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Competition and Consumer Policy in Digital Markets – Note by the United Kingdom

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1. Introduction

1. The CMA welcomes the OECD's Roundtable on Competition and Consumer Policy in Digital Markets and supports the joint working between the Competition Committee and Committee for Consumer Policy.
2. The Competition and Markets Authority (CMA) is the UK's main competition and consumer protection authority. We have a whole-economy remit with the aim to promote competition and protect consumers with a clear end goal to drive economic growth and improve household prosperity.
3. Theory and experience strongly suggest that competition and consumer issues are closely interlinked. Good consumer outcomes rely on competitive markets to provide choice and value, while vibrant competition relies on consumers confidently shopping around.
4. Competition law makes sure businesses are competing with one another and are protected from others acting unfairly. Effective compliance and enforcement of consumer law ensures that consumers are treated fairly and are able to drive effective competition through the exercise of informed choices.
5. The CMA agrees with the OECD's assessment that evolving dynamics in digital markets and with ongoing advancements in technology provides new challenges for businesses and consumers as well as for competition and consumer agencies.¹ Recognising this, the CMA has taken steps to solve these challenges.
6. This paper sets out how the CMA considers both competition and consumer matters within its institutional structure, different conduct relevant to both competition and consumer protection in digital markets, considering how non-price parameters are considered and a forward look at how things may continue to develop.

2. How the CMA can consider competition and consumer matters

7. The CMA is the UK's principal competition and consumer protection authority and helps people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour.
8. Illegal anti-competitive conduct subverts the proper functioning of fair, open, and effective competition. Tackling competition law breaches can bring down barriers to entry and scaling for fair-dealing businesses, as well as boosting productivity and incentives for investment. The CMA has powers to investigate businesses to determine whether they have breached UK competition law, in particular investigating agreements which prevent, restrict or distort competition, and conduct which constitutes an abuse of a dominant position.
9. The CMA's consumer work aims to help put money back in people's pockets and ensure they are treated fairly, so they can engage actively and confidently in market. The CMA may deal with infringements of consumer law using a number of different powers.

¹ [2026.030 Cfc CC ConsumerProtection-DigitalMarkets.pdf](#)

The CMA may choose to promote compliance through providing information and advice to people and businesses about their rights and obligations under consumer law. Additionally, or alternatively, it may choose to enforce a range of consumer protection legislation through its civil powers, which include the court-based enforcement regime and the direct enforcement regime (see para 12.b)), or by bringing criminal prosecutions.

10. Moreover, the CMA has powers under its markets regime and regularly undertakes market studies that examine why particular UK markets may not be working well. Market studies can focus on both competition and consumer protection concerns and, as a result, will consider the synergies between competition and consumer interests. This allows the CMA to make effective recommendations to address both competition and consumer issues.² The CMA may additionally consider information asymmetries in its market studies as these can significantly impact market functioning and often recommends remedies aimed at improving the transparency and accessibility of information.

11. The UK has concurrent competition and consumer regimes. For competition, this refers to the fact that like the CMA, the sector regulators (e.g. in the communications, energy, water, aviation, rail, financial services and payment systems sectors) have powers to enforce the prohibitions against anti-competitive agreements and abuses of a dominant position in the sectors for which they are responsible, and can also carry out market studies and refer markets to the CMA for a detailed market investigation. For consumer protection matters the CMA operates alongside several other bodies across the UK with consumer enforcement responsibilities, including Trading Standards.³

2.1. Recent reforms to better address challenges from digital markets

12. In recent years, the CMA has been reforming its enforcement toolkit to better align with the challenges posed by digital markets. Many other international agencies have been thinking about this too. The Digital Markets Competition and Consumers Act 2024 (DMCCA)⁴ gives the CMA new powers for both competition and for consumer protection. This includes:

1. The Digital Markets Competition Regime. A new fast, evidence-based, targeted, proportionate and participative competition tool designed to apply to a digital activity of the largest tech firms following a detailed assessment.
2. A new direct enforcement regime for consumer protection. As of 6th April 2025, the CMA can make decisions and impose fines for breaches of (some pieces of) consumer protection legislation. Under this regime, the CMA can now **investigate, determine and take enforcement action to address breaches of certain consumer protection laws**. This includes most of the key pieces of consumer law including on unfair commercial practices, unfair contract terms, consumer credit, consumer rights and some sector specific legislation including timeshare and package travel. The regime also allows direct enforcement action against breaches of undertakings given to the CMA, breaches of CMA directions, non-compliance with statutory information notices, or providing false

² While not specific to digital markets, recent market investigations into [veterinary services](#) and [funerals](#) include remedies to improve transparency of pricing and information that could also apply in a digital markets' context.

³ [Consumer protection enforcement guidance](#)

⁴ [Digital Markets, Competition and Consumers Act 2024](#)

or misleading information to the CMA. This aligns our consumer and competition powers in terms of both decisions and fines.

13. While the CMA is currently the only enforcer under the new direct enforcement regime it continues to share our consumer enforcement powers with other enforcers, such as Trading Standards and sector regulators, in the civil court-based and the criminal regimes.

14. In addition to strengthening the CMA's powers via these new tools, the DMCCA also makes changes to existing consumer rights. These include:

1. updating the law on prohibited unfair commercial practices, including a new banned practice relating to fake consumer reviews and a prohibition of the 'drip pricing' of unavoidable fees;
2. new protections for consumers in relation to subscription and saving scheme contracts, expected to come into force in 2027; and
3. unless expressly exempted, providers of alternative dispute resolution (ADR) services will need to be accredited and approved before they are able to provide ADR services and will face restrictions on the fees they may charge consumers.

2.2. Other tools

15. The CMA also makes use of non-enforcement functions and approaches to deliver its mandate of promoting competition and protecting consumers, this includes:

1. **Advocacy:** the CMA does not always need to pursue an investigation to achieve a positive outcome for consumers or to change behaviour. We make use of warning and advisory letters sent to businesses throughout the UK, alerting them that they may need to change their business practices to comply with the law and setting out the risks if they fail to do so. These so-called soft tools can therefore allow us to make a real difference and to do so at pace and with agility. Another specific example includes developing and promoting our Clear Pricing campaign⁵ – using a UK TV personality to amplify the impact – which gives businesses a simple, 3-step checklist for transparent pricing.
2. **Prioritisation:** The CMA sets out in its annual plan its strategic approach across each of its functions and where it will prioritise enforcement and non-enforcement action.⁶
3. **Behavioural hub:** the CMA uses behavioural insights not only to understand how consumers and businesses behave, but to ensure its interventions are as effective as possible. The Behavioural Hub provides research and analysis across the CMA's major cases and market studies, from mobile ecosystems to online choice architecture. The function brings specialised expertise on how certain practices used by businesses – particularly in digital markets – influence consumer decisions, helping to identify and address misleading or manipulative practices.

16. The dual mandate for both competition and consumer law allows the CMA to think about the most appropriate tool or approach for addressing an issue and create efficiencies in our work.

⁵ [Clear Pricing campaign](#)

⁶ [Annual Plan 2026 to 2027 - GOV.UK](#)

3. Conduct relevant to both competition and consumer protection

17. Digital markets can amplify and connect competition and consumer protection risks. Features such as complex products, multi-sided platforms, strong network effects, economies of scale and scope in data, and rapid experimentation (including A/B testing and personalisation) can deepen information and other asymmetries and make it harder for consumers to exercise meaningful choice. At the same time, the same features can entrench incumbents and dampen rivalry, meaning that harmful consumer-facing practices may not be disciplined or restrained by competition in the market.

18. Competition relies on consumers being able to compare options effectively, including on non-price attributes. In digital markets, firms can influence what information is shown (and how) through ranking, recommendation systems and user interface design. Misleading claims, drip pricing and manipulated or fake reviews can distort consumer decision-making. This, in turn, can weaken competitive pressure by reducing effective comparability and steering demand towards particular providers. CMA cases under the new DMCCA enforcement powers have looked to combat pricing issues in particular as clear, inclusive pricing is necessary for effective upfront comparison.

19. Digital interfaces can create friction or steer consumers towards outcomes that suit the firm rather than the user. This can include use of default options, prompts, scarcity/urgency cues, confusing choice flows, and obstructive cancellation or switching journeys (“sludge”). These practices can directly harm consumers, but can also have competition effects by reducing switching, increasing inertia, and shielding firms from competitive constraint (including by raising rivals’ costs of acquiring customers).

20. Practices that increase consumer lock-in (for example, contractual restrictions, bundling/tying, interoperability constraints, and subscription terms that make exit or switching difficult or costly) can reduce consumer choice and welfare. They may also impede entry and expansion in markets. Where firms with market power are able to combine consumer-facing frictions with conduct that disadvantages rivals, the result can be persistent harm to both competition and consumers.

21. Platforms are central to digital markets. Whilst the DMCCA recognises some of the challenges created by platforms, which have changed the traditional direct business-consumer transactional frame, CMA has also taken steps to ensure that tech platforms take appropriate responsibility for potentially harmful practices. A key example here would be our work on fake reviews where major platforms agreed to take proportionate steps to combat the marketing and use of fake reviews.⁷ This was subsequently clarified in the new DMCCA provisions on fake reviews mentioned elsewhere in this paper.

22. The CMA set out its planned approach to enforcement in the first year of the new regime in April 2025.⁸ Since then it has published guidance on price transparency⁹ and begun a programme of investigations examining transparency of mandatory and optional additional charges, as well as time-limited offers.¹⁰

⁷ [Online reviews - GOV.UK](#)

⁸ <https://www.gov.uk/government/publications/the-cmas-approach-to-direct-consumer-protection>

⁹ [Price transparency - GOV.UK](#)

¹⁰ [CMA launches major consumer protection drive focused on online pricing practices - GOV.UK](#)

3.1. Conduct / Issues

3.1.1. Online choice architecture and harmful design

23. The CMA has highlighted over recent years how design choices in digital interfaces can harm both consumers and competition. Online Choice Architecture (OCA) practices (including defaults, ranking, partitioned pricing, choice overload, and “sludge”) can reduce consumers’ ability to make informed, independent choices and can also dampen competition by steering demand and reducing switching and comparability.

24. The CMA’s 2022 discussion paper on OCA¹¹ sets out a taxonomy of such practices and the channels through which they can cause consumer and competition harm.

25. The CMA has also prioritised misleading OCA in a range of consumer protection cases in recent years, including in online hotel booking (ranking and scarcity/urgency claims)¹², online gaming and anti-virus software (unfair terms and subscriptions).^{13,14} More recently, it has targeted default options and false time-limited offers.¹⁵ While the CMA used consumer protection enforcement powers to tackle these issues, the prioritisation of cases also took into account the detrimental effect of these practices on competition.

26. We are talking to the wider community of regulators – through the Digital Regulation Cooperation Forum (DRCF)¹⁶ in the UK and ICPEN internationally, for example – about how AI could affect online choice architecture in future.

Mobile browsers and cloud gaming – A practical illustration

27. The CMA’s Mobile browsers and cloud gaming market investigation provides a practical illustration of how choice architecture can reinforce market power.¹⁷ Working papers published during the investigation (including a July 2024 paper on choice architecture¹⁸) considered how pre-installation, placement, defaults and prompts can influence consumer behaviour and, in turn, affect competitive dynamics between browsers. The market investigation also commissioned external research to better understand user behaviour in the market and inform its findings.¹⁹

28. The final report (published March 2025)²⁰ found competition concerns in relation to mobile browsers and noted how design and default settings can affect consumers’ choice of browsers. The report also illustrates how consumer-facing interface features can interact

¹¹ [Online Choice Architecture - How digital design can harm competition and consumers - discussion paper](#)

¹² [Online hotel booking - GOV.UK](#)

¹³ [Online console video gaming - GOV.UK](#)

¹⁴ [Anti-virus software - GOV.UK](#)

¹⁵ [Wayfair: consumer protection enforcement case - GOV.UK](#)

¹⁶ [Digital Regulation Cooperation Forum](#)

¹⁷ [Mobile browsers and cloud gaming - GOV.UK](#)

¹⁸ [WP5. The role of choice architecture on competition in the supply of mobile browsers](#)

¹⁹ [Verian Mobile Browsers Research Final Report.pdf](#)

²⁰ [Mobile browsers and cloud gaming - GOV.UK](#)

with structural features (for example, barriers to entry and expansion), and how remedies may need to address both.

3.1.2. Unfair terms, subscriptions and contract design

29. Imbalanced, opaque and otherwise unfair consumer contract terms can embed digital market power and exacerbate lock-in, including through unilateral variation clauses (for example, changes to features, data use or price), limitations of liability, restrictions on cancellation, high termination charges and auto-renewal/subscription terms that make exit difficult. From a consumer perspective, these may be unfair and/or insufficiently transparent. From a competition perspective, they can reduce switching and raise barriers to entry by making it harder for rivals to attract customers, particularly where combined with platform ecosystems, bundling, or interoperability constraints.

30. In mobile and app-based environments, terms may be presented through layered notices and consent flows, with limited opportunity to access or understand key rights and obligations before commitment. These presentation choices can interact with OCA (for example, prominence, defaults and friction) to reduce user comprehension and informed choice.

31. Terms relating to cancellation, renewal, variation of service (including removal of functionality), and limitations of liability are particularly important in digital services where quality, continuity and data use are central to consumer value. The competitive impact can be amplified where consumers face high switching costs, loss of data/history, reduced interoperability or network effects.

3.1.3. Price transparency and reviews

32. The CMA recognises that provision of information is important to consumers, particularly in relation to price transparency, reviews and ranking practices. From a consumer protection perspective, the question is whether key information is accurate and presented clearly, and at the right time (for example, inclusive total price including unavoidable fees, and supported by genuine reviews). On the competition side, the question is whether the same practices distort rivalry by weakening consumers' ability to compare offers or by advantaging certain suppliers (for example, through paid-for prominence, self-preferencing, or manipulation of reputational signals).

33. As noted previously, consumer protection law has recently been updated in the UK to recognise the importance of these matters. It introduced new, specific prohibitions on:

- drip pricing (through a requirement to display the total price throughout the customer journey)
- and fake reviews, banning in all circumstances, among other things, submitting and commissioning fake reviews and publishing fake reviews without taking reasonable steps to prevent publication of fake reviews.

34. Utilising its new direct enforcement powers, the CMA has prioritised drip pricing and fake reviews in recent consumer enforcement cases. This includes:

- In April 2026 we announced that the AA Driving School and BSM Driving School, who are both owned by the Automobile Association Developments Limited (the AA), admitted liability for drip pricing and agreed to refund over £760,000 to

affected learner drivers²¹ - the first time it has used its new powers to secure money back for consumers. The AA was also fined £4.2 million.²²

- Conducting a sweep of review publishers and issued advisory letters to 54 firms to improve their compliance with the law. Following this, 90% of the businesses we contacted then took action to improve their policies and in March we opened investigations into 5 companies to establish whether consumer laws on misleading reviews have been broken, and opened cases across sectors including funerals, food delivery, and car sales.²³

35. While these cases are being conducted using consumer protection legislation, their prioritisation illustrates the CMA’s recognition that these issues can have both direct consumer detriment and broader market-wide effects. A key piece of consumer law, covering unfair commercial practices, makes explicit links to effective markets through the concept of the ‘transactional decision’. The CMA’s consumer enforcement powers are linked to those commercial practices that harm the collective interests of consumers. In this way economic logic and the power of markets is baked into the consumer protection regime.

3.2. How the issues interact

36. In practice, the CMA often sees the same underlying mechanisms driving harm across both regimes:

1. Design choices can change both consumer behaviour and market outcomes. For example, defaults, prompts and friction can shift demand and reduce switching, which can in turn reduce the competitive constraint faced by firms (especially where there are already barriers to entry or expansion).
2. Data practices and personalisation can be both a source of value and a source of harm. Extensive data collection and targeting may create or reinforce market power (for example, through scale advantages and feedback loops), while also raising consumer protection concerns about transparency, control and fairness. Where consumers cannot readily understand or control data use, effective competitive discipline may be weakened.

37. Interventions in one domain can reinforce outcomes in the other. For example, consumer-facing remedies that improve information, reduce friction, and support switching can increase the strength of competitive constraints; while competition interventions that improve access, interoperability or choice can make consumer protections more effective in practice.

²¹ Since 2015, and now a part of the CMA’s direct enforcement powers under the DMCCA, remedies in consumer protection cases can incorporate “Enhanced Consumer Measures”. These include redress measures where the CMA may require redress to be paid directly to consumers affected by an infringement of consumer law or, if affected consumers cannot be identified or the cost of repaying individuals is disproportionate, through another mechanism such as a paid to a consumer charity or education campaign). More information can be found in the CMA’s [Direct Consumer Enforcement Guidance](#) (CMA200).

²² [CMA orders the AA and BSM driving schools to refund learner drivers over drip pricing - GOV.UK](#)

²³ [Fake and misleading reviews: 5 businesses under CMA investigation - GOV.UK](#)

38. The CMA’s integrated mandate supports coordinated assessment. Across market studies, investigations and enforcement work, the CMA can draw on expertise in competition, consumer protection, data and technology, and behavioural insights to identify how conduct operates “end-to-end” (from interface design through to market outcomes) and to design packages of remedies that are coherent for businesses and effective for consumers.

39. Effective coordination can also help to identify gaps in existing tools, particularly where harm arises through a combination of (i) interface design that reduces consumer autonomy and (ii) market power or structural features that prevent consumers and rivals from disciplining that conduct. The CMA’s evolving toolkit under the Digital Markets, Competition and Consumers Act is intended to help address these blended issues more effectively, including through the new digital markets competition regime and strengthened consumer enforcement.

4. Assessing non-price parameters

40. Many digital products are offered at zero financial cost to consumers (or at a low upfront price). In such cases, competition can play out on other dimensions that matter to consumers and businesses. These non-price parameters include quality, reliability, innovation, range and choice, interoperability, privacy and data protection, advertising load, and levels of trust (including trust in rankings and reviews).

41. Our consumer protection work is directly concerned with whether these dimensions are presented transparently and whether consumers can make informed choices. Our competition work is concerned with whether rivalry is delivering strong outcomes on these dimensions, and whether market power enables degradation over time.

42. The CMA considers non-price competition through a combination of qualitative and quantitative evidence, including consumer research and behavioural testing, analysis of user journeys (for example, sign-up, consent and cancellation flows), complaints data, switching and churn metrics, experiments and A/B testing evidence (where available), and technical analysis of product functionality and interoperability.

43. In market studies and investigations, the CMA may consider whether design choices or contractual terms reduce consumers’ ability to compare offers, whether there is degradation in quality (for example, increasing ad load, worsening privacy settings, reduced functionality), and whether a lack of competitive constraint is limiting innovation.

44. Key parameters in digital markets can be directly affected by OCA and data practices and may also be strategically degraded where firms face weak competitive constraint. These include:

- trust and transparency;
- quality and reliability;
- privacy and control over personal data; and
- user autonomy (including the ease of changing settings, switching, and cancelling).

45. The CMA recognises that data can be both an input into competition (for example, to improve product quality and personalisation) and a source of market power. Where consumers do not have meaningful control over data collection and use, there can be consumer detriment; and where data advantages reinforce incumbency, there can be reduced competitive pressure to offer privacy-protective or higher-quality alternatives. The

CMA's work on online choice architecture has emphasised how design patterns can undermine consumers' control over personal information, and why alignment between consumer protection, competition and privacy perspectives is increasingly important.²⁴

46. In some digital markets, safety and integrity (for example, exposure to scams, misleading listings, or harmful content) are important dimensions of consumer welfare and can influence competitive dynamics (for example, whether platforms compete to improve safety features, verification, and complaint handling). Where market power reduces the incentive to invest in these dimensions, consumer protection and competition perspectives can point in the same direction: improving incentives and accountability so that firms compete to provide safer and more trustworthy services.

5. Looking forward

47. The CMA is aware that digital markets will continue to develop, particularly as technology advances. AI has the potential to boost economic growth and improve people's everyday lives, and the CMA is committed to encouraging its use and is considering developments across both competition and consumer law.

48. To support businesses using AI agents (or agentic AI) the CMA has published guidance on how businesses can use agentic AI to engage with customers within the law.²⁵ The CMA also published a blog post which discussed the associated benefits and potential risks from AI and algorithms, including the potential for newer forms of collusion.²⁶

49. While it is for businesses to ensure that they understand the law, competition and consumer agencies must also play their part by remaining vigilant, investing in technical capability where possible, fostering strong collaboration with peers and stakeholders and ensuring that innovation is balanced with robust safeguards.

²⁴ [Online Choice Architecture: How digital design can harm competition and consumers - GOV.UK](#)

²⁵ [Complying with consumer law when using AI agents - GOV.UK](#)

²⁶ [AI and collusion: frontiers, opportunities and challenges – Competition and Markets Authority](#)