overlooking models by alternative providers and lead to an incomplete picture of competition within the broader ecosystem. Instead, a comparative assessment would allow the CMA to evaluate whether pricing practices reflect common industry approaches to cost allocation, bundling and pricing.

Q5: Please give your views on whether there are potential interventions that are likely to be necessary and which may be effective, proportionate and have benefits for UK users and consumers.

As described above, since it is focused on business software, we see only a limited relevance of this investigation to UK consumers.

Q6: What are/ the key lessons the CMA should draw from measures imposed on Microsoft, in respect of its business software ecosystem, in other jurisdictions?

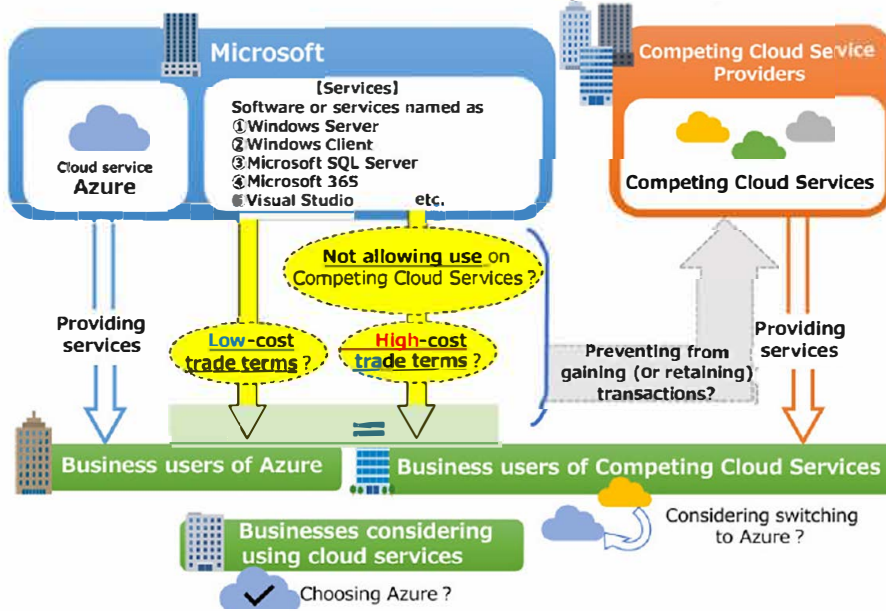
We have referred above to the different government actions that are looking to move workloads away from Microsoft. We also note that the Japan Fair Trade Commission (or JFTC) is also investigating Microsoft's software or services (named as Windows Server, Windows Client, Microsoft SQL Server, Microsoft 365, Visual Studio, etc.) and the provision of cloud service Microsoft Azure under its competition laws.²⁰ The JFTC provides a useful [diagram](#) of the investigated conduct which the CMA may find valuable in assessing the position:

¹⁹ <https://docs.aws.amazon.com/decision-guides/latest/containers-on-aws-how-to-choose/choosing-aws-container-service.html>

²⁰ Investigation opened on 4 March 2026: <https://www.jftc.go.jp/en/pressreleases/yearly-2026/March/260304.html>

Overview of the Conduct for Seeking Information and Comments

Notes : The JFTC has not reached any conclusions as to whether the Antimonopoly Act has been violated at this stage. The suspected conduct subject to submission of information and comments is indicated in yellow below.



Yours faithfully,



Preiskel & Co LLP

Annex 1 – Timeline of CMA Market Studies / Investigations in digital markets and cloud

Dates	Investigation	Finding	Current status
1 July 2020	Online Platforms and Digital Advertising Market Study	The problems identified in these markets are wide-ranging and self-reinforcing (including in search, social media and digital advertising).	Instead of making a market reference, the CMA recommended that a new regulatory approach was needed, which can tackle a range of concerns simultaneously, with powers to act swiftly. Deferred to the DMCCA.
3 March 2021 – 21 August 2024	Apple’s App Store	Case opened due to suspected breaches of competition law in relation to the distribution of apps.	The CMA closes the CA98 cases against Apple . Deferred to the DMCCA.
15 June 2021 – 10 June 2022	Mobile ecosystems The CMA launches a market study into mobile ecosystems within 4 broad themes (incl. mobile apps).	Mobile Ecosystems Market Study Final Report – See Chapter 8 – Potential Interventions. There is “ <i>a strong case for interventions</i> ” to open up competition and address the harms.	Deferred to the DMCCA.
10 June 2022 – 21 August 2024	Google Play	Case opened due to suspected breaches of competition law in relation to the distribution of apps.	The CMA closes the CA98 case against Google Deferred to the DMCCA.
22 November 2022 – 12 March 2025	Mobile Browsers & Cloud Gaming	The Final Decision found AECs in numerous markets (see chapter 10).	Deferred to the DMCCA.
5 October 2023 – 31 July 2025	Cloud Services	The CMA publishes final decision report in the cloud services market investigation.	Deferred to the DMCCA.
14 January 2025 – ongoing	Google Search & Search Advertising	Roadmap of remedies published on 23 June 2025.	First conduct requirements expected in 2026.
23 January 2025 – ongoing	Google’s Mobile Platform	Roadmap of remedies published on 23 July 2025.	Commitments for Google’s Play Store agreed with Google (1 April 2026). Anti-steering commitments expected in 2026.
23 January 2025 – ongoing	Apple’s Mobile Platform	Roadmap of remedies published on 23 July 2025.	Commitments for Apple’s App Store agreed with Apple (1 April 2026). Anti-steering commitments expected in 2026.