

The Competition and Markets Authority's Markets Regime in Practice: Harms, Manifestations, and Remedies

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14 May 2026

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Introduction and summary

The UK Competition and Markets Authority ('**CMA**')¹ has a broad review function commonly referred to as the **markets regime** which includes the powers to undertake **market studies** and **market investigations**. The CMA has had these powers since 2002,² during which time it has completed 14 standalone market studies and 24 market investigations. The UK was an early adopter of a markets regime, and similar tools have since been introduced in a number of jurisdictions, including Denmark, Norway and Sweden.³

This article reviews the CMA's market regime and considers the patterns that emerge from its case practice. In summary, we find that:

- The CMA most often identifies harm caused by demand-side frictions and market structure issues, including information asymmetries, switching costs, barriers to entry and expansion and high concentration.
- Harm to consumers most commonly manifests through high prices, low quality and lack of innovation. Less frequently, the harm manifests in distributional impacts on vulnerable consumers or in specific local areas.
- Information remedies, regulatory recommendations and behavioural remedies have been the most commonly used remedies. Disclosure requirements are often supported by conduct obligations or regulator involvement. More interventionist remedies such as price caps or structural divestitures are rare but do happen in a few instances.

The markets regime

The CMA's markets regime features two principal⁴ tools: market studies and market investigations.⁵ Both are used to examine whether markets are working well, but differ in their depth, formality and the ability to impose remedies as shown in Table 1.

Market studies are short "phase 1" reviews, at the end of which the CMA is able to provide non-binding recommendations to government and businesses or refer a market for a market investigation, but does not have the ability to impose remedies. Market investigations are longer, more in-depth "phase 2" reviews, at the end of which the CMA is able to impose remedies.

Table 1: Market regime overview

	Market study	Market investigation
Objective / legal test	Identify adverse effect on consumers	Identify adverse effect on competition
Depth of assessment	Detailed assessment of market; statutory information gathering powers	Rigorous assessment of market; statutory information gathering powers; statutory consultation requirements
Possible outcomes	Advice to government and business; accept undertakings; legislative recommendations; market investigation reference.	CMA-imposed remedies, including behavioural and structural remedies; undertakings; recommendations.
Statutory timeframe	12 months	18 months (extendable by 6 months)

Source: Markets regime guidance [CMA3], CMA, 3 February 2026, Table 1.

¹ Throughout this article references to the CMA include its predecessor bodies the Office of Fair Trading and the Competition Commission.

² Markets regime Guidance [CMA3], CMA, 3 February 2026 ("**Markets regime guidance**"), paragraph 2.1.

³ See legislative announcement and background notes online [here](#), [here](#) and [here](#).

⁴ The markets regime also includes market reviews which we do not assess. See markets regime guidance, paragraphs 5.1-5.8.

⁵ At the time of writing, the UK Department for Business and Trade is [consulting](#) on proposals to move to a single-phase markets tool.

Data and approach

We analyse all previously completed standalone market studies⁶ and market investigations to classify⁷ the CMA's findings with respect to:

- The **causes of harm**: This captures the CMA's underlying concerns and is categorised into demand-side frictions, market structure, firm conduct, institutional or regulatory features, and coordination or weak rivalry.
- The **manifestations of harm**: This captures how consumers were adversely affected as a result of the causes of harm and is categorised into price effects, quality effects, choice and variety, distributional issues, and dynamic effects.
- The **remedies imposed**: This captures the types of remedies the CMA recommended or imposed to address the causes of harm and remedy the adverse effects. It is categorised into informational remedies, regulatory remedies, behavioural remedies, consumer empowerment remedies, and structural remedies.

The cases reviewed are shown in Table 2, along with each case's industry classification.

Table 2: CMA market studies and market investigations, 2002-2026

Market studies (n=14)	Market investigations (n=24)
<p>Digital Platforms (3)</p> <ul style="list-style-type: none"> • Digital comparison tools (2017) • Mobile ecosystems (2022) • Online platforms and digital advertising (2020) <p>Energy (3)</p> <ul style="list-style-type: none"> • Electric vehicle charging (2021) • Heat networks (2018) • Road fuel (2023) <p>Entertainment & Media (1)</p> <ul style="list-style-type: none"> • Music and streaming (2022) <p>Financial Institutions & Products (1)</p> <ul style="list-style-type: none"> • Statutory audit (2019) <p>Healthcare & Life Sciences (2)</p> <ul style="list-style-type: none"> • Care homes (2017) • Children's social care (2022) <p>Real Estate & Construction (2)</p> <ul style="list-style-type: none"> • Housebuilding (2024) • Residential property management services (2016) <p>Retail (2)</p> <ul style="list-style-type: none"> • Infant formula and follow-on formula (2025) • Legal services (2016) 	<p>Digital Platforms (1)</p> <ul style="list-style-type: none"> • Mobile browsers and cloud gaming (2025) <p>Energy (2)</p> <ul style="list-style-type: none"> • Domestic bulk liquefied petroleum gas (LPG) (2006) • Energy (2016) <p>Entertainment & Media (1)</p> <ul style="list-style-type: none"> • Classified directory advertising services (2006) <p>Financial Institutions & Products (9)</p> <ul style="list-style-type: none"> • Home credit (2006) • Investment consultants (2019) • Payday lending (2015) • Payment protection insurance (PPI) (2010) • Personal current account banking services in Northern Ireland (2007) • Private motor insurance (2015) • Retail banking (2017) • Statutory audit services (2014) • Store card credit services (2006) <p>Healthcare & Life Sciences (2)</p> <ul style="list-style-type: none"> • Private healthcare (2017) • Veterinary services for household pets (2026) <p>Real Estate & Construction (1)</p> <ul style="list-style-type: none"> • Aggregates, cement and ready-mix concrete (2016) <p>Retail (2)</p> <ul style="list-style-type: none"> • Funerals (2020) • Groceries (2008) <p>Technology (1)</p> <ul style="list-style-type: none"> • Cloud services (2025) <p>Telecommunications (2)</p> <ul style="list-style-type: none"> • Mobile radio network services (2023) • Movies on pay TV (2012) <p>Transportation (3)</p> <ul style="list-style-type: none"> • BAA airports (2009) • Local bus services (2011) • Rolling stock leasing (2009)

Notes: [1] Year of case closure in parenthesis. [2] Industry classifications are at a high-level and some cases fall under multiple industries.

Source: Authors' analysis of CMA market studies and market investigations.

⁶ To avoid double-counting, we exclude market studies that were followed by a market investigation in the same market and instead focus on the subsequent market investigation.

⁷ There is a degree of subjectivity in our categorisation as the CMA's market studies and market investigation are often very expansive and in-depth on many aspects of the particular market. By way of hypothetical, a given market investigation may mention the presence of barriers to entry, but it may not be a substantial part of the CMA's assessment nor the main cause of concern. In such a case, we would still categorise the market investigation as finding barriers to entry as a cause of harm considered by the CMA. See the Appendix for an overview of our approach to classifying the causes of harm, manifestations of harm and remedies imposed.

Findings

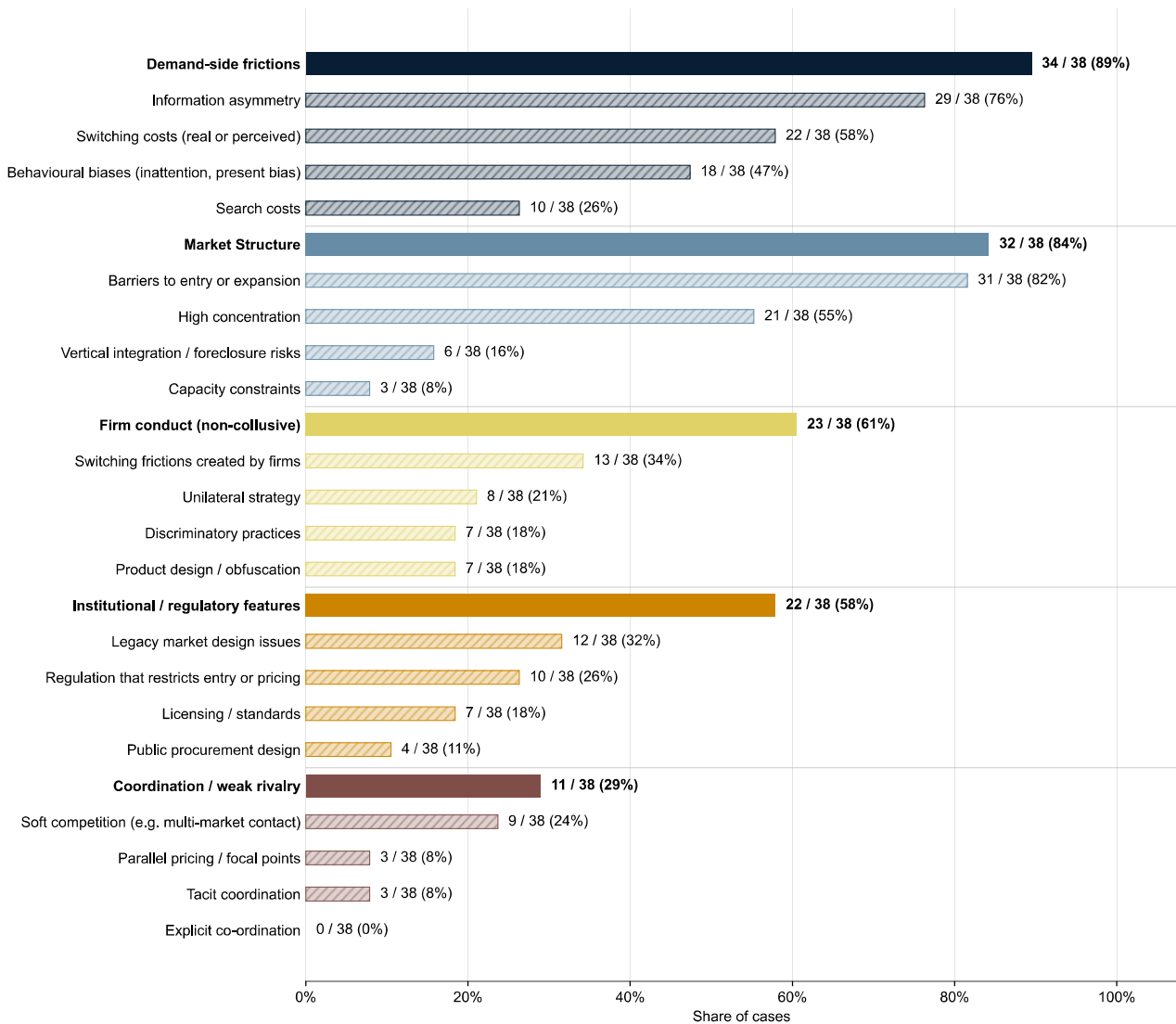
Most market studies and market investigations are in consumer-facing markets, such as *Groceries, Retail banking, Private motor insurance, and Mobile ecosystems*. Some retain a consumer focus even where the direct customer is not the end user, such as *Children’s social care and Care homes*. In some cases, the direct customers are firms or the public sector, such as *Statutory audit services, Mobile radio networks, Aggregates, cement and ready-mix concrete and Rolling stock leasing*.

More recently, the CMA has focused on markets involving vulnerable consumers, such as *Funerals, Infant formula and follow-on formula, Veterinary services for household pets, Children’s social care and Care homes*.

Causes of harm

Figure 1 shows the number and proportion of market studies and investigations in which the CMA identified specific causes of harm.

Figure 1: Causes of harm identified in CMA market studies and investigations



Notes: A case may exhibit more than one cause of harm within a category (e.g., within demand-side frictions both information asymmetry and search costs may be present) with the result that the sub-categories do not sum to the total category.

Source: Authors’ analysis of CMA market studies and market investigations.

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Demand-side frictions (89% of cases) and **market structure issues (84%)** are the most frequent causes of harm found, appearing in the majority of cases; they are often present at the same time (74%).

On the specific **demand-side frictions**:

- **Information asymmetry (76%)** is the most frequent demand-side friction, where consumers do not have information or expertise needed to assess quality, value or suitability prior to the purchase from the seller who possesses more information. An example is *Veterinary services for household pets*, where pet owners were found to have less expertise than vets, limited ability to assess diagnostic and treatment options, and limited access to clear and comparable price information. Similar issues arise in *Housebuilding*, where quality was difficult to observe before purchase. In *Funerals*, customers often could not obtain prices in a comparable format and had limited visibility over the quality of care given to the deceased.
- **Switching costs (58%)** are also common. Switching costs include both direct monetary costs and costs of efforts (real or perceived) that make consumers less likely to switch to alternative suppliers in the market. Examples include *Mobile ecosystems* and *Mobile browsers and cloud gaming*, where switching is affected by defaults, pre-installation, low user engagement and friction in changing default browsers or moving data between ecosystems. In *Music and streaming*, a lack of playlists and music data portability can make consumers less willing to switch services. In *Investment consultants*, switching fiduciary manager can take several months and involve material monetary costs.
- **Behavioural biases (47%)** also appear in around half of market studies and investigations. This includes aspects of consumers' behaviour that may limit their ability to make effective choices. Examples include *Infant formula and follow-on formula*, where branding was found to have a strong and disproportionate influence on consumer choice, where parental vulnerability and low switching once a product works can reinforce brand incumbency. In *Funerals*, customers often found it difficult to engage with the purchasing process and tended to rely on recommendations or previous use of a funeral director. In *Veterinary services*, decisions may be made in urgent or emotional circumstances and pet owners may rely heavily on vet advice. In *Care homes*, decisions are often delayed until a crisis point and then made urgently in distressing circumstances.

On the specific **market structure** issues:

- **Barriers to entry or expansion (82%)** is the most frequent cause of harm related to market structure. These are features that prevent or make difficult entry to the market, or the expansion of smaller competitors. In traditional sectors, barriers often arise from planning restrictions, high sunk costs and capacity constraints such as in *Groceries*, *Private healthcare* and *Electric vehicle charging*. In digital markets, barriers stem from network effects and data advantages, such as in *Mobile ecosystems*, *Mobile browsers and cloud gaming* and *Online platforms and digital advertising*.
- **High concentration (55%)** is also a common cause of harm, where a small number of firms hold persistently strong market positions. In traditional sectors, this often reflects local monopolies or oligopolies, such as in *Groceries*, *Local bus services* and *BAA airports*. In digital and technology markets, concentration concerns often relate to ecosystem control and scale advantages, including in *Mobile ecosystems*, *Mobile browsers and cloud gaming* and *Cloud services*.

Firm conduct (61%) is a common cause of harm, where firms can unilaterally implement strategies such as creating switching frictions or discriminatory practices. For example, the CMA identified conduct that made switching more difficult for customers or rivals in *Mobile ecosystems*, where defaults and interoperability restrictions reinforced incumbent positions, and *Domestic bulk LPG* and *Payment protection insurance*, where contractual terms and pricing structures increased the cost and inconvenience of switching. In *Mobile browsers and cloud gaming* and *Mobile ecosystems*, operating systems owners imposed discriminatory terms on third parties that they did not apply to themselves, such as restricting access to key functionalities or enforcing use of specific payment solutions.

Concerns relating to **institutional or regulatory features (58%)** are also a common cause of harm related to regulation, licensing requirements or public procurement frameworks that weaken competition or make entry and expansion more difficult. Examples include *Groceries*, *Civil engineering* and *Children's social care*, where planning rules, regulatory requirements and procurement processes increased costs and hindered entry or expansion. The CMA has also identified legacy market design issues, where the structure of a market or

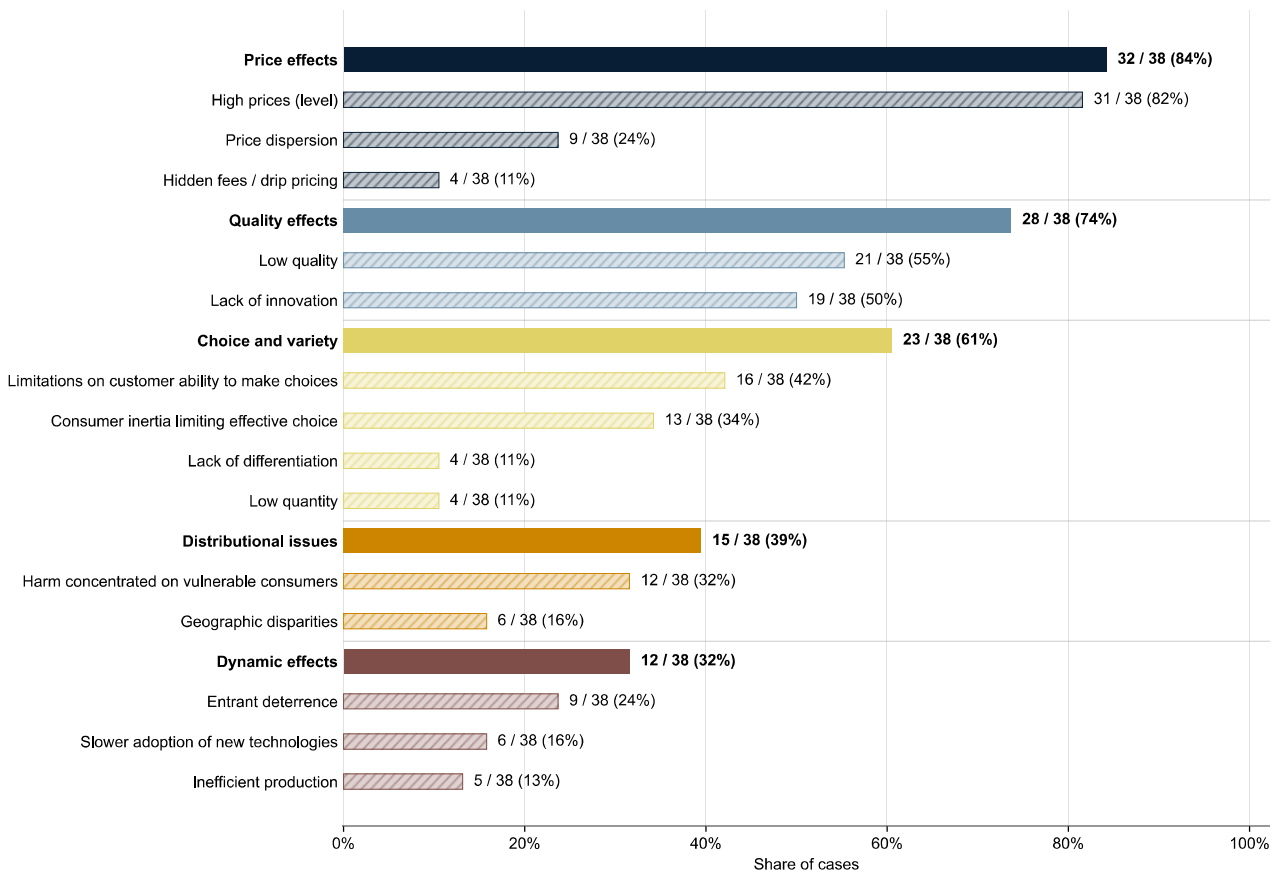
regulatory framework creates weak incentives to compete, including in *Energy* and *Residential property management services*.

Coordination and weak rivalry (29%) are a less common cause of harm, which is notable as coordination can have substantial negative impact on consumers. Issues arising from tacit coordination have been identified in only three markets, including in *Aggregates, cement and ready-mix concrete*, which involved coordination among major cement producers, with price announcement behaviour facilitating parallelism and market shares operating as a focal point, and also in *Local bus services* where operators avoided competing in core territories, with retaliation and signalling helping sustain geographic market segregation. Other cases related to weak rivalry were concerned with wide most-favoured nation clauses such as in *Digital comparison tools* and *Private motor insurance*.

Manifestations of harm

Figure 2 shows the number and proportion of market studies and investigations in which the CMA identified specific manifestations of harm.

Figure 2: Manifestations of harm identified in CMA market studies and investigations



Note: A case may exhibit more than one manifestation of harm within a category (e.g., within price effects both high prices and price dispersion may be present) with the result that the sub-categories do not sum to the total category.

Source: Authors' analysis of CMA market studies and market investigations.

The most frequent manifestations of harm are related to **prices (84% of cases)** and **quality (74%)**, the main indicators of consumer or competitive outcomes.

High prices (82%) are by far the most frequent single manifestation of harm. In most cases, the CMA concluded prices were higher than would be expected in a well-functioning market, including in *Veterinary services for household pets*, *Children's social care*, *Mobile radio network services* and *Private healthcare*. In other cases,

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harms arose indirectly, such as in *Online platforms and digital advertising* and *Mobile ecosystems*, where higher prices paid by advertisers or app developments could be passed through to consumers. The CMA also identified cases where consumers paid more because weak competition or low switching meant that consumers did not switch to cheaper deals, including in *Retail banking*, *Energy* and *Infant formula and follow-on formula*.

On quality-related harms:

- **Low quality (55%)** is the most frequent manifestation of quality harms, and the manifestations are particularly case specific. Examples include *Veterinary services*, where customer satisfaction was low relative to the cost of veterinary services, and *Heat networks*, where some schemes had interruptions, weak billing information, poor complaints handling and limited redress. In *BAA airports*, poor service standards, particularly at Heathrow airport, reflected weak competitive pressure and regulatory shortcomings.
- **Lack of innovation (50%)** is also a common manifestation of quality related harms, where innovation and quality improvement lags behind what would otherwise be expected in a dynamic and competitive market. Examples include *Retail banking*, where innovation in small-to-medium enterprises banking lagged behind personal banking, particularly in digitalisation, and in *Housebuilding* where efforts to improve sustainability were primarily driven by expectations of future regulation, rather than competitive differentiation. In *Mobile browsers and cloud gaming*, the operating systems owners' restrictions were found to hold back innovation in browsers, in-app browsing and progressive web apps.

Manifestations of harm related to **choice and variety (61%)** are also common. These primarily relate to cases where there are market-driven or firm-driven limitations to consumers making effective choices in the market, or where consumer inertia limits effective consumer choice. Examples include *Road fuel*, where consumers could not effectively compare fuel prices across retailers because prices were not generally published online, and motorway prices were not visible until consumers had already committed to leaving the motorway, and also in *Music and streaming*, where switching was limited due to playlist or data-portability. An example of consumer inertia limiting effective choices is *Retail banking*, where switching rates were very low despite substantial potential monetary gains from switching.

Distributional issues (39%) are less common, but nonetheless important and appear to be an increasing focus of the CMA in recent years. This includes both manifestations of harm in markets where the end-receiver of the services are vulnerable such as in *Children's social care*, *Funerals* and *Care homes*. The CMA also identified instances where some vulnerable customers may be particularly harmed, such as in *Electric vehicle charging* where residents of social housing and disabled users may be particularly disadvantaged, and *Retail banking* where less financially sophisticated customers may be particularly affected. There were also some cases of geographic disparities such as in *Electric vehicle charging* where uneven provision leaves certain (often remote) areas underserved.

Dynamic effects (32%) are also less common and manifest mainly into deterrence of entry. In *Mobile browsers and cloud gaming*, network effects, default-driven behaviour and operating system owners' restrictions made entry and expansion harder for rival browsers and browser engines. In *Private motor insurance*, wide most-favoured-nation clauses deterred entry by price comparison websites by preventing entrants from using lower prices to win share. In *Groceries*, planning barriers and control of land by incumbents deterred or delayed entry and expansion in local markets.

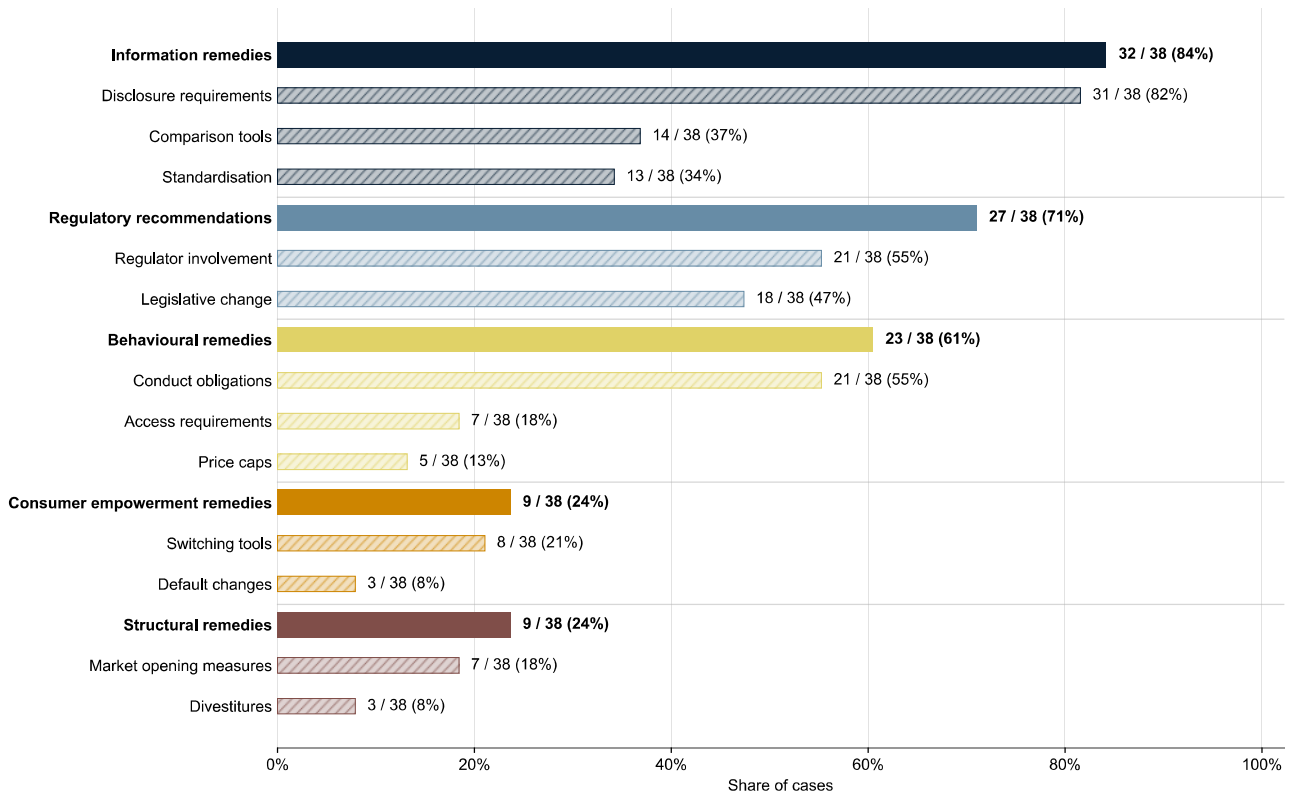
Remedies

Figure 3 shows the number and proportion of market studies and investigations in which the CMA recommended or imposed specific remedies. For the purposes of the analysis below, we consider market study remedy recommendations and market investigation remedy impositions together – even though in practice, remedy impositions from market investigations are binding, whereas remedy recommendations from market studies may not be taken up by government.

The CMA imposed no remedies in only one market investigation: *Movies on pay TV*. Although it concluded that competition in the market was ineffective, it identified no issues specifically with regard to Sky's position in the market, which was the focus of the reference from the telecommunications regulator Ofcom.⁸

⁸ For more detail, see associated [press release](#).

Figure 3: Remedies in CMA market studies and investigations



Notes: A case may have had more than one remedy within a category (e.g., within information remedies both disclosure requirements and comparison tools remedies may have been proposed) with the result that the sub-categories do not sum to the total category. Source: Authors' analysis of CMA market studies and market investigations.

Information remedies (84% of cases) and regulatory recommendations (71%) are the most frequent remedy types, followed by **behavioural remedies (61%)**.

Disclosure requirements (82%) in particular are the most frequent type of remedy. Disclosure requirement remedies typically require firms to provide clear information on for example prices, ownership, quality or products aspects. Examples include *Veterinary services for household pets*, where the CMA required clear ownership signage and mandatory standardised price lists and in *Funerals*, where firms were required to publish the price of an attended funeral. In *Road fuel*, fuel retailers were to submit prices to a fuel finder scheme. In *Housebuilding*, optional extras and their prices were to be prominently and fully disclosed alongside the headline price.

On specific **regulatory recommendations**:

- **Regulator involvement (55%)** is the most common form of regulatory recommendations, where in some cases, the CMA considered that ongoing supervision, monitoring or sector-specific rulemaking was needed such as in *Heat networks* and *Investment consultants*. In other cases, existing regulatory bodies were better placed to implement and monitor the proposed remedies (e.g., information or behavioural remedies) such as in *Local bus services*, *Energy* and *Retail banking*.
- **Legislative change (47%)** is also fairly common. These remedies tend to arise where the underlying concern reflects regulation, public policy, statutory powers or wider market design rather than a practice that the CMA can address fully through its own powers. In *Online platforms and digital advertising* and *Mobile ecosystems*, the CMA concluded that a new pro-competition digital regime was required.⁹ In *Heat networks*, the CMA recommended a statutory framework for regulating heat networks, including rules on pricing, quality, complaints and consumer protections. In *Electric vehicle charging*, the CMA recommended

⁹ This was eventually addressed with the CMA's Digital Markets Unit (DMU) under the Digital Markets, Competition and Consumers (DMCC) Act 2024. <https://www.gov.uk/government/publications/digital-markets-competition-regime-guidance>

national strategies, a possible statutory duty for local authorities, open-data and software standards, and regulation of the consumer charging experience.

On specific **behavioural remedies**:

- **Conduct obligations (55%)** are remedies that aim to directly prohibit or constrain specific firm practices that drive the causes of harm in the market. In *Investment consultants*, pension scheme trustees were required to carry out competitive tenders before awarding large fiduciary management mandates, and firms offering both investment consultancy and fiduciary management had to separate the marketing of those services. In *Payment protection insurance*, the remedy package included a prohibition on the sale of payment protection insurance products alongside other credit products. In *Private motor insurance*, the CMA prohibited wide most-favoured-nation clauses and any conduct seeking to replicate their effects.
- One particularly interventionist behavioural remedy is **price caps (13%)**, where it is notable that these are fairly rare, but there are some examples. In *Mobile radio network services*, the main remedy was a charge control setting a cap on overall revenue. In *E4nergy*, *Classified directory advertising services* and *Veterinary services for household pets*, the CMA imposed price caps on certain products in each of those markets.

Consumer empowerment remedies (24%) are rare and are often imposed in combination with disclosure requirement remedies such that monitoring or switching tools can be made available. Examples include *Payday lending*, where the remedy package included a recommendation that consumers were not disadvantaged in terms of credit score when multiple credit searches were conducted, and *Payment protection insurance*, where lenders were required to send consumers annual reviews and reminders about their current insurance to encourage reconsideration and switching.

Divestitures (8%) are very rarely recommended or imposed, which is notable as these are the most interventionist remedies available to the CMA. In *BAA airports*, the CMA imposed a divestiture of the airports Gatwick, Stansted and either of Edinburgh or Glasgow. In *Aggregates, cement and ready-mix concrete*, the CMA required the leading supplier to divest one active cement plant to a non-UK supplier, thus enabling entry of a non-UK supplier. In *Statutory audit*, the CMA recommended the operational separation of audit and non-audit activities for the four largest firms - Deloitte, PwC, EY and KPMG - effectively amounting to a partial divestiture; however, as this was a market study, the remedy was not imposed.

Appendix: Approach to classifying cause of harm, manifestation of harm and remedy type

Figure 4: Approach to classifying cause of harm, manifestation of harm and remedy type

Cause of harm		Manifestation of harm		Remedy type	
Demand-side Frictions	<ul style="list-style-type: none"> Information asymmetry Behavioural biases Switching costs Search costs 	Price Effects	<ul style="list-style-type: none"> High prices Price dispersion Hidden fees / drip pricing 	Information Remedies	<ul style="list-style-type: none"> Disclosure requirements Comparison tools Standardisation
Market Structure	<ul style="list-style-type: none"> High concentration Barriers to entry/expansion Vertical integration / foreclosure risks Capacity constraints 	Quality Effects	<ul style="list-style-type: none"> Low quality Lack of innovation 	Regulatory Remedies	<ul style="list-style-type: none"> Legislative change Regulator involvement
Firm Conduct	<ul style="list-style-type: none"> Unilateral strategy Product obfuscation Switching friction created by firms Discriminatory practices 	Choice and Variety	<ul style="list-style-type: none"> Limited choice Low quantity Lack of differentiation Customer inertia limiting effective choice 	Behavioural Remedies	<ul style="list-style-type: none"> Price caps Conduct obligations Access requirements
Institutional / Regulatory Features	<ul style="list-style-type: none"> Regulation restricting entry or pricing Licensing / standards Public procurement design Legacy market design 	Distributional Issues	<ul style="list-style-type: none"> Harm concentration on vulnerable consumers Geographic disparities 	Consumer Empowerment Remedies	<ul style="list-style-type: none"> Switching tools Default changes
Coordination / Weak Rivalry	<ul style="list-style-type: none"> Tacit coordination Parallel pricing / focal points Soft competition 	Dynamic Effects	<ul style="list-style-type: none"> Inefficient production Slower adoption of new technologies Entrant deterrence 	Structural Remedies	<ul style="list-style-type: none"> Divestiture Market opening measures

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