

The Competition and Markets Authority
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RE: UK Private Capital Response to the CMA's Draft Annual Plan consultation 2026 to 2027: Promoting Competition and Protecting Consumers to Drive Growth, Opportunity, and Prosperity for the UK

UK Private Capital is the industry body and public policy advocate for the private capital industry in the UK. With a membership of around 600 firms, we represent UK-based venture capital, private equity and private credit firms, as well as their professional advisers and investors. The private capital industry backs 13,000 UK businesses, nine in 10 of which are small or medium-sized enterprises. Businesses backed by the industry employ 2.5 million people across the UK and contribute 7% to GDP.

In 2024, £29.4bn was invested by private capital into UK businesses in sectors across the UK economy, ranging from consumer products to emerging technology. This increased investment has fuelled the growth of businesses across the UK, with six in 10 (58%) of the businesses backed in 2024 located outside of the capital. These investments are long term, with an average investment period of six years, in contrast to less than a year in public markets.

UK Private Capital applauds the CMA for its continued openness and willingness to engage with the private capital industry, including through our participation on the Growth and Investment Council, industry roundtables and consultation on reforms. The ongoing engagement between UK Private Capital, our member firms and the CMA has fostered positive conversations and a constructive relationship between the regulator and industry. We encourage the CMA to continue this engagement and help create stronger foundations for UK growth and investment. We look forward to continuing to help increase understanding of how regulators can support innovation and investment in the UK's most promising businesses.

UK Private Capital supports the direction of travel for the CMA as set out in this Plan and the continued commitment to its '4Ps' framework to encourage investment, foster innovation and drive growth in the UK. We welcome continuity with last year's Plan, to which we responded, and maintain that competition regulation should take a common-sense approach, be applied consistently and strike an effective balance between supporting growth and upholding world-class standards. Regulatory frameworks must be flexible, proportionate and clear enough to allow capital to flow efficiently and predictably, ensuring that the UK remains competitive. It remains vital that the CMA considers the wider positive impact that private capital investment can have on UK businesses as it scales and grows them.

1. Do you agree with the CMA's proposed priorities for the year ahead?

Stronger consumer protection, especially on pricing, online manipulation, and unfair practices.
UK Private Capital supports the CMA's continued focus on strengthening consumer protection, which the CMA rightly links to economic growth. Effective competition and appropriate

consumer protection drive demand, deliver well-functioning markets and encourage investment in innovative, growing businesses across the UK.

However, we urge the CMA to ensure that consumer protection interventions remain proportionate, predictable, and sensitive to investment dynamics – especially in innovation-led and early-stage sectors. Excessively burdensome or unpredictable interventions risk discouraging capital deployment and can unintentionally hinder the very businesses developing consumer-benefitting products. UK Private Capital therefore encourages the CMA to maintain a balanced approach that prioritises clear guidance, regulatory predictability, and minimisation of unnecessary burdens, therefore aligning with the principles of the 4Ps framework.

Targeted market interventions in key consumer sectors.

UK Private Capital welcomes the CMA's commitment to supporting the implementation of the Industrial Strategy. Unlocking economic barriers to growth benefits both industry and the regulator by strengthening the CMA's ability to support innovation while creating the right market conditions for increased investment.

In our response to the consultation on markets regime guidance, we welcomed the proposed changes – in particular, narrowing the breadth of investigations, providing greater clarity on timelines, introducing external sector expertise and hosting public webinars at the outset – as constructive steps towards improving transparency and predictability in the market investigation process. Whilst we support the CMA's efforts to provide greater clarity around the scope and timing of investigations, we caution that these investigations should not have adverse impacts that risk undermining investor confidence.

Greater policy advocacy to remove anti-competitive regulation and improve procurement.

UK Private Capital strongly supports the CMA's response to the Government's drive to remove regulatory barriers to competition. We continue to emphasise that competition is an engine for growth and an essential lever in the Industrial Strategy, while also acknowledging that, in pursuing growth, competition must be balanced alongside other policy objectives. The CMA's policy advocacy role is important for making the UK an attractive destination for capital to flow.

We have welcomed the opportunity to convene roundtables between the CMA and our members to discuss merger remedies and scale-ups. We see real value in continuing this engagement, as it enhances industry understanding of the CMA's work and the CMA's understanding of the industry, and supports a more competitive investment environment. We are therefore pleased to see this acknowledged in the Plan.

Robust competition enforcement, with enhanced AI-driven detection. -driven detection.

UK Private Capital supports proportionate, targeted and evidence-based enforcement that protects competitive markets without stifling investment. Enforcement must be predictable and proportionate, particularly regarding smaller deals or fastmoving early-stage investments. -based enforcement that protects competitive markets without stifling investment.

Digital market regulation through the new DMU regime (search, mobile ecosystems).

UK Private Capital sees the digital markets regime as essential, but we emphasise the need for clarity, proportionality, and investment sensitivity when regulating high growth digital firms.

Our submission in response to last year's Annual Plan highlighted industry concerns about the Digital Markets, Competition and Consumer Act's (DMCC Act) expanded jurisdiction and 'killer acquisition' thresholds, noting these have the potential to catch more M&A activity and increase uncertainty for digital sector investors and scaling businesses.

Digital competition rules should uphold fairness while still enabling the scaleups that the UK economy needs to compete globally. Looking ahead, we encourage the CMA to provide clearer guidance on how these thresholds will be applied, avoid unnecessarily interventionist approaches that could destabilise scaleup pathways, and ensure that digital market rules support innovation and capital formation, avoiding the perception that UK digital M&A is "high risk" from a regulatory perspective – a concern we previously raised.

Improving regulatory confidence via its streamlined 4Ps model.

UK Private Capital strongly supports the CMA's ambition to improve the business environment through the 4Ps – a framework we heavily endorsed last year. We think this has already led to meaningful progress, particularly in current reforms, and we look forward to seeing the outcomes implemented.

We welcome the Government's latest legislative proposals, and the CMA's positive response, to reform how decisions are made in merger and market investigations and think they may help to address concerns from our private capital industry members about deal uncertainty and regulatory burden. We welcome the ambition to streamline processes, improve flexibility and provide greater certainty to those engaging with the merger process. However, we think there is further scope for reform – including consideration of judicial review processes and the 'material influence' and 'share of supply' tests – which we will set out in our response.

For markets, the Government's proposals for streamlining the current markets regime by replacing the market studies and market investigations regimes with a single-phase tool are particularly encouraging, as this will considerably reduce the current timeframes and reduce the burden on affected businesses more widely.

2. How can the CMA engage with our stakeholders effectively in the year ahead?

UK Private Capital welcomes the acknowledgement throughout the Plan of the importance of continuing its enhanced programme of engagement with external stakeholders. The work done over the past year by the CMA to develop the regularity and breadth of engagement with the private capital industry has been welcomed. This type of open dialogue can enhance the CMA's understanding of the industry and inform policy and regulatory developments. External engagement and hearing directly from the CMA also helps industry to understand the actions and the broad approach the CMA is taking. Having the CEO of the CMA, Sarah Cardell, speak at the UK Private Capital Summit in 2025 was a landmark moment, which highlighted the significant progress that has been made by all sides in the last year.

As this engagement has progressed, businesses are keen to see evidence that their feedback has been taken on board by the CMA. UK Private Capital looks forward to continuing its engagement on policy and regulatory issues.

Engagement through market investigations

We welcome the announcement of a formalised approach to holding internal 'state of play' meetings which should help the CMA to focus on more focused lines of inquiry, and

consequently lead to more efficient engagement with affected parties. Our members have previously expressed some frustration about a lack of updates and opportunity for affected parties to actively engage with the CMA during market studies and market investigations. That was especially the case where an inquiry was resource-intensive and prolonged for a company, requiring significant staff input and financial cost. Where appropriate, we encourage the CMA to involve affected parties in external 'state of play' meetings, even before scoping decisions are made, which would allow them to engage meaningfully and share their views on certain lines of inquiry, rather than receive a progress report where the CMA presents its decisions.

Equally, webinars, teach-ins and more regular updates through informal calls and/or progress reports are all constructive steps towards improving predictability as they provide opportunities for earlier engagement, which we very much welcome. Issuing 'Working papers' only on an exceptional basis and the removal of 'Annotated issues statements' is a positive move towards a more streamlined process.

3. Do you have any other comments on the CMA's draft Annual Plan?

To drive economic growth in the UK, we must bring capital here, both by encouraging global investors to put their capital in UK funds and by ensuring that investors have the confidence to invest in UK businesses. UK Private Capital members invest in sectors across the UK economy, ranging from heavy infrastructure to emerging technologies. Any pro-competitive interventions by the CMA will need to be well thought through following engagement with the relevant industry parties.

For the private capital industry, regulatory clarity is essential to support investment decisions, as it enhances legal certainty. This allows firms to understand better the CMA's expectations and processes, especially in complex areas like market investigations. This streamlined approach aligns with the CMA's commitment to transparency and proportionality under the '4Ps' framework, which is reiterated in this Annual Plan. This will ultimately support more confident engagement between businesses and the regulator.

UK Private Capital looks forward to continued engagement with the CMA during the course of this review. If you have any questions or would like to discuss any of the above in more detail, please do not hesitate to contact Ciaran Harris, charris@ukprivatecapital.co.uk and Tom Taylor, ttaylor@ukprivatecapital.co.uk.

Yours faithfully,



Clare Gaskell

Chair, UK Private Capital Legal Committee