Ministry of Justice statement in fee-paid judicial litigation: June 2021

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CMA to scrutinise Apple and Google mobile ecosystems

The Competition and Markets Authority (CMA) is taking a closer look at whether the firms' effective duopoly over the supply of operating systems (iOS and Android), app stores (App Store and Play Store), and web browsers (Safari and Chrome), could be resulting in consumers losing out across a wide range of areas.

'Mobile ecosystems' refers to this collection of gateways through which consumers can access a variety of products, content and services, such as music, TV and video streaming, as well as fitness tracking, shopping and banking. These products also include other technology and devices such as smart speakers, smart watches, home security and lighting (which mobiles can connect to and control).

The CMA is looking into whether the two firms' control over mobile ecosystems is stifling competition across a range of digital markets. The CMA is concerned this could lead to reduced innovation across the sector and consumers paying higher prices for devices and apps, or for other goods and services due to higher advertising prices.

The study will also examine any effects of the firms' market power over other businesses – such as app developers – which rely on Apple or Google to market their products to customers via their phones.

Andrea Coscelli, Chief Executive of the CMA said:

"Apple and Google control the major gateways through which people download apps or browse the web on their mobiles – whether they want to shop, play games, stream music or watch TV. We're looking into whether this could be creating problems for consumers and the businesses that want to reach people through their phones.

"Our ongoing work into big tech has already uncovered some worrying trends and we know consumers and businesses could be harmed if they go unchecked. That's why we're pressing on with launching this study now, while we are setting up the new Digital Markets Unit, so we can hit the ground running by using the results of this work to shape future plans."

This study is part of a broader programme of CMA work, which includes establishing a new pro-competition regulatory regime for digital markets through the Digital Markets Unit. As the CMA works with the Government on these proposals, the CMA will continue to use its existing powers to their fullest extent in order to examine and protect competition in these areas.

The CMA has been investigating Apple's App Store and Google's Privacy Sandbox proposals over competition concerns. While both examine issues falling within the scope of this study, the CMA's work into mobile ecosystems is much broader. The CMA will adopt a joined-up approach across all these related cases, to ensure the best outcomes for consumers and other businesses.

Market studies can make recommendations to government or other bodies, and issue guidance to businesses and consumers as needed, among other options.

Views are welcomed on any of the issues raised in the statement of scope by 26 July and the CMA is also keen to hear from app developers, via its questionnaire, by the same date. The CMA has 12 months to conclude the study.

All updates on the CMA's work in this area can be found on the Mobile Ecosystems case page.

Non-Executive Director appointments to Consumer Council for Water

The new appointments are based on a time commitment of three days per month and receive a remuneration rate of £11,718 per annum. The appointments started on 1 June 2021 and are for a period of four years.

The appointments have been made in accordance with the Code of Practice issued by the Commissioner for Public Appointments.

The Code requires for appointees' political activities (if significant) to be declared. Bev Keogh, Jeff Halliwell and Lisa Tennant have not declared any significant political activity. Rachel Onikosi has held public office as a Labour Councillor for the Borough of Lewisham.

Biographies

Bev Keogh

Bev is an experienced utility executive whose career spans over 35 years in the regulated electricity and water industries. Having led operational engineering, customer experience and business assurance teams, she brings a diverse knowledge of utility regulation, legislation, customer and people transformation, compliance, audit, and risk.

After establishing her own consultancy business in 2019, Bev is a member of Electricity North West Customer Engagement Group, ensuring the voice of customers and stakeholders is strengthened in the process of setting the 2023-2028 price control business plan. She works as a global associate for one of the world's leading Diversity and Inclusion organisations and runs a successful executive and senior leader coaching business.

Jeff Halliwell

Jeff's executive experience is in CEO roles with consumer-facing businesses such as Fox's Biscuits / Northern Foods, First Milk, and Bernard Matthews. His background is in international marketing and commercial roles with blue-chip businesses such as Mars and Colgate. He also ran a private equity backed tech SME.

Until August 2021, Jeff is Chair of Transport Focus, the transport watchdog. He has recently been appointed as Chair of the Coal Authority, and Deputy Chair of the Sea Fish Industry Authority (Seafish). He chairs the Customer Engagement Group in respect of Electricity North West, and has previously chaired similar customer challenge groups in respects of Anglian Water and Heathrow Airport.

Rachel Onikosi

Rachel Onikosi is an elected Councillor in the London Borough of Lewisham. Between 2015-2017, Rachel was a CCW consumer advocate working hard for water customers, particularly in the South East region where Rachel provided high-level scrutiny challenging water companies on their customer service performance and value for money principles.

Previously Rachel worked for the Department for Business, Innovation & Skills advising on consumer policy. Whilst in this role Rachel worked on the implementation of the European Services Directive into UK domestic law, ensuring the removal of burdens on small businesses as part of the 'red tape deregulation' agenda. Rachel was also involved in the Consumer Bill of Rights project which saw the consolidation of various pieces of consumer goods and service regulations into one legislative framework.

Lisa Tennant

Lisa Tennant is an experienced Non-Executive Director, Chair and Entrepreneur specialising in consumer affairs, digital transformation and regulation. She serves on the Boards of the Energy and Communications Ombudsman, Riverside

Group and Forestry & Land Scotland. She previously served on the Boards of NHS Ayrshire & Arran, the Scottish Police Authority and the Scottish Solicitors Discipline Tribunal. Lisa is passionate about equality, diversity and inclusion and is an Ambassador for Women on Boards.

HMRC can help towards the cost of children’s summer holiday activities

Today (15 June 2021), HM Revenue and Customs (HMRC) is reminding working families that they can use Tax-Free Childcare to help pay for their childcare costs over the summer.

Tax-Free Childcare – a childcare top-up for working parents – can be used to help pay for accredited holiday clubs, childminders or sports activities – giving parents and carers that extra peace of mind that their child is having fun during the school summer holidays and it can save them money.

Tax-Free Childcare is available for children aged up to 11, or 17 if the child has a disability. And for every £8 deposited into an account, families will receive an additional £2 in government top-up, capped at £500 every 3 months, or £1,000 if the child is disabled.

They can apply for an account at any time and start using it straight away. By depositing money into their accounts, families can benefit from the 20% top-up and use the money to pay for childcare costs when they need to, for example, during the summer holidays.

Myrtle Lloyd, HMRC’s Director General for Customer Services, said:

> We want to help kids stay active this summer, whether they are going to summer holiday clubs or a childminder. A childcare top-up will go a long way towards helping parents plan and pay for summer activities to keep their kids happy and healthy.
>
> To find out more search ‘tax-free childcare’ on GOV.UK.

More than 282,000 working families used their account in March 2021, the highest recorded number of families in any one month since the scheme was launched in April 2017. These families received a share of more than £33 million in government top-up payments.

Tax-Free Childcare is also available for pre-school aged children attending nurseries, childminders or other childcare providers. Families with younger children will often have higher childcare costs than families with older children, so the tax-free savings can really make a difference.

Childcare providers can also sign up for a childcare provider account on GOV.UK to receive payments from parents and carers via the scheme.

Visit GOV.UK for further information on Tax-Free Childcare.

The latest Tax-Free Childcare statistics were released on 19 May 2021. Data is available up to 31 March 2021.

Each eligible child requires their own Tax-Free Childcare account. If families have more than one eligible child, they will need to register an account for each child. The 20% government top-up is then applied to deposits made for each child, not household.

Account holders must confirm their details are up to date every 3 months to continue receiving the government top-up.

UK agrees historic trade deal with Australia

- Prime Minister agrees UK-Australia free trade deal in meeting with Australian PM Scott Morrison in London
- British cars, Scotch whisky and confectionery will be cheaper to sell in the tariff-free agreement, boosting industries that employ 3.5 million people in the UK
- The deal also offers young people the opportunity to live and work in Australia and removes barriers for businesses
- PM hails 'new dawn' in the UK's relationship with Australia as leaders also agree to intensify cooperation on security, climate change and science and tech

The UK has secured a trade deal with Australia eliminating tariffs on all UK goods and boosting jobs and businesses across the country, in the first major trade deal negotiated from scratch by the Government since we left the EU.

The main elements of the deal were agreed by Prime Minister Boris Johnson and Australian Prime Minister Scott Morrison at a meeting in Downing Street last night [Monday 14 June]. A final Agreement in Principle will be published in the coming days.

The leaders reaffirmed the enduring partnership between the UK and Australia during their discussion and agreed to work closely together on defence, technology collaboration and tackling climate change – including through a future Clean Tech Partnership.

The new Free Trade Agreement means iconic British products like cars, Scotch whisky, biscuits and ceramics will be cheaper to sell into Australia, boosting UK industries that employ 3.5 million people across the country. The UK-Australia trade relationship was worth £13.9 billion last year and is set to grow under the deal, creating opportunities for businesses and producers in every part of the UK.

British farmers will be protected by a cap on tariff-free imports for 15 years, using tariff rate quotas and other safeguards. We are also supporting agricultural producers to increase their exports overseas, including to new markets in the Indo-Pacific.

Under the agreement, Brits under the age of 35 will be able to travel and work in Australia more freely, opening exciting opportunities for young people.

The Prime Minister Boris Johnson said:

> Today marks a new dawn in the UK's relationship with Australia, underpinned by our shared history and common values.
>
> Our new free-trade agreement opens fantastic opportunities for British businesses and consumers, as well as young people wanting the chance to work and live on the other side of the world.
>
> This is global Britain at its best – looking outwards and striking deals that deepen our alliances and help ensure every part of the country builds back better from the pandemic.

The free trade deal will eliminate tariffs on Australian favourites like Jacob's Creek and Hardys wines, swimwear and confectionery, boosting choice for British consumers and saving households up to £34 million a year.

It will provide benefits across the whole of the United Kingdom, including:

- Scotland exported £126m of beverages to Australia in 2020 – this deal will help distillers by removing tariffs of up to 5% on Scotch Whisky.
- More than 450 businesses in Wales exported to Australia last year, and life science companies and chemicals manufacturers are set to benefit in particular.
- 90% of all exports from Northern Ireland to Australia are machinery and manufacturing goods – used extensively in Australia's mining, quarrying and recycling sectors. Under the new FTA tariffs will be removed and customs procedures will be simplified.
- Car manufacturers in the midlands and north of England will see tariffs of up to 5% cut, boosting demand for their exports.

An FTA with Australia is also a gateway into the fast-growing Indo-Pacific region and will boost our bid to join CPTPP, one of the largest free trade areas in the world, covering £9 trillion of GDP and 11 Pacific nations from Australia to Mexico.

Secretary of State for International Trade, Liz Truss, said:

> This deal delivers for Britain and shows what we can achieve as a sovereign trading nation. It is a fundamentally liberalising agreement that removes tariffs on all British goods, opens new opportunities for our services providers and tech firms, and makes it easier for our people to travel and work together.
>
> The agreement paves the way for us to join the Trans-Pacific Partnership, a £9 trillion free trade area home to some of the biggest consumer markets of the present and future.
>
> Membership will create unheralded opportunities for our farmers, makers, innovators and investors to do business in the future of engine room of the global economy.

The deal’s ambitious commitments on market access for services professionals, cutting-edge digital provisions and reduced barriers to investment will benefit the UK’s service sector.

The UK exported £5.4 billion worth of services, including £1.4bn of insurance and pension services and £780m of financial services, to Australia in 2020. Red tape and bureaucracy will be torn down for more than 13,000 small and medium sized businesses across the UK who already export goods to Australia, with quicker export times.

Parliament will have the opportunity to scrutinise the agreement in detail once the text is published, along with an impact assessment and explanatory memorandum.

National Chair of the Federation of Small Businesses, Mike Cherry, said:

> A trade deal with Australia will come as great news for many of our members who have long been exporting there as well as those who are hoping to expand their trade ambitions.
>
> As we look beyond the pandemic and enjoy the benefits of post-Brexit growth, deals like this will reap vast rewards to small firms right across the UK. Around 40 per cent of UK small firms who trade internationally do so already with Australia, and a trade deal that could be worth up to £900 million will only increase those numbers.
>
> The inclusion of a small business chapter in this agreement will also ensure that the needs of smaller businesses are fully catered for in the years to come.

CEO of techUK, Julian David, said:

> Australia is a key market for the UK technology sector and an important gateway to the wider Indo-Pacific region. The free trade

agreement announced today has the most advanced digital trade provisions of all the deals the UK has signed so far, opening up opportunities for our innovative businesses operating in emerging technologies, such as AI and cleantech.

The free flow of data provisions and the ban on data localisation will allow our SMEs in particular to explore the market without the cost of having to set up servers. We are looking forward to working with our industry and the government to make sure the sector takes full advantage of these state-of-the-art digital trade provisions.