July 28, 2026

Digital Markets Unit
Competition and Markets Authority
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Submitted electronically to mobileSMS@cma.gov.uk

RE: *Comments of the Association for Competitive Technology (ACT) on the Proposed Steering Conduct Requirements for Apple's and Google's Mobile Platforms*

In response to the Competition and Markets Authority (CMA) consultations titled *"Consultation: Steering Conduct Requirement, Apple's Mobile Platform"* and *"Consultation: Steering Conduct Requirement, Google's Mobile Platform"* published on 30 June 2026 as part of the CMA's implementation of the Digital Markets, Competition and Consumers Act 2024 (DMCCA), the Association for Competitive Technology (ACT) respectfully submits these comments. These comments respond to both consultations except where otherwise indicated.[1]

ACT welcomes the opportunity to comment and shares the CMA's stated objective of ensuring that rules which affect how developers communicate and transact with their customers do not inappropriately restrict developers' ability to make meaningful choices about how best to manage their relationships with their customers. We offer these comments from the perspective of the small business technology developer community, whose members benefit from well-designed commercial flexibility but are also among those most exposed to unintended consequences when government intervenes in fast-moving technology markets. ACT believes that any measure the CMA takes should be proportionate and evidence-based as the DMCCA requires, should treat security, data privacy, and consumer confidence as paramount, should preserve fair remuneration for marketplace services to encourage continued investment in infrastructure, and should provide stable and predictable rules that small developers can understand and rely upon.

I. Statement of Interest

ACT is a global policy trade association for the small business technology developer community. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem who build products and services across every industry, including in the United Kingdom. We work with our members and policymakers to promote a policy environment that rewards and inspires innovation while providing resources that help developers raise capital, create jobs, and continue to build technology. The value of the global ecosystem ACT represents,

[1] Competition and Markets Authority (CMA), Consultation: Steering Conduct Requirement, Apple's Mobile Platform (30 June 2026), paras 1.1-1.4 and 6.9-6.11, available at https://connect.cma.gov.uk/consultations/proposed-steering-cr-apple/; CMA, Consultation: Steering Conduct Requirement, Google's Mobile Platform (30 June 2026), paras 1.1-1.4 and 6.10-6.12, available at https://connect.cma.gov.uk/consultations/proposed-steering-cr-google/.

which we call the app economy, is approximately $1.8 trillion and serves as a key driver of the $8 trillion internet of things (IoT) revolution.[2] Please note that earlier engagements with the CMA on this issue have been under our old name, ACT | The App Association.

Mobile apps underpin a huge amount of daily economic activity, much of which we do without a second thought. From shopping and banking, to streaming and working, to monitoring our health and learning new languages, apps have become a valuable and beneficial part of our routine. Apps are also used to control our homes, cars, factories, and medical devices, plus countless more activities, via the IoT. These activities do not just generate economic activity; they increase sustainability, boost productivity, and provide critical support to countless consumers and businesses. In 2021 the UK app economy generated nearly £80 billion in revenue throughout all sectors and provided more than 400,000 jobs.[3]

The small business technology developers ACT represents build the applications and services that individuals, families, and businesses across the United Kingdom rely upon every day when they are using mobile apps and IoT devices. The security and trust of the mobile platforms on which those applications run are central to the value they deliver. We therefore approach the questions raised in the consultations with two commitments in mind. First, competition and openness that genuinely benefit consumers and developers are worth pursuing. Second, the measures adopted in the name of competition should be proportionate, technology-neutral, and workable for the small businesses that make up the app ecosystem, and they should not compromise the security and consumer trust on which the entire ecosystem depends.

II. Summary of ACT's Position and Recommendations

ACT's recommendations can be summarised as follows:

1. ACT supports meaningful developer choice and the ability of developers to communicate truthful information to their customers. The CMA should measure success by whether users have a clear, informed, and meaningful choice, not by how many are persuaded to use alternative payment routes. Higher levels of steering should not be treated as an end in themselves, particularly where increased uptake may come at the expense of security, consumer trust, or the integrity of the app ecosystem.
2. The CMA should give full effect to the DMCCA's requirement that each conduct requirement be effective, no more onerous than necessary, the least onerous equally effective option, and free from disadvantages disproportionate to its aim.
   The CMA should weigh the evidence now available from comparable interventions abroad, in particular the first two years of the EU Digital Markets Act, which has not delivered measurable benefits for small developers
3. The CMA should prioritise the needs of the small and medium-sized enterprises (SMEs), startups, and scaleups that drive the UK tech economy and preserve the trusted and secure marketplace services that enable them to reach consumers.

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[2] Association for Competitive Technology (ACT), State of the App Economy, available at https://actonline.org/wp-content/uploads/APP-Economy-Report-FINAL-1.pdf.
[3] TechUK, UK Tech SMEs: A Global Force to Be Reckoned With (2023); Deloitte, The App Economy in Europe (2022).

4. The proposed safeguards should be broadened to preserve proportionate measures addressing cybersecurity, data privacy, fraud, consumer protection, refunds and chargebacks, protection of children, intellectual property, and legal compliance.
5. ACT supports the practice of curated online marketplaces (COMs) charging a reasonable fee for valuable services. Any fee framework should be transparent, predictable, administrable, and should avoid shifting distribution costs from large developers to smaller businesses.
6. The Apple and Google requirements should reflect material differences between the two ecosystems, and, in Google's case, the CMA should first assess the operation of the new UK measures introduced on 30 June 2026.
7. Any final requirements should include a realistic implementation period, clear safe harbours, comprehensive monitoring of consumer and SME outcomes, and a period of regulatory stability.

III. Any Intervention Should Be Proportionate, Evidence-Based, and Firm-Specific

ACT reiterates its recommendation that the CMA approach *ex ante* intervention in fast-moving technology markets with caution and give full effect to the statutory effectiveness and proportionality assessment. A proportionate requirement must be effective, no more onerous than necessary, the least onerous requirement where multiple equally effective options exist, and it must not produce disadvantages that are disproportionate to its aim. The CMA should therefore test the assumptions supporting each element of the proposed requirements and should adopt the least intrusive measure capable of addressing a clearly demonstrated barrier while maintaining the security, stability, and investment incentives of the ecosystem on which developers and consumers rely.

Broad *ex ante* requirements can become an exercise in designing ever-evolving, company-specific obligations that create uncertainty for the businesses that must adapt to them. The CMA should accordingly identify the evidence supporting each obligation for each firm, rather than presume that an identical requirement is necessary because the same general policy concern has been alleged.[4]

The CMA also has the benefit of evidence from comparable interventions abroad. Two years into the EU Digital Markets Act, ACT's assessment is that steering and related obligations have not delivered measurable benefits for small developers. Enforcement has advanced the commercial interests of a small number of large firms that already hold established brands and independent distribution channels, while the compliance burden has fallen hardest on the smallest businesses. Drawing on ACT's 2025 survey of more than 1,000 small technology companies, startups operating under the EU regulatory environment lose on average between EUR 94,000 and EUR 160,000 each year relative to comparable firms in the United States, and six in ten report delayed access to frontier technologies.[5] ACT does not suggest that the UK regime will reproduce that outcome, and we recognise that the DMCCA's firm-specific, proportionality-tested design is deliberately

[4] Morgan Reed, President, ACT | The App Association, Europe's Threat to American Speech and Innovation, Testimony before the U.S. House Committee on the Judiciary 6-8, 15-17 (3 Sept. 2025).
[5] Association for Competitive Technology (ACT), ACT Status Report: The Digital Markets Act at Two Years (June 2026); ACT, 2025 survey of more than 1,000 small technology companies, https://actonline.org/the-hidden-cost-of-ai-regulations-a-survey-of-eu-uk-and-u-s-companies/.

different. We do suggest that the CMA should test its provisional view against the EU's experiment to ensure that it does not mirror its harmful effects.

The CMA's provisional proportionality analysis also warrants further consideration. The consultations state that the associated costs are likely to be small, notably because developers and end-users may choose not to steer, while estimating that even relatively low uptake could transfer tens of millions of pounds annually to developers or consumers. The ability not to use steering does not eliminate the broader costs of the intervention. Developers may face changing platform terms, additional APIs and reporting systems, fragmented consumer expectations, and changes to marketplace fee structures and services even if they continue to use integrated payments. Consumers may face greater uncertainty about who is responsible for payment, refunds, subscriptions, privacy, and support. The CMA should weigh these ecosystem-wide effects rather than assume that costs arise only when an individual transaction is steered. A common theme raised in our member discussions on this issue is whether any costs savings would truly be passed on to customers, and whether any new compliance costs would offset any initial savings from steering.

IV. Benefits and Costs for the Small Developer Community

Startups and SMEs leverage COMs to lower their overhead, gain access to global customers, and access a trusted marketplace. COMs create an environment where consumers feel more comfortable exploring new services and apps, especially from businesses they have never heard of, such as startups and SMEs. Without the brand recognition and established reputation of bigger competitors with large marketing budgets, SMEs rely on the trust and loyalty COMs build with consumers. Both consumers and SMEs benefit from having valuable services provided by COMs, including subscription management, data security, customer data collection, and marketing.[6]

This built-in consumer trust is paramount. Today, many consumers take for granted the measures operating systems and app stores use to keep malware and other harmful content off their devices, manage payment credentials, process refunds, support subscriptions, and provide a familiar transaction environment. Small developers rely on those systems more than their larger rivals because they cannot spend millions on marketing, build global payment and fraud infrastructure, or establish an independent reputation in every market. If confidence in the marketplace erodes, consumers will rationally steer away from startups and small developers they have never heard of and towards larger, more established rivals.

External transactions are not free from costs and can come with additional responsibility for developers. Payment processors and merchant-of-record providers charge fees. Developers that transact outside an integrated system may need to assume responsibility for tax, refunds, chargebacks, subscription cancellation, fraud monitoring, privacy compliance, and customer support. These costs and responsibilities are particularly material for solo developers and small teams. Consumers may continue to expect the marketplace to resolve a refund or cancellation even where a payment was completed elsewhere, and external checkout flows can introduce significant friction. Greater choice can therefore bring additional complexity as well as potential savings. This is why it is important that consumers are able to easily see when they are being

[6] ACT | The App Association, Comments to the CMA Regarding Recent Developments in Relation to Apple's and Google's App Store Rules 3-5 (22 Apr. 2026).

steered to external transactions, and that guardrails exist so that consumers cannot be steered to enter their card details into fraudulent or scam payment providers.

The proposed rules may consequently provide the greatest immediate benefit to a limited set of large subscription, gaming, media, dating, or other digital-content businesses with established brands, high transaction volumes, and existing web payment infrastructure. Smaller developers may be unable to spread the fixed costs of an external checkout and compliance programme over a large user base. ACT urges the CMA to evaluate developers by size, revenue model, transaction value, sector, and existing infrastructure rather than treating 'developers' as a single category to measure the effectiveness of its interventions. Any regulation should be aimed at ensuring SMEs can grow, innovate, and flourish, not at shifting costs or commercial advantages to a handful of already large businesses.

The CMA should also distinguish a meaningful option from a guaranteed level of adoption. Developers and consumers may rationally choose an integrated payment method because of convenience, trust, support, or the value of the service. Low uptake does not necessarily demonstrate that a platform has frustrated the right to steer.

V. Security, Privacy, Fraud Prevention, and Consumer Protection Must Be First-Order Design Constraints

App developers rely on the safe environment platforms provide to keep bad actors out of the app ecosystem, gain consumers' trust, and innovate. ACT therefore urges the CMA to treat security, privacy, and consumer protection as first-order design constraints for the final Conduct Requirements (CRs), not as secondary exceptions to an objective of increasing steering uptake. The proposed exception for restrictions that are strictly necessary to prevent malware, fraud, unlawful content, or content harmful to children is an important starting point. The final CRs should expressly preserve objectively justified and proportionate measures addressing cybersecurity and platform integrity; data privacy and unauthorised transfers; payment security; deceptive subscription and cancellation practices; refunds and chargeback abuse; age assurance and parental controls; financial-services, tax, sanctions, and other legal obligations; intellectual-property infringement and impersonation; and misleading or rapidly changing linked content.

The legal standard should allow platforms to respond to demonstrated risk without requiring every protective measure to fit within an artificially narrow category.

Platforms should also retain sufficient visibility to identify and remove harmful apps. Transaction activity, refund patterns, complaints, and other signals can reveal fraud, dark patterns, or abusive conduct. Moving transactions outside the integrated environment may reduce access to those signals. Apple and Google should therefore be permitted to require proportionate information or APIs sufficient to investigate misconduct associated with steered transactions and to enforce neutral app-review rules. At the same time, those requirements should be administratively simple, protect confidential developer information, and avoid creating technical burdens that only the largest developers can absorb.

VI. Any Steering Fee Should Be Fair, Reasonable, Transparent, Predictable, and Administrable

ACT and its members understand that the services COMs provide cannot be free. We need COMs to provide, and consistently improve, services that that small developers use daily and could not build alone, including payment and fraud infrastructure, subscription and refund handling, age assurance, security review, and enforcement against copycat and infringing applications. In order to meet our needs as customers of these services, there needs to be revenue to offset the cost. In fact, our primary concern is that policy proposals aimed at reducing or eliminating fees charged for link-outs or other means for COMs to recoup costs would have the unintended consequence of undermining COMs' incentive to provide robust services on their platforms. If larger third-party developers are incentivised to draw customers outside of the ecosystem and do not pay for the services they benefit from, these services may degrade over time as COM operators focus investments elsewhere. Because small developers generally lack the brand recognition to gather audiences outside of COMs in the same way, they will be worse off under such a system.

The CMA should help preserve the current progressive fee structure that is a major competitive benefit for small businesses. The vast majority of apps and app developers pay no commission on revenue in exchange for developer services, and developers earning revenue from covered digital goods and services may qualify for lower small-business rates below the relevant threshold. Anti-steering implementation can outlaw progressive structures and permit only more regressive structures to stand. A steering fee framework applied uniformly, without regard to developer size or revenue, risks flattening that structure and replacing it with one that bears more heavily on the smallest developers, and the CMA should therefore state expressly that its fee principles do not preclude progressive or small-business-tiered pricing, and it will treat the preservation of existing small business programmes as a relevant factor in assessing whether a steering fee is fair and reasonable. The final CRs should not allow large developers, who benefited from the current fee structure as startups, to shift the costs of distribution, security, and marketplace services downwards to smaller developers that depend on them most.

VII. Implementation and Regulatory Predictability

The CMA proposes that each CR come into force three months after imposition, with an implementation plan due after one month and compliance reports every three months. ACT encourages the CMA to consider a longer or staged implementation period where needed to allow platforms and developers to understand new terms, build and test transaction systems, update consumer disclosures and privacy notices, establish refund and chargeback procedures, and integrate any reporting APIs. Changing rules and technical requirements are significant overheads for small developers. A stable end point, reasonable safe harbours for good-faith compliance, and advance consultation before material interpretative changes are therefore essential.

The proposed monitoring metrics focus principally on uptake, fees, transaction shares, total platform charges, user-journey friction, and abandonment at information screens. Those measures are relevant but incomplete. The CMA should also monitor outcomes by developer size, including payment-processing and merchant-of-record costs, conversion rates, fraud and scam reports, refunds and chargebacks, customer-support complaints, consumer understanding, privacy and security incidents, technical and legal compliance costs, changes to small-business fee programmes, and whether any savings are passed to consumers or reinvested in innovation. A lower platform fee does not necessarily produce a lower consumer price, and a higher steering rate does not necessarily demonstrate greater consumer welfare.

ACT recommends a defined review after sufficient implementation data exist, with the ability to modify or withdraw elements that do not produce their expected benefits or that create disproportionate costs. Once the final rules are in place, the CMA should allow a period of bedding in and stability before considering additional interventions into app distribution. Small businesses need predictable conditions in which to plan, invest, and compete.

VIII. Conclusion

ACT appreciates the opportunity to respond to the consultations and shares the CMA's interest in a competitive and innovative app ecosystem that serves developers and consumers in the United Kingdom. Our recommendations are offered to ensure that any measure the CMA adopts is proportionate and evidence-based, treats security, privacy, consumer protection, and consumer trust as first-order design constraints, preserves truthful developer communications and meaningful choice, ensures that any fee is fair, reasonable, transparent, predictable, and administrable, and extends its benefits to the small business technology developer community on equal terms.

Startups and SMEs are the backbone of the UK's tech sector. The CMA has an opportunity to adopt a balanced approach that enables developers to communicate and innovate without disrupting the trusted and secure marketplace services on which small businesses rely. Policymakers must ensure interventions enhance competition without disrupting the stability of digital ecosystems. An approach along these lines will protect consumers and preserve the trusted environment on which the app ecosystem depends, while ensuring that the competitive benefits the CMA seeks are genuinely shared by the small developers ACT represents. We stand ready to serve as a resource to the CMA as it considers the responses and develops any final requirements.

Sincerely,

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