

CMA investigates Apple over suspected anti-competitive behaviour

In addition to designing, manufacturing and marketing electronic devices such as smartphones and tablets, Apple also operates the App Store. This is the only way for developers to distribute third-party apps on Apple's iPhones and iPads, and the only way for Apple customers to access them.

The probe has been prompted by the Competition and Markets Authority's (CMA) own work in the digital sector, as well as several developers reporting that Apple's terms and conditions are unfair and could break competition law.

All apps available through the App Store have to be approved by Apple, with this approval hinging on developers agreeing to certain terms. The complaints from developers focus on the terms that mean they can only distribute their apps to iPhones and iPads via the App Store. These complaints also highlight that certain developers who offer 'in-app' features, add-ons or upgrades are required to use Apple's payment system, rather than an alternative system. Apple charges a commission of up to 30% to developers on the value of these transactions or any time a consumer buys their app.

The CMA's investigation will consider whether Apple has a dominant position in connection with the distribution of apps on Apple devices in the UK – and, if so, whether Apple imposes unfair or anti-competitive terms on developers using the App Store, ultimately resulting in users having less choice or paying higher prices for apps and add-ons.

This is only the beginning of the investigation and no decision has yet been made on whether Apple is breaking the law.

Andrea Coscelli, Chief Executive of the CMA said:

Millions of us use apps every day to check the weather, play a game or order a takeaway. So, complaints that Apple is using its market position to set terms which are unfair or may restrict competition and choice – potentially causing customers to lose out when buying and using apps – warrant careful scrutiny.

Our ongoing examination into digital markets has already uncovered some worrying trends. We know that businesses, as well as consumers, may suffer real harm if anti-competitive practices by big tech go unchecked. That's why we're pressing on with setting up the new Digital Markets Unit and launching new investigations wherever we have grounds to do so.

Today's announcement follows the CMA's July 2020 report on its market study

into online platforms and digital advertising, and [the CMA's advice to the Government](#) in December 2020 on the shape of a new pro-competition regulatory regime for digital markets. As the CMA works with the Government on these proposals – which will complement its current enforcement powers – the CMA will continue to use its existing powers to their fullest extent in order to protect competition in these areas.

The European Commission (EC) currently has four open antitrust probes into Apple, which were launched prior to the end of the UK's Transition Period. These include three open investigations into Apple's App Store. The CMA continues to coordinate closely with the EC, as well as other agencies, to tackle these global concerns.

More information can be found on the [Investigation into Apple App Store casepage](#).

1. 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.
2. The CMA may launch an investigation under the Competition Act 1998 if it has reasonable grounds to believe that there has been an infringement of competition law.
3. 'Apple' refers to the corporate group in its entirety, including Apple (UK) Limited, Apple Europe Limited and Apple Inc (US parent company).
4. Media queries should be directed to: press@cma.gov.uk or 020 3738 6460.