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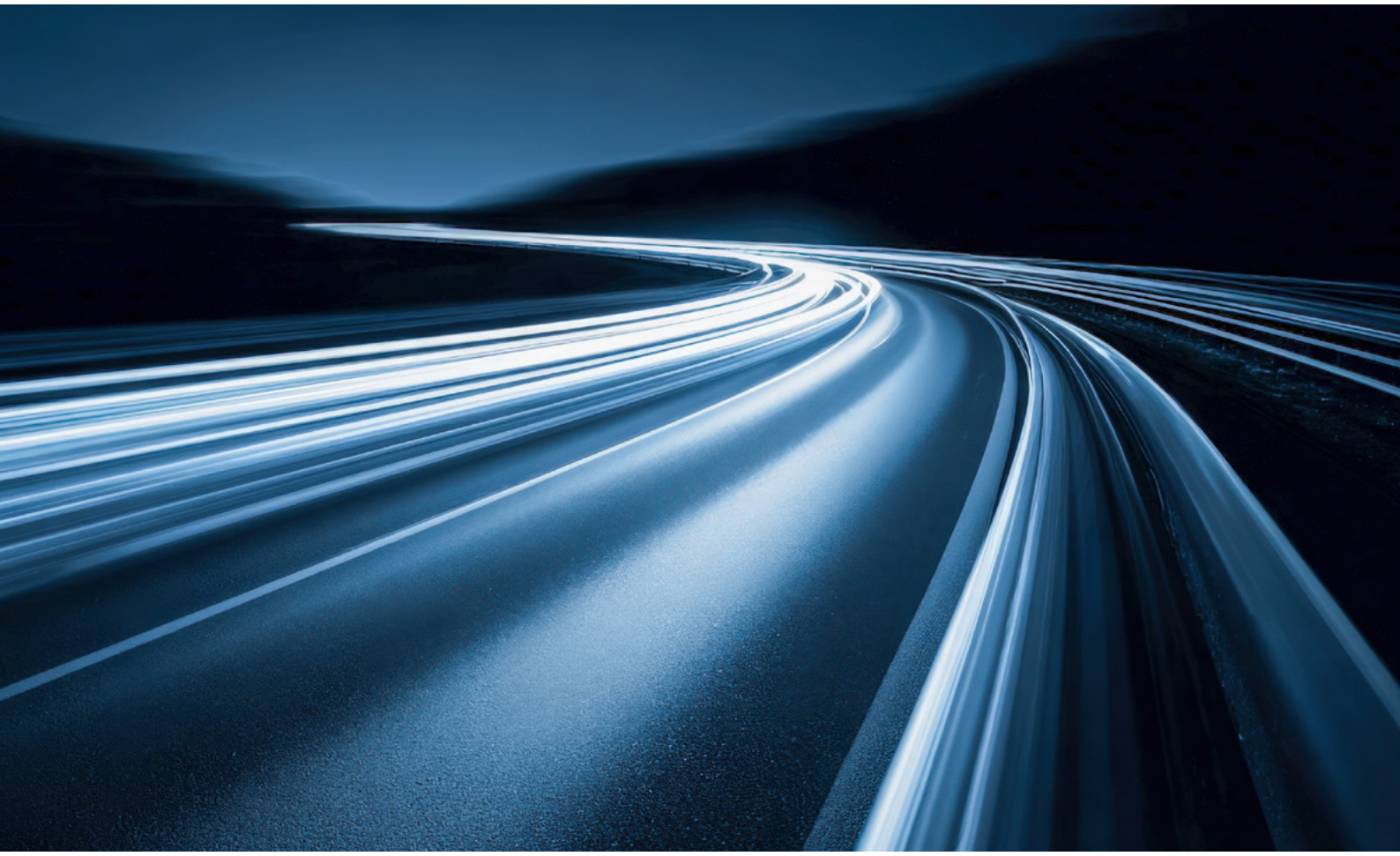
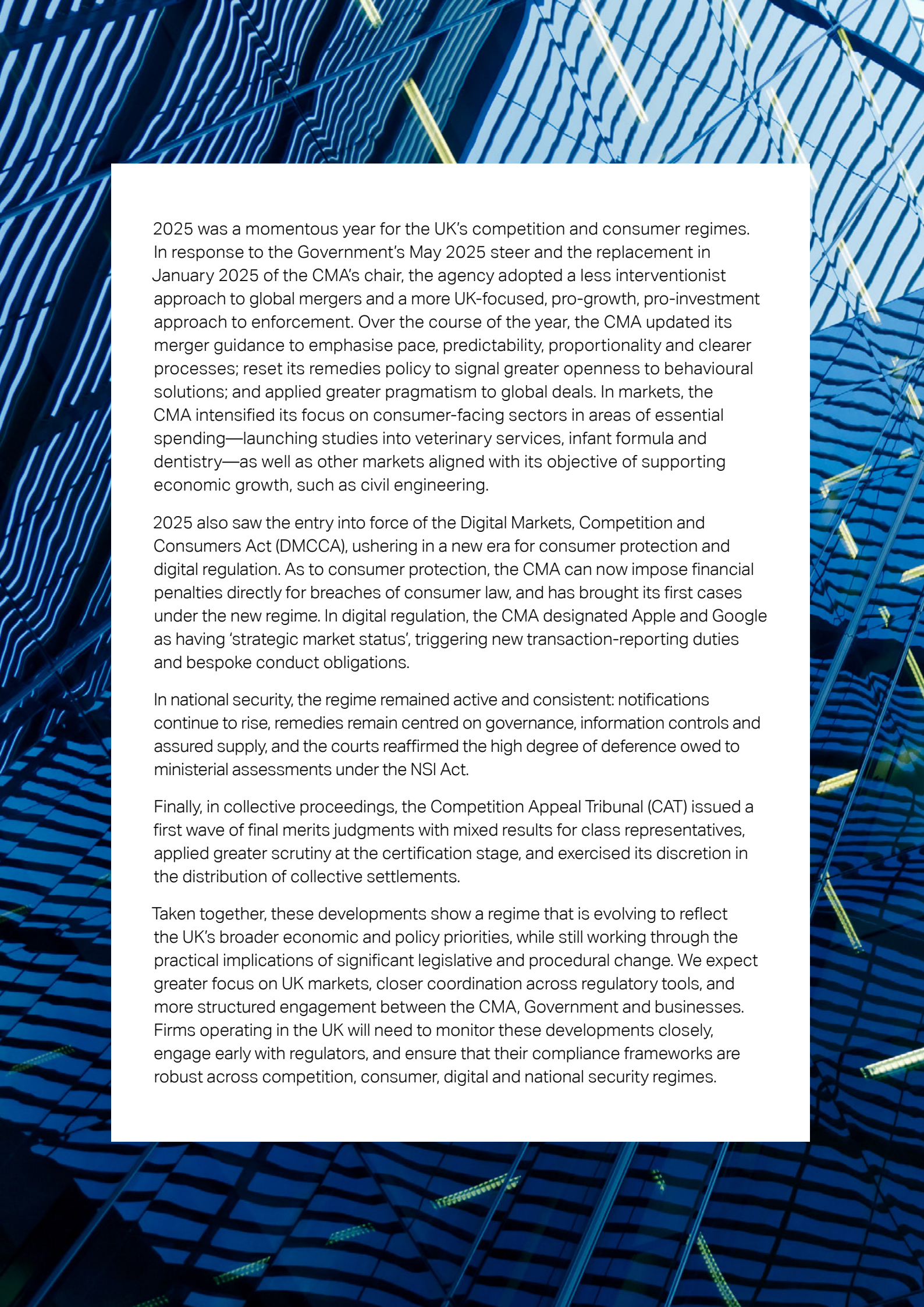


UK Competition Update: 2025 in Review & Outlook for 2026

January 2026



2025 was a momentous year for the UK's competition and consumer regimes. In response to the Government's May 2025 steer and the replacement in January 2025 of the CMA's chair, the agency adopted a less interventionist approach to global mergers and a more UK-focused, pro-growth, pro-investment approach to enforcement. Over the course of the year, the CMA updated its merger guidance to emphasise pace, predictability, proportionality and clearer processes; reset its remedies policy to signal greater openness to behavioural solutions; and applied greater pragmatism to global deals. In markets, the CMA intensified its focus on consumer-facing sectors in areas of essential spending—launching studies into veterinary services, infant formula and dentistry—as well as other markets aligned with its objective of supporting economic growth, such as civil engineering.

2025 also saw the entry into force of the Digital Markets, Competition and Consumers Act (DMCCA), ushering in a new era for consumer protection and digital regulation. As to consumer protection, the CMA can now impose financial penalties directly for breaches of consumer law, and has brought its first cases under the new regime. In digital regulation, the CMA designated Apple and Google as having 'strategic market status', triggering new transaction-reporting duties and bespoke conduct obligations.

In national security, the regime remained active and consistent: notifications continue to rise, remedies remain centred on governance, information controls and assured supply, and the courts reaffirmed the high degree of deference owed to ministerial assessments under the NSI Act.

Finally, in collective proceedings, the Competition Appeal Tribunal (CAT) issued a first wave of final merits judgments with mixed results for class representatives, applied greater scrutiny at the certification stage, and exercised its discretion in the distribution of collective settlements.

Taken together, these developments show a regime that is evolving to reflect the UK's broader economic and policy priorities, while still working through the practical implications of significant legislative and procedural change. We expect greater focus on UK markets, closer coordination across regulatory tools, and more structured engagement between the CMA, Government and businesses. Firms operating in the UK will need to monitor these developments closely, engage early with regulators, and ensure that their compliance frameworks are robust across competition, consumer, digital and national security regimes.

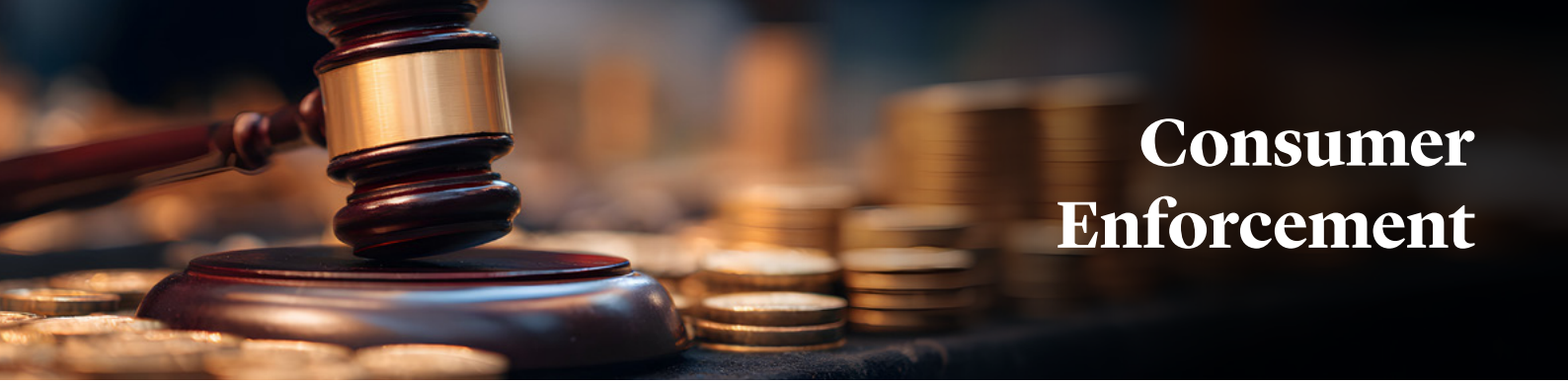
Merger Control

> We're moving rapidly to deliver on our commitment to update the UK's mergers regime, focusing on pace, predictability, proportionality and process. The remedies review and charter represent crucial progress as we turn those principles into practice.
>
> Joel Bamford

- **Pro-growth strategic steer and 4Ps.** In its updated Strategic Steer, the Government formally asked the CMA to prioritise pro-growth, pro-investment interventions and focus on harms that matter most to UK consumers and businesses; the CMA responded with a new Mergers Charter and 4Ps framework (pace, predictability, proportionality, process) baked into its merger guidance.
- **Stepping back from global deals.** The CMA signalled a "wait-and-see" approach to global mergers where UK-specific issues are minimal, showing greater willingness to rely on remedies imposed overseas rather than conducting parallel UK investigations—while preserving the ability to intervene if UK interests are not protected. This will reduce the CMA's caseload but will require careful global coordination in individual deals to avoid a late CMA intervention that could derail closing timelines.

> [T]he vast majority of mergers do not raise competition concerns, and every deal capable of being cleared unconditionally or with effective remedies should be.
>
> Sarah Cardell

- **Remedies reset and openness to behavioural remedies.** Following a 2025 remedies review, the revised Remedies Guidance drops the CMA's longstanding preference for structural remedies and signals a readiness to accept behavioural or hybrid packages that "work with the grain of competition". Recent practice (Vodafone/Three, SLB/ChampionX) shows a greater willingness to accept investment and access remedies at Phase 1 and Phase 2. The shift brings the CMA's approach closer to that of the European Commission, improving the prospects for consistent cross-jurisdictional outcomes.
- **Revised Phase 1 Process.** The Merger Notice Template and Procedural Guidance were updated, including a 40-working-day KPI for pre-notification, more structured engagement (teach-ins, regular update calls) and clearer jurisdictional guidance. Notably, the draft revised guidance narrows the application of the share-of-supply test: the CMA will generally rely on the statutory criteria (such as value, cost, price, quantity, capacity or workforce) when assessing whether the 25% threshold is met. It also confirms that the description of goods or services will be anchored to those relevant to the potential competition concern under review, limiting the scope for expansive or novel applications of this test to assert jurisdiction.
- **Digital overlay: a parallel mandatory regime for SMS platforms.** From January 2025, the DMCCA digital regime went live; Apple and Google have now been designated as having "strategic market status" and are subject to a separate mandatory, suspensory merger regime above relatively low UK thresholds, creating a two-track system alongside the traditional voluntary UK mergers regime.
- **Structural reform on the horizon.** The Government is planning to consult on replacing the current Phase 2 decision-making structure which relies on independent groups of CMA panel members taking decisions with a CMA Board sub-committee structure (similar to the structure used in the new digital regulatory regime), creating a clearer line of accountability on decision-making to the Board. The proposals will need careful scrutiny to ensure continued procedural fairness and to avoid the loss of an independent "fresh pair of eyes." Given that UK merger decisions are reviewable only on judicial-review grounds—and are typically remitted to the CMA—this shift could materially increase the influence of CMA staff over merger outcomes.
- **Competition policy as a support for scale-ups and growth.** In line with the Government's strategic steer, the CMA signalled in a September discussion paper how competition policy can support high-growth firms by removing sector-specific barriers to scaling, promoting horizontal enablers such as access to data and interoperability, and ensuring competition on the merits. The emphasis is on fostering dynamic markets in which scale-ups can grow through innovation and investment, while continuing to intervene against anticompetitive conduct and mergers that would foreclose entry. The paper also queried whether greater attention should be given to acquisitions of high-growth UK firms by non-UK acquirers. The CMA is expected to publish an update on its thinking in early 2026.



Consumer Enforcement

- **DMCCA ushers in a new administrative enforcement model.** The CMA can take infringement decisions itself and impose penalties of up to 10% of global turnover, without having to take businesses to court for a judge to decide—a fundamental structural shift in UK consumer protection.

> [T]he CMA will use its new powers to properly and independently exercise our statutory function of consumer protection – promoting consumer trust and confidence and deterring poor corporate practices. I am confident this approach will deliver robust protections for consumers and support economic growth.
>
> Emma Cochrane

- **Early enforcement to target the most egregious harms.** The CMA announced it will use its new powers to prioritise the most serious, "egregious breaches" of the law. This strategic focus is underpinned by a focus on vulnerable consumers, recognising that consumers may be vulnerable contextually (e.g., due to circumstances like bereavement or job loss). Protections against aggressive or misleading practices targeting these groups have thus been strengthened.

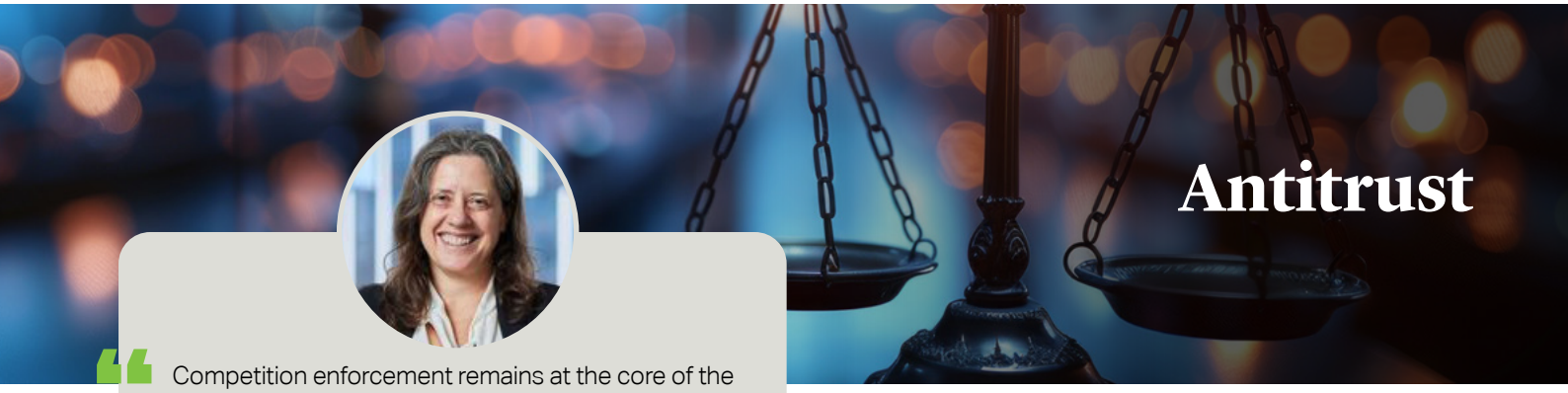
> Our early enforcement action following commencement is likely to focus on more egregious breaches. For example: aggressive sales practices that prey on vulnerability; providing information to consumers that is objectively false; contract terms that are very obviously imbalanced and unfair.
>
> Sarah Cardell

- **New banned practices: fake reviews and drip pricing.** Submitting, commissioning, or hosting fake or misleading consumer reviews are now banned or 'blacklisted' commercial practices. The DMCCA also prohibits 'drip pricing', where traders fail to include unavoidable fees (such as mandatory booking or delivery charges) in the initial, headline price shown to the consumer. Both of these practices are automatically unfair, without the need to show that any consumers were actually misled.
- **Guidance-first approach for early compliance.** With businesses seeking certainty, the CMA prioritised clear, streamlined guidance on unfair practices, direct enforcement procedures, fake reviews, and price transparency. For an initial three months, fake-review enforcement focused on support rather than penalties to allow businesses to adapt. The CMA indicated that it will enforce only the "clearest" breaches from April, while consulting further on more complex issues (e.g., fixed-term periodic contracts), recognising widespread business uncertainty.
- **Price transparency as a strategic priority.** The CMA elevated transparent pricing to a core enforcement focus—issuing draft guidance, launching a summer consultation, and pursuing cases against firms such as Emma Sleep and Ticketmaster. Its cross-economy pricing drive has already produced 100 advisory letters and eight formal investigations across live events, services and retail, signalling a sustained crackdown on misleading online pricing and sales practices.
- **Continued "Greenwashing" Crackdown.** Enforcement action against misleading environmental claims remains a high priority. The CMA continues to use its Green Claims Code as the benchmark and has secured undertakings from major businesses (e.g., fashion labels) to change their marketing practices, confirming this focus will continue and be bolstered by the DMCCA's increased financial penalties.

Digital Enforcement

> [The CMA will] move at pace and look for proportionate, constructive and future-facing solutions—rather than becoming mired in stand-offs and litigation. Though, of course, this also depends on how others choose to engage with our process and approach.
>
> Emma Cochrane

- **First designations under the new digital markets regime.** In October, the CMA issued its first strategic market status (SMS) designations under the UK's new digital markets regime. Apple and Google were designated for their mobile platforms, with Google also designated for Search. The CMA's focus will now shift to designing bespoke "conduct requirements" for their digital activities. SMS firms are also subject to additional merger control reporting obligations, and have to pay a levy to recoup costs incurred by the CMA in exercising its digital markets functions.
- **Roadmap to interventions.** The CMA is staging interventions based on its "4Ps" framework: pace, predictability, proportionality, and process. In July, it published roadmaps signalling that early interventions will target issues including fair dealing in app distribution (Mobile) and choice architecture (Search). The CMA is expected to publish updated roadmaps addressing more complex issues in the first half of 2026.
- **More SMS investigations expected.** The CMA is balancing these initial cases with cautious expansion. In June, the CMA said it has *"kept under review"* further investigations—most notably into cloud infrastructure—and will formally consider its options in early 2026.
- **Driving a *"Participative Approach"*.** In its 2025 guidance on the regime, the CMA highlighted the importance of working *"constructively and collaboratively with businesses, investors and consumer groups."* To that end, the CMA has committed to a *"purposeful and pragmatic approach,"* as set out in its 2026-2029 Strategy, which aims to leverage the flexibility of the new regime.
- **Looking ahead.** The CMA's direction of travel signals a preference for rapid, negotiated outcomes, over rigid, adversarial enforcement.



Antitrust

> Competition enforcement remains at the core of the work of the CMA as we evolve to meet new policy and economic challenges. And this applies whether we are talking about tackling hard-core cartel conduct, abuses of market power or other illegal and harmful arrangements.
>
> Juliet Enser

- **Focus on supply to the public sector.** In its 2025-26 Annual Plan, the CMA stated its intention to *"apply a particular focus on public procurement, as Government pursues essential programmes to improve public services and invest in economic infrastructure."* While the CMA continues to investigate ongoing cases across a range of sectors, it opened only one new Competition Act case in 2025 (compared with five in 2024). That case involves waste management services providers that supply local authorities. The CMA demonstrated a willingness to accept commitments in cases involving suspected anticompetitive agreements (housebuilders) and suspected abuse of dominance (pharmaceuticals supplied to the NHS). It also concluded a case relating to the supply of drainage products used in the construction of roads.

- **Further guidance on business collaboration.** In 2023, the CMA issued Guidance on business collaboration to achieve environmental benefits, which was broadly welcomed by business. This year, businesses have pushed the CMA for more guidance on collaborating to improve productivity, innovation and skills, consistent with the CMA's wider objective to support economic growth. We expect this guidance will be published in early 2026.
- **Employment agreements in the spotlight.** Antitrust agencies across the world are turning their attention to agreements affecting competition for talent, such as no-poaching agreements and businesses sharing information on pay and conditions. In 2025, the CMA published new Guidance on competing for talent. It also issued an infringement decision to five companies involved in the production and broadcasting of sports content, with total fines of more than £4 million, for sharing information about rates of pay for freelance workers, and continues to pursue another investigation into suspected "no-hire" agreements.
- **New Leniency Policy.** In October, the CMA published updated Guidance on Leniency and No Action in Cartel Cases. The new Guidance broadened the definition of cartel activity for which immunity and leniency are available and removed the need to confess to cartel activity when first applying to the CMA for a marker. On the other hand, it removed the possibility of 100% immunity for applicants in cases where the CMA has already begun an investigation (with 75% leniency expected to be the maximum available in most cases) and removed the guarantee of immunity from director disqualification actions for directors of applicants other than the first whistleblowers. The Guidance also introduces a number of procedural changes, intended to make the leniency process more efficient.

Market Investigations

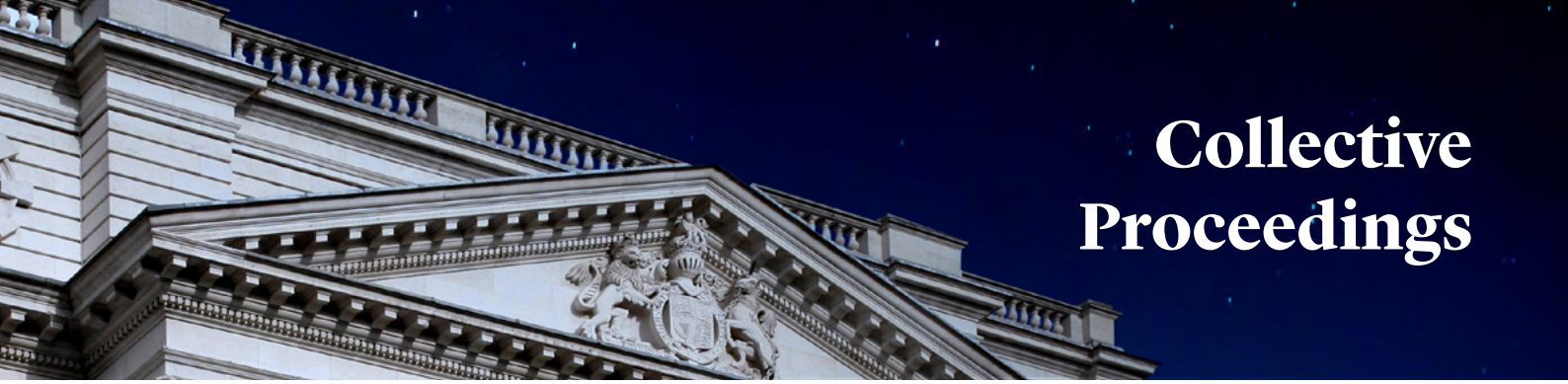
> In the coming year, we will continue our ongoing programme of consumer-facing markets work that helps to put money back in people's pockets and deliver benefits across products and services they rely on every day.
>
> CMA Annual Plan

- **Focus on Consumer Markets.** With new powers to enforce consumer law and an increased focus on cost of living, the CMA is placing greater emphasis on consumer markets. In 2025, it investigated veterinary services for domestic pets, infant formula milk and dentists, and continued its monitoring of retail petrol prices. In the meantime, the consumer association Which? submitted a super-complaint to the FCA about private home and travel insurance. The CMA also launched a study into civil engineering with a focus on public infrastructure, in line with its efforts to promote economic growth as it continues to "*evaluate how our markets work can support the successful implementation of the UK Government's Industrial Strategy.*"
- **More reform to come.** Market studies and investigations have been through more changes than any other competition law tool, as successive Governments have tried to make investigations quicker and more impactful. Expect more to come. The CMA is currently evaluating ways to make investigations align more closely with the Government's steer to ensure that investigations meet its objectives of pace, predictability, proportionality and fairer process. Similar to the proposed changes to the mergers regime, the Government is also planning to consult on changing the current decision-making structure for market investigations by replacing groups of independent CMA panel members with a Board subcommittee structure, increasing the accountability of decision-makers to the CMA Board.

National Security

> [The National Security and Investment Act] makes sure the UK's takeovers regime is one that facilitates investment in sensitive parts of our economy, while safeguarding our national interests. A framework that encourages innovation and stimulates growth while protecting our competitive advantages.
>
> National Security Regime Annual Report 2024-2025

- **Enforcement remains consistent.** Around 95% of notified transactions continue to clear in the 30-working-day initial review. The volume of notifications has risen sharply in recent years: 1,143 transactions were notified between 1 April 2024 and 31 March 2025, up from 906 in 2023–24 and 866 in 2022–23. Only around 20% of transactions "called in" for full assessment have resulted in remedies or prohibition—about 1% of all notifications. Notably, all seven prohibitions over the past four years have involved acquirers linked to China or Russia.
- **Remedies.** The Government's interventions continue to centre on three themes: governance of the target, control of sensitive information, and assurance of supply—especially to defence customers. In *Maple Armor / Fireblitz* (May 2025), a Chinese-owned acquirer's investment in a UK fire-extinguisher and detection business was cleared subject to measures addressing data-security risks from future Internet of Things (IoT) products, including a prohibition on developing proprietary IoT device technology, restrictions on manufacturing partnerships outside a pre-approved country list, and enhanced data-handling obligations. And in *IonQ / Oxford* Ionics (September 2025), the Government cleared a US buyer's acquisition of a UK quantum-computing firm on conditions requiring the target to retain its science, engineering and infrastructure functions in the UK and to host certain hardware domestically to enable independent testing and validation for Government programmes.
- **Proposed changes to mandatory notification sectors.** The Government held a consultation in July-October 2025 on its proposals to amend the 17 sectors which require a mandatory notification. The main proposals include adding: (1) a new "Water" sector which would cover companies appointed to supply water and/or sewerage services; (2) standalone "Critical Minerals" and "Semiconductors" sectors, carved out from the existing "Advanced Materials" sector and expanded from their current scope; and (3) amending the definition of the "AI" sector to exclude businesses' use of consumer AI within internal processes.
- **High bar for appeals on national security grounds.** The courts continue to give substantial deference to ministerial decisions under the NSI Act. In July 2025, the High Court rejected a challenge to a 2024 order requiring a Chinese-backed investor to divest its stake in Future Technology Devices International (FTDI), a UK semiconductor developer, emphasising that the court *"is bound to give great weight"* to the Government's national-security assessment and must *"accord a high degree of respect"* to its conclusion that prohibition was warranted. And in November 2025, the Court of Appeal dismissed LetterOne's challenge to aspects of a 2024 judgment upholding the Government's order that it divest its interest in Upp, a UK fibre-broadband provider, given its beneficial ownership by three Russian nationals.



Collective Proceedings

- **Mixed results for CAT class actions.** The UK's first opt-out collective action to proceed through trial, *Le Patourel*, failed. The CAT found that BT's prices were *"significantly and persistently"* above the competitive benchmark, but not so high as to be abusive. Similarly, in October 2025, the railway 'boundary fares' collective action in *Gutmann* failed—the CAT found that train operators did not have an obligation to ensure that customers obtained the best value fares. In *Kent*, however, the class representative achieved a landmark victory in a claim against Apple, securing the first-ever collective damages award, an estimated £1.5 billion, on behalf of approximately 36 million UK iPhone and iPad users.

- **Slowdown in the number of new actions filed in the CAT in 2025.** The number of fresh claims has fallen, likely reflecting uncertainty in the litigation-funding market. The Supreme Court's July 2023 decision in *PACCAR* cast doubt on well-established funding models, and the Civil Justice Council's subsequent review prolonged that uncertainty. This year's Court of Appeal rulings in *Apple v Gutmann* and *SIE v Neill* have now clarified what funding arrangements are permissible pending legislation. The CJC has also urged Parliament to reverse *PACCAR* and to adopt "light-touch" regulation, and in December the Government confirmed its intention to do so—signals that should reassure funders and may revive activity in 2026. Even so, 2025 has still produced new collective actions against Google, Apple, Amazon, Rightmove, and Microsoft.

- **Greater scrutiny at the certification stage.** Several cases fell at the certification stage in 2025, signalling a stricter regime. The *Riefa* claim against Apple and Amazon was refused because the class representative did not show sufficient independence, a clear grasp of her responsibilities, or an adequate understanding of the funding arrangements she had entered into. It was the first case to be dismissed outright at certification, with no opportunity for the proposed class representative to make further amendments and continue the claim. In *Roberts*, environmental claims against the water companies were rejected because the Water Industry Act 1991 excluded them. And in *Rowntree*, a proposed action on behalf of songwriters—challenging the Performing Right Society's royalty-distribution policies—likewise failed to meet the certification standard. In December, the Supreme Court ruled in the *FX Collective Proceedings* that the merits of a claim are not a neutral factor in determining whether proceedings should be certified as 'opt-in' or benefit from the leveraging effects of 'opt-out' proceedings, putting the merits squarely in focus at the certification stage for opt-out collective proceedings. The Supreme Court held that access to justice for Defendants and the public interest militate against weak claims being brought on an opt-out basis. More generally, the Supreme Court emphasised the CAT's broad discretion as gatekeeper for collective proceedings and cautioned against interference from the appellate courts absent an error of law.

- **Settlements, costs-benefits, and distribution in the spotlight.** Settlements, cost–benefit analysis, and distribution have come under sharper scrutiny. In *Merricks*, the CAT approved a £200 million settlement—despite an earlier £14 billion valuation and opposition from the funder, Innsworth, which has now sought judicial review focused on the Tribunal's allocation methodology and its emphasis on maximising class-member uptake. In *Boundary Fares*, the CAT approved a £25 million settlement with Stagecoach South Western Trains, but only £216,485 was ultimately taken up by the class, a result the Tribunal described as *"extremely disappointing."* The CAT has since signalled that it will probe distribution plans more closely at certification and that funders and insurers should not expect full contractual recoveries when class engagement is low.

- **Government launches consultation on the CAT's opt-out collective actions regime.** The Government has launched a review of the CAT's opt-out collective-actions regime, ten years after its introduction. It reaffirmed the Government's commitment to effective consumer redress but stressed the need to limit burdens on business and avoid encouraging speculative claims. The call for evidence focused on five areas: litigation funding; the scope and certification of claims; the use of alternative dispute resolution (ADR); settlement and damages; and the distribution of funds to the classes on whose behalf claims are brought. The Government will signal its intentions for the regime in 2026.

Final Thoughts

After a year of transition, consultation, and institutional uncertainty, the CMA has re-established a clear sense of direction. The combination of a pro-growth steer from Government, major legislative reform through the DMCCA, and internal recalibration across mergers, consumer enforcement and digital markets has given the regulator greater stability and self-assurance than 12 months ago.

The forthcoming changes to the CMA panel system underscore this evolution. Replacing independent Phase 2 inquiry groups with a Board-level sub-committee will increase internal accountability for decision-making and bring merger and market-investigation decisions closer to the CMA's leadership, while facilitating deeper alignment with Government policy objectives. Although these reforms raise legitimate questions about procedural fairness and independence, they reflect a broader shift toward a more centralised, coordinated and strategically coherent competition authority.

Looking ahead to 2026, we expect merger control will continue to emphasise pace and predictability, with behavioural and hybrid remedies becoming more common, and the CMA investigating fewer global mergers than in the past. Digital regulation will intensify as the first SMS conduct requirements take shape and further investigations move forward. Consumer enforcement will expand as the CMA fully deploys its DMCCA powers, and collective proceedings will mature under a more disciplined certification regime and a clearer funding environment. In national security, we expect continued consistency in outcomes and rising notification volumes, especially as sector definitions evolve.

Businesses should anticipate a more integrated regulatory environment in which early engagement, cross-regime coordination and strong compliance systems will be essential to navigating the UK's competition and consumer landscape.

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