

16 November 2023**Update on the Digital Markets, Competition and
Consumers Bill.**

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Purpose of the report**Digital Markets, Competition and Consumers Bill**

1. On the 25 April 2023 the Government announced the proposals as contained in the Digital Markets, Competition and Consumers (DMCC) Bill which is seen as promoting growth in the UK economy by ensuring free and vigorous competition amongst businesses – both online and on the high street. It will also strengthen the Competition and Market Authority's (CMA) powers to crack down on unfair practices.

2. The bill reinforces the key principles that underpin the CMA's work, which are about helping people, businesses, and the economy. The bill has 3 areas of focus:

- **Consumer protection:** People need to be able to shop without fear of being ripped off and fair-dealing businesses should be able to compete without being disadvantaged by those who break the rules. The CMA has taken enforcement action against those who use unfair practices to dupe people into handing over their money – taking action on fake reviews, subscription traps and pressure selling. The new rules in this bill will allow the CMA to be even more effective. They will empower the CMA to decide when consumer law has been broken, rather than having to take each case to court. This will help ensure people are protected more quickly, and fair-dealing firms are not disadvantaged. The bill will also allow the CMA to fine businesses which do break the law up to 10% of their global turnover.
- **Digital markets:** People and businesses benefit from vibrant, competitive digital markets which offer the latest products and services. The bill establishes a new, targeted regime built for the digital age, overseen by the Digital Markets Unit (DMU) in the CMA – that will use a proportionate approach to hold digital firms accountable for their actions – enabling all innovating businesses to compete fairly. It will set rules that will prevent firms with Strategic Market Status from using their size and power to limit digital innovation or market access – ensuring the UK remains a highly attractive place to invest and do business for all.
- **Competition:** Bolstered investigative and enforcement powers will mean the CMA can conduct faster and more flexible competition investigations, which identify and stop unlawful anticompetitive conduct more quickly. Changes to the competition framework – including updated merger and fine thresholds –

is seen as making it easier for the CMA to take action against mergers which harm UK consumers and businesses. Such changes are seen as allowing the CMA to continue to protect and promote open and free markets, spurring companies to innovate and bring more products to market, providing more choice for customers and creating a strong foundation for economic growth.

3. CTSI has been involved in policy work around the Digital Markets, Competition and Consumers (DMCC) Bill. Amendments submitted by CTSI include clarifying key definitions, requesting powers for Trading Standards Officers in the realm of online marketplaces, and amending methods by which Trading Standards Officers can request information from businesses.

4. CTSI has held meetings with the Department for Business and Trade (DBT) to offer consultation on aspects of the Bill, such as the ability of Trading Standards officers to access necessary information, and whether Trading Standards should have enforcement responsibilities regarding Consumer Savings Schemes. Following this, CTSI has timetabled follow-up meetings with DBT to discuss Online Interface Orders (OIOs) and will take part in the newly released Government consultation entitled 'Smarter regulation: improving price transparency and product information for consumers consultation'.

Recommendation

4. The Committee is asked to note the information.

Further information can be found at: <https://bills.parliament.uk/bills/3453>

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