

CMA Impact Assessment

CMA213

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1. Summary

- 1.1 As set out in our Strategy,¹ the Competition and Markets Authority (CMA)'s purpose is to promote competition and protect consumers with a clear end goal: to drive economic growth and improve household prosperity.
- 1.2 The CMA impact assessment (IA) is one way we demonstrate accountability for delivering that Strategy, showing how our interventions translate into measurable benefits for consumers and value for money for the taxpayer.
- 1.3 The CMA is required to report annually on: the expected direct financial benefits it delivers for consumers (such as better prices, quality, and information, as well as avoided consumer harms); the ratio of those benefits to the costs of running the organisation; and the wider benefits of its work. This report therefore sits alongside the CMA's Annual Report and Accounts, together providing as comprehensive a picture of our overall impact as possible.

¹ [CMA Strategy 2026 to 2029 - GOV.UK](#)

Key headlines

- We estimate that the CMA delivered an average of **£25** of consumer benefit for every £1 spent on our operations in the last 3 years, more than double the £10 target set by the UK government.
- We have evolved our approach to quantify, for the first time, the impact of interventions such as warning and advisory letters – which we consciously deploy to maximise our overall speed to impact in line with our Strategy.
- Examples of the wider impact of the CMA’s work include:
 - Deterrence, such as through **£78.2m in fines imposed this year**. Evidence indicates that deterrence effects can be substantial, and a multiple of direct effects, albeit very difficult to measure precisely.
 - Boosting compliance through guidance and supporting outreach, with **20 consumer protection guidance documents** published or updated this year, amplified by **37** external speaking events, collectively reaching **2000** attendees and a communications campaign.
 - Impactful advice to government, with **36** independent reports on subsidies issued this year and **more than 80%** of referring public authorities changing their subsidy or scheme as a result of their engagement with the SAU.

CMA Impact Assessment: Need to Know

- **Our estimates are developed in keeping with a robust, internationally recognised methodology, with known limitations.** Our quantitative impact estimates for cases (and other interventions) are conducted immediately after they have finished. They are almost always based only on information available during the case and on assumptions regarding the expected impact of our interventions and, as such, are considered to be 'ex ante' estimates. For example, for market studies and investigations the impact estimates capture the expected future benefits of remedies, rather than an 'ex post' assessment of their effectiveness in practice. In general, the assumptions we apply are cautious and, hence, we consider our estimates to be conservative.
- **We estimate direct consumer benefits as a 3-year average to help make them more informative.** This is because a range of factors can affect our ability to deliver these benefits in a given year – some outside the CMA's control. For example, the CMA's mergers work is demand-led, not discretionary, and market conditions can change. This year the number of merger notifications we've received has been lower than has historically been the case. In addition, the CMA assumed new consumer enforcement powers under the Digital Markets, Competition and Consumers Act 2024 at the start of the year. During that year we have focused both on helping businesses understand how to comply with consumer law and on taking enforcement action against conduct which is more harmful to consumers and which represents clear infringements of the law. Our first enforcement cases were launched in November 2025 following a period of issuing substantial pieces of guidance and observing business practices across multiple sectors of the economy. Whilst the first cases under the new regime were concluded in under 6 months, this did not fall within the time reporting period.
- **The quantitative IA cannot capture the full impact of the CMA's work,** as it is limited to outcomes that are quantifiable to a reasonably reliable degree. Many of the beneficial outcomes of the CMA's work are not quantifiable and are therefore not included in the IA figures. For example, the full deterrent effect of our work, which evidence suggests is multiples of our direct impact.
- **Nevertheless, we committed to providing a fuller picture of our likely impact, so we have evolved our IA this year to capture a broader range of activities.** The CMA's Strategy makes clear that we must

maximise our speed to impact via proportionate application of the full range of possible interventions. We therefore also now estimate the consumer benefits from actions such as warning and advisory letters, leniency applications and (where possible) guidance. These changes mean that the IA should better reflect the evolving agility in tool selection. This report also surveys some of the wider impacts of the CMA's portfolio in more qualitative terms.

- **We are committed to continuing to evolve our IA methodology in future years.**

Quantified benefits and costs

- 1.4 The quantitative assessment of impact is undertaken by the CMA and is reviewed by an external expert. This year the expert was Dr Franco Mariuzzo of the University of East Anglia.² The methodology used by the CMA is based on that developed and used by the Office of Fair Trading (OFT) and the Competition Commission (CC),³ validated by successive independent academic reviewers and consistent with approaches now regarded by the OECD as international good practice.⁴ Our extension of the quantified IA to some warning and advisory letters, leniency applications that were not prioritised for investigation and one specific piece of guidance applies the same principles.
- 1.5 We note that these newly quantified impacts are typically subject to greater uncertainty than cases which reach a formal decision. Whilst these activities can be expected to lead to a change in firm behaviour and have positive impacts for consumers, we generally have less information about the size of the relevant market or the likely scale of any impact. We have therefore made conservative assumptions when estimating these impacts, to ensure an appropriate level of confidence that these figures are not overstating the benefits.
- 1.6 Overall, we estimate that the CMA's work generated estimated average annual direct consumer benefits of £3.3 billion over 2023/24 to 2025/26,

² Dr Franco Mariuzzo is an Associate Professor in Econometrics at the University of East Anglia.

³ OFT (July 2010), [Guide to the OFT's impact estimation methods](#).

⁴ OECD (April 2014), [Guide for assessing the impact of competition authorities' activities](#).

compared with average annual relevant costs of £133.6 million. This represents a benefit-cost ratio of 24.7:1.

- 1.7 As explained above, figures are presented as a three-year rolling average, over the past three financial years. Our newly quantified impacts are estimated for 2025/26 only, and we include these only for that year. This attributes zero benefits to these activities in the two preceding years, which is very conservative as we carried out similar activities in previous years which we know will have delivered benefits for consumers.

Table 1: Estimated average annual CMA consumer benefits and costs for 2023/24-2025/26

	<i>£m</i>
<i>Area of CMA work</i>	<i>Total</i>
Competition enforcement	681.3
Consumer protection enforcement	295.6
Merger control	750.2
Market studies and market investigations	1566.6
Total benefits	3293.6
Costs	133.6†
Benefit/costs	24.7:1

†This is total CMA costs (actual spend) net of costs and income relating to regulatory appeals.

- 1.8 For comparability with previous years, we note that if the newly quantified impacts were excluded, the ratio would be 21.5:1. This figure still comfortably exceeds the CMA's target of delivering at least ten times its relevant costs in expected direct financial benefits to consumers.
- 1.9 We will continue to evolve our IA in future (alongside other elements of our performance reporting, such as our ARAs) where new evidence or methodological improvements can help us address gaps or improve accuracy.

2. Overview of our methodology

Evolving our impact assessment methodology

- 2.1 As set out in our Strategy, the CMA leverages the unique design of the UK's competition and consumer protection regimes to deliver outcomes that make a real difference for the country. Core to our approach is consciously maximising our speed to impact via proportionate application of the full range of the CMA's possible actions, including: formal investigations; informal reviews; consensual outcomes; litigation; warning and advisory letters; business and consumer advice and guidance; and advocacy, policy advice and recommendations to government. We have also placed renewed emphasis on working proactively to reduce burdens and improve certainty for businesses through our 4 Ps programme. Overall, we believe our approach means greater positive impact, sooner, and with lower burdens on businesses.
- 2.2 In light of this, we explained in our Strategy that we would update our IA methodology to better reflect the full breadth and impact of our evolving portfolio of work, including by expanding our quantitative IA to reflect more of our activity, and by providing a clearer picture of likely indirect impact, including wider deterrence.
- 2.3 We have therefore given careful thought to whether the quantified element of the IA can be broadened from its traditional focus on the impact of formal CMA decisions to include more CMA activity where there is evidence of consumer benefit, including some actions that did not involve formal decisions. This is important given these are key routes by which we achieve impact in a proportionate and timely way.

Impacts included in the IA

- 2.4 There are two overarching principles that guide our assessment of the quantification of impact:
- (a) We have reasonable grounds to believe that any resulting consumer impact is attributable to the action of the CMA
 - (b) The action is expected to result in robustly quantifiable financial benefits to consumers
- 2.5 The inclusion of impacts is considered against these principles on a case-by-case basis. For this year this means we have expanded the quantified element of the IA in competition and consumer enforcement, where we

now estimate consumer benefits of actions such as, where appropriate, warning and advisory letters, leniency applications and one specific piece of guidance. These changes mean that the IA should better reflect the impact of the portfolio of work the CMA undertakes.

- 2.6 Many of the beneficial outcomes of the CMA's work are not quantifiable and are therefore not included in the quantified IA. These include actions that further contribute to our ability to deter unlawful conduct and boost business compliance, support legitimate business collaboration, as well as the impact of our advice and recommendations to government. This comprises activities such as the operation of the CMA's leniency regime for cartels, the CMA's advocacy⁵ and advisory functions (including the OIM and SAU), international activities⁶, aspects of the CMA's compliance work⁷ and general impacts of broad guidance. The scale of these impacts is often highly uncertain (e.g. the reach of a general piece of guidance). The nature of the CMA's role (such as when we provide recommendations to government that they are responsible for deciding whether and how to implement) makes attributing impacts to us more challenging. We survey some of these wider impacts in section 4 below.
- 2.7 Furthermore, studies also show that increases in competition in a market are often associated with increases in productivity, and that competition policy interventions can, therefore, be productivity enhancing.⁸ Similarly, this impact on productivity is not captured in our quantitative IA.⁹
- 2.8 Finally, the estimate of benefits excludes regulatory appeals.¹⁰ This is because the CMA's role is an appellate one rather than being the primary regulator.¹¹
- 2.9 This all means that the benefit figures reported in the quantified IA are likely to significantly understate the overall expected benefits of the CMA's work.

⁵ This includes advice, support and recommendations to government to help promote competition and consumer interests in the policymaking process.

⁶ For example, engaging with international networks and organisations.

⁷ For example, engaging with small and medium enterprises, their trade associations and intermediary advisors in England and the Devolved Nations.

⁸ See CMA literature reviews from 2025 ([Wider benefits of competition policy and enforcement](#)) and 2015 ([Productivity and competition: a summary of the evidence](#)).

⁹ We discuss these wider impacts of the CMA's work in section 4 below.

¹⁰ For example, the 2025 [Water PR24 price redeterminations](#). Our estimate of CMA costs also excludes costs associated with these appeals.

¹¹ The CMA's duty in this area is to act according to the relevant legal framework rather than necessarily acting in the immediate interest of consumers.

Details of our methodology

- 2.10 We present estimates of the impact of our work for each of the following areas:
- (a) Competition law enforcement
 - (b) Consumer protection enforcement
 - (c) Merger control
 - (d) Market studies and market investigations (collectively referred to as 'markets work' in this document)
- 2.11 We expect to quantify impacts from the CMA's digital markets competition regime in future years of the IA, including impacts from interventions in the year in which a final decision is announced to impose them.
- 2.12 For merger control and markets work, the CMA is both a phase 1 and phase 2 authority in a two-stage process (phase 1 cases being referred to phase 2 where there are sufficient competition concerns to require further, more in depth, investigation). Although the decision makers at phase 2 comprise a group of independent members drawn from the CMA panel (to ensure a transparent and distinct process), the CMA has responsibility for both phases including their resourcing. Where cases have been referred to phase 2, benefit estimates are only made once the phase 2 process has been completed, although both phase 1 and phase 2 costs are part of the IA.
- 2.13 To calculate the impact of any case or project (including warning and advisory letters), the CMA usually estimates the following components based on information and evidence available from the original investigation:
- (a) The size of the affected turnover¹².
 - (b) The price, quality or other negative effect removed or avoided due to the CMA's intervention (usually increased price, but, depending on the nature of the conduct, may be in the form of decreased quality, decreased choice, etc).

¹² Estimates do not always use information on turnover where this is not appropriate for the case in question; for example, investigations into potential anticompetitive behaviour in labour markets have instead used information on the affected wage bill.

(c) The length of time the detriment (e.g. higher prices) would have prevailed absent the intervention.

- 2.14 First, we estimate the annual impact on consumers by multiplying the turnover of the affected goods and services by the assumed price increase that was removed or avoided due to our action. Second, we estimate future consumer savings by multiplying the annual impact by the number of years we believe the detriment to consumers would have prevailed. We discount future accruals of benefits.
- 2.15 Data on the size of the turnover affected by our intervention (referred to as 'affected turnover') is usually gathered by the case team as part of its evidence-gathering and can be recalled from the original investigation. To be conservative, the CMA typically applies a narrow definition of the affected turnover by estimating it as the turnover of the directly affected firms. That is, we typically assume that the price of the goods or services competing with those offered by the firm(s) subject to the investigation are unaffected, even though it is likely that, in some circumstances, they generally would also likely be affected by our intervention. At other times, where the CMA tackles a sector more widely (for example, through markets or consumer protection work), to estimate the affected turnover we need to make assumptions on the size of the market that is affected by our action. In the case of warning and advisory letters, it is often necessary to obtain turnover data from publicly available sources, and to make an assumption regarding the proportion of this that would be affected.
- 2.16 In relation to the effect avoided or removed due to the CMA's intervention, where possible, we base our estimates on information collected during the original investigation. This may be, under rare circumstances, information on the actual effect (for example, the price overcharge due to an unfair pricing practice, or amount refunded to customers). More frequently, this is an estimation of the likely effect on consumers (which, for example, can be informed by the magnitude of upward pricing pressure resulting from a merger) as assessed by the case teams during the original investigation. Where such information and data are unavailable, we apply rules of thumb that are conservative interpretations of estimated effects and consistent with recent academic research. This is typically also the case for warning and advisory letters where information on price effects is not typically available. For some letters, we have been able to make use of information collected in follow-up monitoring to adjust for whether a firm has subsequently made changes to their practices.

- 2.17 Similarly, when estimating the expected future duration of the detriment prevailing absent our intervention, we draw on information collected at the time of the original investigation. As a starting point, we tend to take a default duration value that is based on, but not necessarily equal to, existing international practice and academic research, and we adjust this value where case-specific information suggests this would be appropriate. Again, we remain conservative in determining this value, for example, we may adopt the default value even though there is information to suggest that conduct has been ongoing for a substantial period of time prior to investigation.
- 2.18 Ex ante estimates of impact are based on the best information available at the time, which is typically when the decision or recommendations have been made but the full impact is not yet observable. In contrast, to ex post evaluations based on information gathered after the recommendations or remedies have been implemented and the resulting impact realised.
- 2.19 For confidentiality reasons, we do not publish impact estimates for individual cases and projects. However, our estimates have been independently reviewed by Dr Franco Mariuzzo to ensure that our benefit estimates are reasonable and robust.¹³
- 2.20 The CMA IA estimates include benefits from cases where the outcome is under appeal at the time of publication of the report. We include these benefits as we consider this ensures the IA is the best estimate of the likely impact of CMA cases at the time of the publication of the report. In addition, this approach also ensures that the benefit estimates are included in the IA at roughly the same time as the costs the CMA incurred in carrying out the case. It can be several years before appeals are concluded which would lead to a significant lag between the inclusion of the benefits and costs of certain cases. Where appropriate, we make adjustments to previous impact estimates following the conclusion of appeals.
- 2.21 In line with central government techniques for discounting future accruals of benefits or costs, we discount future consumer savings by the HM Treasury endorsed Social Time Preference Rate (3.5%).¹⁴

¹³ Consistent with the purposes of the review exercise, we asked Dr Mariuzzo to confirm the accuracy of the estimates of impacts. He also commented on the consistency of the estimates with our published guidance, and consistency of approach taken between different cases. He was not asked to comment on the underlying assumptions where these were based on analysis carried out as part of individual cases (for example, the estimates of affected turnover in the market with a substantial lessening of competition).

¹⁴ See HM Treasury, *The Green Book: Appraisal and Evaluation in Central Government*.

- 2.22 Under certain circumstances we also need to use the Consumer Price Index to bring the benefits to the price level of the current year. This applies when the consumer detriment remedied by CMA action did not occur in the same year the case was closed (for example, when due to the CMA's investigation, consumers are able to seek redress for any past harm suffered).
- 2.23 The impact estimates included within this report focus on the direct financial benefits to consumers of the CMA's work completed over the past three financial years. We average the benefits over three years to reduce yearly fluctuations in the impact estimates due to uneven caseload¹⁵ and to reflect the fact that some of our cases take more than one year to complete.
- 2.24 Our newly quantified impacts are estimated for 2025/26 only, and we include these only for that year. This attributes zero benefits to these activities in the two preceding years, which is very conservative as we carried out similar activities in previous years which we know will have delivered benefits for consumers.

¹⁵ Although some areas of the CMA's work are proactive, such as market studies and investigations, other areas depend on factors outside of the CMA's control.

3. Consumer savings by area

Competition enforcement

- 3.1 The CMA uses a range of tools to promote compliance with, and deter breaches of, the Competition Act 1998 (CA98). It investigates suspected infringements and, where appropriate, issues infringement decisions and imposes penalties. Alongside formal enforcement, the CMA may take earlier, proportionate action – including accepting commitments and issuing advisory or warning letters – to address concerns and support compliance. The CMA also operates a leniency regime, which plays a central role in detecting and destabilising cartel activity by encouraging businesses and individuals to come forward and cooperate. In addition, the CMA has powers to seek the disqualification of company directors involved in competition law breaches, reinforcing individual accountability. Under the Enterprise Act 2002 (EA02), the CMA can also investigate and prosecute individuals involved in the criminal cartel offence.
- 3.2 The IA is based on anticipated changes to conduct as a result of CMA action. This year includes our investigations into (i) the Atlantic Joint Business Agreement¹⁶, (ii) suspected anti-competitive conduct by Vifor Pharma in relation to intravenous iron treatments¹⁷ and (iii) suspected anti-competitive conduct by housebuilders¹⁸ – all of which involved consensual agreement to bring investigations to an end through commitments without findings of infringement by the CMA.
- 3.3 As discussed above, this expanded IA now also includes impacts from 49 advisory and warning letters.
- 3.4 We have also considered the inclusion of impacts from leniency applications. We include impact where the reported conduct was ongoing (or only recently ceased) at the point of application, and where the CMA is not currently taking or planning to take other forms of action (as impacts from those applications that result in investigations or warning or advisory letters for example would potentially be counted elsewhere in the IA).
- 3.5 There was one competition enforcement investigation that resulted in an infringement decision and penalties of £77 million in 2025/26. However, because in that case the CMA did not make a finding that the conduct

¹⁶ [Investigation of the Atlantic Joint Business Agreement - GOV.UK](#)

¹⁷ [Investigation into suspected anti-competitive conduct by Vifor Pharma in relation to intravenous iron treatments - GOV.UK](#)

¹⁸ [Investigation into suspected anti-competitive conduct by housebuilders - GOV.UK](#)

was still ongoing at the time the case was launched, on a conservative basis we have not included it in the IA.¹⁹ In any event such cases are likely to have significant wider deterrent effects, as demonstrated by the DotEcon report on the deterrence effect of competition enforcement cases commissioned by the CMA in 2018.²⁰

- 3.6 Competition enforcement cases sometimes last for multiple years, so the number of cases concluding in a particular year does not necessarily reflect the amount of work undertaken in that year.
- 3.7 Our total annual average²¹ quantified benefits from competition enforcement work is £681 million. As noted earlier, this does not include benefits from other activities, such as the provision of guidance, or wider deterrent impact of our work, and so is likely to remain a significant underestimate. Deterrence is a key part of the impact of competition enforcement activities, arising not only from cases and actions such as warning/advisory letters, but also more broadly through the existence of the regime itself. As part of this, for example, the existence of the CMA's leniency policy can, in and of itself, deter cartel activity, in particular by increasing the risk of detection and enforcement. Such impacts are very difficult to measure; these wider impacts are discussed in qualitative terms within section 4.

Consumer protection enforcement

- 3.8 Under the Digital Markets, Competition and Consumers Act 2024 (DMCC Act), the CMA has a refreshed mandate for consumer protection. The new regime means that the CMA is able to decide whether consumer protection laws have been infringed without having to take businesses to court. The CMA is able to take direct action to tackle these breaches, including ordering redress to affected consumers and to sanction businesses that fail to comply.²² The CMA assumed these powers at the start of the year. During that year we have focused both on helping businesses understand how to comply with consumer law and on taking enforcement action against conduct which is more harmful to consumers and which represents clear infringements of the law. Our first enforcement cases were launched in November 2025 following a period of issuing substantial pieces of guidance and observing business practices across multiple sectors of the economy. Whilst the first cases under the new

¹⁹ [Anti-competitive conduct in relation to vehicle recycling and advertising of recycling-related features - GOV.UK](#)

²⁰ DotEcon (2018), [Evaluation of direct impact and deterrent effect of CA98 cases](#).

²¹ Our newly quantified impacts are estimated for 2025/26 only, and we include these only for that year.

²² [The CMA's approach to consumer protection](#)

regime were concluded in under 6 months, this did not fall within the time reporting period.

- 3.9 The CMA often works together with other organisations, for example Trading Standards,²³ who are also responsible for consumer protection enforcement and tackling unfair trading practices. It also cooperates with other national authorities within the Consumer Protection Cooperation Network to apply and enforce consumer rights legislation. In our IA, we include consumer benefits resulting from these joint actions, where these have been led or significantly influenced by the CMA, by allocating a proportion of the benefits to the CMA.
- 3.10 The IA includes a reduction in consumer detriment as a result of stopping unlawful practices, or the estimated price impact of the CMA's interventions, for example as a result of increased transparency and more informed consumer decisions. Our consumer enforcement estimates for this year included investigations concluded in 2025/26 concerning Ticketmaster²⁴ and fake online reviews.²⁵
- 3.11 As for competition enforcement, for the first time in 2025/26 we have also produced an estimate for the impact of other activities. A total of 159 warning and advisory letters were sent in this financial year. These quantified estimates include the vast majority of these letters, though a small minority could not be quantified (5 of 159), often due to a lack of available data with which to do so. We have also produced an estimate for guidance relating to price transparency, drawing on previous DBT research on the prevalence and impact of drip pricing.²⁶
- 3.12 Our total annual average quantified benefits from consumer enforcement work is £296 million. As noted earlier, this does not include benefits from other activities such as the provision of guidance (with the exception of the targeted price transparency guidance noted above), or deterrence effects, and so is likely to remain a significant underestimate. Deterrence is a key part of the impact of consumer enforcement activities, arising not only from cases and actions such as warning/advisory letters, but also more broadly through the existence of the regime itself. These are key impacts from consumer protection activities, but are very difficult to

²³ For an evaluation of the activities of Trading Standards, see OFT (June 2009), *An evaluation of the impact of the fair trading work of local authority Trading Standards Services in the UK*, OFT1085.

²⁴ Ticketmaster: consumer protection case - GOV.UK

²⁵ Online reviews - GOV.UK

²⁶ DBT (2023) *Estimating the prevalence and impact of online drip pricing*

measure in monetary terms; these wider impacts are discussed in qualitative terms within section 4.

Merger control

- 3.13 The CMA operates both stages of the UK merger regime. Businesses can (voluntarily) notify a merger to the CMA and, in addition, the CMA has a duty to keep merger activity under review and can investigate mergers that have not been notified to it.
- 3.14 At phase 1, the CMA reviews merger situations falling within our jurisdiction²⁷ and refers any cases where there is a realistic prospect of a substantial lessening of competition (SLC) in a UK market for an in-depth phase 2 investigation. The CMA has the power to accept undertakings in lieu of reference to phase 2 (UiLs) from the merging parties at phase 1, if these are deemed to address potential concerns identified in the course of our investigations.
- 3.15 At phase 2, a CMA panel of independent members conducts an in-depth investigation to assess if a merger is expected to result in an SLC. If an SLC is expected, the CMA panel decides on the remedies required and can impose remedies by order if it is not able to reach an agreement with the merger parties.
- 3.16 Our estimates of consumer savings in this area include merger proposals amended through UiLs, mergers that are abandoned, and mergers amended or prohibited by the CMA at phase 2.
- 3.17 The impact of phase 1 mergers is scaled down by the 'SLC rate' (defined below) to reflect the fact that not all cases where the merger parties remedied the CMA's concern, either through UiLs or abandoning the merger, would have resulted in an SLC at phase 2. The SLC rate is calculated as the proportion of phase 2 mergers completed in the past three years which resulted in SLCs after the parties had offered UiLs that were rejected in phase 1. This approach is in line with our methodology explained in detail in the 2016/17 report.²⁸ The SLC rate used to scale down the impact of all phase 1 mergers in the 2025/26 assessment is 50%.²⁹

²⁷ Up to 31 January 2020, mergers that fulfilled certain conditions fell within jurisdiction of the European Commission.

²⁸ CMA (July 2017), [CMA impact assessment 2016/17](#).

²⁹ In 2024/25 it was 50%, in 2023/24 it was 67%, and in 2022/23 it was 75%.

- 3.18 Using the approach described above, our estimates show that during the past three financial years (2023/24 to 2025/26) the merger regime saved consumers £2250.5 million in total, giving an average benefit of £750.2 million per year.³⁰
- 3.19 Our impact figure for the 2025/26 financial year is based on seven merger investigations - four phase 1 and three phase 2 merger inquiries. The merger inquiry which made the most substantial contribution to our overall impact figure was the acquisition of Wincanton Plc by GXO Logistics, Inc.
- 3.20 The benefits from the UK merger regime are dependent on the cases that come to the CMA for assessment and are, therefore, driven in part by the economic climate and can vary significantly from year to year. Benefit figures for mergers do not include the wider benefits, such as deterrence, of the CMA's mergers work and the wider merger regime. Having an effective merger control regime in itself prevents anticompetitive mergers from being proposed.

Market studies and market investigations

- 3.21 Market studies are examinations of whether particular markets are not working well for consumers, and often lead to proposals as to how they might be made to work better. They take an overview of regulatory and other factors which shape a market as well as patterns of consumer and business behaviour.
- 3.22 Markets may be referred to a market investigation for further analysis where there are reasonable grounds for suspecting that any feature, or combination of features, of a market in the UK is preventing, restricting, or distorting competition. In estimating consumer savings, we consider the impact of both completed market studies that have not resulted in a market investigation and completed market investigations. Given the wide variety of projects that our markets work covers, the exact method used to estimate impact differs from case to case. We include ex ante estimates of impact from those projects where the CMA's recommendations and/or orders are expected to be implemented by the relevant bodies (e.g. regulators and other government departments) and, therefore, have a positive impact on consumers.

³⁰ Estimates exclude any impact to non-UK customers. In particular, we use the conservative approach of accounting for the impact of mergers with a global frame of reference only on UK sales (or a conservative approximation where specific UK sales data is not readily available).

- 3.23 When estimating our impact from any markets work, we also consider how likely the recommendations are to be implemented by the relevant bodies. To account for the uncertainty associated with the market and policy context and, therefore, with the overall effectiveness of the remedies, we use cautious assumptions when estimating the benefits. Moreover, where we think that the proposed remedies may not be fully implemented (e.g. where the CMA makes a recommendation rather than imposing an order), estimates are further scaled down according to the assumed likelihood of implementation.
- 3.24 We estimate that the direct consumer benefits from the CMA's interventions through the Markets Regime were £4,699.7 million in total during the financial years from 2023/24 to 2025/26, giving an average of £1,566.6 million per year. Both the veterinary services for household pets³¹ and the cloud infrastructure services³² markets cases contributed to our 2025/26 impact figure. For cloud infrastructure services, the market investigation recommended that the CMA board consider using its digital markets powers in relation to the issues identified. The CMA subsequently announced a package of actions on business software and cloud services.³³ We have attributed a portion of the expected benefits resulting from these actions to the market investigation. We will consider the quantification of the remaining benefits in a future IA, taking into account relevant ongoing and future CMA actions. This is consistent with our approaches to the online platforms and digital advertising market study in 2020/2021 and the mobile ecosystems market study in 2022/2023.

³¹ [Veterinary services for household pets - GOV.UK](#)

³² [Cloud services market investigation - GOV.UK](#)

³³ [CMA announces package of actions on business software and cloud services - GOV.UK](#)

4. Wider impacts

- 4.1 As noted earlier, the impact estimates presented above capture only part of the positive benefits of the CMA's work. In this section, we aim to provide context for these estimates by highlighting the wider work of the CMA. It is not intended to be a comprehensive account of all activity that has taken place in the past financial year but instead to highlight the range of impact that cannot be quantified in terms of a monetary value to consumers.

Deterrence

- 4.2 The focus of our reporting requirements on direct financial benefits means that we exclude many important wider impacts of the competition and consumer protection regimes. We do not take into account the deterrent effect of our work, such as the deterrence of anti-competitive mergers, anti-competitive conduct or conduct which infringes consumer protection rules. Evidence from existing academic studies,³⁴ previous OFT research,³⁵ and an ex-post evaluation conducted in 2018,³⁶ indicate that such deterrence can be substantial, and a multiple of direct effects, albeit very difficult to measure precisely. Part of our deterrent effect is illustrated by fines we impose, which totalled £78.2m this year.
- 4.3 The impact of deterrence is likely to be particularly strong in the areas of competition and consumer protection enforcement and is a major part of the overall impact that the CMA has across the economy. Deterrence can be thought of in terms of impacts from individual cases, where, for example, a case against one firm may influence the behaviour of other firms in the same or similar sectors. It can also be thought of more widely, through the overall existence and enforcement of the competition and consumer protection regimes. As part of this, the existence of the CMA's leniency policy can, in and of itself, act as a deterrent of cartel activity, in particular by increasing the risk of detection and enforcement. The 2026 CMA Business Perceptions Survey³⁷ found that 87% of businesses considered court action or legal proceedings for damages 'very' or 'somewhat' important in deterring breaches of competition and consumer protection law (this was at least 80% for the other deterrents asked about

³⁴ As collated in the CMA's literature reviews in 2025 ([Wider benefits of competition policy and enforcement](#)) and 2017 ([The deterrent effect of competition authorities' work – literature review](#)).

³⁵ See [The impact of competition interventions on compliance and deterrence, OFT1391](#) and [The deterrent effect of competition enforcement, OFT 962](#).

³⁶ DotEcon (2018), [Evaluation of direct impact and deterrent effect of CA98 cases](#).

³⁷ [Business perception survey](#)

in the survey, namely fines, director disqualification, warning letters and adverse publicity).

Compliance and raising awareness

- 4.4 For the first time this year, our quantified estimates of additional benefits include impacts for warning and advisory letters (across both competition enforcement and consumer protection), where feasible. The estimates include the vast majority of letters issued in 2025/26, but a small minority could not be quantified (6 of 209), often due to a lack of available data with which to do so. These letters will nevertheless have had an impact on firms' behaviour. Findings from the 2026 CMA Business Perceptions Survey show that 80% of UK businesses consider warning letters to be 'somewhat' or 'very' important in deterring breaches of competition and consumer protection law.
- 4.5 Guidance forms a critical strand of the CMA's work. Guidance helps businesses³⁸ in their understanding of their responsibilities and has an important role to play in educating businesses around competition and consumer protection law (including changes) and thus supporting compliance. Guidance published by the CMA takes a range of forms, some guidance is more procedural in nature, explaining the operation of the competition, merger and consumer protection regimes. Other guidance focuses on more specific aspects of the regimes, or may be aimed at a particular practice or sector.
- 4.6 A considerable amount of guidance published in 2025/26 has related to the new consumer protection provisions under the DMCCA. This has included guidance on price transparency, online reviews, social media endorsements, unfair contract terms and unfair commercial practices, with a total of 20 consumer protection guidance documents published or updated this year. Producing clear and accessible guidance has formed an important part of our proactive engagement with businesses.
- 4.7 As discussed in section 3, our additional estimate of benefits for this year includes an estimate for guidance on price transparency. In general, though, it is challenging to quantify impacts of guidance in terms of consumer benefits as there is limited information available to do so robustly. However, other sources of information can provide some indication on the reach and use of our guidance; website statistics

³⁸ Some guidance is also published for consumers, such as how to report a problem to the CMA.

indicate for example, that after we refreshed our resource page on social media reviews and endorsements, views increased by 660%.

- 4.8 Publications are just one way in which the CMA guides businesses towards compliance, or raises awareness of competition and consumer protection law. Outreach and campaigns also play an important role. Separately, the CMA provides bespoke guidance to businesses to support lawful and legitimate collaboration. These are also surveyed below.

Supporting outreach and campaigns

- 4.9 The CMA has carried out communications and outreach activities to promote deterrence of anticompetitive conduct and to help businesses understand how to comply with the law, with a focus on bid-rigging in public sector procurement, algorithmic collusion and enabling beneficial business collaborations.
- 4.10 Through a combination of external speaking engagements, blogs and case studies the CMA has highlighted the action it has taken and increased understanding of how to comply with the law. These targeted engagement activities included:
- (a) 41 speaking engagements at a range of different types of events to reach different audiences including the business community, lawyers (both law firms and in-house lawyers) and trade associations.
 - (b) publishing blogs or speeches to increase understanding and/or amplify impact including: Competition enforcement - a view from the CMA (May 2025); Why pace matters (July 2025); Cartels: being first to apply for leniency matters more than ever (October 2025); A Competition Round Robin (December 2025); and AI and collusion: frontiers, opportunities and challenges (March 2026); and
 - (c) publishing case studies on completed cases to amplify the impact of the CMA's work and increase compliance (for anti-competitive behaviour relating to freelance labour in the production and broadcasting of sports content³⁹ (9 September 2025) and for the supply of construction services⁴⁰ (16 December 2025)).
- 4.11 In consumer protection, our direct engagement programme with businesses has been ambitious, with 37 external speaking events this

³⁹ [Anti-competitive behaviour relating to freelance labour in the production and broadcasting of sports content - GOV.UK](#)

⁴⁰ [Supply of construction services - GOV.UK](#)

year, collectively reaching 2000 attendees. For example, we attended the FSB Coventry Business Bootcamp and started an events programme with regional law firms to share compliance advice. Our consumer work has also involved reinforcing our guidance on price transparency, with a simple 3-step checklist promoted through the 'Clear Pricing Campaign' featuring Alexander Armstrong.

- 4.12 Looking beyond a business audience, we have also sought to raise awareness amongst public bodies of the risks of bid rigging in public procurement, helping them to spot indications of it going on and how to report any suspicions to the CMA. More than 350 public bodies (including Local Authorities, NHS trusts, and UK government departments) have been reached in total this year, with the training materials used during these engagements then made available to share more widely within the attendees' organisations.
- 4.13 In addition, we have developed close ongoing relationships with the Cabinet Office Government Commercial Function and the Local Government Authority who have extensive reach to public sector procurers. They have placed our training and education materials on their channels – via newsletters and knowledge hubs.

Supporting legitimate collaborations

- 4.14 As per our Strategy, the CMA has a role in enabling competition and legitimate, pro-growth business collaboration. This year, we have taken a range of actions in different sectors to support beneficial business collaborations, including:
- (a) Bringing together our guidance on collaborating with other businesses into a single, accessible landing page in August 2025, providing high-level pointers to businesses considering working together;
 - (b) In response to concerns that competition law may have been discouraging higher education (HE) providers from working together in ways that could be good for students or the economy, the CMA engaged with the sector and produced tailored guidance on how HE providers can collaborate without fear of infringing competition law, including by publishing a blog in May 2025 and a fuller guidance in January 2026;
 - (c) Publishing, in September 2025, 'Competing for talent', a guide to staying on the right side of competition law when recruiting workers, and setting pay and other working conditions, which has been well

received by the legal and business communities. Well-functioning labour markets are widely recognised as an important driver of economic growth and productivity.

4.15 Public statements on enforcement prioritisation can also support business confidence around collaboration. For example, we:

- (a) Worked with the FCA and PSR to publish a letter in January 2026 responding on a joint FCA/PSR CA98 prioritisation statement on commercial Variable Recurring Payments (cVRPs), an open banking technology enabling consumers to make flexible, recurring payments to businesses. They have the potential to offer consumers and businesses control and convenience, while enabling lower-cost, more flexible payment options for businesses. The CMA's letter, together with the FCA and PSR's joint prioritisation statement, provided more certainty to the UK Payments Initiative (UKPI) to continue developing its commercial Variable Recurring Payment product without delay;
- (b) Published a letter in response to DCMS Minister Ian Murray MP (but with a wider stakeholder audience in mind) in January 2026 on public service media and the wider TV ecosystem and mergers, explaining the CMA's approach with respect to mergers, partnerships and other forms of collaboration.

4.16 Supporting businesses considering entering into environmental sustainability agreements has also been a particular area of focus this year, including the provision of informal guidance where there is uncertainty in particular about the application of the Green Agreements Guidance. The Guidance aims at ensuring that competition law does not impede legitimate collaboration between businesses⁴¹ that is necessary for the promotion or protection of environmental sustainability.

4.17 In 2025/26, under our open-door policy the CMA published informal guidance relating to businesses collaborating to co-fund regenerative agriculture and drive landscape resilience through the Landscape Enterprise Networks (LENs). This proposal is intended to facilitate projects resulting in benefits in the UK such as improving the resilience of crop production, reducing greenhouse gas emissions, increasing biodiversity, improving water quality, and protecting rivers. More broadly we also engaged with parties considering entering into sustainability agreements (including on green data claims in the retail (grocery) sector;

⁴¹ Agreements between 'businesses' can also include agreements between businesses and trade associations or non-governmental organisations when they are engaged in an economic activity.

carbon reduction in the aviation sector; sustainable food production; and sustainable retail packaging). Again, through all of these actions, we aim to provide increased certainty to businesses to proceed with beneficial collaborations.

Advice to government

- 4.18 The Subsidy Advice Unit (SAU) provides independent, non-binding, advice to public authorities in relation to certain subsidies. In 2025/26, the SAU published 36 advisory reports assessing compliance with the Subsidy Control Act 2022. This aims to ensure that subsidies are given in a way that minimises any negative effects on competition and investment, as well as supporting effective and efficient use of public funds. While public authorities have sole responsibility in deciding whether a subsidy is granted, more than 80% of referring public authorities stated that they changed their subsidy or scheme as a result of their overall engagement with the SAU⁴². Such changes are likely to be beneficial for consumers in ensuring any detriment from potential anti-competitive situations is avoided or minimised as well as generally ensuring efficient use of public money. The SAU also has a role in monitoring the effectiveness of the operation of the subsidy control regime, with the first monitoring report published in June 2026.
- 4.19 The Office for the Internal Market (OIM) also has an advisory role, assisting the four governments across the UK by applying economic and other technical expertise to support the effective operation of the UK internal market. Each year the OIM produces an annual report on the operation of the UK internal market, with the [2025/26 report](#) concluding that the operation of the internal market is broadly stable, but that there remains a need for ‘close collaboration between governments in relation to specific sectors where we have observed the potential for regulatory differences to emerge that could impact on the UK internal market’.
- 4.20 As highlighted in the report, OIM work this year has included engagement with industry stakeholders across a range of areas, including regulatory changes relating to bovine electronic identification; producer responsibility for packaging (glass beverage bottles), and deposit return schemes; non-surgical cosmetic procedures; manufactured solid fuels; and energy efficiency for electrical appliances. Such work can bring benefits for businesses (for example, recommendations to government to mitigate business costs arising from proposed differences in national rules relating

⁴² This figure is based on pre-referral discussions as well as reports.

to bovine electronic identification), as well as generally supporting the effective operation of the UK internal market and thus the economy more broadly.

- 4.21 Beyond our specialist subsidy advice and internal market functions, the CMA plays a broader statutory role in advising governments and public authorities across the UK, increasingly underpinned by a powerful combination of policy, microeconomics and markets expertise. It uses this to challenge both itself and government to embed competition in support of national priorities, particularly affordability, growth, and economic resilience. This year, the CMA generated insights to help government deepen its analytical understanding of barriers facing scaleups so that interventions can be better targeted; took forward a wide range of work to help government reform public procurement, including in-depth work on civil engineering and defence procurement; and helped improve pro-competitive design and delivery of regulation to help reduce burdens, also working towards relevant recommendations now made through the civil engineering market study.
- 4.22 The CMA's wider advocacy outputs included responses to 9 UK and devolved government consultations and 30 private advice requests, and supporting implementation of recommendations from areas such as the vets market investigation. Alongside this, the CMA strengthened the evidence base for policymaking through research on smart data and price transparency⁴³, industrial policy⁴⁴, competition and investment over the firm lifecycle⁴⁵, and the relationship between technology and productivity⁴⁶.

⁴³ [Smart data and price transparency schemes: discussion paper - GOV.UK](#)

⁴⁴ [Industrial policies: new evidence for the UK - GOV.UK](#)

⁴⁵ [Investment and competition over the business lifecycle - GOV.UK](#)

⁴⁶ [Technology, productivity and competition - GOV.UK](#)

5. Costs

- 5.1 To ensure that yearly fluctuations in the cost figure which are not reflective of the true cost of running the CMA do not distort the picture for the CMA's impact, we use a three-year moving average for total costs. This is consistent with the way in which we report estimated benefits.
- 5.2 For the purposes of calculating the benefit to cost ratio, the total costs of the CMA exclude the costs incurred in fulfilling the CMA's function with regard to the determination of regulatory appeals as we do not include any benefits from these in the IA.
- 5.3 On this basis, the average annual CMA cost over the financial years 2023/24 to 2025/26 is £133.6 million.