

# KEEPING CONSUMER CONFIDENCE, SECURITY, AND DATA PRIVACY AT THE CENTRE OF DIGITAL PLATFORM POLICY

After the passing of the Digital Markets, Competition and Consumers Act (DMCCA) 2024, the Competition and Markets Authority (CMA) is looking at regulation around digital platforms, such as Apple's App Store and the Google Play store.

On behalf of our members, ACT | The App Association urges policymakers to ensure that any changes to regulation prioritise security, data privacy, and consumer confidence and that the interests of the SMEs that drive the UK tech economy remain front and centre.

## WHY DIGITAL PLATFORMS ARE RELEVANT TO SMES

Digital platforms such as Apple's App Store and the Google Play store play a crucial role in fostering consumer trust by offering consumer protections, such as secure payment systems, data privacy guarantees, and vetting processes for products and services. This creates an environment where users feel more comfortable exploring new services and apps.

This built-in consumer trust benefits all providers on the platform, but it is especially valuable for SMEs, which often lack the brand recognition and established reputation of bigger competitors. One of the largest barriers to entry for small tech businesses is overcoming the brand loyalty of more established players. These digital platforms give them access to the trust

and loyalty consumers have in the platform itself. This allows consumers to feel safer exploring products from less-established businesses, levelling the playing field and making it easier for small companies to thrive.



## THE CMA'S PLATFORM PROPOSALS

Recent proposals by the CMA under the DMCCA, including the requirement for sideloading and offering unlimited alternative app marketplaces, benefit larger apps over SME developers which rely heavily on platforms for seamless distribution, reach, and visibility.

For SME developers with small teams and limited resources, exploring other app stores or marketplaces is a significant step that involves dedicating additional resources to adapt their apps and business processes with no guarantee of returns.

The CMA is also currently carrying out Strategic Market Status (SMS) investigations which are in theory aimed solely at tech giants. However, the potential for unintended harmful consequences for smaller businesses is high.



## SME PERSPECTIVE

*'As a software development agency, we strongly oppose the sideloading requirements proposed by the DMCC. These measures undermine the reliability and security of established platforms, which are essential for protecting intellectual property. Forcing us to navigate a fragmented ecosystem with inconsistent security standards exposes our clients – and by extension, our business – to significant risks.'*

*– Layers Studio*

Trust and security are of paramount importance to SME developers. Alternative app stores may not implement review processes comparable to those of the main software distribution platforms, and sideloaded apps provide no protections at all. Therefore, the risk of downloading a pirated and potentially malicious app increases significantly.

## WHAT SMES WANT

The App Association urges policymakers to give full consideration to the impact on startups and SME app developers of any market interventions on app stores and digital platforms. Any changes should be designed to ensure strong data and privacy protections, and robust cybersecurity measures are maintained. Without this, consumers will lose trust in the app ecosystem, causing devastating harm to SMEs.

SMEs are the backbone of the UK's tech sector, and regulation should be aimed at ensuring they can grow, innovate, and flourish.