

CMA announces package of actions on business software and cloud services

31.3.2026 - | Her Majesty's Revenue and Customs

CMA aims to create greater choice for UK businesses and public sector at pivotal time of advances in AI.

- Board decides to launch strategic market status investigation into Microsoft's business software ecosystem
- Microsoft and Amazon take material steps to address interoperability and cloud egress fees for UK customers, following engagement with the CMA and subject to ongoing review

The CMA's approach under the Digital Markets Competition Regime is to deliver the greatest possible impact for the UK as quickly and proportionately as possible, using the flexibility of the framework to select the most effective approach for each issue.

The CMA Board has looked at several closely connected issues across cloud services and business software, with the aim of ensuring customers (including businesses and government) can benefit from the best available products at the most competitive prices, while also supporting greater choice to strengthen the resilience of the UK's digital economy.

Actions announced today include:

- The CMA will launch a strategic market status (SMS) investigation into Microsoft's business software ecosystem, commencing in May. Hundreds of thousands of UK businesses and public sector organisations use Microsoft's business software (such as Windows, Word, Excel, Teams and increasingly Copilot) every day. An SMS designation would allow the CMA to act on a major concern from the CMA's cloud market investigation – Microsoft's use of software licensing reducing competition in cloud. It would also provide a route to ensuring a level playing field among providers at a critical moment, as AI-driven innovation reshapes competition in productivity software.
- Following engagement with the CMA, Microsoft and Amazon have set out actions on cloud egress fees and interoperability to support greater choice for businesses and public sector organisations in the UK. These changes will reduce expense and effort for UK customers when using more than one cloud provider. The CMA will continue active engagement with Microsoft and Amazon to ensure these actions on egress fees and interoperability truly benefit UK customers.
- The CMA has also made clear further steps are required to help UK customers multi-home and switch, with ongoing dialogue to take place around these areas. It will seek views from UK customers and competitors to inform this dialogue, and the Board will review progress in 6 months.

Why cloud services and business software, and why now?

The CMA's 2025 market investigation into cloud services found that Amazon and Microsoft have

positions of significant market power. The investigation identified limits to customer choice as a result of data egress fees and barriers to interoperability restricting switching and multi-cloud; as well as licensing of Microsoft's key business software on the cloud.

Since the investigation closed in July 2025, the CMA has engaged participatively with UK customers, Amazon, Microsoft and their competitors on these issues. In consultation with the CMA, both firms are taking material steps to lower egress fees and improve interoperability, including as reflected in announcements the firms are issuing today. These actions create benefits for UK businesses, enabling greater scope for multi-homing to support customer choice and the resilience of UK tech stacks.

Alongside the cloud licensing concerns, the CMA has heard wider concerns about Microsoft's position in business software - particularly productivity software, operating systems, database management and related security services. This software plays a vital role in the UK economy, underpinning modern corporate operations.

The embedding of advanced AI, including assistants and emerging agentic technologies, into familiar workplace tools means this is a pivotal moment for the sector. The implications are significant for UK productivity, competitiveness and value for money across the private and public sector. The UK will benefit most where a broad range of competitors can integrate with Microsoft's business software, so that business and public sector organisations can mix-and-match AI software across suppliers to best suit their needs.

Sarah Cardell, Chief Executive of the CMA, said:

We're using the regime in a flexible, pragmatic way to deliver real impact, as quickly as possible, for UK customers. This announcement shows we're not just responding to today's concerns but getting ahead of emerging issues too. Cloud remains central to our approach - we've seen real progress through our engagement with Microsoft and Amazon to drive meaningful improvements on egress fees and interoperability and we expect more action from them over the coming months.

At the same time, we're taking action now, deciding to launch an investigation into Microsoft's business software ecosystem. An SMS designation would enable us to tackle remaining concerns around Microsoft's licensing practices in cloud and would also enable us to ensure a level playing field as AI is rapidly embedded into everyday business software tools.

Through this package of actions, we're driving changes across cloud and business software to make sure these markets are competitive and resilient for UK businesses and the public sector.

You can read more about the CMA's package of action here: [Actions on cloud and business software through the UK digital markets competition regime.](#)

Notes to editors

1. The purpose and scope of the SMS investigation and an invitation to comment will be set out at commencement of the investigation in May.
2. Once started, the SMS investigation can take up to 9 months to complete, with the CMA setting out a provisional view prior to making a final decision. If at the end of the investigation,

the CMA decides to designate, it may impose conduct requirements or introduce pro-competition interventions, themselves subject to separate legal processes, to achieve positive outcomes for UK consumers and businesses.

3. As previously set out in his written response to the Business and Trade Select Committee, the CMA Chair Doug Gurr recused himself from the CMA Board's decision.
4. All media enquiries should be directed to the CMA press office by email on press@cma.gov.uk, or by phone on 020 3738 6460.

<https://www.gov.uk/government/news/cma-announces-package-of-actions-on-business-software-and-cloud-services>