PayPal's response to the CMA's consultations on the proposed steering conduct requirement for Apple's and Google's mobile platforms

A. Introduction

1. PayPal welcomes the opportunity to respond to the CMA's two parallel consultations, published 30 June 2026, on the proposed steering conduct requirement ("Steering CR") for Apple's and Google's mobile platforms. As the two consultation documents are very similar in structure and substance, PayPal submits this single, common response addressing issues arising in both.

2. PayPal supports the CMA's overall aim of enabling app developers to steer users towards purchasing mechanisms outside Apple's and Google's in-app purchase systems, on fair and reasonable terms, and agrees that effective steering is an important mechanism for increasing competition in mobile app distribution and payments. [REDACTED].

B. Additional friction as a major concern

3. PayPal's central submission, which runs through this response, is that additional friction in the user journey, even a single additional click, materially deters users from completing a transaction. [REDACTED].

4. Developer evidence cited by the CMA itself illustrates the scale of the effect: estimated drop-off from a single additional interstitial step alone ranged from around 5% up to over 60%.[1] [REDACTED].

5. [REDACTED].

C. Destination of links (Apple Paras 4.31–4.37; Google Paras 4.31–4.37)

6. The CMA's provisional view is that Apple and Google should be permitted to restrict end-user redirection mechanisms (i.e., steering links) to websites or offers "*owned, operated or controlled by the relevant app developer*", and therefore proposes not to allow steering to third-party websites but only to the developer's own site. The CMA recognises that steering to third-party destinations introduces "*an additional party to the user journey, which can introduce additional risks to end-users,*" but considers that "*any risks may be manageable*," and expressly states that the developer-controlled-destination restriction "*should not result in additional restrictions that limit the extent to which developers can engage with legitimate third party payment providers*."

[1] See paragraph 4.61 of the Apple consultation and paragraph 4.62 of the Google consultation.

7. PayPal welcomes the CMA's acknowledgement that developers likely will want to engage with legitimate third-party payment providers. In practice, however, the current proposal creates a material asymmetry for merchants to use a hosted payment page model – where the end-user is invited to click through from the developer's own website to a payment page hosted and managed by a payment service provider (like PayPal), rather than a self-hosted payment page embedded directly within the developer's own site. The CMA acknowledges this model, including evidence of demand for third-party hosted payment pages[2], but suggests that the friction created by restricting steering links to developer-controlled destinations could be addressed by having the user click through from the developer's website to the hosted payment page.

8. In PayPal's view, this suggested workaround does not resolve the friction problem: in fact it adds to it. Requiring a click-through from the developer's website to a third-party hosted payment page adds an extra click [REDACTED].

9. Apple and Google have submitted that steering to third-party destinations could allow malicious actors to exploit the reputation of trusted apps to expose users to scams, fraud or harmful content. [REDACTED].

10. [REDACTED].

D. <u>Interstitial information screens (Apple Paras 4.58–4.66; Google Paras 4.59–4.67)</u>

11. The CMA proposes to allow Apple and Google to require a single, neutral interstitial screen for steered transactions informing the user that they are moving outside of the in-app purchase system before a steering link is activated.

12. As explained in Section B above, adding additional steps to the payment flow compounds the friction problem. [REDACTED].

13. As noted above, the CMA has evidence from developers estimating drop-off from a single additional interstitial step to be around 5% up to over 60%.[3] [REDACTED].

14. Further, it appears that this is an unnecessary additional step. As the CMA itself notes, steering has been introduced in the US (following the *Epic v Apple* judgment) without any interstitial screens, and has resulted in no reported concerns.[4] Nor do interstitial screens appear when customers purchase physical goods using steering.[5] These are two real world examples demonstrating that this additional step is not necessary.

[2] See footnote 50 of the Apple consultation, footnote 60 of the Google consultation.
[3] See paragraph 4.61 of the Apple consultation and paragraph 4.62 of the Google consultation.
[4] Apple consultation, paragraph 4.60(c), Google consultation, paragraph 4.61(c).
[5] Apple consultation, paragraph 4.64, Google consultation, paragraph 4.65.

15. For these reasons, PayPal asks the CMA to consider carefully the impact on the consumer payment journey of additional steps, both individually and in combination, even where the content of the additional pages is neutrally framed.

E. Steering fee mechanisms (Apple Paras 4.75–4.132; Google Paras 4.76–4.131)

16. PayPal understands that the CMA proposes a principles-based approach requiring Apple and Google to set their own "fair and reasonable" fee, having regard to cost-based, value-based and administrative-simplicity principles.

17. PayPal's primary concern is whether this approach will ensure that the fees set by Apple and Google make setting up a payment alternative outside of the app sufficiently attractive for developers to take up the opportunity. [REDACTED].

18. PayPal notes that this view is reflected in the evidence the CMA has received[6] and the CMA's provisional view based on international experience.[7] [REDACTED].

[6] Apple consultation, paragraph 4.94, Google consultation, paragraph 4.94.
[7] Apple consultation, paragraph 4.100, Google consultation, paragraph 4.100.