

Competition and scaling: Tech.eu Summit London 2026

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A speech by Jessica Lennard, CMA Chief Strategy & External Affairs Officer.

Good morning - and thank you to Tech.eu for having me back this year.

For a competition authority to be invited once to a startup summit might have been an oversight - but I'm pretty sure being invited back must be on purpose. Either way, I'm delighted.

Now, for those of you who don't know the CMA, our job is to promote competition and protect consumers. And in our new 3-year strategy, we're explicit that we do this with a clear end goal in mind: to drive economic growth and improve household prosperity.

I tell you this not because I imagine you're terribly interested in UK competition policy - fair enough. But because I've spent most of my career on the business side of the fence, wishing regulators would think a bit less about process and a bit more about outcomes.

So I hope it's reassuring to hear that, over the last few years, the CMA has become much more resolutely focused on the outcomes of our work.

Outcomes that matter for you, as startups and investors:

- fair access to open, contestable markets - rather than being locked out by entrenched advantages
- the chance to compete on merit - rather than incumbents tilting the playing field
- and, by taking a deliberately proportionate, predictable approach, we contribute to a UK regulatory environment which attracts investment and instils business confidence - which we know matters, especially at such a volatile time

Last year I spoke to you about competition and growth, and at the end I talked about competition policy as a potentially powerful tool in industrial strategy - alongside tax, subsidy, investment and regulation.

Since then, we've done a lot of work to support the UK government's industrial strategy, helping make sure that tool is put to good use.

Bespoke advice and analysis for the Ministry of Defense (MoD) on how competition is working in the defence market.

Deploying our data science capabilities to tackle bid rigging in public procurement.

Opening a market study into civil engineering to explore whether more competition can unlock better outcomes for road and rail in the UK.

I'll come to all this shortly - as well as to how our thinking about the role the CMA can play has evolved, and why it matters for start-ups and scaleups.

But first, let me make a statement I hope at least some of you will agree with:

The UK and Europe don't have a startup problem. We don't struggle with innovation either. Where we do have a problem is scale. Not ambition. Not ideas. Not drive. But the market conditions that determine whether firms can actually grow once they've proven themselves.

And we very much want firms to scale here in the UK, and to stay here in the UK. Because scaled businesses generate high-value jobs, attract global investment, anchor talent, and strengthen the UK's global position in critical sectors.

Now, we've done a lot of engagement with startups, including through the Startup Coalition, Founders Forum and the Scaleup Institute - all members of our CMA Growth and Investment Council.

We hear you on the challenges around access to capital, around skills, tax, and infrastructure. There's a clear and urgent challenge here for the UK, and I want to see us rise to it as much as all of you.

But I'm going to deliberately focus on the CMA's remit, because we also heard from startups that competition matters. It matters for market entry, but it may matter even more for scaling.

So that's my theme today: competition and scaling. Particularly why market design is so crucial in a world of industrial strategy, which is undoubtedly the world we're now operating in. One with a more muscular role for government to shape markets, putting its weight behind the industries the country needs to thrive and compete in the 21st century.

Let's start with the relationship between competition and scaling.

The CMA's Microeconomics Unit did a great piece of research on this last year, which found that competition operates differently at each stage of a firm's lifecycle.

For start-ups, it all comes down to finance. So competitive capital markets are critical. More funding sources mean more ventures get backing; and these start-ups inject dynamism into markets that forces incumbents to invest in innovation or be overtaken.

For scale-ups, venture capital is vital. But heavy-handed regulation can discourage investment, shrinking the pool and leaving founders with fewer options and worse terms. This helps explain, alongside challenges like risk appetite and talent, why the UK excels in early-stage funding yet struggles to scale firms to global success.

As firms mature, competitive conditions in product and input markets become the dominant factor. We sometimes hear the argument that competition deters investment from the biggest players. But the evidence suggests that's not the full picture. Powerful companies do invest - but more so when that power comes from real strengths, like scale or innovation. Where it's built on anti-competitive behaviour, the effect is more likely to be negative, stifling dynamism and leading to wasted capital.

For firms with genuine superstar potential, the competition question changes shape again. Large firms dominate research and development spending, but it's often smaller challengers who drive the disruptive breakthroughs that trigger new waves of investment. Today's standout example is Large Language Models (LLMs), of course.

And competition policy, of course, has a role in fostering and protecting the conditions that allow those challengers to emerge and compete.

This analysis really reinforced for us the idea that competition policy could be a lever to help ensure more innovative UK start-ups get funded, and more UK scale-ups achieve global reach - which is critical to the UK's industrial strategy ambitions.

It also shows why scaling isn't just an entrepreneurial challenge. It's a market design challenge.

So, what role can competition policy play? Well, I said at the start that the CMA's thinking has evolved over the last year. Competition enforcement has traditionally been viewed as a way of stopping bad behaviour, of preventing harm - and of course, we will always be a strong, independent enforcer of effective competition across the UK.

But we've realised we can be something else too. We can be an enabler of competition.

What do I mean by that?

In practice, it means deploying a powerful combination of our economics, policy and markets expertise to advise government and to advocate for thoughtfully designed, pro-competition interventions. Interventions which support growth, innovation and investment, including shaping markets in ways that support UK firms' scaling in strategically important sectors.

This is not to say that competition is the answer to every challenge, or always the overriding policy objective. We recognise that industrial strategy, by its nature, requires targeted interventions in priority areas - and that could impact some competitive dynamics.

What I will say though (coming back to outcomes) is that whether the goal is driving innovation and investment, or enhancing strategic autonomy, security or supply chain resilience, the UK will always be in a stronger position if we have a firm understanding of, at a minimum, how competition might be impacted by the proposed intervention.

More excitingly, we could ask whether integrating competition thinking might actually deliver better returns for the UK. Could it help open up markets to new entrants - reducing strategic dependency in critical infrastructure and technology? Could it create leverage for government as a procurer, or multiply the effect of public investment by unlocking private capital? Could it help foster the startups and scaleups which force big incumbents compete more fiercely?

Let me give you 3 practical examples of how we're working to enable competition in support of growth right now:

First, deepening government's analytical understanding of scaling firms. Because without that, even well-intentioned interventions risk missing the mark.

Building on the analysis I talked about earlier, there's more to come from our Microeconomics Unit this year on high-growth firms. How do we define and identify them? What kinds of support really spur their success? We've heard, for example, that for startups and scaleups a government contract can be a far more attractive asset in fundraising terms than, say, a grant or a subsidy.

And this could have some very real implications. For example, some of the questions we're helping the MoD consider include whether defence procurement should explicitly aim to supercharge certain types of firms - and, if so, how they would reliably work out which.

We'll also be looking at how scaling companies have exited the market, and how this has changed over time - and the extent to which the UK has managed to retain the growth benefits when firms are acquired internationally.

We're also curious about 'superstar firms': how do they show up in UK markets, and what's their impact when they do?

We hope the findings will help government design and implement pro-competition policies which really work to support UK scaleups.

Our Public Policy team will be reporting back on an engagement programme we've been running with startups and scaleups across the UK - particularly focused on the 'IS8' priority sectors of the UK's Industrial Strategy.

I'll give you a preview of what we've heard so far:

First - and you all know this - scaling decisions are global. When firms reach the point of either staying in the UK or moving abroad, there's a case for focusing policy incentives on those for whom the decision is more marginal.

Relatedly, embeddedness matters. Some activities are nationally anchored; others aren't. Effective industrial strategy avoids wasting support on firms or activities that are unlikely to remain embedded here.

Third, procurement is an underleveraged growth tool. This is a big one - and I'll come back to it.

Next, effective regulatory reform doesn't simply mean relaxing the rules; it can be about better processes and more responsiveness from regulators.

Finally, in relation to the CMA's own remit - because we felt it was important to ask this question - firms told us that competition law and merger control do not figure prominently in their lists of blockers to achieving scale. What mattered in our space was predictability, confidence, and a clear understanding of the regulator's approach and mindset. We agree, which is one of the reasons I'm here talking to you today.

I've mentioned procurement a few times now, so let's go there next - and I'm afraid this is something of an obsession for us at the CMA.

UK public procurement is worth nearly £400 billion - dwarfing any subsidy, tax break or grant. It's the single largest tool the state has to shape markets. But it's not currently designed to drive growth, innovation or strategic resilience. Instead, it's often designed to minimise risk, with a narrow focus on value for money - and that has consequences for scaling firms.

Long procurement cycles. Hard-to-navigate processes. Tender design that implicitly favours incumbents with heavy compliance machinery, rather than dynamic young firms.

Those are all design choices. And they can be changed - including by introducing more pro-competitive thinking.

We're also determined to tackle bid-rigging in public procurement, which can inflate prices by up to 20%. This matters for scaling because cartelised markets are hostile places for new entrants and growing firms.

We have extensive data and AI capabilities at the CMA, and we've started screening procurement data for suspicious bid patterns - piloting our in-house tools with key government departments. The goal now is better data collection across government, unlocking the ability to systematically screen for illegal activity. Countries like Spain are already doing it; we want to see the UK catch up. Fast.

My last example here is regulation. What we hear from many firms, when they talk about regulation as a barrier to entry and scaling, is rarely a call for weaker standards.

So, what do they want?

They want to remove duplicative and overlapping requirements - like those we heard about through our work on Civil Engineering - which increase complexity, drive up costs, and delay projects.

They want certainty around timelines. And they want clarity about who decides what. So, not deregulation for its own sake. But coherence, speed, and certainty - the antidote to the thousands of little frictions and burdens which hamper firms trying to grow. Scaleups tell us this often matters more than relaxing specific rules.

So now, building on our own exploratory work in this area, we're supporting government - helping to identify where regulation might be having this unintended effect on competitive dynamics across key sectors.

I thought, for this audience, I'd save the best 'til last, and finish with our work in digital markets under the UK's Digital Markets, Competition and Consumers Act, which came into force last year.

The regime was designed to drive growth and innovation across the UK tech sector. And it gives the CMA the ability to achieve this through highly targeted, thoughtfully designed interventions in the way the very largest firms operate.

We've been busy in several major areas of interest to startups and scaleups.

We began with investigations into Google's search services, and into Apple and Google's mobile platforms - covering the app stores, browsers, and operating systems that most of you depend on to reach your customers.

By October 2025, we had formally designated all 3 with 'Strategic Market Status' (SMS) - confirming they hold substantial and entrenched market power in these areas, and opening up the possibility of interventions. The investigations were thorough; the evidence strong. There were no appeals.

And we're already taking action. In January this year, we proposed our first binding Conduct Requirements on Google Search. In February, we secured commitments in mobile ecosystems from both Apple and Google - to improve fairness in app store processes, and unlock iOS interoperability for developers. These took effect within a matter of months. More work on browsers, digital wallets, and steering restrictions is coming later this year.

A few weeks ago, we announced our decision to launch an SMS investigation into Microsoft's business software ecosystem - including looking at how Microsoft's licensing practices could be impacting competition in the cloud market.

We prioritised this area not just because these are must-have products for countless UK firms - and most of government. But because AI is rapidly being embedded into these everyday tools. And we want that to happen in a way that keeps the market open and competitive, with real choices for businesses like yours.

Alongside that announcement, following engagement with the CMA, Microsoft and Amazon published a suite of actions on cloud egress fees and interoperability, which will support more choice for UK customers.

For startups and scaleups, this all has a real impact on your day-to-day. Whether you're distributing an app, competing for visibility in search, or building on top of cloud infrastructure, these markets matter to you. So please know: although there's much more to do, we're on the case.

And we're consciously doing all this in a proportionate, flexible and pragmatic way - getting to outcomes that matter while maximising speed to impact for the UK.

I hope it's clear from this rapid tour that the CMA is serious about our role as an enabler of competition, scale-ups, and growth - and that competition, done well, can be a catalyst for scale, not a constraint on it. It's a different mindset for a competition authority, but it's one we're confident will pay dividends for the UK.

Thank you. And who knows - maybe I'll see you next year!

<https://www.gov.uk/government/speeches/competition-and-scaling-techeu-summit-london-2026>