

CMA launches probe into music streaming market

Streaming has changed the way we listen to music. In the UK, more than 80% of recorded music is now listened to via a streaming service rather than using traditional physical media like CDs and vinyl.

Linking the creators making the music and the fans listening to it through a streaming service is a complex network of companies that help make, promote and distribute recorded music.

The Competition and Markets Authority's (CMA) study will [examine the music streaming market](#), from creator to consumer, paying particular attention to the roles played by record labels and music streaming services.

As part of its assessment of how well the market is working for audiences, the CMA will consider whether innovation is being stifled and if any firms hold excessive power. The [CMA's study](#) will help build a deeper understanding of how firms in the market influence listeners' choices and experiences.

While focussing on potential harm to consumers, the CMA will also assess whether any lack of competition between music companies could affect the musicians, singers and songwriters whose interests are intertwined with those of music lovers.

If the CMA finds problems, it will consider what action may be necessary.

Andrea Coscelli, Chief Executive of the CMA, said:

Whether you're into Bowie, Beethoven or Beyoncé, most of us now choose to stream our favourite music.

A vibrant and competitive music streaming market not only serves the interests of fans and creators but helps support a diverse and dynamic sector, which is of significant cultural and economic value to the UK.

As we examine this complex market, our thinking and conclusions will be guided by the evidence we receive.

The CMA is committed to fostering effective competition in digital markets and is working in a number of areas to achieve this goal. Its work includes investigating [Google's 'privacy sandbox'](#), [Facebook's use of ad data](#) and [Apple's AppStore](#). The CMA has also begun a market study of [mobile ecosystems](#) as well as launching the [Digital Markets Unit](#) in April 2021 – which is operating in shadow form pending legislation that will provide it with its full powers. An independent CMA Inquiry Group is also separately investigating Sony's [completed acquisition](#) of 'artist and label' services

provider AWAL.

The [market study](#) takes place in parallel to a wide range of work being done by the government in these markets. While the CMA's work will focus on competition issues, it will maintain a coherent approach with other related work including initiatives being undertaken by the Department for Digital, Culture, Media & Sport, the Intellectual Property Office and the Centre for Data Ethics and Innovation.

The [CMA now welcomes comments on any of the issues raised in its Statement of Scope and the accompanying Market Study Notice](#) from consumers, businesses and other interested parties.

1. Market studies examine why particular markets may not be working well for consumers. They may lead to a range of outcomes, including: a) making recommendations to the government to change regulations or public policy; b) encouraging businesses in the market to self-regulate; c) taking consumer or competition law enforcement action against firms; d) making a reference for a more in-depth (phase 2) market investigation; e) "clean bill of health".
2. A market study formally begins with the publication of a Market Study Notice by the CMA.
3. The CMA must within 12 months of publication of a market study notice publish a market study report setting out its findings and the action (if any) it proposes to take.
4. [Letter from Andrea Coscelli to Julia Lopez MP, Julian Knight MP and George Freeman MP on music streaming](#). Further correspondence between the [CMA and the government regarding music streaming](#).
5. More information on the CMA's approach to market studies can be found on the [Market studies and investigations – guidance on the CMA's approach: CMA3 guidance page](#).
6. According to [BPI](#) – the British recorded music industry's trade association – streaming now accounts for 83% of UK music consumption.
7. Media enquiries should be directed to the press@cma.gov.uk, on 020 3738 6460.