



Dr Andrea Coscelli
Chief Executive Officer
Competition and Markets Authority
The Cabot
25 Cabot Square
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23 February 2022

Dear Dr Coscelli,

Thank you for your evidence to the Committee on 8 February. We found it useful and are grateful for your time and that of Will Hayter.

As you are aware, this Committee has been raising the issue of digital competition for several years. Delays in tackling abuses have already resulted in significant consequences for UK businesses and consumers.

We were pleased to hear from expert witnesses that the UK's proposals for a new pro-competition regime are world leading. This is testament to the work of your organisation and others.

You made it clear that the lack of new legislation is hampering your ability to take action against unfair practices. We appreciate the difficulties this poses. I am writing separately to the Minister for Tech and the Digital Economy to emphasise the importance of introducing legislation to place the Digital Markets Unit (DMU) on a statutory footing.

However, it is important that action from the Competition and Markets Authority (CMA) is not deferred indefinitely whilst awaiting the new legislation. The CMA already has powers at its disposal – as evidenced by your recent progress on the Google Privacy Sandbox case. We accept that these powers may be limited, but we are not convinced that an overly cautious attitude is warranted.

The new legislation could take a significant amount of time to come into force. We would therefore like to see a more robust approach to using your existing enforcement powers in the meantime, to help prevent consumers and businesses from losing out further – for example around advertising and overcharging. We heard from you that the Board is discussing future plans at its next meeting in March. The Committee would be concerned if the CMA decides to delay further taking enforcement action where a negative market impact currently exists. For that reason I am also copying this letter to the Interim Chair, Jonathan Scott, and would request an update on the outcome of the Board's discussions for the Committee as soon as possible after the meeting.



HOUSE OF LORDS

Looking ahead, we are keen to ensure that the DMU has the right powers at its disposal. We are recommending to the Minister that the DMU should have the power to hold senior managers in companies with Strategic Market Status personally liable for compliance, and impose fines of 10 per cent of global turnover for code breaches.

We also appreciate the importance of recruiting the right people. We have recommended that the DMU be funded by an industry levy, and that the Government should explore further options to help the DMU attract and retain talented staff.

Yours sincerely,

Baroness Stowell of Beeston

Chair, Communications and Digital Committee

cc: Jonathan Scott, CMA Interim Chair