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UK Competition and Consumer Regulator Sets Key Regulatory Priorities for 2026 – 2027

April 8, 2026

The UK's Competition and Markets Authority (CMA) published its Annual Plan for 2026 to 2027 on 23 March 2026 setting out its strategic priorities for the coming year. This is the first detailed plan for implementation under its 2026 – 2029 Strategy, which seeks to put into practice some of the regulator's longer-term objectives of protecting consumers and promoting competition in the wake of its mandate to help drive economic growth and improve household prosperity.

The plan was published against the backdrop of a government consultation on refining the UK competition regime, which seeks to speed up and streamline market investigations, provide clarity on merger control thresholds and implement a new decision-making model for in-depth mergers (see our February alert). It further embeds the CMA's framework for acting with pace, predictability, proportionality and process (the 4Ps) in order to make the UK economy a more business-friendly environment and to "put money back" in people's pockets.

In terms of key initiatives, the plan is notable for a strong shift in the CMA prioritising its enforcement of UK consumer protection laws, potentially to a greater extent than its competition law enforcement, a focus on encouraging innovation by supporting small and medium-sized enterprises (SMEs) and startups, policing public procurement markets for signs of anticompetitive conduct, and aligning its interventions to support the UK government's eight Industrial Strategy sectors.

Key objectives

The plan reiterates the CMA's key objectives from its 2026 – 2029 Strategy, namely:

- Remaining a strong advocate for, and independent enforcer of, effective competition across the UK economy.
- Championing consumers.
- Helping government deploy tailored pro-competition interventions to support growth, innovation and investment-related policies.
- Contributing to a UK regulatory landscape which instils business confidence and acts as a magnet for investment.
- Delivering tangible benefits for the UK economy, citizens and businesses.

These key objectives contrast with those set out in previous annual plans, which had a stronger focus on competition in digital and fast-growing markets, complex (often digital) merger review, and sustainability. This shift has arisen not only from the Strategic Steer received from the government in 2025, but also from the coming into force of the Digital Markets, Competition and Consumer Act (DMCCA), which bolstered the CMA's consumer protection enforcement powers. Under this regime, the CMA can act more quickly and investigate and impose fines directly, without having to go through lengthy UK court procedures.

We set out the CMA's key areas of focus for the year ahead and what this means for businesses below.

1. Consumer protection

Under the DMCCA, the CMA received new enforcement powers to protect consumers against unfair commercial practices (see our April 2025 alert). The plan states that implementing the enhanced consumer protection regime under the DMCCA is a core priority, combining support for business compliance with enforcement action. The CMA highlights that this approach is intended to "put money back in people's pockets" and strengthen consumer confidence.

The plan explains that the CMA will continue to prioritise areas of essential spend to help people struggling with pressure on household budgets, focusing in particular on the following behaviours:

- Providing objectively false information to consumers
- Fake reviews
- Hidden fees
- Aggressive sales practices
- Imbalanced and unfair contract terms

In addition, the plan also sets out that the CMA will drive at behavioural change in businesses and across sectors through the use of advisory letters, noting that this approach has already driven behavioural change without the CMA needing to deploy a full case team to an enforcement investigation.

Takeaways

The CMA is clearly prioritising its enforcement of UK consumer protection laws. This is a continuation of the CMA's 2025 strategy, which saw the agency send more than 100 advisory letters to businesses that it considered to be out of compliance with their consumer law obligations. It also launched its first investigations under the regime. For the remainder of 2026, we expect to see further enforcement of consumer issues, with the CMA seeking decisive resolutions for consumers.

In addition to the enforcement priorities named above, the DMCCA also sets out new obligations on businesses in relation to subscriptions, which we expect to come into force during the course of 2026. Businesses are advised to review their existing subscription offers to check if these fall within the remit of the DMCCA, and if so, put in place a compliance plan.

2. Competition enforcement

The plan sets out the CMA's targeted focus for competition enforcement as follows:

- Tackling anticompetitive conduct in key growth sectors and areas that may help to improve household prosperity; as part of this, the CMA will actively target anticompetitive activity which prevents startups and scale-ups from growing
- Facilitating pro-growth, legitimate business collaboration, particularly in the eight Industrial Strategy priority sectors – advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services – and in relation to sustainability agreements
- Prioritising action against bid-rigging in the public sector and using AI and data science tools to support evidence gathering
- Ensuring that AI is not used to impede competition in the UK, including through algorithmic collusion; in this context, the CMA is also making further investments into its detection tools, including AI, to scan public data and identify suspicious activity in all areas of focus, and the CMA's recent guidance on Complying with Consumer Law When Using AI Agents supports this as a key area of focus in the consumer space as well (see our March 2026 alert).

Takeaways

The CMA's competition enforcement focus is clearly targeted to support the government's growth agenda. Notable is the emphasis both in the plan and in public statements currently being made by the CMA with regards to identifying how the CMA can support startups to scale up in the UK. These reflect a wider programme of work commenced in Autumn 2025 in which the CMA looked at the role of competition policy to encourage startup growth and investment in the UK, including tackling sector-specific barriers, such as public-sector procurement and regulation, the role of data and interoperability in scaling in the UK and from a merger control perspective, and the role of consolidation to achieve scale. Now, more than ever, the CMA is likely to be receptive to complaints by SMEs regarding market structures or the behaviours of competitors.

Also notable are how AI developments are now shaping the CMA's workplan – both with regards to new tools that it is using to monitor market behaviour, such as in public-sector markets and to detect cartels, but also with regards to the use of algorithms and AI where these tools enable market collusion. Whilst to date the CMA has

confined itself to issuing guidance on the use of AI and algorithms, and decisions are awaited, companies that use pricing algorithms and other AI tools to gather information are strongly recommended to review the compliance position of these.

3. Markets

With regard to the CMA's markets work, while the agency has the ability to investigate entire markets, even in the absence of consumer or competition law breaches, the plan confirms a continued focus on those markets that are consumer facing. The plan specifically calls out the progression of the CMA's market study into the private dentistry sector, along with implementation of remedies that result from its veterinary services market investigation, which concluded on 24 March 2026 and resulted in, amongst others, a price cap on prescriptions.

The plan further provides that the CMA will use its market function to support the government's Industrial Strategy to help reduce cross-economy barriers to growth, supporting interoperability and access to data. The UK government's proposed reforms to the competition regime also include changes to the CMA's markets regime, which seek to replace the existing market study and market investigation model with a new single-phase market review tool and ensure market remedies remain necessary and proportionate. In implementing these aims, the plan seeks to be mindful of not placing more burden on business than necessary – for example, by focusing on light-touch and fast interventions, being guided by proportionality, and ensuring an effective monitoring of remedies, including removing remedies that are no longer needed.

Takeaways

The CMA continues to focus its market function on key areas of consumer need and spend, and we expect to see extensive use of this tool in the coming year. For example, on 20 March 2026, the CMA launched a market study into the supply of heating oil as an area of essential spend following the sudden rise in oil prices caused by the current conflict in the Middle East. On 24 March 2026, the Chancellor set out a plan to help protect households from unfair price increases set for profiteering during the crisis. As part of this, the government may act to give time-limited, targeted powers to the CMA so it can clamp down on "price gouging".

4. Digital markets

In the digital realm, the plan sets out the CMA's priorities in implementing its digital market regulation powers, including its work on its first designations of strategic market status (SMS) under the DMCCA in relation to search and mobile platforms. The CMA has recently indicated that it will open its next SMS investigation in May 2026.

Takeaways

We expect the CMA to focus on delivering a pragmatic approach to the regulation of digital markets with a focus on ensuring a level playing field for startups and scale-ups across the UK tech sector, particularly in areas like fintech and digital wallets, browsers, and platforms, with a particular focus on choice architecture, data access and interoperability. Commitments in the current designation process came into force on 1 April, and we expect at least one further designation to land in 2026. We therefore do not expect the regulator to put its current focus on digital regulation on the backburner just yet, particularly in areas where technology intersects with essential consumer spend, such as banking and finance.

5. Merger control

The CMA plans to apply its merger control powers in a targeted way, emphasising that most mergers do not raise competition concerns, but that it wants to be a strong advocate for effective competition across the UK economy. As part of this, the CMA will continue implementing its wait-and-see approach to global mergers.

Takeaways

On 20 January 2026, the UK government opened a consultation on legislative changes to the UK merger control regime aimed at enhancing predictability for businesses in support of economic growth which we wrote about in February. This came on the heels of a number of reforms and significant shifts in the CMA's enforcement and merger review priorities, emphasising its alignment with the UK government's pro-growth, pro-business agenda. As part of this, we expect:

- Mergers involving global markets, but with only peripheral UK-specific overlaps, to be less likely to attract scrutiny, with more concentration on those transactions with a clear UK nexus.
- More deals to continue to be cleared through the briefing-paper route with less full Phase 1 reviews.
- A more flexible approach to remedies following the removal of the presumption against behavioural remedies at Phase 1 review.

The government consultation proposes to refine this further, with more streamlined investigations, greater certainty on notification thresholds and more time for businesses to agree remedies following a Phase 1 merger investigation.

What's next?

Overall, the draft Annual Plan highlights the CMA's ambition to be a consumer champion and enabler of economic growth in the UK. It also reinforces the CMA's role in shaping markets – not just policing them – offering both risks and opportunities for businesses with UK operations.

In particular, while much of the commentary focuses on increased enforcement, the plan also presents strategic opportunities. The CMA is explicitly seeking to facilitate investment, sustainability initiatives and pro-growth collaboration, including in the government's priority sectors. Firms that understand how to operate within this framework can gain an advantage, particularly where regulatory clarity or market opening measures create new avenues for innovation.

If you would like to discuss what this means for your business, please do not hesitate to get in touch with a member of the Cooley team listed below.

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