

Unclassified

English - Or. English

13 November 2025

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

Working Party No. 2 on Competition and Regulation

**Market Studies and other Market Analysis Tools for Competition Authorities – Note by
the United Kingdom**

3 December 2025

This document reproduces a written contribution from the United Kingdom submitted for Item 4 of the 80th meeting of Working Party 2 on 3 December 2025.

More documentation related to this discussion can be found at: oe.cd/msmat.

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The CMA's approach to the UK markets regime

1. Introduction

1. The Competition and Markets Authority (CMA) welcomes the opportunity to contribute to the OECD's Roundtable on "Market Studies and Other Market Analysis". This paper sets out the CMA's approach to the UK markets regime, drawing specifically on its experience of market reviews, market studies and market investigations.

2. The CMA's purpose is to help people, businesses and the UK economy by promoting competition and protecting consumers. One important way in which the CMA discharges its role is through use of its markets tools. The CMA has three discretionary tools at its disposal within the UK markets regime,¹ allowing the CMA to assess markets holistically to identify where there are opportunities to make them work better for consumers, businesses and the whole economy.

3. The CMA now has over 10 years of experience using these tools in relation to a wide range of markets,² generating considerable direct benefits for UK consumers and businesses. From helping local authorities to better procure children's home and fostering placements to setting out how drivers can be equipped to get better prices at the petrol pump, we have consistently used the tools to make markets work better. More recently, we have made important recommendations to government around streamlining the planning system and increasing consumer protections in the housebuilding market; and to deliver better outcomes for parents in the infant formula market, both in terms of the choices they make and the prices they pay.

4. Over the past year, the CMA has been making fundamental changes across its major tools to ensure the way in which it utilises them continues to support economic growth, reduces uncertainty for businesses and investors, and delivers better outcomes for everyone. We have implemented these changes through the '4Ps', which is a programme of changes to how we go about our work as an independent competition and consumer protection authority. Specifically, the 4Ps aims to deliver improvements to the pace, predictability, proportionality and process of how the CMA works. We are embedding this framework into our markets work to ensure that we use our markets tools in the most targeted, proportionate and effective manner possible. The common challenges which arise in markets work, and how the framework is helping to address these, are discussed below.

¹ The CMA has a general review function under which it can undertake market reviews, as well as statutory powers to undertake market studies and investigations. Together, these are commonly referred to as the "markets regime". Market studies are conducted under section 5 of the Enterprise Act 2002 (EA2002), with certain procedural obligations later introduced under the Enterprise and Regulatory Reform Act 2013, including publication of a market study notice, statutory time limits and formal information gathering powers. Market investigations are conducted following a statutory reference from the CMA or from a sectoral regulator under the EA2002, and give the CMA the power to impose both structural and behavioural remedies.

² Market studies were previously carried out by the CMA's predecessor the Office of Fair Trading (OFT), while market investigations were the responsibility of the Competition Commission (CC).

5. On 21 October 2025, and at the time of writing, the UK government announced that it was proposing to build on these reforms, by consulting on proposals in relation to the UK's markets (and mergers) regime.³ This includes proposals to change how the CMA makes decisions in market (and merger) investigations, by replacing the CMA's panel model for decision-making⁴ by replicating the Digital Markets Board Committee model.⁵ Further detail is expected in the forthcoming consultation document. The remainder of this paper sets out how the UK markets regime currently operates but should be read with the government's announcement in mind. We expect to be able to provide further information on the proposals at the Working Party in December 2025.

2. How we utilise our markets toolkit

6. The CMA can take different approaches to examining markets. We are able to look at a range of very different markets, facing a range of different issues. As a result, there is no one-size-fits-all model for best practice. The tools available to the CMA vary in their processes, timeframes and potential outcomes, as set out in Table 1 below. By being flexible in how we use our markets tools, we aim to deliver improvements to the operation of markets that are proportionate to the prevailing market conditions and issues we are considering.

Table 1. Overview of markets tools

	Market review	Market study	Market investigation
Objective / legal test	Diagnose possible competition or consumer concerns	Assess if there is an adverse effect on consumers	Assess if there is an adverse effect on competition
Depth of assessment	Shorter, high-level assessment of market; no mandatory information gathering powers – evidence gathered voluntarily	Detailed assessment of market; statutory information gathering powers; statutory consultation requirement on any proposed market investigation reference	Rigorous assessment of market; statutory information gathering powers; statutory consultation requirements
Possible outcomes	Advice to government and/or business; recommendations; undertakings, market investigation reference	Advice to government and/or business; recommendations; undertakings, market investigation reference	CMA-imposed remedies (orders); undertakings, recommendations
Statutory timeframe	No statutory maximum timeframe	Statutory maximum of 12 months	Statutory maximum of 18 months, extendable by up to 6 months. Remedies implementation (if relevant) period maximum of 6 months, extendable by up to 4 months

7. Depending on the markets tool in question, resource requirements vary, and this – as well as demands across our entire portfolio – impacts the number of markets cases that can be run at any one time. Market studies and market investigations have statutory maximum timeframes (see Table 1), but actual timescales vary depending on the scale and

³ UK Government (HM Treasury, October 2025) [Regulation Action Plan – progress update and next steps](#), page 21.

⁴ Some functions of the CMA must be performed by the CMA panel. Panel members have clearly defined responsibilities and act as fresh decision-makers in phase 2 market investigations, merger inquiries and regulatory appeals. See: [Our governance - Competition and Markets Authority - GOV.UK](#)

⁵ The Digital Markets Board Committee is authorised by the CMA Board to oversee, take decisions and undertake any preparatory or necessary work in relation to the CMA's digital markets functions. See: [Annex I: Digital Markets Board Committee terms of reference - GOV.UK](#)

complexity of the market, with the CMA aiming to conclude its work as swiftly as possible. To this end, project-specific timescales, including KPIs, are set out in ‘Project Roadmaps’ ahead of the launch of any project.

8. At the time of submission the CMA is undertaking one market study ([civil engineering](#)), with another market study concluded in February 2025 ([infant formula](#)). There is one ‘live’ market investigation ([veterinary services](#)), with a further two concluded earlier in 2025 ([mobile browsers and cloud gaming](#) and [cloud services](#)).

3. How we choose our markets cases

9. The CMA’s Prioritisation Principles (the principles) help guide our choice of work where we have discretion to act (as in the case of the markets regime), particularly as the CMA does not have the resources to act in all instances where intervention could bring benefits. The principles consist of five key considerations:⁶

- **Strategic significance:** does CMA action in this area fit with the CMA’s objectives and strategy (as set out in the Government’s Strategic Steer and CMA Annual Plan)?
- **Impact:** how substantial is the likely positive impact of CMA action?
- **Is the CMA best placed to act:** is there an appropriate alternative to CMA action?
- **Resources:** does the CMA have the right capacity in place to act effectively?
- **Risk:** what types of risks are associated with CMA action, and how significant are they?

10. We have regard to the Government’s Strategic Steer to the CMA (Strategic Steer) when selecting our markets cases.⁷ The Government published a new Strategic Steer for the CMA in May 2025, reflecting the Government’s priority focus on driving economic growth.

11. Like many agencies, the CMA’s independent decision-making is enshrined in statute. As set out in the Strategic Steer:

“The CMA must at all times properly and independently exercise its statutory functions to promote competition and protect consumers.

In all areas where the CMA has discretion over which reviews, studies or investigations to commence, and in all cases where the CMA is considering remedies, the CMA should give appropriate consideration to:

prioritising pro-growth and pro-investment interventions

focusing on markets and harms that particularly impact UK-based consumers and businesses

supporting growth and competitiveness in the industrial strategy’s 8 growth-driving sectors.”

⁶ [CMA prioritisation principles - GOV.UK](#)

⁷ [Strategic steer to the Competition and Markets Authority - GOV.UK](#)

12. The CMA sets out its priorities in its multi-year strategy and Annual Plan.⁸ As well as placing a strong focus on growth, in line with the Strategic Steer, our current Annual Plan also recognises the importance of putting money back in people's pockets in a challenging economic climate. In early 2025 we set out comprehensive proposals to deliver better outcomes for parents and carers in the infant formula market, and our ongoing veterinary services market investigation will conclude early next year, supporting an industry that is relied on by millions of households across the UK.

13. Our civil engineering market study is the first we have launched since the publication of the Strategic Steer and is examining opportunities to improve how the public sector and industry work together. Improving how the market operates could enhance productivity, cut costs for business and support growth across the wider economy. More generally, beyond our markets tools, we are increasingly deploying our public policy expertise and microeconomics capabilities in service of the growth mission and UK's modern industrial strategy.

4. Selecting the appropriate markets tool

14. Where the CMA has prioritised an area for action, it will select the tool (as set out in Table 1 and discussed further below) that is most effective and proportionate to consider and address the preliminary concerns it has identified. When selecting the appropriate markets tool, the CMA considers the following factors:⁹

- The complexity of the issues to be explored and therefore the depth of analysis required;
- The urgency with which insights or solutions are required;
- The number of stakeholders and their likely levels of engagement;
- The likely outcome – in particular, whether formal remedy powers are likely to be required.

15. While each markets tool can be initiated independently of each other – and most have been self-standing – some projects have led into more in-depth markets work. Given the significant timescales involved in conducting a market study and investigation in sequence, the CMA carefully considers the most appropriate approach to adopt for each market, and whether certain issues/sectors may warrant a market study (versus a review) or investigation from the outset.¹⁰

4.1. Market reviews

16. The procedure of a market review is not defined in legislation and is likely to vary based on the nature and complexity of the issues being considered. Typically, a market review will be shorter in duration than a market study and may result in direct advice to government in place of a published report. It is unlikely that a market review would be the appropriate tool for extensive or more in-depth evidence gathering and analysis, as it relies on market participants voluntarily engaging to provide information in a timely manner.

⁸ [CMA Annual Plan 2025 to 2026 - GOV.UK](#)

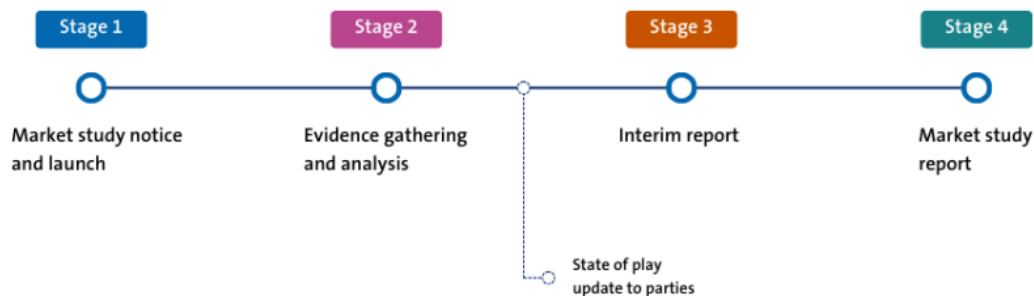
⁹ [The CMA's approach to markets work](#), see pp.6-7.

¹⁰ [The CMA's approach to markets work](#), see p.13.

4.2. Market studies

17. Market studies are a detailed assessment of a market to assess if there is an adverse effect on consumers. They can be initiated as a stand-alone project or following a market review. In contrast to market reviews, market studies are a more in-depth assessment of a market and allow the CMA to exercise statutory information-gathering powers. When the CMA identifies concerns in a market study, it has the same options as in market reviews to address these. Recommendations to government can be made in situations where changes in the law, government policy, and/or regulatory practice are necessary to remedy any concerns identified. The key stages of a market study are as follows:

Figure 1. Key stages of a market study



4.3. Market investigations

18. Market investigations were established under the Enterprise Act 2002 as the primary statutory tool for in-depth market analysis. In contrast, market studies were initially less formal and lacked statutory information-gathering powers until these were introduced in 2013.¹¹

19. Market investigations can be initiated with a market investigation reference, provided the statutory thresholds are met – directly, or following a market review or market study.¹² The CMA has a discretion rather than a duty to make a market investigation reference where the statutory thresholds appear to be met.

20. The main distinctive feature of market investigations is the ability for the CMA to directly impose remedies with a legally enforceable Order. Before launching a market investigation, the potential issues and corresponding remedies should be well-defined and clearly scoped, with a reasonable expectation that the CMA’s order-making powers will be necessary to implement effective solutions. The challenges around Market investigations, particularly the additional burdens on parties and internal resource, are further discussed below.

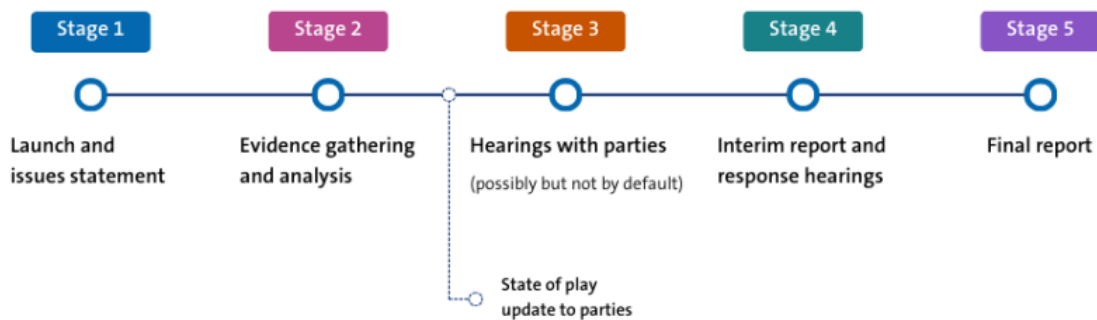
¹¹ See footnote 1.

¹² The statutory thresholds involve a reference test where the CMA determines that it has reasonable grounds for suspecting that any feature, or combination of features, of a market in the United Kingdom for goods or services prevents, restricts, or distorts competition in connection with the supply or acquisition of any goods or services in the UK or a part of the UK.

21. The decision-makers for market investigations are drawn from a panel of independent Members by the CMA Panel Chair (as opposed to market studies, whereby the decision maker for certain procedural steps is the CMA Board). However as noted in paragraph 5 above, the UK Government is currently consulting on proposals to revise the decision-making process for market investigations.

22. The key stages of a market investigation are as follows:

Figure 2. Key stages of a market investigation



5. Challenges and the 4Ps framework

- Notwithstanding the significant benefits delivered by the markets regime, the way in which markets projects are conducted has the potential to have an unintended negative impact on productivity and growth, which can offset the intended positive impact.
- First, our work can create uncertainty for businesses which can act as a drag on investment;
- Second, our work imposes burdens on businesses, for instance in replying to our requests for information or simply keeping up with our processes;
- Finally, our processes can impose burdens and uncertainty on firms for lengthy periods of time. While the legislation that allows us to carry out markets work provides statutory time limits, this still allows for the possibility of a market study of up to 12 months, followed by a market investigation of up to 18 months. An end-to-end process lasting in some cases up to three years is not a necessary or reasonable timeframe in the vast majority of cases.

23. The CMA is therefore implementing the 4Ps – pace, predictability, proportionality and process – across its markets work.

- Pace: we are aiming to minimise the end-to-end timescale of our markets work;
- Predictability: to drive business and investor confidence we will go further to keep businesses informed throughout our work;
- Proportionality: we are aiming to ensure that our markets work secures benefits that clearly outweigh the short-term and long-term costs to businesses;

- Process: we are adopting a more participative approach to engagement with businesses subject to our work
24. In particular, the 4Ps framework has been designed to deliver a step change in the CMA's engagement with stakeholders which we are implementing by:
- Engaging more actively with business to better understand likely impacts on them at key decision points, including the decisions to scope and launch our projects, decisions on which concerns ('theories of harm') to drop and which conclusions to uphold, and decisions on what remedy proposals to adopt. Where in the past this engagement has proceeded primarily via written documents, we will now seek to do this through a more iterative, participative approach, including via more direct meetings and events.
 - Formalising our practice of offering 'teach ins', in both market studies and market investigations.
 - Offering meetings with CMA decision makers at key points in a markets project including a webinar at launch, at the state of play meeting points and at other milestones such as when consulting on remedies.
 - Introducing opportunities to update parties on our progress and developing thinking, through possible external 'state of play' meetings, progress reports, or another method of updating parties that is appropriate in the circumstances.
25. While this will necessarily be shaped by the nature and demand of each case, our goal is to ensure that businesses affected by our work have the opportunity to engage with CMA decision-makers in an open manner.

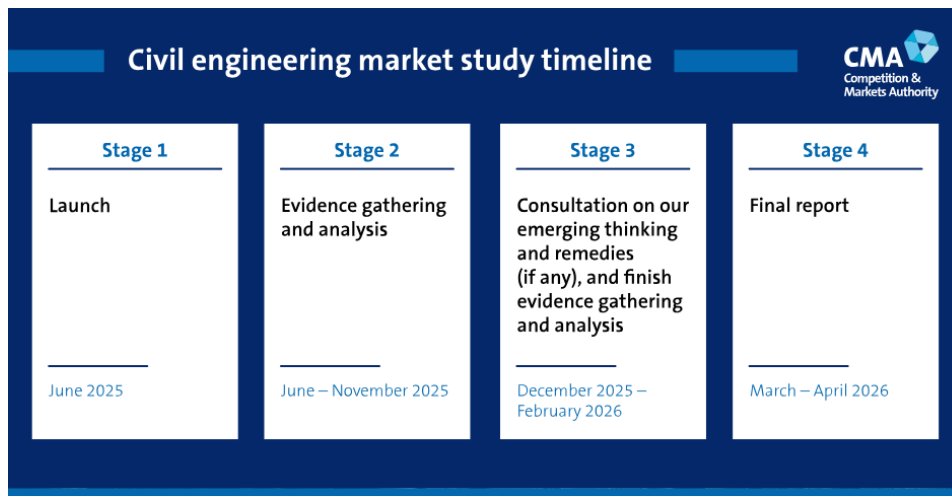
5.1. Civil engineering market study

26. The 4Ps principles are being implemented in the civil engineering market study, launched in June 2025.¹³ At launch, the CMA set out how it will conduct the study in line with the 4Ps. This included:
- Setting out its intention to finish this work in 10 months, well inside the 12-month statutory timetable.
 - Publishing a roadmap so it's clear for businesses about what it intends to do at each stage of the study and how they can engage with the CMA. This also included a CMA-hosted webinar for key parties, with the presentation portion published on the case page.¹⁴
 - Explaining what issues it intends to focus on and what it expects the likely outcomes of this work to be. This includes updating participants as these develop throughout the study.
 - Running a range of engagement channels to hear from a full range of businesses through the civil engineering supply chain as well as public sector clients.
27. The key stages and timeline of the market study are illustrated on the case page:

¹³ [Civil engineering market study - GOV.UK](#)

¹⁴ [How to engage with the CMA's civil engineering market study - GOV.UK](#)

Figure 3. Key stages and timeline of the market study



6. Outcomes and impact

28. Markets work can lead to a range of outcomes depending on the tool employed (as detailed in Table 1 above). The CMA must make necessary trade-offs between the most appropriate tool and the possible outcomes available in each case. All markets tools can lead to recommendations to government to undertake particular reforms, which often have a wide-ranging policy impact. In market reviews and market studies the CMA cannot impose remedies directly; responsibility for implementing recommendations lies with others and often requires advocacy once a case concludes.

Road fuel market study

29. Reflecting the CMA's strategic priority to address cost of living pressures on consumers, the CMA conducted a market study into the road fuel market which concluded in July 2023. The market study was launched following a one-month market review of the sector in 2022. The study found a weakening of competition in fuel retailing since 2019. This allowed supermarkets to increase their fuel margins which led to drivers paying an extra 6 pence per litre from 2019 to 2022. The CMA concluded that competition was not working well and that greater transparency in pricing was needed to improve consumer confidence and bring down prices for drivers who faced difficulty in comparing prices between retailers. The CMA recommended that the UK Government legislate for a new fuel finder scheme which would make it compulsory for retailers to make their prices available in near-real time in order to drive competition. The UK Government accepted this recommendation and aims to launch the Fuel Finder remedy by the end of 2025. The UK Government also accepted the CMA's recommendation for a statutory monitoring function to hold the industry to account, and powers for the CMA to fulfil this function were conferred on the CMA earlier this year.

30. As in the case of the housebuilding market study (see below), a recommendation that the CMA or another body investigate possible breaches of competition and/or consumer law is a possible outcome of markets work. However, it is important to note that the markets tools do not directly consider whether one or more businesses have breached competition or consumer law as part of the analysis of how well a market is functioning.

31. In market investigations, the CMA also has the option to directly impose remedies if it determines that there is an adverse effect on competition (AEC). To remedy an AEC directly, the CMA can accept undertakings from the relevant parties and/or make a legally enforceable Order. In practice, the CMA may decide to take several actions itself and/or make recommendations to others as part of a package of measures. Where the CMA puts in place remedies to address its concerns following a market investigation, it is responsible for monitoring and enforcing compliance with those remedies. In these cases, it will consider whether the CMA is best placed to impose remedies itself, and their potential impact on internal resource.

Retail banking market investigation

32. *The CMA's market investigation into the supply of retail banking services to personal current account customers and to SMEs in the UK concluded in August 2016.¹⁵ The CMA imposed an integrated package of measures under the Retail Banking Market Investigation Order 2017 designed to address the adverse effects on competition that it identified, including the Open Banking remedy. Open Banking enables consumers and businesses to share their transaction data securely with trusted third parties, fostering innovation and competition by enabling start-ups and challenger financial technology (FinTech) firms to provide customers with applications and services which save them time and money. This has enabled new, customer-centric financial services and products, enhancing consumer choice and stimulating growth and investment in the UK's FinTech sector. These services and products are now used by over 70% of UK consumers and *are worth over £4bn to the UK economy annually.**

6.1. Assessing and monitoring impact

33. As part of the CMA's annual impact assessment, it was estimated that the direct consumer benefits from the CMA's interventions through the markets regime were £5,153.4 million in total during the financial years from 2022/23 to 2024/25, giving an average of £1,717.8 million per year.¹⁶

34. However, assessing the direct monetary impact of any markets project can be difficult due to a level of uncertainty associated with the market and policy context. This is particularly the case in market reviews and market studies, where the CMA's powers are limited to providing advice and making recommendations to government and other bodies. Estimates therefore consider how likely recommendations are to be implemented, and these are scaled down according to the assumed likelihood and timing of implementation.¹⁷ The CMA's annual reports also track the implementation of recommendations resulting from markets cases.¹⁸

35. As in the case of the housebuilding and children's social care market studies, the broader significance and benefits of markets work can crystallise through its role in

¹⁵ [Retail banking market investigation - GOV.UK](#)

¹⁶ [CMA Impact Assessment 2024 to 2025 - GOV.UK](#)

¹⁷ See section on 'Market studies and market investigations' in the [CMA Impact Assessment 2024 to 2025 - GOV.UK](#)

¹⁸ See 'Annex to Performance Analysis: Recommendations to government', p.41 in [Annual Report and Accounts 2024 to 2025](#)

advancing the policy debate. Depending on the particular policy context, this impact can be realised over a longer-term.

36. A key part of maximising the overall benefits of our markets work is to ensure that we act proportionately as we select, scope and carry out our projects. As part of this, we will measure the impact of our market interventions, to draw in learnings and help us assess where our markets work is having the most impact so that our future work targets areas of high impact and remains proportionate. Setting bespoke timing KPIs for each project, going beyond statutory timescales where possible, is a first step to better measuring our impact. These timing KPIs will be included in the Project Roadmap, referred to above.

6.1.1. Housebuilding market study

37. The CMA concluded its housebuilding market study in February 2024 which examined the supply of new homes to consumers in England, Scotland and Wales. The study found a number of issues which led to recommendations to the UK, Scottish and Welsh governments on where intervention is needed on estate management charges, and to improve the quality of new build homes, as well as options for reform of the planning systems.¹⁹ The UK Government formally responded to the recommendations in October 2024,²⁰ and since has given effect to many of them through a new housebuilding target, revising the National Planning Policy Framework and the Planning and Infrastructure Bill. As a result of the study, the CMA also opened a competition enforcement investigation into the suspected sharing of commercially sensitive information by housebuilders.²¹

6.1.2. Children's social care market study

38. Between 2021-22 the CMA undertook a market study into children's social care provision.²² The study concluded in March 2022 with recommendations to improve service commissioning, to create more market capacity, to ease supply constraints in the market, and to increase resilience in the market to ensure that any market exit does not cause detriment to children in care. The UK Government is now set to enable and bring effect to many of the recommendations in England through the Children's Wellbeing and Schools Bill, which is progressing through Parliament at the time of this submission.

39. As part of ex-post analysis, the CMA also assesses the impact of, and ongoing need for, its existing remedies resulting from market investigations. Remedy reviews provide insights on the selection and design of future remedies, particularly understanding how their effects may vary over time. The CMA regularly carries out reviews of remedies in response to requests from parties or of its own accord where it considers that there has been a chance of circumstances such that the remedy(ies) is/are no longer appropriate.

¹⁹ [Housebuilding market study - GOV.UK](#)

²⁰ [UK government response to the Competition and Markets Authority's market study into housebuilding - GOV.UK](#)

²¹ The housebuilders have offered a package of commitments to address the CMA's concerns, including a combined £100 million payment to affordable housing programmes. [Investigation into suspected anti-competitive conduct by housebuilders - GOV.UK](#)

²² [Children's social care study - GOV.UK](#)

7. Cross-border cooperation

40. Reflecting the Government's Strategic Steer,²³ the CMA should have due regard to any actions being taken by competition and/or consumer protection agencies in other jurisdictions internationally. Where appropriate, the CMA should seek to ensure parallel regulatory action is timely, coherent and avoids duplication (in cases where parallel actions would effectively address issues in UK markets).

7.1. Cloud services market investigation

41. The market investigation into the supply of public cloud infrastructure services concluded in July 2025, following a referral from the sector regulator Ofcom.²⁴ The market investigation found several adverse effects on competition relating to the provision of cloud services in the UK and recommended that the two largest providers, AWS and Microsoft, should be investigated by the CMA to consider whether they hold 'strategic market status' under the CMA's new Digital Markets regulatory powers. If they were designated with SMS, a range of bespoke and flexible interventions would be possible to improve competition in the cloud services markets. Several bodies from other jurisdictions were engaged during the investigation,²⁵ namely to understand any possible interventions outside of the UK, and to inform remedy thinking.

8. In conclusion

42. The CMA's ambition for the markets regime is to carry out this work in a way that maximises overall benefits for the UK economy, businesses and consumers, while minimising any potential costs and uncertainty that this work may create for businesses, investors and other stakeholders.

²³ [Strategic steer to the Competition and Markets Authority - GOV.UK](#), also see above.

²⁴ [Cloud services market investigation - GOV.UK](#)

²⁵ These included: The European Commission, Autoriteit Consument & Markt (ACM) in the Netherlands, the Autorité de la concurrence (AdIC) and the Autorité de Régulation des Communications Électroniques

(ARCEP) in France, the Comisión Nacional de los Mercados y la Competencia (CNMC) in Spain, the Konkurrence- og Forbrugerstyrelsen (KFST) in Denmark, Federal Trade Commission (FTC) in the US, and the South African Competition Commission.