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UK Merger Control in 2026 – What to Expect

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Key takeaways:

- In 2025, the UK Competition and Markets Authority (CMA) signalled a significant shift in its enforcement and merger review priorities, emphasising alignment with the UK government's pro-growth, pro-business agenda. In parallel, the CMA implemented a series of changes to its merger review processes to streamline and speed up reviews with pace, predictability, proportionality and process (its '4P' framework). With further legislative reforms on the horizon, the UK merger-control risk assessment has shifted significantly for dealmakers.
- This alert summarises key developments from the past year and explains what they mean for dealmaking in 2026. It also discusses how the CMA's greater focus on encouraging growth and investment has had wide-ranging effects on how dealmakers engage with the agency, including on global deals. We also summarise recent revised guidance on merger remedies and consider the impact of further legislative reforms for dealmakers.
- For dealmakers, the need to look beyond a purely technical analysis of filing thresholds will remain paramount when considering UK competition risk and informing the best engagement strategy with the regulator.

In 2025, the UK Competition and Markets Authority (CMA) signalled a significant shift in its enforcement and merger review priorities, emphasising its alignment with the UK government's pro-growth, pro-business agenda. While speeches by CMA executives in previous years had emphasised the need to avoid under-enforcement, including in the context of digital mergers (as seen in the Bannerman Competition Lecture), the tone shifted in 2025: 'The goal for merger control is simple – and this has always been the case: every deal that is capable of being cleared either unconditionally or with effective remedies should be'. The UK government's strategic steer further directed the CMA to focus on markets that particularly impact UK-based consumers and businesses.

In parallel, the CMA implemented a series of changes to its merger review processes to streamline and speed up reviews, and amended several merger guidance documents to emphasise pace, predictability, proportionality and process (as part of its '4P' framework). On 20 January 2026, the UK government opened a consultation on further legislative changes to the UK merger-control regime aimed at enhancing predictability for businesses in support of economic growth.

For dealmakers, the UK merger-control risk assessment has shifted significantly. We set out the key developments in more detail below and explain what they mean for dealmakers navigating the evolving regulatory landscape in the UK in 2026.

Greater focus on encouraging growth and investment

At the heart of the CMA's shift in merger review priorities was the strategic steer from the UK government in May 2025, which signalled a clear expectation that the regulator should take a more pro-business approach. In particular, the CMA was instructed to:

- Prioritise pro-growth and pro-investment interventions
- Focus on markets and harms that particularly impact UK-based consumers and businesses
- Support growth and competitiveness in the government's industrial strategy (advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, life sciences, financial services, and professional and business services).

This was implemented across the CMA's functions and reflected in its 2025 to 2026 Annual Plan, which aimed for the 'competition and consumer protections regime [to] play a central role in supporting economic growth and long-term prosperity in the UK'.

Strong messaging asserting the CMA's focus on supporting growth, innovation and investment also feature heavily in the agency's recently published draft Annual Plan setting out its work priorities and approach for 2026 to 2027. We can therefore expect to see the CMA's approach to mergers continue to evolve during 2026 to meet these goals.

As part of its efforts to support the government growth mission, the CMA has also investigated how competition policy can encourage scale-up growth in the UK and sought stakeholder feedback on the issue. For example, it has noted that a proactive focus on tackling sector-specific barriers, including public-procurement challenges and unblocking access to data, could help facilitate scale-up growth. Regarding M&A, the CMA has sought views on how mergers interact with the objective of encouraging UK scale-up growth. An update is expected in early 2026.

CMA retreats from intervening in global deals

In an effort not to be viewed as a blocker to investment into the UK, 2025 also saw the CMA increasingly pull back from intervening in predominantly global transactions and adopt a 'wait-and-see' approach when reviewing international mergers with limited UK-centric effects. This shift, which is expected to continue in 2026, suggests that mergers involving global markets but only peripheral UK-specific overlaps are now less likely to attract far-reaching scrutiny.

Instead, the CMA is expected to continue concentrating its resources on transactions with a clearer nexus to UK markets, consumers or the sectors prioritised in the government's industrial strategy. That being said, there has not been a wholesale retreat from examining global mergers, with the CMA currently conducting an in-depth Phase 2 review of Getty Images' proposed acquisition of Shutterstock.

More briefing papers, fewer Phase 1 reviews

As the UK's merger control regime is voluntary, dealmakers can choose how to engage with the CMA on a case-by-case basis. Subject to the CMA's powers to call in deals on its own initiative, parties may either notify a merger for a full CMA review – giving them a binding decision on the deal – or submit a briefing paper outlining why the deal does not raise UK competition-law concerns and asking the CMA to confirm that it does not intend to call in the deal for a full review.

In recent years, Phase 1 reviews appear to have become the least popular option overall, with a larger proportion of deals now being reviewed through the more informal briefing paper route. In 2025, the CMA looked at 881 mergers, of which only 39 were investigated at Phase 1. This contrasts with earlier years, such as 2023, when the CMA investigated 56 mergers at Phase 1. More deals, especially those concerning global markets, are being cleared through the briefing-paper route, with only a small minority progressing to a full Phase 1 review. This shift fits with the CMA's stated aim of acting 'as much as an enabler of competition as an enforcer of it'.

A more flexible approach to remedies?

As part of its series of consultations, the end of 2025 saw the CMA's revised guidance on merger remedies, which again sought to facilitate a more business-friendly approach to merger control in the UK. Most notably, the CMA signalled a softening of its stance on behavioural remedies. While structural remedies such as divestitures or an outright prohibition are still preferred, the updated guidance removes the presumption against behavioural remedies at Phase 1 and provides a list of circumstances where the agency is more likely to accept such remedies, namely where:

- The remedy has a limited duration
- There is an industry regulator with the ability to effectively monitor and enforce the remedies
- Industry characteristics, such as market transparency, make it more likely that customers, suppliers and competitors will be able to identify and report instances of noncompliance
- The remedy aligns with the existing commercial practices and norms of the industry
- The industry is sufficiently mature and stable so the risk of significant changes to competitive conditions is low

The CMA has also provided further guidance on 'carve-out' remedies, which involve the divestiture of parts of a business that cannot effectively compete on a standalone basis, such as a collection of assets. While stating that these types of remedies present greater composition risks, dealmakers should be aware that such divestitures may still be possible where robust risk-mitigation measures can be implemented.

Proposed legislative reforms

As set out above, on 20 January 2026 the UK government opened a consultation on refining the UK competition regime with the aim of supporting economic growth and delivering more certainty for businesses. The proposals focus on faster and more streamlined investigations, providing greater certainty on notification thresholds and giving businesses more time to agree remedies following a Phase 1 merger investigation. In particular, the proposals would:

- Abolish the independent CMA panels that currently take decisions on Phase 2 mergers and transfer decision-making authority to a subcommittee appointed by the CMA Board. While the government has explained that the rationale for this change is to ensure that the CMA's leadership is held accountable for its decisions to the UK legislature, removing independent panels eliminates an important check, and a fresh pair of eyes, on the CMA's executive decision-making powers in merger cases and weakens safeguards against potential 'confirmation bias'. The consultation document also does not set out how the benefit of increased accountability to government will be balanced against the risk of government interference in merger-case decision-making.
- Codify the changes announced by the CMA in 2025 as to how it applies its jurisdictional tests, specifically limiting the factors the CMA can take into account to measure 'share of supply' to value, cost, price, quantity, capacity, number of workers employed and providing a closed list of factors that the CMA may consider as part of a 'material influence' assessment. This is aimed at facilitating more predictable outcomes for merging parties.
- Extend the period for parties to agree Phase 1 remedies with the CMA from 10 working days to up to 20 working days from the Phase 1 decision.

The consultation is due to close on **31 March 2026**. As amendments to legislation will be required, changes to the mergers process will not take immediate effect.

Conclusion for dealmakers

In their totality, these developments confirm a continued shift in the CMA's merger-control enforcement priorities towards a more business-friendly approach, emphasising the agency's '4P' framework.

For dealmakers, the need to look beyond a purely technical analysis of filing thresholds when considering their UK risk position and instead assess how a particular deal fits into this overall policy context remains paramount. For example, while engagement with the CMA through briefing papers will likely be an appropriate strategy in many deals concerning purely global markets, the CMA 'taking a step back' on global deals in practice means increased scrutiny of mergers that have a particular impact on UK markets. These measures should be carefully considered in contract and risk-allocation negotiations. It remains to be seen whether the government's proposed reforms, as well as the broader discussion in Europe and the UK on merger control and resilience, will further shift this calculus.

Even where CMA scrutiny is expected, dealmakers should consider using the expanded tool kit made available by the CMA on remedies and engage early to resolve potential roadblocks at pace.

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