

CMA launches digital markets strategy

The Competition and Markets Authority (CMA) has already carried out a significant body of work in digital markets. This includes assessing various mergers involving digital companies, conducting market studies – such as its digital comparison tools work – and enforcing competition and consumer law in numerous sectors. To date this has included industries as varied as online reviews, price comparison websites, hotel booking websites, cloud storage, social media influencers and online gambling.

The strategy, launched today, builds on the recent package of reforms unveiled earlier this year on behalf of the CMA by Chairman Andrew Tyrie, which aims to make the UK competition regime fit for the digital age.

The strategy explains how the CMA intends to respond to recommendations made by the Furman Report for greater regulation of digital markets; sets out how the CMA will continue to use its existing merger and enforcement tools effectively, while adapting them where needed to meet the challenges of the digital age; and also makes clear how the CMA will use its increasing expertise in digital markets to shed light on how they work, and so help people make informed judgements on how to get the best out of them.

New challenges in these global digital markets demand the very highest levels of international cooperation, as all authorities consider the need for new approaches. The CMA has already coordinated joint cross-border work on consumer enforcement and has frequently engaged with counterpart competition authorities abroad on enforcement in digital cases. As part of its digital strategy, the CMA will now play a key role in securing high levels of cooperation.

An important element of the strategy is today's opening of a market study into online platforms. This will examine the major online platforms such as Facebook and Google which are funded by digital advertising. It will consider the sources of any market power, the way they collect and use personal data, and whether competition in digital advertising is producing good outcomes for consumers.

If the CMA finds evidence that there are problems as part of this, it could make detailed recommendations to government which build on the broad proposals from the Furman Report.

CMA Chairman, Andrew Tyrie said:

It is our job to ensure that companies innovate and compete. And every bit as much, it's our job to ensure that consumers are protected from detriment. Implementation of the Furman Report should help a lot. As part of the work announced today, we will be advising Government on how aspects of Furman can most effectively be implemented.

Much about these fast-changing markets is a closed book to most people. The work we do will open them up to greater scrutiny, and should give Parliament and the public a better grip on what global online platforms are doing.

These are global markets, so we should and will work more closely than before with authorities around the world, as we all consider new approaches to the challenges posed by them.

CMA Chief Executive Andrea Coscelli said:

The CMA has already made great strides in our efforts to protect people online, including securing a victory for holidaymakers using hotel booking sites and cracking down on social media influencers who are not upfront with their followers about being paid to promote a product.

The market study will help us further lift the lid on how major online platforms work, especially how they collect and use personal data, how they monetise their content through digital advertising, and what this means for competition. The findings from this work will be used to influence the direction of policy and regulation in the digital sector.

Most of the UK population uses the internet, with 97% of internet users accessing search engines to look for things online, and around 70% of UK adults having a social media account. While people enjoy many of these sites for free, revenue from digital advertising provides one of the main ways in which online firms can provide their services without charge.

The market study will examine concerns about how online platforms are using people's personal data, including whether making this data available to advertisers in return for payment is producing good outcomes for consumers. The CMA will examine whether people have the skills, knowledge and control over how information about them is collected and used, so they can decide whether or not to share it in the first place.

Linked to this, the CMA will consider concerns about the market power of certain sites and examine whether the control they have over people's data is making it harder for rivals to compete for business, to the detriment of consumers.

Find out more on the [online platforms and digital advertising market study page](#) and on the [digital markets strategy page](#).

Notes to editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility

for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

2. Media queries should be directed to: press@cma.gov.uk or 020 3738 6460.