

CMA investigates Amazon over suspected anti-competitive practices

This new investigation follows a current European Commission probe looking into similar concerns, which does not cover ongoing issues affecting the UK now that it has left the European Union.

Some of the products on Amazon's Marketplace are supplied through its own retail business. However, a large proportion are supplied by third-party sellers. Amazon provides services to these sellers, including those that are essential to make sales, such as matching sellers with consumers. It also offers optional services that incur additional fees, such as Amazon's 'Fulfilment by Amazon' service. This handles some aspects of the sales process, including storage, packaging, and delivery.

The Competition and Markets Authority's (CMA) investigation will consider whether Amazon has a dominant position in the UK and whether it is abusing that position and distorting competition by giving an unfair advantage to its own retail business or sellers that use its services, compared to other third-party sellers on the Amazon UK Marketplace.

The investigation will focus on 3 main areas:

- How Amazon collects and uses third-party seller data, including whether this gives Amazon an unfair advantage in relation to business decisions made by its retail arm.
- How Amazon sets criteria for allocation of suppliers to be the preferred/first choice in the 'Buy Box'. The Buy Box is displayed prominently on Amazon's product pages and provides customers with one-click options to 'Buy Now' or 'Add to Basket' in relation to items from a specific seller.
- How Amazon sets the eligibility criteria for selling under the Prime label. Offers under the Prime label are eligible for certain benefits, such as free and fast delivery, that are only available to Prime users under Amazon's Prime loyalty programme.

Sarah Cardell, General Counsel at the CMA, said:

Millions of people across the UK rely on Amazon's services for fast delivery of all types of products at the click of a button. This is an important area so it's right that we carefully investigate whether Amazon is using third-party data to give an unfair boost to its own retail business and whether it favours sellers who use its logistics and delivery services – both of which could weaken competition.

Thousands of UK businesses use Amazon to sell their products and it is important they are able to operate in a competitive market. Any

loss of competition is a loss to consumers and could lead to them paying more for products, being offered lower quality items or having less choice.

A formal investigation will allow us to consider this matter properly.

The CMA has not reached any conclusions at this stage as to whether or not competition law has been infringed.

The European Commission has previously opened 2 investigations covering the same areas. The CMA will seek to liaise with the European Commission as its own investigation in the UK progresses.

Alongside this case, the CMA also has an [open investigation into Amazon and Google](#), under consumer protection laws, over concerns that they have not been doing enough to combat fake reviews on their sites. The CMA has not reached any conclusions at this stage as to whether or not consumer laws have been infringed.

More information can be found on the [investigation into Amazon's Marketplace case page](#).

1. Sarah Cardell is currently General Counsel and will assume the role of Interim Chief Executive of the CMA on 26 July. [Find out more about Sarah Cardell's appointment](#).
2. The competition legislation relevant to the CMA's investigation is the Competition Act 1998. The Chapter II prohibition in the Competition Act 1998 prohibits any conduct on the part of one or more undertakings which amounts to the abuse of a dominant position in a market, and which may affect trade within the United Kingdom.
3. The CMA may launch an investigation under the Competition Act 1998 if it has reasonable grounds to suspect that there has been an infringement of competition law.
4. "Amazon" refers to the corporate group in its entirety, including Amazon.com, Inc. (US parent company), Amazon Services Europe SARL, Amazon EU SARL, Amazon Europe Core SARL and Amazon UK Services Ltd.
5. All enquiries from journalists should be directed to the CMA press office by email on press@cma.gov.uk or by phone on 020 3738 6460.
6. All enquiries from the general public should be directed to the CMA's General Enquiries team on general.enquiries@cma.gov.uk or 020 3738 6000.