

# Competition and Markets Authority Annual Plan consultation 2019/20

Presented to Parliament pursuant to  
paragraph 13(2) of Schedule 4 to the  
Enterprise and Regulatory Reform Act 2013



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## Consultation information page

### Scope of this consultation

The consultation is intended to give interested parties the opportunity to provide views and comments on the CMA's proposed Annual Plan for 2019/20, which sets out the organisation's main objectives and priorities for the year.

### Duration

3 December 2018 to 13 January 2019

### Enquiries

By telephone: 020 3738 6000

By email: [general.enquiries@cma.gov.uk](mailto:general.enquiries@cma.gov.uk)

By post: Simon Jolley, Head of Strategy and Corporate Communications, Competition and Markets Authority, Victoria House, Southampton Row, London WC1B 4AD.

### How to respond

Respondents to this consultation are asked to supply a summary of the interest or organisation they represent, where appropriate. We ask that any comments be submitted in writing by email or letter by 13 January 2019 at the latest.

### After the consultation

We will collate responses to the consultation and publish a summary of these, along with a final version of the Annual Plan, in March 2019.

### Compliance with the Cabinet Office Consultation Principles

This consultation is compliant with the latest Cabinet Office Consultation Principles. The Cabinet Office Consultation Principles criteria can be found at [www.gov.uk/government/publications/consultation-principles-guidance](http://www.gov.uk/government/publications/consultation-principles-guidance)

### Feedback about this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

Paul Latham, Director of Strategy, Communications and Devolved Nations  
Competition and Markets Authority  
Victoria House  
Southampton Row  
London WC1B 4AD

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## Foreword

In uncertain times, and with increasing and accelerating changes in the world, our work to protect consumers and make markets work in their favour is particularly important.

Unease about globalisation, low or negative growth in real incomes and concerns over business practices have fuelled widespread discontent. A sizeable part of the public has lost trust in public institutions to solve their everyday problems, and feel they have no one to turn to. And if a general feeling of unfairness erodes trust in competitive markets, then everyone will lose out.

Competition is part of the solution. The CMA has a key role to play in making markets work more competitively to the benefit of consumers.

The CMA's work to date has secured lasting change across markets that really matter for millions of households and businesses across the UK, and plays a crucial role in improving the UK's productivity and economic performance.

We want, and need, to go further. So we are committed to putting the CMA and the benefits of competitive markets even closer to the centre of UK economic life – reaching out to every sector, ensuring that competition flourishes, and protecting citizens and businesses from being ripped off by anti-competitive or unfair trading practices.

The CMA plans to continue to have, and indeed step up, its interest in people who are vulnerable to exploitation or simply getting a poor deal due to their personal circumstances. And we also propose to retain our strong interest in how the digital economy is developing, which can bring many benefits but also new risks to competition and consumers.

The CMA must fulfil this mission whilst taking the opportunities and overcoming the challenges of the UK's exit from the EU.

Work to prepare for leaving the EU is intensive, both in terms of policy development and the growth of our organisation to prepare for additional responsibilities. These include not only UK aspects of larger or global mergers and antitrust cases currently considered in Brussels, but also the enforcement of State aid rules. As part of our growth, we are preparing to relocate our London headquarters to Canary Wharf in September 2019 and are continuing to expand our new office in Edinburgh significantly. Both must proceed smoothly and successfully.

The current uncertainty about the exact nature and timing of the UK's exit makes planning harder. But the CMA is making the necessary preparations whether or not there is an implementation period after March 2019.

If the UK were to leave the EU without a deal, the CMA would take on a great deal of new, complex work from March 2019. It would be obliged by statute to investigate all qualifying mergers and State aid cases. Discretion to carry out other work, such as market studies and further enforcement, would narrow considerably, and it will need to take tough decisions on priorities, at pace, to be flexible to new circumstances.

Given this uncertainty, we have decided this year to consult on a set of priority themes rather than specific objectives.

We expect that, by the time we publish our final Annual Plan in March 2019, the path ahead will be clearer and we can set out more specific objectives against which we can hold ourselves to account and be held to account by others.



**Andrew Tyrie**  
*Chairman*

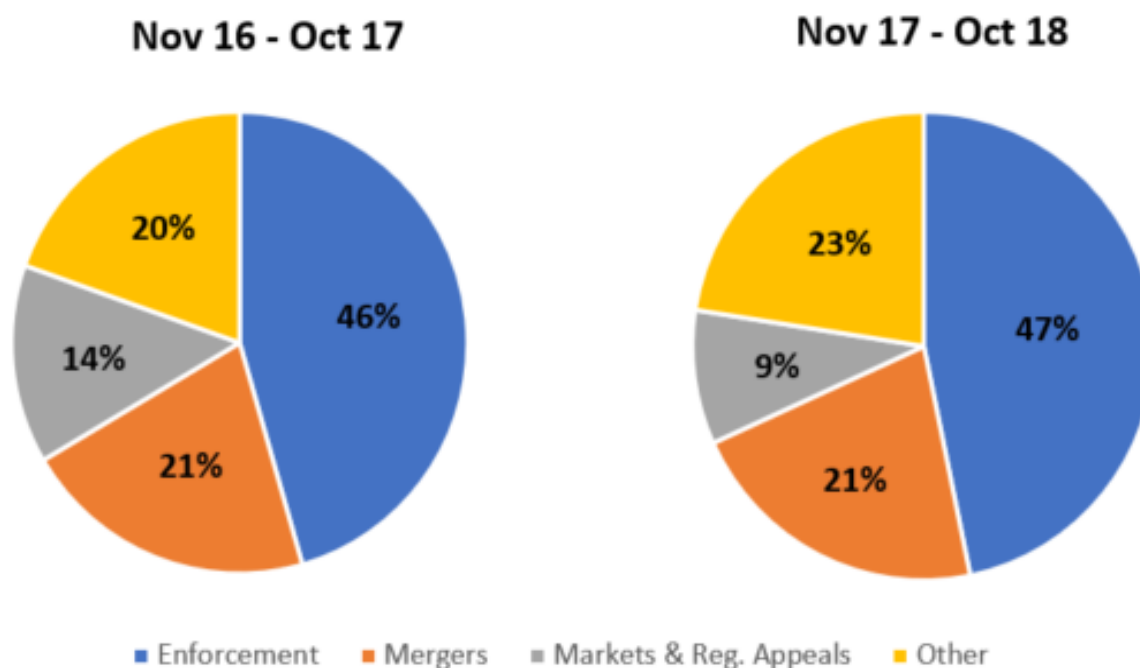


**Andrea Coscelli**  
*Chief Executive*



# 1. Introduction

- 1.1 This document sets out the CMA’s draft plans and priorities for 2019/20. It explains how we will continue to deliver our statutory duty – to promote competition, both within and outside the UK, for the benefit of consumers – and our mission – to make markets work well in the interests of consumers, businesses and the economy.
- 1.2 We will enter 2019/20 with a substantial volume of ongoing work and at the time of publication have 23 competition enforcement cases, five consumer enforcement cases, one super-complaint investigation, 17 merger investigations, one market investigation and two market studies under way. All our cases can be found at [gov.uk/cma-cases](http://gov.uk/cma-cases).
- 1.3 Over the coming year we will see many of these active cases through to conclusion and open new cases as resources become available.
- 1.4 The chart below illustrates how CMA staff time has been split across different types of work over the past 12 months.<sup>1</sup> Among other things, it shows that we maintained a high level of enforcement of competition and consumer law, and the fruits of that labour will be seen in the year ahead. It also shows that over 20% of our available staff capacity is taken up by work we are required by statute to carry out, such as investigating mergers.



<sup>1</sup> 'Other' includes litigation, remedies, pipeline development, policy, advocacy, EU Exit and State aid preparatory work, and corporate projects.

## 2. Our draft priorities for 2019/20

- 2.1 We want to send a signal that competition matters wherever you are across the UK, whether you are a consumer or are in a business big or small.
- 2.2 We continue to see robust enforcement of the law as central to our purpose and will maintain a high volume of enforcement investigations.
- 2.3 But we also believe that we can stamp out unfair practices and stop people being ripped off through wider reviews in markets that are at the heart of people's everyday lives and at the centre of UK economic life.
- 2.4 In 2019/20 therefore, and subject to the outcome of EU Exit negotiations, we intend to give greater priority to potential market studies and investigations as we consider future work.
- 2.5 In the coming year, the themes which we propose should carry particular strategic importance as we select and carry out our casework are:
- Protecting vulnerable consumers
  - Improving trust in markets
  - Promoting better competition in online markets
  - Supporting economic growth and productivity
- 2.6 We set these out in further detail on page 7.
- 2.7 Our future portfolio will reflect these themes but is necessarily also influenced by factors beyond our control. These can include fluctuations in work we are bound by law to undertake when they come to us, such as merger control and regulatory appeals. It can also include the need to devote resources to defend our decisions in court.
- 2.8 We intend to build on our track record of working in major markets which serve millions of people nationwide, choosing from our range of powers to empower and protect consumers, ensure businesses treat their customers fairly and make these areas of the economy work better.
- 2.9 We are also, however, interested in pursuing cases in smaller markets across the UK and those served by small and medium-sized enterprises (SMEs). The 5.7 million<sup>2</sup> SMEs across the UK play an essential role in economic growth

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<sup>2</sup> House of Commons Briefing Paper, number 06152 (28 December 2017), [Business statistics](#)

and can equally be the victims of anti-competitive practices, but evidence<sup>3</sup> suggests they have a lower level of awareness of competition and consumer law. It is therefore important that they understand and comply with the law, so that they treat their customers fairly and can report any illegality they witness to us.

- 2.10 We remain committed to making bold interventions and carrying out our work as efficiently and quickly as possible, without compromising fairness and rigour. We need to deal with as many instances of harmful conduct and address as many market-wide issues as possible, and to resolve them as quickly as possible to best protect consumers and make markets work in their favour.
- 2.11 As well as starting work in new areas, we will see through projects we have already embarked on. We are also highly committed to securing lasting positive change by following through on the recommendations and remedies arising from our market studies and market investigations.
- 2.12 Through our evaluations programme and remedies reviews, we will come back to markets in which we have intervened in the past to ensure that our work was effective, and if needs be we will revisit them.
- 2.13 We have a broad range of powers to make sure people get a good deal from businesses and that firms treat their customers fairly. In some cases, these powers can achieve a good outcome when used in isolation; in others, we are able to get an even better result if we use them together. We will take advantage of the opportunities to use different parts of our toolkit together. This could include launching competition and consumer protection law investigations based on what we learn from merger investigations or market studies, as we have done following our care homes<sup>4</sup> and digital comparison tools<sup>5</sup> market studies, and by following up on our recommendations to government arising from these projects.
- 2.14 In 2019/20, we intend to build ever closer relationships with partners, to listen to and influence public debate on consumer and competition policy.
- 2.15 Achieving our mission relies heavily on productive relationships in the UK and internationally, and making the best possible case for competition, including to those whose principal focus is on other policy objectives.

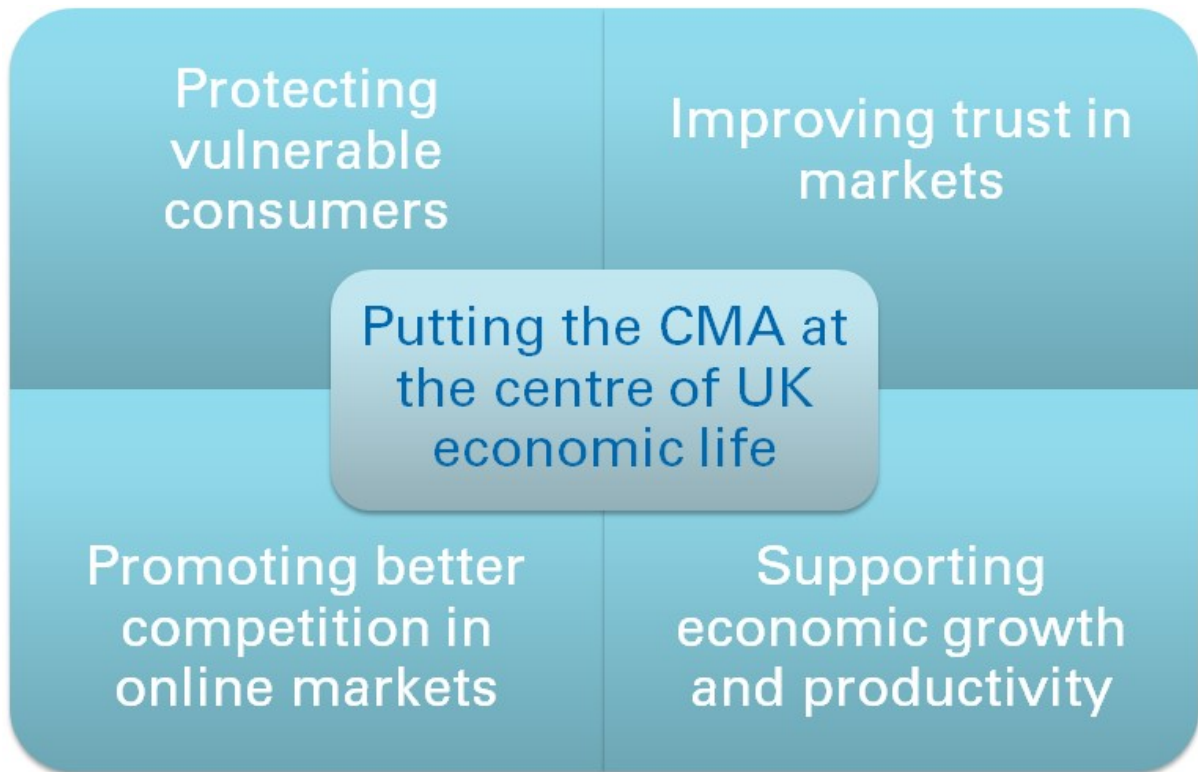
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<sup>3</sup> [www.gov.uk/government/publications/uk-businesses-understanding-of-competition-law](http://www.gov.uk/government/publications/uk-businesses-understanding-of-competition-law)

<sup>4</sup> [www.gov.uk/cma-cases/care-homes-market-study](http://www.gov.uk/cma-cases/care-homes-market-study)

<sup>5</sup> [www.gov.uk/cma-cases/digital-comparison-tools-market-study](http://www.gov.uk/cma-cases/digital-comparison-tools-market-study)

- 2.16 We will therefore continue to be a trusted and challenging adviser to UK and devolved governments. This includes showing how effective competition benefits consumers and supporting policymakers to develop policies and regulations that ensure appropriate consumer protections and encourage competitive markets.
- 2.17 We will also work alongside the economic regulators that hold concurrent powers to enforce competition law, challenging and supporting them to use these powers to protect consumers and make markets in their sectors work in their favour.
- 2.18 We intend to continue to strengthen our engagement across all nations of the UK, including by further expanding our Edinburgh office and through a modest increase to our presence in Belfast and Cardiff. This will help us to better understand the concerns that people, politicians and businesses have, and to better explain how competition, and our work to promote it, benefits consumers, businesses and the UK economy.
- 2.19 With the UK's exit from EU, it is particularly important that we strengthen our international profile and foster productive post-Exit relations with the European Commission and with national competition and consumer protection authorities in the EU, and globally. Part of doing so will be to intensify our participation in global competition and consumer protection forums such as the International Competition Network and the International Consumer Protection and Enforcement Network.
- 2.20 Our ability to conduct work will also be dependent on the status of EU Exit negotiations, because a 'no deal' scenario will require the CMA to divert staff to casework returning to the UK from Brussels.



### ***Protecting vulnerable consumers***

- 2.21 In how we choose, and then how we go about, our work, we intend to prioritise cases where consumers may be losing out from illegal, anti-competitive or unfair trading practices because they are in a vulnerable position. The harm suffered by these consumers is a matter of intense public and political debate, and we are determined to help to stamp it out.
- 2.22 Consumer vulnerability is not a binary concept: it is multidimensional and often highly context-specific. Such consumers often stand to lose proportionately more when markets are not working well, or they may be the losers in a market that is otherwise working well for most consumers. Whilst addressing inequality in society is a policy matter for government and politicians and outside our statutory remit, we can work hard to ensure as many consumers as possible, including the vulnerable, can access markets, get a good deal from traders and suppliers, and be protected from unfair trading.
- 2.23 We already have significant work under way that relates to vulnerability. We continue to pursue competition investigations into alleged anti-competitive practices in the supply of medicines to the NHS<sup>6</sup> and are carrying out a

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<sup>6</sup> CMA CA98 and civil cartels cases

market study into funeral services.<sup>7</sup> Following a previous market study,<sup>8</sup> we pursued a consumer enforcement investigation to protect the elderly<sup>9</sup> in residential care homes, and their families, from being overcharged and from misleading practices. As a result of this investigation, one of the UK's leading care home providers voluntarily dropped its policy<sup>10</sup> of charging fees after a resident has died and another voluntarily reimbursed<sup>11</sup> some families for fees they were charged upfront.

- 2.24 This year, we have been carrying out a programme of work<sup>12</sup> to learn more about how people's circumstances can affect their ability to engage in markets and get a fair deal, and what we and others can do to help. Alongside our own research, we have welcomed insights on these matters from a wide spectrum of contributors – from representatives of government departments and regulators, to business groups, consumer groups, academia and think tanks. This work will help us to address not only market-specific vulnerability but the challenges that some vulnerable consumers can face across different markets.
- 2.25 In the coming year, we intend to apply what we learnt and build on our previous work to help ensure that vulnerable people are not exploited and that markets work in their favour.

### ***Improving trust in markets***

- 2.26 Everyone hates being or feeling ripped off and we all want to be sure that 'what we're seeing is what we're getting' – whether we buy it online or in person.
- 2.27 To help ensure that markets can be trusted, we intend to prioritise cases in markets for everyday goods and services: things that matter to typical consumers, so they can be reassured that competition is working in their interests. In doing so, we will not lose sight of practices in upstream markets that matter to consumers and economic growth, where our actions can help improve consumer welfare beyond the specific market in question.
- 2.28 We already have a track record in tackling issues that go to the heart of trust in markets. In our consumer protection work, for example, we have been examining behaviour which may jeopardise trust, including supermarket

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<sup>7</sup> [www.gov.uk/cma-cases/funerals-market-study](http://www.gov.uk/cma-cases/funerals-market-study)

<sup>8</sup> [www.gov.uk/cma-cases/care-homes-market-study](http://www.gov.uk/cma-cases/care-homes-market-study)

<sup>9</sup> [www.gov.uk/cma-cases/care-homes-consumer-protection-case](http://www.gov.uk/cma-cases/care-homes-consumer-protection-case)

<sup>10</sup> [www.gov.uk/government/news/major-care-home-group-drops-after-death-fees-following-cma-action](http://www.gov.uk/government/news/major-care-home-group-drops-after-death-fees-following-cma-action)

<sup>11</sup> [www.gov.uk/government/news/2-million-in-compensation-for-care-home-residents](http://www.gov.uk/government/news/2-million-in-compensation-for-care-home-residents)

<sup>12</sup> [www.gov.uk/government/publications/vulnerable-consumers](http://www.gov.uk/government/publications/vulnerable-consumers)

promotions practices,<sup>13</sup> online reviews,<sup>14</sup> and social media endorsements,<sup>15</sup> so that customers are treated fairly. Our current consideration<sup>16</sup> of Citizens Advice’s super-complaint about concerns that long-term customers can end up overpaying for key services goes to the heart of people’s trust in markets; our work tackling possible breaches of competition law in the supply of pharmaceuticals to the NHS<sup>17</sup> is also directed at ensuring trust in businesses that supply essential public services.

- 2.29 Part of making sure markets can be trusted is helping people across the UK understand the importance of competitive markets to overall societal and economic benefit. In the coming year, we will therefore aim to further strengthen the connections between the CMA, and our role in fostering competitive markets, with wider society. We will ensure that we continue to listen to and work with stakeholders across all nations and regions of the UK, to hear their views and explain our work and the benefits which competitive markets bring.
- 2.30 An important part of this is explaining our choices and our actions using clear and accessible language, so that all people understand them – and not just those working in the competition and consumer law and economics communities.

### ***Promoting better competition in online markets***

- 2.31 Technology is transforming how companies operate and how we search for goods and services to purchase, and we welcome the benefits that digitisation can bring, including increased choice, convenience, lower prices and the increased spurs to efficiency of companies trading online. We have also taken advantage of technological developments to make markets work better for households and businesses, including Open Banking.<sup>18</sup>
- 2.32 Yet the same technology that provides opportunities for improvement often provides risks of harm. The actions of companies operating online has formed a significant part of our work in recent years. This includes our market study into Digital Comparison Tools<sup>19</sup> and our enforcement investigations into an

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<sup>13</sup> [www.gov.uk/government/news/asda-has-complied-with-its-commitment-to-clear-pricing](http://www.gov.uk/government/news/asda-has-complied-with-its-commitment-to-clear-pricing)

<sup>14</sup> [www.gov.uk/cma-cases/online-reviews-and-endorsements](http://www.gov.uk/cma-cases/online-reviews-and-endorsements)

<sup>15</sup> [www.gov.uk/cma-cases/social-media-endorsements](http://www.gov.uk/cma-cases/social-media-endorsements)

<sup>16</sup> [www.gov.uk/cma-cases/loyalty-penalty-super-complaint](http://www.gov.uk/cma-cases/loyalty-penalty-super-complaint)

<sup>17</sup> CMA CA98 and civil cartels cases

<sup>18</sup> [www.gov.uk/government/news/open-banking-revolution-moves-closer](http://www.gov.uk/government/news/open-banking-revolution-moves-closer)

<sup>19</sup> [www.gov.uk/cma-cases/digital-comparison-tools-market-study](http://www.gov.uk/cma-cases/digital-comparison-tools-market-study)

Amazon Marketplace cartel,<sup>20</sup> online auction platforms,<sup>21</sup> online gambling,<sup>22</sup> online hotel booking,<sup>23</sup> secondary ticketing<sup>24</sup> and the sale of home insurance products through price comparison websites.<sup>25</sup>

- 2.33 We have also investigated several tech-related mergers, including Just Eat's merger with Hungryhouse,<sup>26</sup> and we are currently investigating PayPal's acquisition of iZettle.<sup>27</sup> Mergers involving online commerce can present greater challenges in predicting whether there will be harm to future competition, and so we must continue to grow our understanding of such issues and to develop the framework we use.
- 2.34 We must ensure that those who hold market power do not abuse it to the detriment of consumers or other businesses, and that algorithms and forms of artificial intelligence do not become a vehicle for collusion. Our research<sup>28</sup> into pricing algorithms and whether they could be used to support illegal practices will help us to better understand, spot and deter the use of algorithms to damage competition and harm consumers.
- 2.35 The Chancellor has launched an expert Panel<sup>29</sup> into competition in digital markets, led by the US economist Professor Jason Furman and comprising experts in competition and digitisation. We are engaging with this Panel and its work.
- 2.36 We are also considering further work into digital advertising, although our ability to launch any new discretionary work is dependent on the UK securing an EU Exit deal with a transition period. If we were to decide to carry out work in this area, we would not do so until this expert Panel has reported, as its recommendations are likely to be highly relevant to any work we may undertake.
- 2.37 The nature of competition in the digital economy remains the subject of international debate, including how to enforce antitrust laws in the digital age and how merger control can best quantify and preserve dynamic competition – the pressure on companies to innovate.

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<sup>20</sup> [www.gov.uk/cma-cases/online-sales-of-discretionary-consumer-products](http://www.gov.uk/cma-cases/online-sales-of-discretionary-consumer-products)

<sup>21</sup> [www.gov.uk/government/news/cma-accepts-commitments-offered-to-address-online-auction-concerns](http://www.gov.uk/government/news/cma-accepts-commitments-offered-to-address-online-auction-concerns)

<sup>22</sup> [www.gov.uk/cma-cases/online-gambling](http://www.gov.uk/cma-cases/online-gambling)

<sup>23</sup> [www.gov.uk/cma-cases/online-hotel-booking](http://www.gov.uk/cma-cases/online-hotel-booking)

<sup>24</sup> [www.gov.uk/cma-cases/secondary-ticketing-websites](http://www.gov.uk/cma-cases/secondary-ticketing-websites)

<sup>25</sup> [www.gov.uk/cma-cases/price-comparison-website-use-of-most-favoured-nation-clauses](http://www.gov.uk/cma-cases/price-comparison-website-use-of-most-favoured-nation-clauses)

<sup>26</sup> [www.gov.uk/cma-cases/just-eat-hungryhouse-merger-inquiry](http://www.gov.uk/cma-cases/just-eat-hungryhouse-merger-inquiry)

<sup>27</sup> [www.gov.uk/cma-cases/paypal-holdings-inc-izettle-ab-merger-inquiry](http://www.gov.uk/cma-cases/paypal-holdings-inc-izettle-ab-merger-inquiry)

<sup>28</sup> [www.gov.uk/government/news/algorithm-research-builds-on-work-in-digital-markets](http://www.gov.uk/government/news/algorithm-research-builds-on-work-in-digital-markets)

<sup>29</sup> [www.gov.uk/government/news/work-kicks-off-to-examine-digital-competition-in-uk](http://www.gov.uk/government/news/work-kicks-off-to-examine-digital-competition-in-uk)



2.38 We will continue to make sure our practices, interventions and capabilities keep pace with this debate and with the evolution of business models and practices. As part of this, we will strengthen our new Data, Technology and Analytics (DaTA) Unit, to improve our capture and use of data, increase our understanding of how firms use data and algorithms, and determine what implications this might have for consumers and competition.

### ***Supporting economic growth and productivity***

2.39 A strong economy is underpinned by markets that work effectively, where competition is driving innovation, efficiency and growth.

2.40 There are well-established links<sup>30</sup> between competitive markets, innovation, productivity and economic growth, as the government's Industrial Strategy<sup>31</sup> recognises. Through our actions, therefore, we can help address the UK's longstanding problem with low productivity.

2.41 We intend to prioritise cases in markets which underpin and enable economic growth, building on our work in markets of central significance to a well-functioning economy, such as audit services.<sup>32</sup>

2.42 Government can also promote or hinder competition in sectors that underpin the UK's economic performance. We intend to continue to work with policymakers to ensure that they design competition-friendly policies that will help consumers, fair-dealing businesses and the UK taxpayer.

2.43 Disruptive innovation is often a force for good in markets: good for competition and in turn good for consumers and economic growth. We will take an interest in markets where new entrants and innovative ideas that benefit consumers are being held back, either through anti-competitive practices by bigger or incumbent businesses or by inappropriate policies or regulations. At the same time, we support high standards for consumers, and recognise that wider policy considerations beyond competition can be important in areas such as the 'gig' and sharing economies. Disruptors should not benefit from a playing field that is tilted unfairly in their direction through the exploitation of loopholes, nor should they be competing on factors other than those that ultimately benefit customers.

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<sup>30</sup> [www.gov.uk/government/publications/productivity-and-competition-a-summary-of-the-evidence](http://www.gov.uk/government/publications/productivity-and-competition-a-summary-of-the-evidence)

<sup>31</sup> [www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future](http://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future)

<sup>32</sup> [www.gov.uk/government/news/cma-launches-immediate-review-of-audit-sector](http://www.gov.uk/government/news/cma-launches-immediate-review-of-audit-sector)

2.44 Through actions in all these different areas, as well as fostering competition and protecting consumers, we can drive innovation, productivity and economic growth.

### **3. Preparing for the UK's exit from EU**

- 3.1 Planning for the UK's exit from the EU presents opportunities for the CMA to secure better outcomes for consumers as we expect to take on a bigger role on the world stage post-Exit. Planning for the new arrangements and to take advantage of these opportunities continues to be an important priority for us in the coming year.
- 3.2 Competition enforcement cases which the European Commission previously reserved for itself – often the larger and more complex cases – will be subject to the CMA's jurisdiction post-Exit. This means that we will be able to tackle all anti-competitive practices that affect UK markets, UK consumers and UK businesses.
- 3.3 In merger control, we will be able to examine the competition aspects of all mergers and acquisitions affecting UK markets where they meet our national jurisdictional thresholds. Previously the UK authorities were prohibited from examining the competition effects of mergers and acquisitions subject to the EU Merger Regulation – typically the biggest transactions, and sometimes the most important.
- 3.4 In short, responsibility for many cases affecting UK markets, previously considered exclusively by supranational institutions in Brussels and Luxembourg, will be acquired by British authorities and courts.
- 3.5 The government has set out its intention that the CMA will become the UK's independent State aid authority post-Exit. This is a major new function for us and one that we are determined to make a success of, building on our expertise in applying legal and economic principles in the service of effective competition.
- 3.6 At this stage, there remains uncertainty as to whether the Withdrawal Agreement will be ratified. We, alongside the Department for Business, Energy and Industrial Strategy and the Department for Exiting the EU, are therefore working to ensure that the CMA and the new regime are ready for March 2019 if necessary.
- 3.7 Across all this work, we are working to ensure that we have the people, skills and infrastructure to launch or take over major international cartel or antitrust cases, merger investigations and State aid enforcement when the UK leaves the EU – whether that it is in March 2019 or at the end of an agreed implementation period.
- 3.8 However, an earlier transfer of responsibilities will not come without cost. Whilst we are recruiting and preparing heavily, it is unlikely we will have our

full planned complement of staff in place by March 2019. We will need to take tough decisions on our priorities, at pace, to be flexible to our new circumstances. We are obliged by statute to investigate all qualifying mergers and State aid cases. In this scenario, our discretion to carry out other work, such as market studies and further enforcement, will therefore narrow considerably.

- 3.9 International cooperation is crucial to the successful delivery of our competition and consumer work. With our primary duty to promote competition, both within and outside the UK for the benefit of consumers, we will coordinate our actions with those of agencies in other countries and, where appropriate, help other jurisdictions to develop robust systems.
- 3.10 Given the cross-border nature of the mergers which will come under our scrutiny and the enforcement investigations we intend to pursue, there is a need for greater international cooperation. We will therefore maintain and continue to build on the strong, mutually beneficial and cooperative relationships that the CMA and its predecessors have worked hard to build with our overseas counterparts. It is neither in our nor others' interests for the CMA to recede as a contributor to the development of competition and consumer law internationally.
- 3.11 We are starting from a strong base, with good relationships already in place with many international groups and agencies. We will work in the coming year and beyond to ensure that this remains the case.
- 3.12 Most importantly, we must ensure that both the competition and consumer protection regimes function effectively post-Exit and evolve to meet the challenges of the world in which we operate. The Secretary of State for Business, Energy and Industrial Strategy will report in April 2019 on the five-year statutory review of the competition regime and has separately said that he will trigger a far-reaching review into business practices, centred on concerns over companies using big data to exploit consumers in a vulnerable situation. We are working closely with government on the five-year review and will continue to press for improvements that we consider essential to ensure that we can protect consumers and make markets work in their favour.

## 4. Resources

- 4.1 The 2015 Spending Review settlement allocated the CMA's budget for 2019/20 as a Resource Departmental Expenditure Limit (Resource DEL) budget before depreciation of £65.94 million and a Capital budget of £2.10 million. This is a flat Resource DEL settlement, over the remaining Spending Review period, representing an estimated reduction over the four years of 7% in real terms.
- 4.2 The Resource DEL settlement places a limit of £17.75 million on administration expenditure (before depreciation). Personnel costs represent approximately three-quarters of the CMA's budget.
- 4.3 In the Autumn Budget 2017, the Chancellor allocated an additional £2.8 million funding each year, from 2018/19, for the CMA to take on more cases against companies that are acting unfairly. With this extra funding, the CMA's total Resource DEL budget (before depreciation) for 2019/20 will be £68.74 million.
- 4.4 Resourcing the CMA for activities following the UK's exit from the EU is a key part of our planning process. To enable us to continue preparations, HM Treasury allocated us £23.6m in additional funding in the 2018/19 financial year. 2019/20 funding allocations for the UK's exit from the EU have not yet been set. The resource requirement continues to be reviewed and refined as new arrangements and responsibilities become clearer. This ensures that the CMA is well-placed to be flexible to new circumstances.
- 4.5 In the Autumn Budget 2018, HM Treasury published the total public spending envelope for years beyond 2020. In 2019, HM Treasury will undertake a full departmental Spending Review although the date for this has not yet been announced.
- 4.6 As Principal Accounting Officer, the CMA's Chief Executive is personally responsible for safeguarding the public funds for which he has charge, for ensuring propriety and regularity in the handling of public funds, and the day-to-day operations and management of the CMA. In 2018/19 the CMA created an additional Accounting Officer role, to which the Executive Director for Corporate Services was appointed, to support the Chief Executive in discharging these duties.

## 5. Consultation questions

- 5.1 The current uncertainty about the exact nature and timing of the UK's exit from the EU makes planning for the 2019/20 financial year harder. Given this uncertainty, we are consulting this year to consult on a set of priority themes rather than specific objectives.
- 5.2 We hope nonetheless that this draft Annual Plan gives you a clear indication of our plans and priorities for next year, and we look forward to receiving your feedback and suggestions.
- 5.3 We welcome views in whatever manner you wish to provide them, ideally with reference to the following questions:
- To what extent do you agree with the overall direction and areas of focus for the CMA set out in the 2019/20 draft Annual Plan?
  - Is there anything more you think we should do during 2019/20?
  - Is there anything you think we should de-prioritise during 2019/20?
  - Are there specific commitments or objectives you would like to see in the CMA's final Annual Plan?







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