

Scottish Expert Advisory Panel on the Collaborative Economy: CMA contribution

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Introductions

- Who we are
- What we do
- How we can contribute – Q 1 and 3

Competition working in the CE

- Benefits of collaborative economy: wider choice, competitive pressure, use of idle assets, improvements in innovation and productivity
- Competition risks: less from CE itself than from its reliance on platforms which may become dominant
- Competition toolkit adequate....and targeted on actual harm so may be less risky than regulation
- Consumer protection (rights of redress) important....and supports competition

Regulation issues

- General regulation: should it apply and risks if it doesn't (competitive distortion, race to the bottom)
- Market specific regulation: important to think about:
 - The risk you are managing and in whose interests you are working
 - Do you still need regulation when new business models emerge?
 - Avoid imposing new barriers to entry/expansion
 - Beware foreclosure of competition/reinforcement of network effects
 - The reasons for incumbents' suggestions for more regulation
- Competition Impact Assessment guidance

Ratings and accreditation

- Ratings and reviews can establish trust in online markets (absent more traditional means of establishing reputation)
-but only when they can be trusted (fake reviews, suppression of negative reviews, paid endorsements as marketing undermine trust)
- Also can create incentives that may reduce need for regulation
- Accreditation - as above, though risks if bar set too high or by incumbents