fingleton associates
Strategic competition advice

Disruptive innovation

Competition enforcement challenges and advocacy opportunities

David Stallibrass

April 2016. Mexico City. Latin American and Caribbean Competition Forum.

Introduction

'Since Clayton Christensen coined the phrase "disruptive technologies" in a 1995 article, disrupting has been taken to be axiomatically good. Now anyone hearing the word automatically starts thinking about Uber, and then gets very excited indeed.'

Lucy Kellaway: FT, 19th October 2015

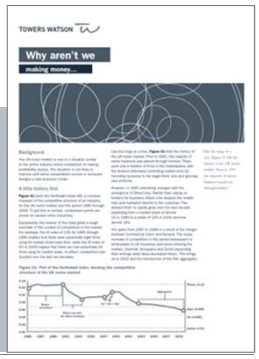
Four features of disruption today

1. Stewarded marketplaces.
2. Data driven methods of matching and risk assessment.
3. Differently intermediated consumer and commercial relationships.
4. Winners and losers.

Example: price aggregators

- Steward their market → co-ordination?
- Make recommendations → responsible for misselling?
- Complex contracts → MFN clauses impeding competition?

"Aggregators cost the UK insurance industry £1 billion in unnecessary price competition" Towers Watson, 2010


TOWERS WATSON

Why aren't we making money...

Challenge 1: financial advice in the UK

Guidance

- Limited regulation of provider
- Can not be personalised

Automated financial advice

- Deep access to data
- Highly personalised advice
- Very low cost
- Currently comes at very high regulatory risk…

Advice

- Very high regulation of provider
- Personalised, often face to face

Challenge 1: financial advice in the UK

HM Treasury

FCA

Financial Advice Market Review
Final report

FCA INNOVATION HUB

Financial Ombudsman Service

The Open Banking Standard

Challenge 2: clarifying jurisprudence

- Market shares and market definition with online competition
- Investing extra in key cases

Challenge 3: other laws and regulation

- Often protect a "class" of citizen – by design, accident, or lobbying?
- Responding to consultations, articles in newspapers, working with government

CMA

Competition and Markets Authority response to Transport for London's private hire regulations proposals

1. Following an initial consultation between March and June 2015, Transport for London (TfL) developed a series of proposals for changes to its private hire regulations. On 30 September 2015, TfL invited interested parties to submit comments on those proposals as part of a second consultation. The Competition and Markets Authority (CMA) is grateful for the opportunity to share its views with TfL.

Let consumers pick the winner in the battle over London cabs

Alex Chisholm

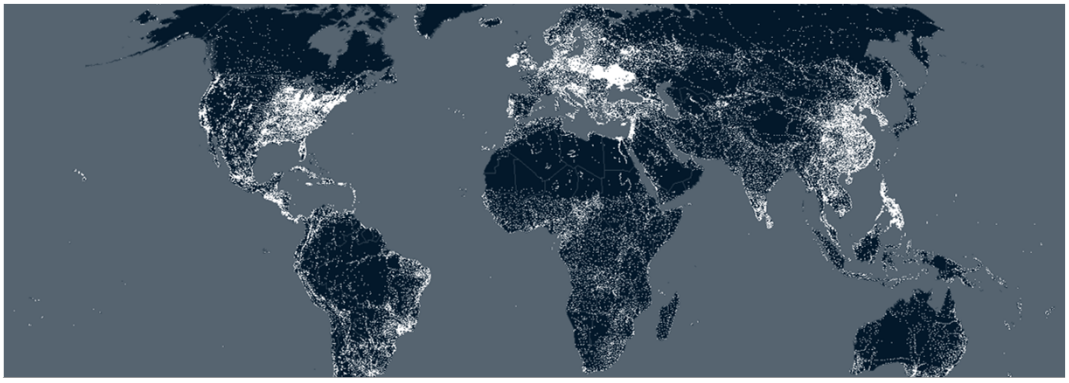
Share Author alerts Print Clip Comments

New technologies can overtake regulation by empowering customers, writes Alex Chisholm

Black cabs block Fleet Street, London, in a protest against the Uber taxi app

Conclusion

- Important role for antitrust agencies. Analyse, inform, influence.
- Cities, regulators, self-regulation, co-regulation.
- An international challenge requires international co-operation.



fingleton associates

david@fingletonassociates.com

Fingleton Associates
10 Haymarket
London SW1Y 4BP

Office: +44 20 3730 9090
Email: info@fingletonassociates.com

Copyright © 2016 Fingleton Associates. All Rights Reserved.

Registered Office 843 Finchley Road, London NW11 8NA. Registered in England Company No 8371505. VAT Number 156553789.