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# Draft Digital Markets, Competition and Consumer Bill

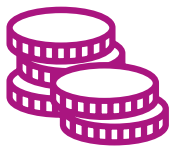
Business Reference Panel

12 July 2022



Department for  
Business, Energy  
& Industrial Strategy

# Digital Markets, Competition and Consumer Policy



The cost of living in the UK and abroad is rising. Competition and consumer policy has a central role in creating a thriving, free market economy that encourages innovation, enterprise, growth and productivity – giving consumers and businesses a fair deal.



In Spring Government published its responses to the 2021 consultations *A New Pro-Competition Regime for Digital Markets* and *Reforming Competition and Consumer Policy*. A draft Bill was then announced in the Queen's Speech.



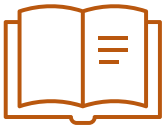
This is part of the framework set out in *Building Back Better: our plan for growth* and delivers the Manifesto commitment to give the Competition and Markets Authority (CMA) enhanced powers to stop consumer rip offs and bad business practices.

# Digital Markets Reforms

Our new Digital Markets reforms will drive competition between digital firms and open up opportunities for start-ups to compete. The Digital Markets Unit (DMU) in the CMA will oversee the new regime. Regime will be pro-active and address harms before they become entrenched.



Targeted at a small number of the biggest firms which have substantial, dominant and entrenched market power.



**Bespoke Conduct Requirements** for these firms to ensure that they treat business and users fairly.



These firms will be subject to **Pro-Competitive Interventions** which will tackle the root causes of market power (e.g. measures to boost interoperability).



**New merger requirements for these firms:** Mandatory reporting of significant mergers



Robust powers to deter and tackle non-compliance will include **finest of up to 10% of annual global turnover** for serious breaches

# Competition policy reforms

Starting from a strong foundation, these reforms will create a best-in-class competition law system fit for the digital age, through strengthening enforcement against illegal anticompetitive conduct and focussing CMA activity more strongly on areas of harm.



Improving CMA's tools to intervene and fix markets where competition isn't working as it should



Introducing a more effective and proportionate process for reviewing mergers, to make the UK a more attractive destination for businesses



Enhancing the CMA's role as an economic advisor to Government, committing to clearer and more regular non-binding strategic steers from Government and introducing a new statutory duty of expedition for the CMA



Strengthening enforcement against illegal anticompetitive conduct and CMA's investigative powers across competition enforcement tools, including verifying whether the use of algorithms by companies complies with competition law



Permitting more effective and flexible international cooperation

# Consumer rights policy reforms

These reforms will allow the law to keep pace with the speed of digital innovation, keeping consumers safe from fake reviews, and will give consumers more control over their spending through tackling subscription traps and prepayment savings clubs.



Strengthening consumer protections where online traders take advantage of behavioural biases – e.g. subscription traps



Clarifying the law on pre-contract information for subscriptions; make it easier for consumers to exit unwanted subscriptions



Consulting on detail of making the posting of fake reviews 'automatically unfair' in consumer law (CPUTRs 2008) - giving greater clarity to business and, where fake reviews are posted, allowing enforcers to take effective action quickly



Mandating that consumer prepayment schemes safeguard consumers' money through insurance or trust accounts

# Consumer law enforcement reforms

These reforms will ensure the CMA has the right tools at its disposal to tackle the biggest consumer problems across all markets, while reforms to dispute resolution services will help consumers and traders fix their problems more effectively on their own.



Strengthening enforcement powers for the CMA; allow fines of up to 10% global turnover for traders breaching consumer protection law; sanction traders who do not comply with the enforcement process



Improving the quality and oversight of alternative dispute resolution (ADR) services through a common set of standards; ensure consistency and quality of dispute resolution by requiring all businesses offering ADR services to be approved under law



Monitoring key parts of the Trading Standards landscape and continuing to gather further evidence on how well the system is working, scope for further reform and ensuring consumers are protected against unscrupulous traders

# Next steps



As announced in the Queen's Speech on 10 May, the government will publish draft legislation to promote competition, strengthen consumer rights and protect households and businesses, as part of a draft Digital Markets, Competition and Consumer Bill



Government will continue to engage stakeholders through the Bill drafting process, and will flag upcoming consultations on getting the details right



Following publication of a draft Bill, any legislation will be subject to Parliamentary time and capacity