Competition & Markets Authority

Darren Jones MP
Chair
Business and Trade Select Committee

Sarah Cardell
Chief Executive Officer

26 April 2023

Dear Darren,

The Competition and Markets Authority (CMA) welcomes the introduction into Parliament of the Digital Markets, Competition and Consumers (DMCC) Bill. We have been working closely with government officials on the development of the Bill which builds on reforms we've long advocated for, including through the CMA Digital Markets Taskforce advice, published in 2020.

The Bill will allow the CMA to take faster, more targeted and effective action to benefit people, businesses and the economy – protecting people, promoting growth, investment and innovation by ensuring free and vigorous competition amongst businesses both online and on the high street. Our new powers will allow us to enforce consumer protection law directly and impose penalties on businesses for non-compliance, helping us protect consumers more quickly, and make sure fair-dealing businesses are not disadvantaged. The Bill will sharpen CMA's investigation and enforcement powers; adjusting merger control thresholds to allow investigation of mergers most likely to cause harm to UK consumers; and to trial and vary remedies we put in place to address problems in markets. And it will introduce a new pro-competition regulatory regime for the digital age, overseen by the CMA. The regime will be targeted and proportionate, holding the most powerful digital firms to account for their actions, protecting people and enabling all businesses, whatever their size to compete fairly, on the merits.

You may also have seen that, today, the CMA announced its decision to prohibit the Microsoft/Activision merger. After an in-depth investigation, the independent panel group investigating the merger decided the deal would harm competition and innovation in cloud gaming and that prohibiting the deal was the only effective way to protect competition. You may be interested to read the short overview document which sets out the reasons for that decision.

Although it is a coincidence that the statutory deadline for this decision fell in the same week as the introduction of the Bill, we have taken the opportunity to publish an open statement which explains how our existing merger control regime and the new digital markets regime will work in complementary ways to foster and maintain open and effective competition in digital markets, supporting innovation, attracting investment and driving growth.

More generally, Marcus Bokkerink and I look forward to discussing the CMA’s priorities, focus and work at the evidence session with the Committee planned for 16 May.

Yours sincerely,

Sarah Cardell

Chief Executive Officer
Sarah.Cardell@cma.gov.uk