

**BBC Submissions on the CMA's Strategic review of market remedies –
Television broadcasting services undertakings**

Executive Summary

The BBC makes the following submissions to the CMA's review of market remedies regarding the 1992 Television Broadcasting Services Undertakings ("the Undertakings"). In the view of the BBC, given the significant change of circumstances in both the regulatory and market landscape, the Undertakings are no longer required and should be removed in line with the government's priority to lift regulation and stimulate growth.

Since the Undertakings were accepted in 1992, there have been major developments in the regulatory landscape. In particular, since the previous Competition Commission review of the Undertakings in 2013, Ofcom has, as part of the BBC's last Charter settlement in 2027, become the independent regulator of the BBC. Ofcom has oversight of BBC competition issues, including cross-promotion, related commercial activity, and any other risks posed to fair and effective competition by the BBC's UK activities. Moreover, this targeted sectoral regulation is bolstered by the BBC's robust internal governance frameworks in relation to cross-promotion—including the Editorial Guidelines and Commercial Cross-Promotion Guidance. These supplement and reinforce Ofcom's regulation.

There has also been significant market change which means that the original concerns that necessitated the Undertakings no longer exist. In particular, the market for magazines, the focus of the Undertakings, has changed significantly. The BBC's involvement in magazine publishing has changed substantially, and the BBC's ability and incentive to distort competition via cross-promotion is now strictly constrained by regulation both externally and internally.

Consequently, there has been a clear and material change of circumstances since the Competition Commission reviewed the Undertakings in 2013. Removing the Undertakings would not pose any competition risk to the market due to the significant external and internal regulation to which the BBC is subject generally and specifically in relation to this issue. Removing the Undertakings would reduce unnecessary regulatory burden, consistent with the both the CMA and the Government's regulatory agenda.

a. Regulatory landscape

Since both the original acceptance of the Undertakings in 1992, and the Competition Commission's 2013 review, the regulation of the BBC's activities has undergone a fundamental transformation as a result of the installation of Ofcom as an independent external regulator in 2017.

Ofcom Regulation

Ofcom now regulates the BBC under powers granted by s.198 of the Communications Act 2003 on terms defined by the BBC's Royal Charter and its Framework Agreement with the Secretary of State. This regulation includes:

- oversight of the BBC's impact on fair and effective competition;
- powers to intervene in relation to the relationship between BBC public service activities and the BBC's commercial activity; and
- as part of the above, responsibilities for ensuring cross-promotion of the BBC's commercial activities on the BBC Public Services does not distort competition.¹

This regulatory framework directly addresses the Monopolies and Mergers Commission's concerns of 1992 and the persisting issues highlighted by the Competition Commission in 2013.

BBC Regulation

The BBC has robust internal controls, including:

1. Commercial Cross-Promotion Guidance

Strict BBC guidance setting out the limits and conditions under which commercial products or services may be promoted on BBC platforms. This includes a straightforward prohibition on trails for magazines on the UK Public Services (whether TV, radio or online).²

2. Editorial Guidelines (Section 15 – Independence from Commercial and other External Interests)

These prevent undue commercial influence and limit the circumstances in which BBC channels may promote commercial products, including BBC-branded magazines or licensed products.³

These systems collectively ensure that the BBC cannot use its public service broadcast channels such as BBC One and BBC Two to give an unfair advantage to a BBC commercial activity or third-party commercial products.

Conclusion on Regulatory Change

The regulatory environment today is comprehensively different from 1992, and significantly enhanced since 2013 when the Undertakings were last reviewed. The

¹ See clauses 23 to 28 of the BBC/DCMS Framework Agreement and Ofcom's requirements and guidance on the BBC's commercial and trading activities (18 April 2023). Available online at <https://www.gov.uk/government/publications/bbc-charter-and-framework-agreement> and <https://www.ofcom.org.uk/tv-radio-and-on-demand/bbc/bbc-studios-bbcs-commercial-trading-activities>

² <https://downloads.bbc.co.uk/aboutthebbc/reports/policies/cross-promotion.pdf>

³ [Section 15: Independence from Commercial and other External Interests - Guidelines](#)

Undertakings are therefore superseded by this modern regulatory regime and are no longer required.

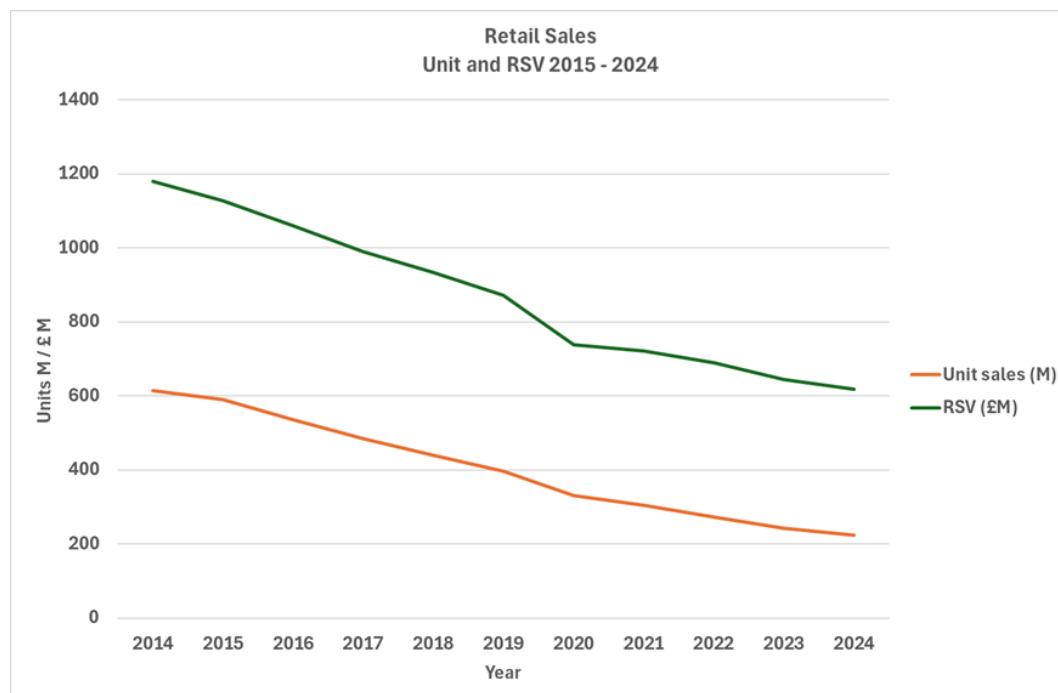
b. Market Developments

The market relevant to the Undertakings, magazines, has experienced dramatic change, since both 1992 and 2013. In 1992, the Competition Commission's central concern was that the BBC's promotion of Good Food, Radio Times and Gardners' World magazines on its channels were actions which might be expected to distort competition in the relevant sectors of the consumer magazines market. At the time, there were only a handful of terrestrial TV channels, whilst magazines were a thriving and successful industry and the internet was not available to consumers for the delivery of content.

By contrast, in the present-day magazines are a far less important sector which is in long-term decline which faces competition from online sources. The BBC's own involvement in magazines is substantially reduced. Moreover, the BBC's channels face significant competition from a wide array of PSB and commercial channels, as well as well-funded on-demand services such as Netflix, Disney+, and Amazon Prime.

Shift in Magazine Market Structure

While the Undertakings were originally aimed at preventing a potential distortion in the magazine market, that market has reduced significantly in scale and is no longer as prominent and profitable a market. At retail it is now less than a third of the size in volume terms than it was in 2014 and as of 2024, half the retail sales value than it was in 2014 (see the data below).



Moreover, there has been a reduction in outlets that stock consumer magazines down to 36,782 in 2024 from 38,813 in 2023 – a 5.2% decline in the space of two consecutive years. This is reflected in the number of stocking points across major grocers. In 2021 there were 5.05 million, whereas by 2024 the figure was 3.69m reflecting a 27% decline and a trend that is expected to continue.

Importantly, the market has become less dependent on, and no longer widely utilises, promotion on broadcast channels.

Overall, the market has seen a general trend of long-term and material decline in magazine readership and revenue, meaning the potential scope and scale of market impact and consumer detriment is significantly reduced.

BBC's involvement in magazines have changed significantly

The BBC's involvement in the magazine market has changed substantially from the position in 1992. In 2011, a deal was done under which a number of eponymous and generic titles were licensed to Exponent (now Immediate Media). The BBC receives a small royalty of [redacted] on the [redacted]. The BBC currently has a number of licensing arrangements such as:

- Immediate Media, including Gardeners' World, Good Food, Match of the Day, CBeebies, CBeebies Special and Bluey;
- Our Media (formerly the Bristol arm of Immediate Media) including Sky at Night, Countryfile, Music, Science Focus and Wildlife;
- Kennedy Publishing, including Top of the Pops, Mr Tumble, Swashbuckle, Andy's Amazing Adventures and Go Jetters; and
- Panini regarding Doctor Who.

The BBC owns only one magazine, namely *Top Gear*. Whilst *Good Food* still retains some BBC branding (in the URL only) as part of contractual Agreements, this will cease in [redacted]. For the avoidance of doubt, the BBC licenced the *Good Food* brand to Immediate Media Company in September 2018.

Given that the BBC is mainly involved in the magazine market via licensing agreements, and since any future possible cross-promotion would be tightly controlled by both Ofcom's independent regulatory oversight and the BBC's own internal controls, the BBC currently has no real ability or incentive to distort competition through cross-promotion.

Competitors now have recourse to an independent regulator

In 2013, Bauer and Global submitted objections during the Competition Commission's review of the Undertakings. In contrast to 2013, commercial parties concerned about the BBC's market impact and/or compliance with its regulatory obligations in this space have recourse to two main remedial routes. They can raise a concern via the BBC's

regulatory complaints process if they consider the BBC is in breach of any of its regulatory requirements. There is an appeal to Ofcom if complainants are unsatisfied with the BBC's response. Moreover, they can also request that Ofcom open a BBC Competition Review process for concerns of a more wide-ranging nature.

Conclusion on Market Developments

The relevant markets have changed significantly, with a declining magazine sector and the BBC facing strong competition from other channels and global VOD players. Moreover, the BBC's commercial stake in magazines has changed significantly. Given also the modern regulatory controls on the BBC, retaining the Undertakings would be disproportionate and unnecessary in light of this dramatically changed market context.

c. Age and Impact

The Undertakings have now been in place for 34 years. This significant tenure alone raises questions about their contemporary relevance given the significant changes that have occurred in the elapsed time.

When imposed, the Undertakings were designed in the context of:

- A broadcasting environment that did not include streaming, nor the plurality of different media options;
- An incredibly successful, competitive and promotable magazine market;
- None of the currently existing regulatory controls currently in place on the BBC.

Conclusion on Age and Impact

After more than three decades, the Undertakings have become obsolete and unnecessarily duplicate modern regulatory protections.

d. Changes to the bound businesses

As detailed above, since 2013 (let alone 1992), the structure and ownership of the relevant BBC magazine activities have significantly changed.

In addition, the regulatory framework of the BBC has been updated, with cross-promotion being specifically considered, and addressed with the above detailed regulatory measures.

These changes both separately and in combination mean that the Undertakings are no longer required to prevent market distortion, as there is no risk to fair and effective competition in the market.

Conclusion

For the above reasons, the BBC submits that the Undertakings should be removed to take account of the significant changes in the regulatory framework of the BBC, and the market more generally, since both 1992 and 2013. The BBC would be happy to discuss any of the points raised in this submission with the CMA if it has any questions or requires additional information.

BBC Legal, 2 March 2026