Regulatory Outlook

Welcome to the Regulatory Outlook, providing you with high-level summaries of important forthcoming regulatory developments to help you navigate the fast-moving business compliance landscape in the UK.

The spotlight development this month relates to the Digital Markets, Competition and Consumers Act 2024: the consumer protection from unfair trading and enforcement provisions come into force on 6 April 2025 and the Competition and Markets Authority has set out its initial plans for consumer enforcement. See the Consumer law section for more details.

March 2025

Contents

Advertising and marketing

Advertising and marketing

ASA research into what makes certain personalities appealing to young people

The Advertising Standards Authority (ASA) has published research from last year looking at the media habits of a "digital-first" generation, young people aged 11-17 years, and the ways they discover and engage with personalities or characters they like or admire online.

The research explores the drivers of appeal to young people, finding that personalities with attributes such as being hard-working, authentic and having admirable values came out as consistent features. However, there were many others.

The research also found that ads featuring "personalities", for example celebrities, tend to grab the most attention from young people.

Overall, while understanding why certain personalities hold strong appeal for young people is complex, some clear patterns did emerge.

The ASA will use these insights to strengthen the way it applies the Advertising Codes, particularly the rules that gambling ads must not have a "strong appeal" to under-18s. Advertisers should therefore consider these findings when featuring personalities in their ads.

IAB UK's report predicting media, marketing and consumer attitudes in 2030

IAB UK's Futurescape interactive report explores the trends, attitudes and media shifts shaping the advertising sector in the lead up to 2030 and beyond. Key growth areas in digital advertising include video display, gaming, digital retail media and generative artificial intelligence. The report's predictions include:

- Changes in traditional targeting due to shifting demographics and societal values.
- Rising consumer interest in healthy tech habits, sustainability awareness and wearable tech.
- AI transforming how consumers discover brands and products and fundamentally changing the media and advertising landscape so that brand marketing becomes more important.
- The TV advertising landscape changing, as streaming becomes more popular and linear TV viewing declines.
- Publishers and broadcasters collaborating with retail media platforms to offer end-to-end advertising solutions, marking the end of traditional media advertising channels so that "all media becomes retail media."
- Online content becoming the dominant force, as lines blur between mediums and channels and publishers and broadcasters adopt a multi-platform approach, with creators, whether human or AI, becoming a "dominant media channel" competing with traditional media.
- A "people-first" approach becoming more embedded, focusing on building meaningful relationships with consumers over product-centric messaging.
- Gaming becoming more appealing and accessible, especially for Gen Alpha, akin to social media for Gen Z.

Each chapter provides recommendations for advertisers, media owners, platforms, and brand marketers on how to "future-proof for 2030" and adapt to the evolving landscape.

New consumer enforcement regime: CMA sets out its initial plans for enforcement

Please see Consumer law.

Nick Johnson, Partner
T: +44 20 7105 7080
nick.johnson@osborneclarke.com

Chloe Deng, Associate Director
T: +44 20 7105 7188
chloe.deng@osborneclarke.com

Advertising and marketing

Anna Williams, Partner
T: +44 20 7105 7174
anna.williams@osborneclarke.com

Artificial Intelligence

Artificial Intelligence

UK updates

Artificial Intelligence (Regulation) Bill reintroduced to Parliament

The Artificial Intelligence (Regulation) Bill was reintroduced to Parliament on 4 March 2025 by Lord Holmes. The bill was dropped last year after the general election was announced (see this Insight for background). The bill includes proposals to:

- Create an AI authority, which would ensure that regulators consider and align their approaches on AI, identify gaps in AI regulatory responsibilities, coordinate review of relevant laws, and so on.
- Establish regulatory sandboxes to allow businesses to test AI innovations with real consumers.
- Require businesses developing, deploying or using AI to designate an AI officer.
- Mandate organisations involved in training AI to report to the AI authority on third-party data and intellectual property (IP) used in that training, including providing assurances that the data is used with consent and otherwise in compliance with IP laws.
- Require organisations supplying a product or service involving AI to provide health warnings, labelling, and consent options to customers.
- Mandate independent audits of AI systems.

As a private members' bill, it is not backed by the government and it is rare for such bills to become law, but they can highlight and spark debate in important areas, thus influencing the government-backed legislation.

Government to outlaw AI tools designed to generate child sexual abuse material

The government aims to criminalise equipment and systems (many of which will be AI-based) which are made or adapted to create child sexual abuse (CSA) material via the new Crime and Policing Bill, which was introduced on 25 February 2025. Legislation in this area is currently piecemeal:

- The government has a manifesto commitment to ban the creation of sexually explicit deepfakes, however this legislation has not yet materialised.
- It is already an offence to share or threaten to share intimate photograph or film, including AI-generated, under the Sexual Offences Act 2003 (SOA).
- The House of Lords has added a new clause to the draft Data (Use and Access) Bill amending the SOA to make it an offence to create or solicit the creation of a purported intimate image of an adult without consent.
- This change to the Data (Use and Access) Bill relates only to adults because similar acts in relation to children are already offences (for example, under the Protection of Children Act 1978).

Clause 36 of the new bill proposes to close a gap by making it an offence to "make, adapt, possess, supply or offer to supply" a "CSA image-generator". "CSA image-generator" would include anything (including services, software and electronic information) used to create (or facilitate the creation) of CSA photos, pseudo-photos, or other images. Adapting anything so that it becomes a CSA image-generator would also be an offence.

Although the scope of clause 36 of the bill, as currently drafted, appears fairly narrow (since the image-generator needs to be specific to CSA material), providers of image-generation software will likely be carefully considering the detailed provisions, and watching for any changes as it proceeds through the parliamentary process.

See more on the bill in the Digital regulation section.

The bill has now entered the committee stage in the House of Commons, where it will be scrutinised line by line. The Public Bill Committee has launched a call for evidence, which is a chance for those with relevant expertise and experience, or a special interest, to submit views on the bill for the committee's consideration. Written evidence is requested to be submitted as soon as possible, and no later than 5pm on **13 May 2025**.

ICO responds to consultation on copyright and AI

The Information Commissioner's Office (ICO) has published a response to the government's consultation on copyright and AI (see our Insight for background). While the ICO does not regulate UK copyright law, some copyrighted material will contain personal data, and the ICO believes that the government should consider the interaction between data protection

and any modified future copyright regime, to avoid inadvertently promoting practices which would be lawful under copyright law but may be unlawful under data protection laws.

The ICO highlights that if the government proceeds with its proposal to extend exemptions for text and data mining (TDM), and/or an "opt-out" option (mooted as possible ways to facilitate use of copyright materials for AI training), it must clarify that this will not in and of itself be a lawful basis for any personal data processing. Since a substantial amount of the material involved in TDM could be personal data, each case must be assessed individually.

Entities "opting in" (or not "opting out") their data for such processing should be aware of their potential data protection obligations, for example when their content contains personal data for which they are controllers.

The ICO emphasised the importance of transparency, ensuring that data subjects are aware of how their data may be accessed by web-crawlers to use for AI training. This is in keeping with the ICO's views on data use for generative AI (and also the European Data Protection Board's position), as is the reminder that data protection compliance requirements should be part of licensing agreements for AI training data when personal data is involved, and those who rely on or put in place these licences should ensure that those requirements are met.

The ICO also recommends gathering views from organisations hosting personal data that is mined or scraped, such as websites or social media platforms, as it is crucial to understand how they monitor entities scraping their sites for data, and whether they disclose this information in their privacy policies.

DRCF showcases first case studies based on its AI and Digital Hub advice

The Digital Regulation Cooperation Forum (DRCF) has published the first in a series of case studies based on informal advice provided by its AI and Digital Hub. The hub allows businesses to get advice from all four DRCF member regulators via a single query. Case studies relate to:

- Data protection and consumer law issues for a business helping SMEs to deploy AI.
- Managing the impact of third party software defects on resilience to software flaws.
- Use of AI to automate reviews of advertisements for financial promotions.
- Navigating data privacy, online safety and consumer law in AI-enabled health discussion forums.
- Perimeter guidance and data considerations for AI-enabled financial services compliance tool.

The DRCF comprises the ICO, the Competition and Markets Authority, Ofcom and the Financial Conduct Authority. Though the case studies are of course fact-specific, they provide a useful additional resource of the authorities' approaches to these and similar issues.

EU updates

EU AI Act: third draft of the general-purpose AI code of practice published

The third draft of the general-purpose AI code of practice published has been published some three weeks later than was intended, reportedly following concerns raised by some AI developers. It incorporates changes based on the feedback received on the second draft published in December 2024. Once finalised, the (voluntary) code will be a tool for general-purpose AI model providers to demonstrate compliance with the EU AI Act.

The draft code is based on a list of high-level commitments and provides detailed measures to implement each commitment. It includes two commitments on transparency and copyright for all providers of general-purpose AI (GPAI) models, and a further 16 commitments on safety and security only for providers of GPAI models classified as GPAI models with systemic risk.

The new draft includes a form for documenting details of GPAI models in order to facilitate compliance with transparency requirements. The section on documenting copyright transparency information is described as being "simplified and clearer"; however some critics have complained that provisions which would have benefited copyright owners have been watered down. Alongside the draft code, the EU AI Office is working on a template form for developers to use in order to provide the public summary of the data used to train their general-purpose models, which is a requirement under the AI Act.

Stakeholders are invited to provide feedback on the third draft by **30 March 2025**, as well as in further discussions and workshops, following which the final round of drafting will take place. According to the latest timeline, the final code should be ready "from" May 2025, having been previously slated for the end of April.

EU AI Act: EU Commission indicates the direction of travel on guidance for general-purpose AI

At the same time as publishing the third draft of the code (see preceding item), the Commission stated that the EU AI Office will publish guidance for general-purpose AI, including on:

- Definitions of "general-purpose AI model", of "placing on the market", and of "provider".
- Clarification of responsibilities along the value chain, such as to what extent rules apply to downstream actors modifying or fine-tuning a GPAI model.
- The exemption for models provided under free and open-source licences.
- The effects of the AI Act on models placed on the market before August 2025.

No dates are given for publication. Businesses developing or looking to source AI systems will hope that it comes soon, to help them understand the scope of their obligations.

International updates

Re-emergence of California's AI safety bill

The California lawmaker behind the AI bill SB 1047, Scott Wiener, has introduced a new bill (SB 53) after the original was vetoed by California's governor, Gavin Newsom, last year (see this Regulatory Outlook).

The original bill contained extensive provisions addressing AI safety issues, including requiring safety testing of AI models before their deployment, and attracted criticism from some technology firms. It has now partially re-emerged in a watered-down version, including two aspects of the original bill to which the governor had not expressed opposition.

The new bill now focuses on whistleblower protections, including making it illegal for companies to retaliate against employees who alert the authorities or an internal company reporting officer to concerns about AI developments relating to "critical risks". It would apply to developers that have trained one or more foundation models using computational power that costs at least $100 million.

Critical risks would include some AI developments resulting in the death of, or serious injury to, more than 100 people, or more than $1 billion in damage, where caused by:

- The creation and release of a chemical, biological, radiological, or nuclear weapons.
- A cyberattack.
- The AI carrying out actions which would be criminal if done by a human, or evading control by its developer/user.

The bill joins a raft of other draft AI-specific legislation in California (and other states), covering ground as diverse as algorithmic decision-making, non-consensual deepfake pornography, watermarking of AI generated content, transparency obligations for AI chatbots, and disclosure of training data sources. How many of them make it onto the statute books, and with what changes, remains to be seen.

John Buyers, Partner
T: +44 20 7105 7105
john.buyers@osborneclarke.com

Thomas Stables, Senior Associate
T: +44 20 7105 7928
thomas.stables@osborneclarke.com

Tamara Quinn, Knowledge Lawyer Director
T: +44 20 7105 7066
tamara.quinn@osborneclarke.com

Katherine Douse, Associate Director
T: +44 117 917 4428
katherine.douse@osborneclarke.com

Artificial Intelligence

Emily Tombs, Senior Associate
T: +44 20 7105 7909
emily.tombs@osborneclarke.com

James Edmonds, Senior Associate
T: +44 20 7105 7607
james.edmonds@osborneclarke.com

Bribery, fraud and anti-money laundering

Bribery, fraud and anti-money laundering

FATF guidance on AML/CFT measures and consultation on financial inclusion

The Financial Action Task Force (FATF) published draft guidance on anti-money laundering (AML) and countering the financing of terrorism (CFT) measures.

The draft guidance reflects recently adopted amendments to the FATF Standards and provides updated best practice examples of implementation of the risk-based approach in AML/CFT.

The FATF launched a related public consultation seeking views and comments on the updated guidance. The deadline for responses is 4 April 2025.

HM Treasury annual report on AML/CFT supervision for 2023/2024

HM Treasury published its annual report on AML and CFT supervision for 2023 to 2024. The UK has 25 AML/CFT supervisors – HMRC, the Financial Conduct Authority (FCA), the Gambling Commission, and the 22 legal and accountancy professional body supervisors.

The report details the activities of the AML/CFT supervisors and is the first year the Treasury has provided new metrics on the guidance and training supervisors provide for firms and data on how supervisors monitor activities according to risk.

The report notes changes in key areas of supervisory activity such as gatekeeping and risk assessment and also includes a summary of enforcement action taken for the 2023/24 period by all supervisors.

The total sum of fines across all 25 supervisors in 2023-24 was £41.5 million, with an average fine amount across all supervisors of approximately £34,000. Common issues identified by the FCA include ineffective money laundering business-wide risk assessments, enhanced due diligence which was not sufficiently risk-sensitive and inadequate compliance monitoring.

See our summary of the 2022/23 report.

Update on the FCA's enforcement transparency proposals

As previously reported, the Financial Conduct Authority (FCA) published Consultation Paper 24/2: Our enforcement guide and publicising enforcement investigations – a new approach in February 2024, and a second consultation in January 2025.

The FCA has announced its decision to discontinue the most controversial aspects of its proposals, the introduction of a "public interest test" for announcing investigations into regulated firms as they start, or while they are ongoing (see Osborne Clarke's response to the original consultation).

The FCA announced its plans to retain the "exceptional circumstances" test for determining whether to publicise investigations into regulated firms, and to take forward a number of other proposals for which there is "broad support", including:

- reactive confirmation of investigations which are already in the public domain, such as those announced by partner regulators or the firms themselves;
- public notifications which focus on the potentially unlawful activities of unregulated firms and regulated firms operating beyond the regulatory boundaries of the FCA, for which it has no supervisory tools available; and
- publishing anonymised details of issues under investigation to help highlight significant areas of concern.

The FCA expects to publish the final policy by the end of June 2025.

See the full letter to the Treasury Select Committee.

Jeremy Summers, Partner
T: +44 20 7105 7394
jeremy.summers@osborneclarke.com

Chris Wrigley, Associate Director
T: +44 117 917 4322
chris.wrigley@osborneclarke.com

Bribery, fraud and anti-money laundering

Capucine de Hennin, Associate
T: +44 20 7105 7864
capucine.dehennin@osborneclarke.com

Competition

Competition

Water claim

The Competition Appeal Tribunal (CAT) has unanimously refused to certify the collective proceedings brought against six water companies. The claims allege that companies had been abusing their dominant position by underreporting pollution incidents, enabling them to charge higher prices for sewage services. The CAT found that the claims for abuse of dominance are excluded by section 18(8) of the Water Industry Act 1991, as they are based on the companies' contravention of their conditions of appointment regarding the reporting of pollution incidents. However, the CAT said that if it were not for this statutory exclusion, it would have granted the collective proceedings orders.

Growth and Investment Council

The Competition and Markets Authority's Growth and Investment Council held its first meeting on 28 January 2025.

Minutes published on 7 March show key themes of supporting the implementation and development of the government's Industrial Strategy, improving business and investor confidence in/engagement with the regime, exploring the international dimension of the CMA's work, and supporting small businesses and consumer protection.

Competition collective actions

A collective action against the owner of Royal Mail, the UK postal service provider, has been certified by the CAT. The approximately £1 billion claim, which relates to anticompetitive behaviour in the bulk-mail delivery market, is being pursued on behalf of around 290,000 businesses and organisations.

The claim “follows on” from Ofcom’s 2018 decision that Royal Mail unlawfully abused its dominant position in the market for bulk mail delivery services by attempting to introduce discriminatory prices, leading to Whistl, an access operator for bulk mail, to abandon its plans to expand its own delivery service. The class representative alleges that this infringement led to higher prices for bulk mail retail services due to reduced competition following Whistl's exit from the market. The proposed class is made up of all purchasers of bulk mail retail services between 10 January 2014 and 29 May 2024.

The tribunal emphasised the importance of proper funding arrangements and governance, including the involvement of a consultative panel and, unusually, a Class Members Customer Group. This was done to allow "large corporate and other entities" who are "likely to have claims for significant sums of money" to be more actively involved in the proceedings.

The tribunal rejected objections raised by Royal Mail concerning the class representative’s proposed methodology to assess loss, which essentially uses a comparison with the markets in Germany and Sweden, where there is competition between bulk mail delivery service providers, to assess how prices would have evolved in the UK had there been competitive entry. It considered the methodology to be sufficiently plausible and credible to support certification, albeit the tribunal expected the methodology to evolve during the course of the proceedings, notably in light of the disclosure that would be obtained by the class representative.

No FTC engagement with ABA

On 14 February, Federal Trade Commission (FTC) Chairman Andrew Ferguson prohibited FTC political appointees from participating in American Bar Association (ABA) activities, criticising the ABA for its (in his view) perceived "leftist" bias, "partisan advocacy" and "financial interests in USAID". He takes the view that the ABA "advances radical left-wing causes and promotes the business interests of Big Tech". This is another example of the increasing politicisation of competition and anti-trust regimes. In the UK, the CMA is under scrutiny by the government as it seeks to change its regulatory approach as part of its drive for increased growth.

Technology Transfer Block Exemption Regulations

The CMA is reviewing the assimilated Technology Transfer Block Exemption Regulation (the Assimilated TTBER) to inform the CMA’s recommendation to government on whether to replace it on its expiry on 30 April 2026. The CMA had initially intended to consult on its proposed recommendation in December 2024.

Competition

The Commission has launched a call for evidence and consultation on potential changes to the TTBER and guidelines, with responses invited until 25 April. The call for evidence states that the Commission will publish a draft revised TTBER and draft revised guidelines for public consultation in the summer of 2025.

Sports broadcasting investigation
The CMA has imposed fines totalling over £4 million following a finding that five sports broadcast and production companies had shared sensitive information on fees for freelance workers (such as camera operators and sound technicians).
In particular, the CMA found 15 instances in which companies had shared sensitive information on freelancers' pay with each other, including on day rates and price rises. In most cases, the aim was to coordinate how much to pay to freelancers, with evidence demonstrating that one business told another that they have "no intention of getting into a bidding war" but "want to be aligned and benchmark the rates.
This infringement decision shows the CMA's continued focus on competition issues in labour markets. In line with the CMA's guidance for employers on avoiding anti-competitive behaviour, businesses should:

- Be aware that salary information is sensitive and should not be shared with competitors – this is not limited to freelance payments, but includes granular information on employee salaries too.
- Be careful when using external recruiters to establish salary 'benchmarks'. The receipt of salary information on competitors can expose you to the risk of fines if not properly aggregated and anonymised by third parties.
- Provide recruitment staff with training on competition law and how it applies in the recruitment context.

For more, see our Insight.

Simon Neill, Partner
T: +44 20 7105 7028
simon.neill@osborneclarke.com

Katherine Kirrage, Partner
T: +44 20 7105 7514
katherine.kirrage@osborneclarke.com

Marc Shrimpling, Partner
T: +44 117 917 3490
marc.shrimpling@osborneclarke.com

Aqeel Kadri, Partner
T: +44 20 7105 7367
aqeel.kadri@osborneclarke.com

Consumer law

Consumer law

Digital Markets, Competition and Consumers Act 2024 updates

Consumer protection from unfair trading and enforcement provisions to come into force on 6 April 2025

The Digital Markets, Competition and Consumers Act 2024 (Commencement No. 2) Regulations 2025 have been made, bringing into force the following parts of the Digital Markets, Competition and Consumers Act 2024 (DMCCA) on 6 April 2025:

- Consumer enforcement powers under Part 3 of the DMCCA, including direct powers for the Competition and Markets Authority (CMA) to impose fines for breaches of consumer law.
- The unfair commercial practices provisions under Chapter 1 of Part 4 of the DMCCA (except for the consumer rights of redress provisions). See our Insight for more information.

The Digital Markets, Competition and Consumers Act 2024 (CMA Consumer Enforcement Rules) Regulations 2025 have also been made, bringing into force the CMA's direct consumer enforcement rules, set out in the schedule to the regulations on 6 April 2025. The CMA consulted on the rules between 31 July and 18 September 2024 and will publish its response before the rules come into force.

The CMA has also now published its finalised "direct consumer enforcement guidance", setting out how the direct enforcement process will run from start to finish and how the regulator will interact with parties. The CMA also intends to publish its finalised "consumer protection: enforcement guidance", which will set out when the regulator will exercise its direct enforcement powers, on which it consulted at the end of last year (see our Insight).

New consumer enforcement regime: CMA sets out its initial plans for enforcement

Ahead of the CMA's new direct consumer enforcement powers under the DMCCA coming into force on 6 April 2025 (see item above), its chief executive, Sarah Cardell, revealed how the new regime will operate in its first months.

- **Enforcement action**: early enforcement action is likely to focus on "the most egregious breaches", such as: aggressive sales practices exploiting consumers' vulnerabilities; providing objectively false information to consumers; practices that are always unfair; and contract terms that are very obviously imbalanced and unfair.
- **Drip pricing:** this is the issue on which the CMA received the most substantive feedback during its consultation on its unfair commercial practices guidance (see our Insight). Taking this into account, the CMA will adopt a "phased approach" to its guidance. In April 2025, the regulator intends to provide a "clear framework" for complying with well-understood and largely unchanged aspects of the law, including the ban on genuinely unexpected and untrailed mandatory charges added at the end of a purchasing journey. The CMA will also consult on the more uncertain aspects of its drip pricing guidance, which includes fixed-term periodic contracts, in the summer, and intends to publish finalised guidance on this aspect in the autumn. In the meantime, the CMA intends to only take enforcement action against drip pricing which clearly breaches the rules.
- **Fake reviews**: for the first three months of the new regime the CMA will focus on supporting businesses with their compliance efforts, rather than enforcement.

The CMA wants to support "well-intentioned businesses" that strive to comply but may be uncertain as to the precise requirements for compliance, particularly where the law has been updated or is new. When determining penalties, the CMA will consider whether businesses have proactively taken steps to rectify infringing behaviour.

The Committee of Advertising Practice (CAP) has also published an update on the changes to the advertising codes to align them with the DMCCA. Some of the rules in the codes are currently being reviewed, following the committee's consultation, which closed on 5 February 2025 (see this Insight). CAP advises marketers to refer to the unfair commercial practices provisions in the DMCCA when preparing ads until the review is completed, and the ASA will take these provisions into account when applying the affected rules.

Following the CMA's approach, the ASA intends to take enforcement action on drip pricing issues only against ads that clearly breach the rules and do not involve aspects of drip pricing falling within the scope of the CMA's "re-consultation", until the CMA publishes its final guidance on those aspects. In relation to fake reviews, the ASA plans to take the same approach as the CMA above. However, the ASA will continue to apply its existing rules on testimonials and endorsements.

Tom Harding, Partner
T: +44 117 917 3060
tom.harding@osborneclarke.com

John Davidson-Kelly, Partner
T: +44 20 7105 7024
john.davidson-kelly@osborneclarke.com

Ben Dunham, Partner
T: +44 20 7105 7554
ben.dunham@osborneclarke.com

Nick Johnson, Partner
T: +44 20 7105 7080
nick.johnson@osborneclarke.com

Cyber-security

Cyber-security

Government response to call for views on code of practice for software vendors

As previously reported, the government published a voluntary code of practice and related call for views for software vendors in May 2024, establishing a set of voluntary security and resilience measures for organisations developing or selling software used by businesses.

The government has now responded to its call for views, stating that minor revisions will be made to the code before it is published in 2025. The revised version will reflect feedback received on the code, including further refining the accompanying technical controls and implementation guidance, as well as developing an attestation method and assurance regime to allow software vendors to demonstrate compliance with the code.

For more information on the government's work to improve the security and resilience of software, see our previous Regulatory Outlook on the AI cyber security code of practice.

DSIT survey details cyber security behaviours of large UK organisations

The Department for Science, Innovation and Technology (DSIT) published the results from wave four of the Cyber Security Longitudinal Survey. The study tracks the cyber security behaviours of organisations to understand how their experiences change over time.

The survey found that a majority of medium and large organisations (79% of businesses) were affected by cyber security incidents in the past year. The most common types of threat being phishing, impersonation scams and online business banking account compromise.

Although almost half of large businesses stated that they had increased their cyber security budgets over the past year, monitoring supply chain security and cyber security practices of suppliers continue to be a lower priority for organisations. The number of businesses that formally assess or manage their suppliers has decreased from 28% in wave three to 23% in wave four, despite the rising threat of supply chain cyber risks. The report suggests that larger businesses continue to remain more aware of the need to stay ahead of cyber threats and invest accordingly.

Charlie Wedin, Partner
T: +44 117 917 4290
charlie.wedin@osborneclarke.com

Ashley Hurst, Partner
T: +44 20 7105 7302
ashley.hurst@osborneclarke.com

Philip Tansley, Partner
T: +44 20 7105 7041
philip.tansley@osborneclarke.com

Nina Lazic, Associate Director
T: +44 20 7105 7400
nina.lazic@osborneclarke.com

Data law

Data law

UK updates

Progress update on the Data (Use and Access) Bill

The Data (Use and Access) Bill is speeding through the legislative process. It has passed the Commons committee stage and is at the report stage. Once the Commons has finalised its desired drafting, it will return to the House of Lords.

According to comments made at the IAPP UK conference this month, government ministers do not consider the bill to be the correct vehicle to resolve AI issues, or the Information Commissioner's Office (ICO) to be the default AI regulator (both things which are included in the current draft of the bill). However, the government acknowledges that there are strongly held views in the Lords on AI/copyright, and so it is difficult to predict how long the "ping pong" process between the Lords and Commons will last as these points continue to be debated. That said, the Department for Science, Innovation and Technology (DSIT) currently still expects the bill to receive Royal Assent this "Spring", possibly around Easter.

Once the bill is enacted, the DSIT expects a phased approach to implementation and is having conversations with the ICO about what it will look like, including on the publication of codes of practice and guidance.

Early implementation is now expected to focus on the structural changes, such as ICO duties. More complex changes or provisions requiring deeper compliance might then follow, with a longer lead in time for organisations to get ready – around 6-12 months.

ICO reveals plans on AI, online advertising and international data transfers

The ICO has announced an "ambitious set of commitments" to support the government's growth agenda. Key initiatives include:

- **AI**: introducing a statutory code of practice for businesses developing or deploying AI.
- **Online advertising**: simplifying the Privacy and Electronic Communications Regulations (PECR) consent requirements (which mainly relate to cookies and other tracking technology). The ICO has committed to (a) support the government in developing secondary legislation to amend PECR by creating an exemption for specific low-risk advertising purposes, and (b) publish a statement in the autumn identifying low-risk advertising activities unlikely to cause harm or trigger enforcement action. The ICO will consider safeguards it would expect to reduce risks to users and devices. The ICO considers that this shift would incentivise businesses to adopt less intrusive advertising techniques.
- **International data transfers**: publishing new guidance on international data transfers, "making it quicker and easier for businesses to transfer data safely". The ICO will work with government to review adequacy assessments for key trading partners.
- **Data training**: providing free data essentials training to help small businesses comply with data protection law.
- **Experimentation regime**: piloting a regime for businesses to trial innovative data-driven solutions under strict oversight. During the pilot, the participating businesses will have a degree of "comfort from enforcement" of certain data protection requirements, starting with consent rules for privacy-preserving advertising models.

The ICO has promised to provide further details over the coming months, so these are areas to look out for.

ICO Children's code strategy: progress update

The ICO has published a progress update on its Children's code strategy, which for 2024/25, is focused on the ways social media and video sharing platforms (SMPs and VSPs) protect children's information online.

The ICO's last update was published in August 2024 and included the high-level findings from its review of 34 SMPs and VSPs, as well as a related call for evidence – see this Regulatory Outlook. The regulator has now also published its response to that call for evidence.

The update contains examples of how some organisations have changed their children's data practices following ICO intervention. It also includes a comparison table of some of the account set-up practices of 29 of the 34 SMPs and VSPs that were the subject of the 2024 review.

In this latest update, the ICO expresses concern at the amount and range of children's personal data used in recommender systems, and whether there are sufficient protections in place. It stresses that SMPs and VSPs using children's personal data in such systems must ensure that their approach is lawful, fair and transparent, and minimises data collection.

The ICO is also concerned that, as its 2024 review showed, many platforms rely on users' self-declaring their age, which the ICO says is unlikely to be effective if there are significant risks to children from data processing on that service. Some platforms also use profiling to identify users under 13, but there is limited evidence on whether this is effective. The ICO is therefore writing to these platforms to better understand their approach and will consider next steps based on the information received.

The protection of children's data remains high on the ICO's 2025 agenda (see this Regulatory Outlook). All businesses processing children's data or offering their services to children must stay alert to the regulator's activity in this area.

ICO responds to government consultation on copyright and AI

See AI section

EU updates

EU Commission proposes to extend adequacy decisions for the UK by six months

The EU Commission has proposed extending the two 2021 adequacy decisions with the UK, due to expire on 27 June 2025, for a period of six months until 27 December 2025. This will allow time for the legislative process on the Data (Use and Access) Bill to conclude in the UK (see above). Once concluded, the Commission will assess the new legal framework and decide on its adequacy. In the meantime, the UK data protection rules that were found adequate in 2021 remain in place and continue to apply to data transferred from the EEA.

Assuming that the European Data Protection Board (EDPB) approves the draft extension decisions, the free flow of data from the EEA to the UK would be maintained until at least 27 December 2025. The government is thought to be keen to maintain the UK's current adequate status, so, given the size of its majority and the relatively limited nature of the changes proposed, it seems unlikely that it would allow any changes to the bill that might jeopardise the position.

GDPR to become part of EU's simplification drive

The EU Commissioner for Democracy, Justice, the Rule of Law and Consumer Protection, Michael McGrath, has told an audience in Washington DC that the General Data Protection Regulation (GDPR) will be a part of the EU's simplification programme. In particular, the Commission wants to look at the recordkeeping obligations of firms and organisations with fewer than 500 people to "ease the burden". He said that the GDPR will be included in a future omnibus package.

EDPB adopts statement on age assurance

To ensure a consistent EU approach to age assurance, the EDPB has published a statement setting out ten high-level principles for the compliant processing of personal data when assessing a user's age. The principles primarily address the requirements in Article 5 of the GDPR and apply to various online use cases, including when a minimum age is prescribed by law in relation to:

- Purchasing products.
- Using services that are potentially harmful to children.
- Executing certain legal acts.

- When there is a duty of care to protect children (for example, to ensure that services are designed or offered in an age-appropriate way).

CJEU: data subjects have a right to understand how automated decisions about them are made

In Case C 203/22, the Court of Justice of the European Union (CJEU) held that under the GDPR, individuals have the right to clear, concise and transparent information about how their data is used in automated decision-making processes.

A mobile telephone operator had refused a customer's request to conclude or extend a mobile telephone contract based on an automated credit assessment, carried out by Dun & Bradstreet Austria GmbH (D&B), which stated that the customer was not sufficiently creditworthy. The customer complained to the Austrian data protection authority, which ordered D&B to provide meaningful information about the logic involved in the automated decision-making. D&B brought proceedings in the Austrian courts, arguing that this information amounted to a trade secret or involved third party personal data, and that as such, D&B was entitled to refuse to provide it.

The Austrian court ruled that D&B had breached Article 15(1)(h) of the GDPR, either by failing to: (a) provide the customer with meaningful information about the logic involved in the automated decision-making, or (b) sufficiently explain to her why it was unable to provide that information.

The Austrian court referred the matter to the CJEU, asking various questions on the correct interpretation of the GDPR and directive 2016/943 on the protection of trade secrets. The CJEU held that:

- In relation to "meaningful information about the logic involved", the data subject is entitled not only to an explanation of the procedure and principles used to make decisions based on their personal data, but also to additional information to allow them to verify that the data provided was correct and had been processed lawfully. This explanation must be clear, concise, transparent and easy to understand.
- Simply providing a complex mathematical formula, such as an algorithm, or a detailed description of the steps taken in the automated decision-making process will not meet the obligation. The explanation must be sufficiently concise and intelligible.
- If the controller believes that the information to be provided includes third-party data that is itself protected by the GDPR, or contains trade secrets, they must provide the allegedly protected information to the relevant authority or court, which must then balance the rights and interests of the data subject with those of the third parties whose data or trade secrets are involved to determine the extent of the data subject's right of access to that data under Article 15.

Businesses using automated decision-making processes based on customers' personal data must be prepared to provide clear and easy-to-understand explanations to their customers on how those decisions are made. They should also be aware that the fact that third-party personal data or trade secrets are involved will not necessarily protect them.

Mark Taylor, Partner
T: +44 20 7105 7640
mark.taylor@osborneclarke.com

Tamara Quinn, Partner
T: +44 20 7105 7066
tamara.quinn@osborneclarke.com

Georgina Graham, Partner
T: +44 117 917 3556
georgina.graham@osborneclarke.com

Jonathan McDonald, Partner
T: +44 20 7105 7580
jonathan.mcdonald@osborneclarke.com

Data law

Daisy Jones, Associate Director
T: +44 20 7105 7092
daisy.jones@osborneclarke.com

Gemma Nash, Senior Associate
T: +44 117 917 3962
gemma.nash@osborneclarke.com

Digital regulation

Digital regulation

Online Safety Act updates

Regulations on category threshold conditions in force

The Online Safety Act 2023 (Category 1, Category 2A and Category 2B Threshold Conditions) Regulations 2025 came into force on 27 February 2025.

The regulations define the thresholds above which in-scope services become "categorised services" and subject to certain additional obligations under the Online Safety Act 2023 (OSA). See our Insight for background. The regulations define the categories as follows:

Category 1: this includes regulated user-to-user services that have an average number of monthly active UK users exceeding 34 million, or 7 million for file-sharing sites. This places "small but risky" platforms outside the category.

Category 2A: this covers search engines that have a monthly average of more than 7 million active UK users. This does not apply to search engines that only allow users to search specific websites or databases on particular topics, themes, or genres, and which rely on a third party's application programming interface or other technical means to show search results to users.

Category 2B: this covers direct messenger services that have a monthly average of more than 3 million active UK users.

Ofcom will now assess the services against these thresholds and publish a register of categorised services, as well as a list of emerging category 1 services. Formalisation of the category thresholds gives regulated services the opportunity to assess provisionally whether their services meet any of the thresholds and prepare to comply with the relevant additional obligations.

Ofcom consults on draft guidance on keeping women and girls safe online

Ofcom's draft guidance, which the regulator is obliged under the OSA to publish, sets out how regulated service providers can deal with content and activities that disproportionately impact women and girls. The regulator asks providers to take action in nine areas:

1. Ensure that governance and accountability processes address online gender-based harms.
2. Conduct risk assessments that focus on harms to women and girls.
3. Be transparent about women's and girls' online safety.
4. Conduct abusability evaluations and product testing.
5. Set safer defaults.
6. Reduce the circulation of content depicting, promoting or encouraging online gender-based harms.
7. Give users better control over their experiences.
8. Enable users who experience online gender-based harms to make reports.
9. Take appropriate action when online gender-based harms occur.

In relation to each action, Ofcom sets out:

- "Foundational steps", that is, measures drawn from its codes and guidance on illegal content and the protection of children.
- "Good practice steps", that is, practical ways for providers to go further in demonstrating a commitment to the safety of women and girls.

Ofcom also expects services with the highest risk and largest reach to do more to ensure they provide safer experiences for women and girls.

The draft guidance is out for consultation until **23 May 2025**. Ofcom expects to publish the final guidance by the end of 2025.

Ofcom launches enforcement programme

As the deadline (16 March 2025) for regulated services to complete their illegal content risk assessments under the OSA approached (see our Insight), Ofcom launched an enforcement programme to monitor compliance.

As foreshadowed at its recent OSA conference, Ofcom has formally requested certain regulated services, of all sizes, to submit their illegal content risk assessments to it for evaluation. Ofcom will use the information in these records to identify possible compliance concerns and to monitor how its guidance is being applied.

Ofcom expects its enforcement programme to run for at least a year, during which period it may initiate formal investigations if it suspects that a service provider is failing to meet its obligations under the OSA.

Ofcom launches enforcement programme in relation to CSAM

Ofcom has also launched an enforcement programme targeting child sexual abuse material (CSAM) online. In recognition of the prevalence of such material, making human content moderation insufficient to deal with the issue on its own, Ofcom's illegal harms codes of practice recommend that certain services use automated moderation technology, including perceptual hash-matching if the service is a file-sharing or file-storage service at high risk of hosting CSAM, to identify such content and swiftly remove it.

Ofcom has written to various file-sharing and file-storage service providers that present a particular risk of harm to UK users from CSAM to put them on notice that it will shortly be sending them formal requests for information. Ofcom wants to assess whether they are in-scope of the OSA and, if so, the measures they have in place, and/or plan to put in place, to identify, assess and remove known image-based CSAM. Ofcom has also written to other file-sharing and file-storage service providers to advise them of their duties under the OSA and plans to engage further with these services in due course.

Where Ofcom finds potential non-compliance, it will consider formal enforcement action. The regulator is therefore putting a marker down that it will immediately enforce the illegal content duties that are now in full effect where a breach of those duties relates to some of the worst types of illegal content.

Ofcom publishes its final information-gathering powers guidance

Ofcom has finalised guidance on its information-gathering powers under the OSA. Under the OSA, Ofcom has powers to require and obtain information from regulated services that it needs in order to exercise, or decide whether to exercise, its online safety duties. It will do this by issuing "information notices". The guidance provides an overview of Ofcom’s powers, how it will exercise these powers and the processes it will typically follow. Failing to comply with an information notice may result in Ofcom taking enforcement action under the OSA.

Other updates

Crime and Policing Bill introduced to Parliament: digital regulation aspects

The Crime and Policing Bill was introduced to Parliament in February and had its second reading on 10 March 2025. Among other things, the bill aims to combat online child sexual exploitation and abuse.

The bill introduces a new offence of carrying out a "relevant internet activity" with the intention of facilitating child sexual exploitation and abuse. "Relevant internet activity" covers: service providers within the meaning of the OSA; maintaining or helping to maintain an internet service (or part of such a service) provided by another person;

administering, moderating or otherwise controlling access to content on an internet service; and facilitating the sharing of content on an internet service.

The bill also proposes replacing the OSA "communications offence" of encouraging or assisting serious self-harm through communication, whether electronic or verbal, with a broader offence covering all means of encouraging or assisting serious self-harm.

The bill has now entered the committee stage in the House of Commons, where it will be scrutinised line-by-line. The Public Bill Committee has launched a call for evidence, which is a chance for those with relevant expertise and experience, or a special interest, to submit their views. Written evidence should be submitted as soon as possible, and no later than 5pm on **13 May 2025**.

See AI section on the proposed new offence relating to AI tools made or adapted for creating CSAM.

Protection of Children (Digital Safety and Data Protection) Bill: second reading

The Protection of Children (Digital Safety and Data Protection) Bill had its second reading on 7 March 2025.

The bill, which is a private members' bill, had cross-party support in its original form. It included provisions on raising the age limit for social media use from 13 to 16, committed the government to reviewing the sale of phones to teenagers and gave Ofcom further powers to protect children. The bill that was debated on 7 March was much scaled back and now only:

- Commits the Chief Medical Officer to publish advice for parents on the use of smartphones and social media by children.
- Requires the government to publish a plan for research into the impact of use of social media on children within 12 months.
- Requires the government to "assess" the extent to which the online experiences of children are age-appropriate, and the appropriateness and effectiveness of the digital age of consent, and provide a statement on whether the digital age of consent under Article 8 of the GDPR, should be increased.

It was reported that the MP who introduced the bill, Josh MacAllister, wanted government support for the bill and that this was the furthest the government was willing to go.

At the debate on 7 March, the Minister for Data Protection and Telecoms, Chris Bryant, said that the watered down bill's recommendations "chime very much" with what the government intends to do: the government wants the OSA to "bed in" and see the Data (Use and Access) Bill implemented before taking any further action. However, Mr Bryant said, he would "be amazed if there is not further legislation in this area in the coming years." The debate on the bill was then adjourned until 11 July 2025.

John Davidson-Kelly, Partner
T: +44 20 7105 7024
john.davidson-kelly@osborneclarke.com

Chloe Deng, Associate Director
T: +44 20 7105 7188
chloe.deng@osborneclarke.com

Ben Dunham, Partner
T: +44 20 7105 7554
ben.dunham@osborneclarke.com

Nick Johnson, Partner
T: +44 20 7105 7080
nick.johnson@osborneclarke.com

Digital regulation

Tom Harding, Partner
T: +44 117 917 3060
tom.harding@osborneclarke.com

Employment and immigration

Employment and immigration

April changes for employers

1 April 2025

- **Minimum wage**: The National Living Wage will increase from £11.44 to £12.21 an hour and the National Minimum Wage for 18 to 20 year olds will rise from £8.60 to £10.00 an hour.
- **National insurance contributions**: The rate of employer national insurance will increase by 1.2% to 15% from 6 April 2025 and the secondary threshold (the level at which employers become liable to pay national insurance on each employee's salary) will reduce from £9,100 per year to £5,000 per year.

6 April 2025

- **Statutory "family" leave payments**: Statutory maternity pay, maternity allowance, statutory paternity pay, statutory shared parental pay and statutory parental bereavement pay will increase to £187.18 (up from £184.30). The lower earnings limit (the weekly earnings threshold for qualifying for the above payments, except maternity allowance) will be £125 (up from £123). For maternity allowance the threshold remains £30 a week.
- **Statutory sick pay**: The weekly rate will increase to £118.75 (up from £116.75).
- **Statutory neonatal leave and pay**: A new right to neonatal leave (up to 12 weeks) and pay will come into force from 6 April 2025 for eligible employees and will apply to children born on or after 6 April 2025 where neonatal care starts within 28 days of birth and where the child goes on to spend seven or more continuous days in neonatal care. Employers will need to ensure they have policies in place reflecting this new statutory entitlement. Statutory neonatal pay is expected to be paid at the same rate as the other "family" leave payments – see above.
- **Increased compensation limits**: Where an employee's effective date of termination falls on or after 6 April 2025, the limit on a week's pay for tribunal awards and other statutory payments, including a statutory redundancy payment will increase from £700 to £719.The maximum compensatory award for unfair dismissal increases from £115,115 to £118,223 and the minimum basic award for certain unfair dismissals (including health and safety dismissals) increases from £8,533 to £8,763.

Employment Rights Bill: Responses to consultations and proposed amendments

Earlier this month the government published its responses on a number of initial consultations published at the end of last year on proposals in the Employment Rights Bill. These cover: zero-hours contracts and agency workers, collective redundancy remedies, trade union legislation and statutory sick pay. Alongside this, the government has proposed a number of amendments to the bill, including doubling the maximum protective award for breach of collective redundancy rules and extending protection for zero hours and low hours workers to agency workers (see our Insight for more on these proposals).

The bill is now being considered by the House of Lords and it is still anticipated that the majority of the provisions will not come into force until 2026, although there are some limited exceptions around trade union rights and which are due to come into force when the bill receives Royal Assent (expected this year) or shortly after.

We are regularly updating our microsite on the reforms to reflect the latest position.

Consultation published on mandatory ethnicity and disability pay gap reporting

As part of its proposed draft Equality (Race and Disability) Bill, the government has opened the consultation to seek views on how to implement mandatory ethnicity and disability pay gap reporting for large employers (more than 250 employees) in Great Britain, with changes likely to be implemented in 2026. It is also proposed that the bill will include measures ensuring equal pay rights protect workers discriminated against based on race or disability. Employers will be prohibited from outsourcing to avoid their equal pay obligations.

Employment and immigration

Green paper published on reforming benefits and support to 'Get Britain Working'

Attracting much media attention, the government has published a Green Paper "Reforming Benefits and Support to Get Britain Working", including proposals to support employers in engaging those who are disabled or struggling with ill-health conditions.

Remote and hybrid working: call for evidence launched

A call for evidence has been published by the House of Lords Committee on home-based working as part of its inquiry into the effects and future development of remote and hybrid working in the UK.

The inquiry will address the challenges and opportunities for workers and employers, the impact on productivity, and any wider consequences of remote and hybrid working for the UK economy and society. It will also consider the extent to which these impacts vary depending on the characteristics of the worker or employer and consider any policies the government could enact in this area. It will report by 30 November 2025. The deadline for submissions is 10am on 25 April 2025.

Big changes ahead for UK contingent workers with new laws looming and increased HMRC tax enforcement

The UK government plans major tax and legal changes to contingent workforce arrangements in the next two years that will have a big impact on the commercial models of hirers, staffing companies, gig worker platforms and employment intermediaries.

Recent updates to the Employment Rights Bill offer more clarity on the government's plans to provide agency workers with guaranteed hours and to bring umbrella companies into the scope of recruitment regulation.

The government is also continuing to work on its plans to eradicate use of non-compliant "umbrellas" by introducing new legislation to make "agencies" responsible for ensuring that the correct income tax and national insurance contributions are deducted and paid to HMRC. Additionally, HMRC has increased its tax enforcement activity in this space.

Many will need to restructure how they supply or use contingent workers if they are to survive. But, while there are many rumours about what the government's final plans will involve, it is not yet clear what exactly this new environment will look like.

Hirers, staffing companies and employment intermediaries will, therefore, be looking to take measures to ensure they can trade through the changes – many of which are scheduled to come into force next spring or, in the case of some HMRC tax enforcement activity, are already occurring.

They will be looking to minimise disruption and lost revenue as well as to maximise any opportunities that these plans could present.

What is likely to happen, what is still uncertain, and what can be done now by hirers, staffing companies and employment intermediaries?

Read our Insight for more detailed analysis of the impact of the proposals in the Employment Rights Bill on users and suppliers of agency workers, proposed new umbrella legislation, HMRC enforcement action and more.

Julian Hemming, Partner
T: +44 117 917 3582
julian.hemming@osborneclarke.com

Kevin Barrow, Partner
T: +44 20 7105 7030
kevin.barrow@osborneclarke.com

Employment and immigration

Gavin Jones, Head of Immigration
T: +44 20 7105 7626
gavin.jones@osborneclarke.com

Catherine Shepherd, Knowledge Lawyer Director
T: +44 117 917 3644
catherine.shepherd@osborneclarke.com

Helga Butler, Immigration Manager
T: +44 117 917 3786
helga.butler@osborneclarke.com

Kath Sadler-Smith, Knowledge Lawyer Director
T: +44 118 925 2078
kath.sadler-smith@osborneclarke.com

Environment

Environment

Planning and Infrastructure Bill 2024-25 receives first reading in the House of Commons

On 11 March 2025, the Planning and Infrastructure Bill 2024-25 received its first reading in the House of Commons.

The bill has introduced three areas which will be of particular relevance to developers and businesses within the environmental sector:

1. A Nature Restoration Fund and Environmental Delivery Plans;
2. Amendments to the Conservation of Habitats and Species Regulations 2017 (Habitat Regulations); and
3. Environmental Outcomes Reports.

Part 3 of the bill introduces a Nature Restoration Fund (NRF) which will enable a delivery body (such as Natural England) to create an Environmental Delivery Plan (EDP). An EDP will set-out a package of conservation measures to address the impact of a development. Once in place, the EDP will be monitored by a governmental delivery body who will ensure that the conservation measures are working as expected and will make any necessary amendments to the plan. If a developer makes use of an EDP, it will no longer need to undertake its own environmental assessments for issues covered by the EDP as the governmental delivery body will take charge.

Funding for the NRF and the associated EDPs will draw on contributions from developers via a nature restoration levy. The secretary of state must approve each EDP and they can only be challenged within a six week period. The regime is structured in a similar way to the Community Infrastructure Levy.

The Habitat Regulations will be amended so that Ramsar Sites (wetlands of internation importance designated under the Ramsar Convention) will now be treated in the same manner as "European sites" (that is, Special Areas of Conservation or Special Protection Areas) for Habitat Regulations Assessments.

Finally, Environmental Outcomes Reports (EORs), originally introduced by the Levelling Up and Regeneration Act 2023, have been amended to require developers to consider whether their proposed plans will impact the environment of another state, thereby meeting the UK's international obligations under the Espoo Convention.

Government updates statutory guidance following consultation on hedgerow management regulations

On 19 February 2025, the government published the results of its consultation on the proposed use of civil sanctions in the Management of Hedgerows (England) Regulations 2024 (SI 2024/680) and accompanying statutory guidance.

While the majority of respondents agreed that civil sanctions were an appropriate approach, a recurring theme was a lack of detail on how the government plans to monitor and enforce compliance. Concerns were raised that enforcement processes were not robust enough and could be ignored. Among environmental NGOs there was a consensus that certain terms had been ill defined, for example the legislation was not clear on what would amount to "serious damage/harm."

Following the consultation, the government has updated its statutory guidance to address the concerns raised in the consultation. The Rural Payments Agency will enforce the regulations, including the use of civil sanctions where appropriate in line with the guidance.

Call for Evidence from the Independent Commission on the Water Sector Regulatory System

The Independent Water Commission (IWC) has published a call for evidence on 27 February 2025 which will form the basis of recommendations to the UK and Welsh governments to improve the water sector and its regulatory framework in England and Wales. The IWC was established in October 2024 to review and strengthen the regulatory framework of the water sector in England and Wales.

The IWC's Call for Evidence outlines six main areas that it wishes to explore, namely:

1. The need for strategic coordination across sectors impacting or interacting with water.
2. The need for clear long-term planning on water.
3. The complexity and volume of water industry regulation.
4. Concerns about the regulatory oversight of the water industry.
5. The need for fair and stable returns to investors.
6. The need for an improved infrastructure resilience framework.

The IWC will also examine the effectiveness of the river basin management plans; the new appointments and variations market, the business retail market and specified infrastructure project regulations among other items. Nationalisation of the water sector remains outside the remit of the review.

The deadline for responses is 23 April 2025 and the IWC intends to make its recommendations to the UK and Welsh governments by June 2025.

UK publishes National Biodiversity Strategy and Action Plan for 2030

On 26 February 2025 the UK and devolved nations published the "Blueprint for Halting and Reversing Biodiversity Loss: the UK's National Biodiversity Strategy and Action Plan for 2030."

The action plan sets out 23 national targets which align the UK to the international commitment to combat biodiversity loss as set out in the Kunming-Montreal Global Biodiversity Framework. Among the 23 national targets listed, the UK aims to ensure that by 2030:

- at least 30% of areas of degraded ecosystems are under effective restoration;
- at least 30% of terrestrial and inland water areas are effectively conserved;
- the use, harvesting and trade of wild species is sustainable, safe and legal;
- pollution risks from all sources are reduced to levels that are not harmful to biodiversity and ecosystem functions;
- there is full integration of biodiversity and its multiple values into policies, regulation, planning and development processes; and
- the UK will take legal, administrative or policy measure to encourage and enable business to (a) regularly monitor and assess risks/impacts on biodiversity (b) provide information needed to consumers to promote sustainable consumption patterns and (c) report on compliance with access and benefit-sharing regulations to reduce biodiversity-related risks to business and financial institutions.

The full action plan and details of the 23 national targets can be found here. These targets were submitted to the Convention on Biological Diversity (CBD) on 1 August 2024 and available on the CBD Online Reporting Tool.

Environment Agency consults on Decarbonisation Readiness Guidance

With the introduction of "decarbonisation readiness" (DR) requirements through the Environmental Permitting (Electricity Generating Stations) (Amendment) Regulations 2025, made on 10 February 2025, the Environment Agency opened a consultation on 28 February 2025 on the draft guidance to be followed in preparing a DR report as part of a permit application.

Once the DR requirements come into force on 28 February 2026, operators of new and substantially refurbishing combustion plants must provide a DR report as part of their environmental permitting application in England. The

Environment Agency has prepared technical guidance for operators to follow when submitting such a report and is seeking feedback on the draft guidance.

The consultation will be of primary interest to operators of in scope electricity generators but also seeks the engagement of others that have an interest in decarbonisation such as businesses, trade associations, NGOs, government organisations, universities and community groups.

The period for the consultation closes on 9 May 2025.

Government publish first report on Biodiversity Net Gain statutory credits

The government has published its first annual report on the income received from the Biodiversity Net Gain (BNG) statutory credit regime introduced by the Environment Act 2021.

BNG requires new developments to secure a net 10% gain in biodiversity between pre and post development. Developers are encouraged to mitigate habitat loss as a first port of call, followed by creating on-site gain, before resorting to purchasing biodiversity units from a third party, and finally resorting to sourcing statutory credits from Natural England.

Between their introduction in February 2024 and February 2025, the government has generated £247,416 in income, with the majority of this income being generated since September 2024.

The government reports that Natural England has not yet spent the income on habitat creation as the threshold for efficient large-scale investment has not been reached.

HM Treasury launches Action Plan to streamline regulatory landscape

On 17 March 2025 HM Treasury announced a new Action Plan to combat the current regulatory landscape which "too often holds back growth and inhibits private sector growth." The action plan contains three key objectives:

1. tackle complexity and burden or regulation;
2. reduce uncertainty across regulatory system; and
3. challenge and shift excessive risk aversion in the system.

Within objective (1), the plan proposes to ease environmental permit requirements for NSIPs for low-risk activities; launch a priority tracked service to allow developers to work with a dedicated team at the Environment Agency (EA) on their permits and appoint a single lead environmental regulator for major projects.

Two consultations have also been announced: the first, which will take place before Easter, will seek opinions on reforms to enable regulators to be more agile for low-risk decision activities. The second, scheduled for June, will consult on reforms to modernise permitting such as creating regulatory sandboxes for R&D trials to enable operators to innovate.

Within the annex of the plan, the EA has pledged to accelerate its response time to planning applications and will aim to meet a 21 day target by September 2025. Further pledges on improving efficiency of service have been given by both the EA and Natural England.

Matthew Germain, Partner
T: +44 117 917 3662
matthew.germain@osborneclarke.com

Arthur Hopkinson, Associate
T: +44 117 917 3860
arthur.hopkinson@osborneclarke.com

Environment

Julian Wolfgramm-King, Senior Associate (Australian Qualified)
T: +44 20 7105 7335
julian.wolfgramm-king@osborneclarke.com

Caroline Bush, Associate Director
T: +44 117 917 4412
caroline.bush@osborneclarke.com

Lauren Gardner, Associate
T: +44 117 917 3215
lauren.gardner@osborneclarke.com

Environmental, social and governance

Environmental, social and governance

Divided opinions over the EU Omnibus package

The EU Omnibus Package was debated in the European Parliament earlier this month. The European Parliament remains divided, with various political groups expressing differing views on the proposal. The centre-right EPP pushes for an urgent procedure as well as saying further changes are required, while the centre-left criticises the proposal for not delivering on simplification. The Greens argue it undermines the green transition.

In the Council of the EU, there is broad consensus among minsters and they are supportive of the "stop the clock" delays to both the Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive (CSDDD).

It seems highly likely that the Omnibus Package will be subject to extensive debate and subsequently is likely to mean changes will be made along the way. A vote for the "stop the clock" proposals to go through the urgent procedure has been scheduled by the European Parliament for Tuesday 1 April 2025. The omnibus will only enter into force once the European Parliament and Council of the EU have reached an agreement on the final version of the text.

Across the Atlantic, Republican senator Bill Hagerty (Tennessee) and representative Andy Barr (Kentucky) have proposed the PROTECT USA Act. This proposes to prohibit certain US entities participating in any foreign sustainability due diligence regulation, including the EU CSDDD. “American companies should be governed by US laws, not unaccountable lawmakers in foreign capitals” said Senator Hagerty. “The European Union’s ideologically motivated regulatory overreach is an affront to US sovereignty. I will use every tool at my disposal to block it.”

Energy Savings Opportunity Scheme phase 4 underway in UK

Following the end of Phase 3 of the Energy Savings Opportunity Scheme (ESOS) (5 June 2024), there was a string of non-compliance by businesses who were caught on the relevant qualification date (31 December 2022). There have therefore been a number of compliance and enforcement notices issued by the Environment Agency.

Phase 4 is now under way, with the compliance deadline set for 5 December 2027. Below are some key considerations businesses should consider to ensure compliance with ESOS:

- Recognise that the existence of one single large UK undertaking within a corporate group will trigger ESOS and necessitates compliance across the entire UK corporate group.
- Incorporate ESOS into corporate due diligence questionnaires to evaluate the risk of non-compliance when acquiring a company.
- Be aware of the importance of engaging with Environment Agency when ESOS compliance questions arise (especially on reputation) and seek advice for best practice.
- Seek advice in complex scenarios, such as intricate group structures (including funds and overseas companies), recently dissolved companies, undertakings nearing qualification, and joint ventures.

Home Office updates guidance for businesses on slavery and human trafficking in supply chains

Please see Modern Slavery.

Please also see our latest international ESG Knowledge Update, for a round-up of legal, regulatory and market news.

Chris Wrigley, Associate Director
T: +44 117 917 4322
chris.wrigley@osborneclarke.com

Matthew Germain, Partner
T: +44 117 917 3662
matthew.germain@osborneclarke.com

Environmental, social and governance

Katie Vickery, Partner
T: +44 20 7105 7250
Katie.vickery@osborneclarke.com

Fintech, digital assets, payments and consumer credit

Individual sentenced to four years in prison for illegal crypto activity worth over £2.5m

On 28 February 2025, the Financial Conduct Authority (FCA) announced the sentencing of Olumide Osunkoya, who illegally operated crypto ATMs (machines that convert money into cryptoassets or vice versa) at 28 different locations, despite being refused registration with the FCA – the first sentence for unregistered cryptoasset activity in the UK. See this Regulatory Outlook for background.

Among other things, Mr Osunkoya failed to carry out the necessary checks to ensure that the ATMs were not being used by criminals to launder the proceeds of crime. He was also convicted of forgery, using false identity documents, and possessing criminal property.

The FCA asked the court to initiate confiscation proceedings under the Proceeds of Crime Act 2002, which would seek to recover any financial benefit obtained as a result of criminality.

Payments

PSR final report on market review into card scheme and processing fees

On 6 March 2025, the Payment Systems Regulator (PSR) published the final report on its market review into card scheme and processing fees.

Confirming the provisional findings in an interim report published in May 2024 (see this Regulatory Outlook), the PSR has concluded that the supply of scheme and processing services is not functioning well:

- The largest players do not face effective competitive constraints when dealing with merchants and card acquirers (who process card payments on behalf of merchants).
- Fees have risen substantially in recent years, with no clear evidence that new fees are set on the basis of detailed cost analysis, competition or innovation.
- The failure of market leaders to provide sufficiently clear and detailed information creates poor outcomes for acquirers and merchants.

Concluding that intervention is warranted in this case, the PSR will shortly publish a consultation paper on potential remedies to address the harms identified in the final report.

HM Treasury to abolish PSR

HM Treasury has announced that it will abolish the PSR as part of an efficiency drive. This decision follows complaints from businesses that the regulatory environment is too complex. Currently, payment system firms must engage with three different regulators, costing them time, money and resources. This has a greater impact on smaller firms that are trying to scale and grow.

In a letter sent to the Treasury Select Committee, HM Treasury explains that as part of its Plan for Change, the government wants to see a more streamlined regulatory environment that manages the burdens on all businesses, with minimal overlap between regulators' responsibilities. So it has decided to consolidate the PSR and its functions primarily within the FCA.

The FCA will take on responsibility for ensuring the payments landscape promotes innovation and competition, and supports the interests of consumers and businesses. However, there are no immediate changes to the PSR's remit or ongoing programme of work. It will continue to have access to its statutory powers until legislation is passed by Parliament to enact these changes. In the interim period, the PSR and FCA will work closely to deliver a smooth transition of responsibilities to ensure the market remains competitive.

The PSR responded to the announcement in a press release in which it committed to working on the transfer of its regulatory responsibilities. The FCA's chief executive stated that with a changed payments landscape, a more streamlined regulatory framework is a natural next step following recent work to improve co-ordination and clarity on regulatory responsibilities. The government will consult on the details of this reform over the course of the summer and will legislate as soon as possible. See our Insight for more.

PSR policy statement on publication of 2024 APP scams data

On 12 March 2025, the PSR published a policy statement discussing its approach to the publication of 2024 authorised push payment (APP) scams data, in light of new reimbursement rules that came into effect in October 2024. It intends to publish two separate updates:

- **A pre-reimbursement requirement update in October 2025**: to cover APP scams where the fraudulent transaction took place over Faster Payments before 7 October 2024 and where the case was closed between 1 January 2024 and 31 December 2024. It will reflect data collected from the 14 largest banking groups in the UK.
- **A snapshot of industry performance post-reimbursement in spring 2025**: to cover APP scams where the fraudulent transaction took place across Faster Payments on or after 7 October 2024 and where the case was closed between 7 October 2024 and 31 December 2024. It will reflect data provided by Pay.UK.

ECB confirms introduction of verification of payee service

The European Central Bank (ECB) has published a news release announcing that the Eurosystem had positively concluded its exploratory work for offering a verification of payee service for payment service providers (PSPs). The solution will assist PSPs in the Single Euro Payments Area (SEPA) to comply with their obligations on credit transfers in euro under the Instant Payments Regulation (IPR). Under the IPR, a payer must be informed of any discrepancies between the payment account number and the intended payee's name, based on which the payer can make the decision to initiate the payment or not.

The service will be available for instant payments (including those settled in TARGET Instant Payment Settlement), as well as for SEPA credit transfers.

Consumer finance

Consumer duty updates

FCA speech on supporting economic growth

Nikhil Rathi, FCA chief executive, has delivered a speech on growth, in which he addressed some of the regulator's updates on consumer duty, including:

- **Consumer duty board champion:** from 27 February 2025, the FCA removed the expectation for firms to have a Consumer Duty Board champion, although boards remain free to have one. Firms must keep retail customer outcomes at the heart of their risk control arrangements and internal audit function.
- **Risk of consumer harm**: the FCA called for the government to think boldly when setting out its risk appetite, especially in relation to consumer harm.
- **Consumer duty call for input**: the speech addressed the FCA's call for input on its review of retail conduct requirements published in July 2024. The FCA is currently working through feedback.

FCA review of firms' approaches to consumer support under consumer duty

On 7 March 2025, the FCA published its findings following a multi-firm review into firms' approaches to the consumer support outcome – one of four outcomes of the consumer duty.

Following an initial quantitative survey of 407 retail firms in May 2024, across the banking, insurance, payments, consumer finance and investment sectors, the FCA found that the majority were already considering how the support they provide meets customers' needs. The FCA provides both examples of good practice and areas for improvement, intended to help firms understand its expectations. Areas for improvement include:

- Aligning support processes to target market (for example, including those with characteristics of vulnerability).
- Making post-sale support as accessible and effective as pre-sale support.
- Embedding a culture that is in step with the duty.
- Monitoring a broader range of outcomes about effective customer support.

FCA review of firms' treatment of customers in vulnerable circumstances

Fintech, digital assets, payments and consumer credit

On 7 March 2025, the FCA published its findings following a multi-firm review into firms' treatment of customers in vulnerable circumstances.

The FCA notes that although the consumer duty has driven a renewed focus among firms on delivering good outcomes for customers in vulnerable circumstances, areas for improvement remain – including:

- Ineffective outcomes monitoring.
- Failing to provide appropriate support.
- Failing to provide clear communications.
- Lack of tailored training and embedding consumers' needs into product and service design.

As a result of the review, the FCA has decided there is no need to update its guidance for firms on the fair treatment of vulnerable customers, which it considers remains appropriate and helpful alongside the consumer duty. Instead, case study examples of good practice and areas for improvement have been published.

House of Commons Treasury Committee assesses level of banks' IT failures

On 6 March 2025, the House of Commons Treasury Committee published responses received from CEOs of eight banks and one building society relating to the impact of IT failures.

The committee discovered that at least 158 banking IT failure incidents affected millions of customers' ability to access and use services between January 2023 and February 2025, amounting to more than 33 days of unplanned technology and systems outages. The most common reasons given for IT failures include third-party suppliers, disruption caused by a change in systems and internal software malfunctions.

The UK's new operational resilience regime must be fully complied with by 31 March 2025, as described further in our Insight.

FCA statement on next steps in motor finance review

The FCA has published a statement on the next steps in its review of motor finance discretionary commission arrangements. In early April, the Supreme Court will hear an appeal against the judgment in *Johnson v FirstRand Bank Ltd (London Branch) (t/a Motonovo Finance)* [2024] EWCA Civ 1282 (see this Regulatory Outlook), in which the FCA has been granted permission to intervene.

If, taking into account the Supreme Court's decision, the FCA concludes motor finance customers have suffered as a result of widespread failings, it is likely to consult on an industry-wide redress scheme.

The FCA will no longer make a further announcement on its motor finance review in May 2025, and will instead confirm within six weeks of the Supreme Court's decision whether, and how, it will proceed with a redress scheme.

Nikki Worden, Partner
T: +44 20 7105 7290
nikki.worden@osborneclarke.com

Paul Anning, Partner
T: +44 20 7105 7446
paul.anning@osborneclarke.com

Paul Harris, Partner
T: +44 20 7105 7441
paul.harris@osborneclarke.com

Kate Shattock, Senior Knowledge Lawyer
T: +44 20 7105 7421
kate.shattock@osborneclarke.com

Food law

Draft Genetic Technology (Precision Breeding) Regulations 2025

The draft Genetic Technology (Precision Breeding) Regulations 2025 will implement the Genetic Technology (Precision Breeding) Act 2023 for precision bred plants in England. These regulations set out the regulatory framework for precision bred plants to be used in food or feed, setting out the requirements for a food and feed marketing authorisation to allow the precision bred plants to be placed on the market.

The regulations provide for the following provisions:

- Notifying the Department for Environment, Food and Rural Affairs (Defra) of the deliberate release of precision bred plants into the environment for non-marketing purposes, such as for field trials.
- Applying, via Defra, for a precision bred assessment and confirmation to enable precision bred plants to be marketed, such as for commercial cultivation.
- Applying to the Food Standards Agency (FSA) for a food and feed marketing authorisation to allow food and feed produced from confirmed precision bred plants to be placed on the market. The assessment process will be simpler in that those food or feed which do not have any safety concerns will undergo a more streamlined route to authorisation by the secretary of state. A fuller assessment will take place for those precision bred plants for use in food or feed which need further scrutiny to ensure they are safe for consumption. For more on the process, see the FSA's draft guidance.
- Two public registers: one of prescribed information associated with Defra's regulation of precision bred plants and one of precision bred plants authorised for food and feed use kept by the FSA.
- An inspection and enforcement regime to ensure compliance with the legislation, including civil sanctions which will include enforcement notices and monetary penalty notices.

The regulations will be voted in both the House of Lords and Commons and will come into force six months later.

These regulations mark a significant step in the government's progress towards making the route to market for PBOs simpler and quicker. Those looking to bring new products will welcome the introduction of these draft regulations and should monitor the development of these.

Draft guidance published on precision breeding

In line with the above draft regulations that set out the new regulatory framework that will apply to precision bred organisms (PBOs), the FSA has issued draft guidance for the safety assessment of PBOs. All PBOs must meet the statutory requirements in the regulations before they can be sold, and in-depth safety assessments will be conducted by the FSA, in line with those regulations, for those PBOs which require more detailed scrutiny to ensure they are safe. The guidance provides applicants with information on the two routes to authorisation for PBOs used in food and feed and how to apply to FSA for authorisation (see above).

Prior to applying for a food or feed marketing authorisation, applicants will need to determine the correct regulatory route by assessing the PBO against the following criteria:

History of Safe Food Use - whether the PBO belongs to a species that has a history of safe food use in that its safety as food has been confirmed with compositional data and from experience of continued food use in the customary diet of a significant number of people in the United Kingdom or the European Union beginning before 15 May 1997

Composition - whether the application of modern biotechnology introduces genetic changes that are expected to:

1. Significantly alter the nutritional quality of the organism as it is being consumed as food or feed at the date of the application in a way that is likely to be disadvantageous to the consumer
2. Significantly elevate the toxicity of any food or feed produced from the precision bred organism

3. Alter the allergenicity of any food or feed produced from the precision bred organism.

Other safety concerns - Whether the application of modern biotechnology introduces any additional features that may affect the safety of any food or feed produced from the precision bred organism.

Following this, applicants will then be able to determine whether their PBO can be authorised using the simplified route where no safety concerns arise (Tier 1 safety assessment) or the fuller route whereby the FSA will conduct a Tier 2 safety assessment.

The FSA will be seeking feedback on the clarity of the draft guidance before finalising it ahead of the regulations being confirmed.

Businesses who will be looking to place PBOs on the market, should review this guidance and submit any feedback to the FSA.

Food and Feed (Regulated Products) (Amendment, Revocation, Consequential and Transitional Provision) Regulations 2025

Regulations have been made to amend, revoke and replace various provisions in secondary assimilated law with regard to regulated food and feed products.

The first of the two changes removes the requirement for 10-yearly renewals of authorisations for feed additives, genetically modified organisms and smoke flavourings, aligning the regimes with those for regulated food and feed products that do not require renewal.

The second change eliminates the need for secondary legislation to bring the initial authorisations into effect, allowing them to be enacted following a ministerial decision and publication in an official public register. This includes authorisations in relation to novel foods.

As the government explained in the House of Commons, "the changes will streamline the process, allow regulators to keep pace with innovation, and support economic growth without compromising consumer safety." These improvements will no doubt be welcomed by businesses, as the changes aim to expedite the authorisation process for regulated products by removing the requirement for legislation to be made.

FSA publish updated industry guidance for food allergen information in the out-of-home sector

Following a consultation that ran last year (see this earlier Regulatory Outlook for more), the FSA has issued updated best practice industry guidance on providing allergen information to consumers with food hypersensitivities, encouraging information on food allergens to be available in writing in the out of home sector.

The updated guidance includes:

- Written allergen information should always be available for non-prepacked food alongside a conversation between servers and customers about their allergen requirements.
- Examples of how to provide written allergen information, this includes choosing whether to provide the information using words or symbols with accompanying words. It notes that if symbols are used then the name of the allergen should form part of it, for example being written underneath.
- Free tools to support businesses with implementation, such as allergy icons, an allergen matrix and a new allergy poster which food businesses can download and use on their own assets (for example, menus and websites).

Those businesses who operate in the out of home sector should review this guidance and ensure that these measures are implemented.

Food law

FSA launch consultation on proposed changes to Food Law Code of Practice and Practice Guidance

The FSA has published a consultation on proposed changes to the Food Law Code of Practice and Practice Guidance. Key proposals include:

1. An updated risk-based approach to the prioritisation and timescales for undertaking initial food hygiene official controls of new food establishments.
2. Enabling, in certain circumstances, an establishments food hygiene intervention risk rating to be amended following a wider range of official control methods and techniques, including those undertaken remotely.
3. Extending the activities that officers, who do not hold an 'appropriate qualification' for food hygiene or food standards, can, if competent, undertake.
4. A clarification in approach to interventions at food business establishments that fall into risk category e for food hygiene.

The consultation closes on 19 May 2025. Consultations have also been launched in Wales and Northern Ireland.

Consultation launched on Plant Varieties and Seeds Framework for Precision Bred Plant Varieties

On 17 February, Defra launched a consultation on a framework for evaluating and registering precision bred agricultural and vegetable plant varieties in England. This new framework will be implemented under the Genetic Technology (Precision Breeding) Act 2023. Under this framework, a Precision Bred Plant Variety List is also being proposed in addition to the existing variety lists to facilitate the marketing of seed of precision bred plant varieties.

Defra is seeking views on what information on precision bred seeds and other plant reproductive material businesses and other organisations would find beneficial, and what impact the mandatory inclusion of precision bred status on labels for precision bred seeds and other plant reproductive material would have.

The consultation closes on 14 April 2025.

Government respond to House of Lords enquiry on Engineering Biology

As reported in our Insight, the House of Lords Science and Technology Committee called on the government to take immediate policy action to seize the opportunities of engineering biology and maximise its contribution to the UK economy. The government has now published its response to the enquiry, welcoming the Committee's report and agreeing with it on the opportunities engineering biology brings for the UK.

The response highlights actions already taken to support the sector including the creation of the Regulatory Innovation Office, with engineering biology one of its four early priority areas. It also highlights that the FSA is taking steps to deliver the sandbox on cell-cultivated products and that the government has also announced that the second round of the engineering sandbox fund will open in April 2025.

The government recognises that there is more to do and notes that its industrial strategy, which will be published this spring, will set out further details of how it will support growth in this sector.

Moving agri-food products via Northern Ireland Retail Movement Scheme

From 1 July 2025, additional agri-food products must be individually labelled with the words "Not for EU" under phase 3 of the Northern Ireland Retail Movement Scheme (NIRMS) which was introduced under the Windsor Framework. The NIRMS, aka the "green lane", can be used by those registered businesses moving agri-food products between Great Britain and Northern Ireland.

The guidance has been updated to include descriptions of the next phase of products that need labels in phase 3, this includes composite products that are not shelf stable or require sanitary and phytosanitary controls, such as pizza, and

products that are exempt from labelling requirements. A list of the commodity codes of exempt products has also been published.

Businesses moving these agri-food goods via the NIRMS will need to ensure products that fall within scope of phase 3 are correctly labelled from 1 July 2025.

EU

European Council adopts position on regulation on plants obtained by new genomic techniques

The Council of the European Union has adopted its negotiating mandate on the regulation on plants obtained by new genomic techniques (NGTs) and their food and feed. Currently all plants obtained by NGTs are subject to the same rules as genetically modified organism (GMO). Under the Commission's proposal, NGT plants that could also occur naturally or by conventional breeding (NGT 1 plants) would be exempted from the requirements of the GMO legislation, and will be subject to a verification procedure set out in the proposal. For NGT 2 plants, the GMO framework still applies meaning they will be subject to the stricter requirements of GMO legislation including the authorisation procedure.

- The Council's position supports the main elements of the Commission's proposal, but suggests a number of changes, including:
- Member states can decide to prohibit the cultivation of category 2 NGT plants on their territory.
- Member states can take measures to avoid the unintended presence of category 2 NGT plants in other products and will need to take measures to prevent cross-border contamination.
- For NGT 1 plants, companies or breeders must submit information on all existing or pending patents which will need to be included in a publicly available database set up by the Commission which lists all NGT plants that have obtained a category 1 status.
- In regards to labelling the Council agrees with the Commission's proposal that NGT 2 plants must be labelled indicating them as such, but adds that in case information on modified traits appears on the label, it must cover all the relevant traits (for example, if a plant is both gluten-free and drought-tolerant owing to genomic changes, either both of those features or neither of them should be mentioned on the label).

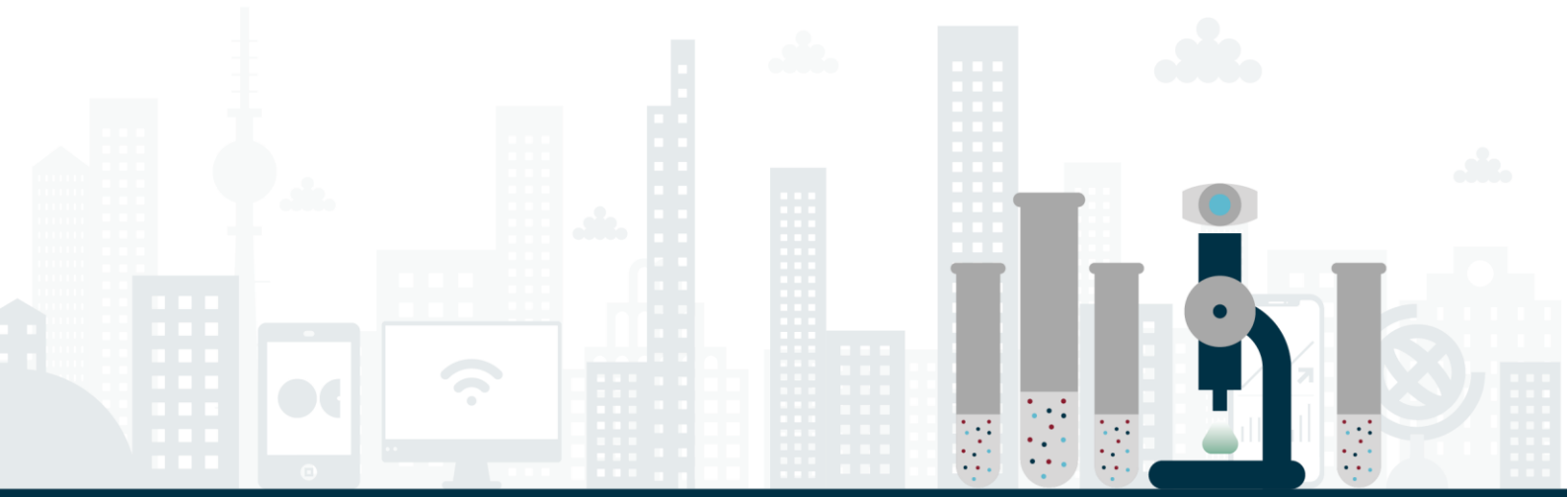
The European Parliament adopted its position in February last year, see our January Regulatory Outlook for more.

The European Parliament and Council can now begin negotiations on the final text of the regulation. Once they have agreed a final outcome, this will then need to be formally adopted by them both before the regulation can enter into force.

Katie Vickery, Partner
T: +44 20 7105 7250
katie.vickery@osborneclarke.com

Veronica Webster Celda, Senior Associate
T: +44 20 7105 7630
veronica.webster@osborneclarke.com

Anna Lundy, Associate Director
T: +44 20 7105 7075
anna.lundy@osborneclarke.com



Health and Safety

Health and Safety

Terrorism (Protection of Premises) Bill completes reading in House of Lords

On 11 March 2025, the Terrorism (Protection of Premises) Bill completed its third reading in the House of Lords with no further amendments. This followed the report stage on 4 March 2025, where a number of amendments were proposed to the bill, but relatively few were agreed to. Out of those that were agreed to, the following amendments are of note:

- **Clarifying amendments:** two amendments were made to tighten the definition of "qualifying events". References to: "**invitations**…allowing access [to an event]" were amended to: "**tickets**…allowing access [to an event]". A similar amendment was made in respect of individuals wishing to access premises who are "members or guests of a club, association or **other** body". This was amended at report stage to: "members or guests of a club, association or **similar** body".
- **Requirement to consult:** an amendment was made to the bill which requires the secretary of state to consult "such persons as the Secretary of State considers appropriate" before making regulations to amend measures relating to public protection requirements. Perhaps most significantly, the secretary of state will be required (if the amendments are approved by the Commons) to consult before making amendments to the thresholds for an event to be considered a "qualifying event", or premises to be considered "qualifying premises".
- **Guidance:** the bill requires the secretary of state to publish guidance about its public protection requirements. The public protection requirements, as set out in Part I of the bill, cover a broad range of areas including: (i) in-scope events, (ii) the requirement to appoint a responsible person, (iii) notification requirements, (iv) responsibilities for enforcement and (v) penalties for non-compliance. At report stage, the Lords agreed to an amendment which requires the secretary of state to consult "such persons as the Secretary of State considers appropriate" before publishing such guidance.

The bill will now return to the Commons on 25 March 2025, where the amendments made by the House of Lords will be considered. If approved, the bill will then move to Royal Assent.

What does the government's growth agenda mean for health and safety?

On 17 March 2025, the government published a policy paper "New approach to ensure regulators and regulation support growth". This sets out the actions it plans to take to reform the regulatory system in a bid to promote growth and investment. See our Insight for more.

The first action in this paper addresses the complexity and burden of regulations, with a specific focus on health and safety regulation. It outlines that the government "will tackle instances where current approaches are unnecessarily limiting growth". It goes on to highlight the work the Health and Safety Executive (HSE) will be initiating in 2025 including consulting on potential changes to the definitions, occupational diseases and dangerous occurrences reported under the Reporting Of Injuries and reviewing older prescriptive legislation, specifically the Pressure Systems Safety Regulations 2000 and the Lifting Operations and Lifting Equipment Regulations 1998.

With regulatory reform being a top priority for the government, it will be interesting to observe how the HSE responds and what changes will be implemented.

Mary Lawrence, Partner
T: +44 117 917 3512
mary.lawrence@osborneclarke.com

Matthew Vernon, Senior Associate
T: +44 117 917 4294
matthew.vernon@osborneclarke.com

Health and Safety

Reshma Adkin, Associate Director
T: +44 117 917 3334
reshma.adkin@osborneclarke.com

Georgia Lythgoe, Senior Associate
T: +44 117 917 3287
georgia.lythgoe@osborneclarke.com

Alice Babington, Associate
T: +44 117 917 3918
alice.babington@osborneclarke.com

Amy Lewis, Associate
T: +44 117 917 4407
amy.lewis@osborneclarke.com

Modern slavery

Modern slavery

Home Office updates guidance for businesses on slavery and human trafficking in supply chains

On 24 March 2025, the Home Office updated its statutory guidance on transparency in supply chains under section 54 of the Modern Slavery Act 2015. This is the first time it has been updated since it was first published in 2015. Section 54 obligates businesses with an annual turnover of £36 million or more that supply goods or services and conduct business in the UK to publish an annual slavery and human trafficking statement.

The updated guidance outlines how businesses should comply with both the letter and "spirit" of the law, and goes into a lot more detail on what the "spirit" means. It provides practical advice for businesses, including step-by-step guidance on addressing modern slavery, integrating with existing frameworks like the UN Guiding Principles on Business and Human Rights and The Organisation for Economic Co-operation and Development (OECD) due diligence guidance, and encouraging organisations to disclose instances of modern slavery. The guidance does not change the underlying law, but it does go much further in encouraging businesses to be proactive in the identification and prevention of modern slavery in their business and supply chains.

Businesses seeking to understand how they should assess and respond to modern slavery risks will find this guidance much more practically useful than its predecessor.

Divided opinions over the EU Omnibus package

Please see ESG.

Chris Wrigley, Associate Director
T: +44 117 917 4322
chris.wrigley@osborneclarke.com

Alice Babington, Associate
T: +44 117 917 3918
alice.babington@osborneclarke.com

Products

Products

Jump to: General / digital products | Product sustainability | Life Sciences and healthcare

Jump to: General / digital products | Product sustainability | Life Sciences and healthcare

Product Regulation and Metrology Bill completes reading in House of Lords

On 12 March 2025, the Product Regulation and Metrology Bill passed its third reading in the House of Lords, following the completion of the report stage on 5 March. Key amendments and discussions during these stages include:

- A debate during report stage on the bill's application to AI products and software. An amendment was agreed to clarify that the definition of intangible components includes software. Other than this, the bill does not contain any express reference to AI.
- Concerns were raised about possible dynamic alignment with EU regulations with implications for sovereignty of product safety laws. No amendments were accepted to restrict alignment, but improvements to parliamentary scrutiny were agreed. These included an amendment that requires the secretary of state to publish a specific statement explaining how the government identifies and assesses product safety risks before laying secondary legislation, including how it is determined that some products may present a higher risk than others, and an amendment requiring the secretary of state to consult relevant stakeholders before making regulations under the Act.
- An amendment was made requiring the affirmative parliamentary procedure for a broader range of secondary legislation made under the bill which requires approval from **both** Houses of Parliament.
- The scope of Henry VIII powers were reduced including removing the ability to make consequential changes to the Consumer Rights Act 2015.
- A number of concerns had been raised about the sale of unsafe products via online marketplaces. The government accepted amendments which clarify the definition of online marketplaces and ensure that online platforms, including those that are part of a larger network, are within the bill's scope. The government committed to engage further with stakeholders to address safety concerns around online marketplaces.

A new version of the bill incorporating the amendments agreed has been published and has been introduced to the House of Commons. The date of its second reading is to be announced.

Amendments to the Product Security and Telecommunications Infrastructure Act

The Product Security and Telecommunications Infrastructure (Security Requirements for Relevant Connectable Products) (Amendment) Regulations 2025 were made on 24 February 2025 and came into force on 25 February 2025. The changes made by these regulations exempt the following categories of products from the Product Security and Telecommunications Infrastructure Act: motor vehicles agricultural, two- or three-wheel vehicles and quadricycles, and forestry vehicles.

The amending regulations also clarify that where a manufacturer of relevant connectable products extends the minimum length of time for which security updates relating to such products will be provided, the new minimum length of time must be published as soon as is practicable.

The government has updated its guidance in line with these changes.

Crime and Policing Bill to increase penalties for those selling knives

The Crime and Policing Bill has been introduced in the House of Commons and has its second reading on the 10 March. One of the key aims of the bill is to take tougher action on knife crime. This includes enhancing the ability of law enforcement agencies to clamp down on knife crime including an increase the maximum penalty, from six months' imprisonment to two years' imprisonment, for the offences of private possession, **importation, manufacture, sale or**

supply of prohibited offensive weapons and knives and of selling knives to those under 18. The bill will be read at committee stage on 27 March 2025.

EU

Consultation on technical description of important and critical products with digital elements

The Cyber Resilience Act requires the Commission to specify the technical description of the categories of important and critical products with digital elements listed in Annex III and IV to the regulation. These products may be subject to more stringent conformity assessment procedures.

On 13 March 2025, the European Commission opened a consultation seeking feedback on the implementing regulation that will specify technical descriptions for these products. The implementing regulation will detail specifications for products listed in Annexes III and IV of the Act.

The consultation closes on 15 April 2025.

Sustainable products

Have you submitted your 2024 packaging data for EPR?

On 1 April 2025, large organisations within scope of the extended producer responsibility (EPR) scheme for packaging must submit their July-December 2024 data. Small organisations must also submit their January-December 2024 data by this date.

Businesses that place packaging on the UK market must check whether they fall within scope of the EPR and if so, submit the relevant data by this deadline. For more on the EPR, see our January Regulatory Outlook.

Businesses should also note that under the EPR scheme, liable producers who supply household packaging must assess the recyclability of that packaging and report the results of the assessment to the environmental regulator. These reports must be submitted by 1 October 2025. To assist businesses with these assessments, Defra has this month published a decision tree illustrating the process for deciding the recyclability of materials under the recyclability assessment methodology. Businesses in scope should use this decision tree to assist them with their assessments ahead of the October deadline.

Simpler recycling is round the corner

As reported last month, the government's new rules on simpler recycling will legally require businesses and relevant non-domestic premises in England to separate their recyclable waste, with the exception of garden waste. The rules come into force on 31 March 2025. Businesses should ensure the necessary measures are in place by this date in order to comply with these new changes.

Lifesciences and healthcare

What does the abolishment of NSHE mean for manufacturers of medical devices and pharmaceuticals?

This month the government announced that it will be abolishing NHS England (NHSE) and will merge it with the Department of Health and Social Care to bring it back under "democratic control" So what will this mean for manufacturers of medical devices and pharmaceuticals?

Manufacturers of medical devices and pharmaceuticals will want to see how these reforms dovetail with the work the government is doing on its 10-year health plan for the NHS. The government has stated that its focus will be on reforming the current healthcare model by moving from analogue to digital systems, and by putting an emphasis on prevention of sickness.

Products

NHSE is being scrapped soon after the government's creation of the Regulatory Innovation Office (RIO). RIO was launched in October 2024 and is intended to support the regulatory system in bringing innovative products and services to market more, including digital health swiftly products, medicines and services.

Manufacturers will hope that by integrating NHSE's functions into the DHSC, the healthcare system will be able to provide greater political support, and public money, for the adoption of innovative life sciences products that support the aims of RIO and the government. These aims are expected to receive further impetus when new pre-market medical device regulations, and associated Medicines and Healthcare products Regulatory Agency (MHRA) guidance, is brought in during 2025 and 2026.

MHRA and NICE set out pledges as part of government's wider regulatory reform

On 17 March 2025, the government published a policy paper "New approach to ensure regulators and regulation support growth". This sets out the actions it plans to take to reform the regulatory system in a bid to promote growth and investment. See our Insight for more.

Within this paper, there is a section dedicated to key regulator pledges which both the MHRA and the National Institute for Health and Care Excellence (NICE) fed into. From July 2025, the MHRA will permit point-of-care manufacturing of medicines. NICE is aiming to reduce evaluation time by a quarter and will look to complete 60% of Technology Appraisals within 240 working days by 2025/26 (this year 40% were completed in this time frame).

To improve alignment between MHRA decision and NICE guidance publication, the regulators will develop concurrent marketing authorisation and technology appraisal processes to reduce approval times for new medicines as well as launching an integrated pre-market scientific advice service.

With the government pushing regulators to prioritise growth and reduce regulatory burden on businesses, it will be important for businesses to watch carefully as to how both the MHRA and NICE respond to these demands as further changes may be introduced.

Medical Devices (Amendment) (Great Britain) Regulations 2025

The government has agreed to retain four pieces of assimilated EU law that were due to be sunsetted (due to expire) on 26 May 2025 in order to avoid regulatory disruption, which will be welcomed by businesses. The amending regulations to implement this have been made, The Medical Devices (Amendment) (Great Britain) Regulations 2025. These amend the Medical Devices Regulations 2002 by removing the 25 and 26 May 2025 revocation dates of the following pieces of assimilated EU law:

- Commission Decision 2002/364 (on common technical specifications for in vitro medical devices).
- Commission Regulation (EU) No 207/2012 (on electronic instructions for use of medical devices).
- Regulation (EU) No 722/2012 (concerning particular requirements as regards the requirements laid down in Council Directives 90/385/EEC and 93/42/EEC with respect to active implantable medical devices and medical devices manufactured utilising tissues of animal origin).
- Regulation (EU) No 920/2013 (on the designation and the supervision of notified bodies under Council Directive 90/385/EEC on active implantable medical devices and Council Directive 93/42/EEC on medical devices).

Proposed review of the 2025 scheme to control the cost of branded health service medicines

On 14 March 2025, a consultation was launched in regards to proposed amends to the legislation setting out the statutory scheme for branded medicine pricing. The consultation outlines that for operational purposes, the statutory scheme needs to be updated on the first date of a new quarter, and 1 July 2025 is the earliest feasible date for implementation of the proposals set out in this consultation.

It proposes to increase the statutory scheme headline payment percentage for 2025 to 23.8%. This will then increase to 24.7% for 2026, and 26.4% for 2027.

It is also proposing to amend the baseline adjustments made in the previous consultation so that the total value of the baseline adjustments is unchanged, but the implementation of two-thirds of the adjustment intended for 2025 is delayed to 2026. Lastly, it is also proposing to introduce new data assurance requirements for presentation level data returns.

The consultation closes on 25 April 2025. Those in the pharmaceutical industry should review the consultation and consider whether they wish to respond.

Katie Vickery, Partner
T: +44 20 7105 7250
katie.vickery@osborneclarke.com

Peter Rudd-Clarke, Partner
T: +44 20 7105 7315
peter.ruddclarke@osborneclarke.com

Veronica Webster Celda, Senior Associate
T: +44 20 7105 7630
veronica.webster@osborneclarke.com

Thomas Stables, Senior Associate
T: +44 20 7105 7928
thomas.stables@osborneclarke.com

Anna Lundy, Associate Director
T: +44 20 7105 7075
anna.lundy@osborneclarke.com

Jamie Roberts, Associate
T: +44 20 7105 7345
jamie.roberts@osborneclarke.com

Regulated procurement

Regulated procurement

New guidance on the Procurement Review Unit

Following the Procurement Act 2023 going live last month, the Cabinet Office published new guidance on the Procurement Review Unit (PRU). The PRU plays an oversight role, and will initially, focus on ensuring changes are being embedded within contracting authorities. The PRU has powers to investigate contracting authorities to ensure compliance with the Act, and may issue guidance to authorities generally as a result of these investigations. This is a different process from bringing a legal challenge to a procurement and does not result in the re-winding of a procurement or any payment of damages if non-compliance is identified. Within the PRU, the debarment review service will be notified of decisions by authorities to exclude suppliers, and may investigate those suppliers for possible addition to the debarment list. Private utilities and some NHS personal care services are out of scope of the PRU.

Guidance published on exclusion and termination on national security grounds

The Cabinet Office has published guidance on exclusion and termination specifically focused on national security grounds, which is intended as a supplement to existing guidance on exclusions, debarment and termination. The new guidance provides details of the National Security Unit for Procurement, the different national security interests which could be affected and examples of various forms of potential attack. It provides a detailed process for contracting authorities to assess suppliers.

In addition to this guidance, the Cabinet Office has also published guidance on the National Security Unit for Procurement (NSUP). The NSUP will support ministers in assessing suppliers on national security grounds. Unlike other grounds in the Act, a national security exclusion or contract termination requires agreement from a Minister of the Crown, following referral to the NSUP by a contracting authority. The guidance provides information on this referral process.

CMA issues new guidance on exclusion and debarment on competition grounds under the Procurement Act 2023

The Competition and Markets Authority (CMA) has published new guidance regarding exclusion and debarment on competition grounds. The guidance includes information on when a mandatory or discretionary exclusion applies, the self-cleaning assessment and steps suppliers may take to avoid exclusion or debarment.

Suppliers should be aware that the Procurement Act 2023 expands the mandatory and discretionary exclusion grounds in relation to breaches of competition law and should review this guidance of when they could be excluded and if so, the steps they would need to take to self-clean.

Government model contracts updated for Procurement Act 2023

In line with the Procurement Act 2023 going live, the Cabinet Office has updated its standard contract document collections, templates and guidance for the government's Model Services Contract, Mid-Tier Contract and Short Form Contract.

Alongside these, Procurement Policy Note 013 on using the standard contracts has been published providing guidance to authorities on how to use the updated documents.

What does the abolishment of NSHE mean for NHS procurement?

This month it was announced that the government will be abolishing NHS England and will merge it with the Department of Health and Social Care (DHSC). This will have a number of implications for NHS procurement?

Over the next two years, existing contracts between NHS England and its suppliers will need to be novated to the DHSC. For new contracts that would have been procured by NHS England under the Procurement Act 2023 (such as for goods and non-healthcare services), the DHSC can procure those contracts under the same legislation. Suppliers will notice some changes in what and how contracts are procured, in particular we expect to see greater centralisation of approach, but fundamentally, the same legal principles will apply.

Regulated procurement

In relation to healthcare services that would have been procured by NHS England under the NHS Provider Selection Regime (PSR), however, the legislation does not currently allow the DHSC to award contracts under that legislation. The government will need to amend the legislation to grant DHSC this power, and until these amendments are enacted, we expect NHS England to continue procuring essential contracts under the PSR.

Catherine Wolfenden, Partner
T: +44 117 917 3600
catherine.wolfenden@osborneclarke.com

Craig McCarthy, Partner
T: +44 117 917 4160
craig.mccarthy@osborneclarke.com

Laura Thornton, Associate Director
T: +44 20 7105 7845
laura.thornton@osborneclarke.com

Kate Davies, Associate Director
T: +44 117 917 3151
kate.davies@osborneclarke.com

Ashlie Whelan-Johnson, Associate Director
T: +44 20 7105 7295
A.WhelanJohnson@osborneclarke.com

Millie Smith, Associate
T: +44 117 917 3868
millie.smith@osborneclarke.com

Gabrielle Li, Associate
T: +44 117 917 3233
gabrielle.li@osborneclarke.com

Sanctions and Export Control

Sanctions and Export Control

OFSI issues monetary penalty for breach of Russia sanctions

The Office of Financial Sanctions Implementation (OFSI) issued a monetary penalty against the former Russian subsidiary of Herbert Smith Freehills (HSF), HSF Moscow, for breaches of the Russia sanctions regime.

HSF Moscow was given a penalty of £465,000 in relation to six payments totalling £3,932,392.10 to designated persons subject to an asset freeze. In committing the breaches, the firm made funds directly available to sanctioned entities.

This case was classified as "serious". Aggravating factors included the cumulative total of the payments (although most of the payments were of lower value) and their repeated nature. The payments were made over successive days and demonstrated a "pattern of failings" including inadequate due diligence and sanctions screening.

OFSI stated that HSF London's initial disclosure to it and the proactive, voluntary, prompt and detailed report were taken into account as mitigating factors in the case. Therefore, a 50% reduction has been applied to the final penalty amount (which would have been £930,000).

See the full penalty notice. For further reading, see our commentary on the first and second monetary penalties issued by OFSI in 2019 and 2024, respectively.

Updated OTSI trade services licensing guidance

The UK government updated its guidance on applying for a licence to provide sanctioned trade services, such as professional and business services under the Russia sanctions regime.

The update:

- clarifies that licensing grounds are examples of activities for which the Department of Business and Trade (DBT) may grant a licence;
- provides examples of information applicants should gather before applying for a services licence; and
- explains that the Office of Trade Sanctions Implementation cannot provide a response timescale to applications due to the complexity of some applications.

New UK financial sanctions guidance for high value dealers and art market participants

OFSI published guidance on UK financial sanctions for high value dealers and art market participants.

The guidance is intended to supplement its general financial sanctions guidance and is aimed at entities and individuals operating in the sale or trade of high value goods, in particular those trading internationally with areas that may be affected by UK financial sanctions.

The guidance covers techniques commonly used within the sector to circumvent and evade sanctions, as well as details on due diligence measures, reporting obligations, licensing, compliance and penalties for breaches of sanctions, ownership and control and the relevance of trade sanctions.

For further information, see the accompanying factsheet with sector-specific examples of methods of circumvention and this OFSI webinar recording which provides an overview of the updated guidance and reporting requirements for the sector.

Updated Russia sanctions guidance for UK exporters

The DBT updated its guidance for UK exporters on countering Russian sanctions evasion and circumvention (NTE 2025/03).

The updated guidance concerns the level of risk the government is willing to accept when assessing export licence applications for Common High Priority List items subject to expert controls. The guidance states that the UK government will not issue a licence where there is a risk the items will be diverted to an "undesirable end-user or for an undesirable end-use", such as items destined for stock.

Sanctions and Export Control

HMRC compound settlement for breaches of export controls

HM Revenue and Customs (HMRC) issued a compound settlement offer to an unnamed UK company totalling £373,326.07. The settlement relates to unlicensed exports of dual-use goods and failure to declare a licence to customs.

HRMC states that there has been an increase in the number of voluntary disclosures made in relation to unlicenced exports, incorrect licence usage and breaches of licence conditions over the past 12 months. HMRC reminds exporters to ensure that they comply with the relevant licensing requirements (guidance for which can be found here).

Updates to strategic export control list

The Export Control Joint Unit (ECJU) published an advance notice to exporters detailing upcoming changes to the UK strategic export control list. Also known as the consolidated list, this includes strategic military and dual-use items that require a licence from the ECJU.

The changes reflect updates to control lists administered by the multilateral control regimes as well as UK legislation, and include:

- amendments in line with changes published in the control lists on The Wassenaar Arrangement website (introducing sub-orbital spacecraft as dual-use items subject to export controls); and
- amendments to technical notes and definitions for "spacecraft", "satellite", "space probe" and "space vehicle".

OFSI general licences

The following general licence has expired:

General Licence: INT/2025/5635701. The licence was granted on 10 January 2025 and permitted wind down transactions relating to PJSC Surgutneftegas, Gazprom Neft and their subsidiaries.

Greg Fullelove, Partner
T: +44 20 7105 7564
greg.fullelove@osborneclarke.com

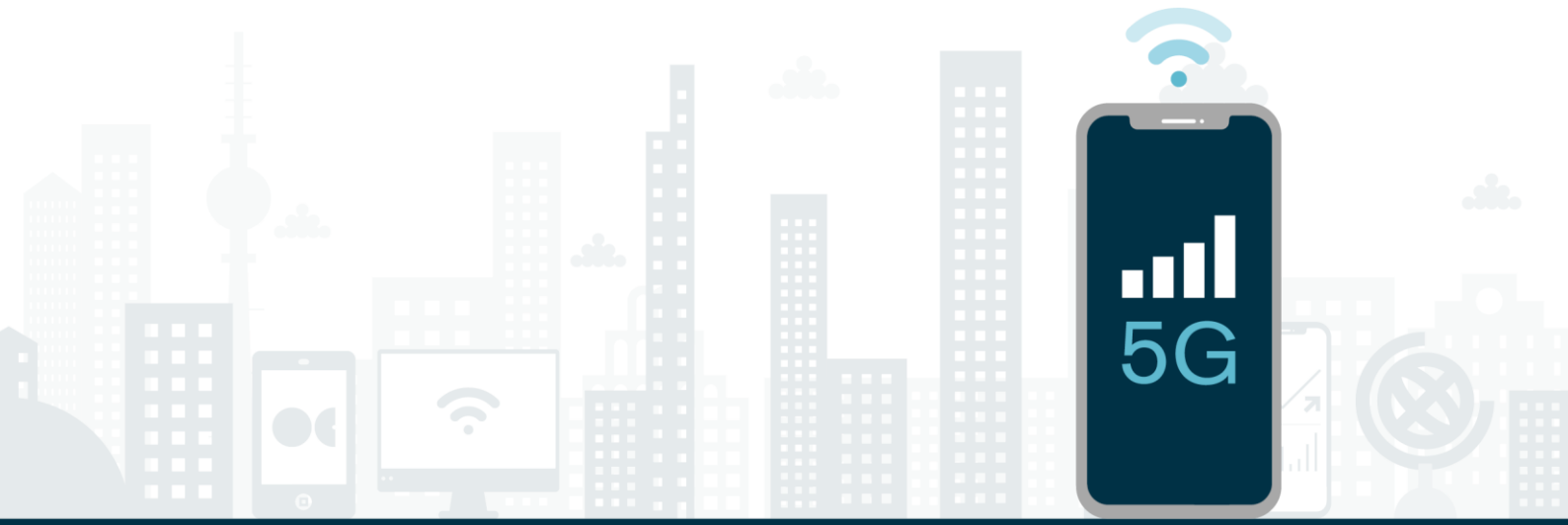
Kristian Assirati, Senior Associate
T: +44 20 7105 7847
kristian.assirati@osborneclarke.com

Nick Price, Partner
T: +44 20 7105 7496
nick.price@osborneclarke.com

Chris Wrigley, Associate Director
T: +44 117 917 4322
chris.wrigley@osborneclarke.com

Galina Borshevskaya, Senior Associate
T: +44 20 7105 7355
galina.borshevskaya@osborneclarke.com

Carolina Toscano, Associate
T: +44 20 7105 7086
carolina.toscano@osborneclarke.com



Telecoms

Telecoms

Updates to spectrum auction guidance

On 20 March 2025, Ofcom revised its process guidance for the upcoming spectrum auction to enhance efficiency and clarity. Key changes include:

- **Earlier deadlines**: Withdrawal deadlines, bidder pack distribution, and additional deposit submissions have been moved to earlier dates.
- **Auction regulations**: Updated timeline for the issuance of auction regulations.
- **Assignment stage duration**: Specified the duration for each assignment stage round.

These updates aim to streamline the auction process and provide clearer timelines and resources for participants. Stakeholders should review the revised guidance in preparation for the auction later this year.

Consultation launched on future authorisation of the 1900–1920 MHz band

On 10 March 2025, Ofcom unveiled its proposal to make the 1900-1920 MHz band available to the UK's rail network and the emergency services. These proposed changes aim to enhance the efficiency of spectrum use for essential services, ensuring robust communications infrastructure and include:

Authorising 1900-1910 MHz for rail. The FRMCS licences would be limited to the provision of operational rail communications and:

- Contain technical conditions suitable for the deployment of FRMCS.
- Require technical coordination with other overlapping or neighbouring FRMCS licensees
- Be issued via a simple process.

1910-1915 MHz for emergency services. The licence would be restricted to the provision of ESN gateways and:

- Have a fixed duration, aligned with the contract to supply ESN gateways.
- Permit use throughout Great Britain.
- Contain technical conditions aligned with the ESN.

Spectrum fees:

- Annual fees: £145,800 per MHz for Great Britain, £4,200 per MHz for Northern Ireland (1900-1910 MHz).
- Reduced fees for 1910-1915 MHz due to power limitations.
- Fees effective from April 2029.

There are currently no plans to authorise use in 1915-1920 MHz band due to power constraints and uncertain demand.

The consultation period will close on 19 May 2025, and Ofcom invites stakeholders to submit their feedback.

Ofcom shares proposals for promoting competition and investment in fibre networks

On 20 March, Ofcom published its proposals for regulating the fixed telecoms market for the period between April 2026 and March 2031. Its intention is to promote competition and investment in high quality gigabit-capable networks.

Following the conclusion of the Wholesale Fixed Telecoms Market Review in 2021, telecoms companies have made substantial progress in expanding gigabit-capable networks throughout the UK. In addition, the growth of competing networks has also significantly increased the number of premises with multiple network options.

Despite these achievements, additional investment is necessary to ensure high-quality services are available across all regions of the UK. Consequently, Ofcom has stated that it is committed to promoting ongoing network competition where it is sustainable and advantageous for consumers.

The proposed remedies for the significant market power that has been identified are largely consistent with those from the previous review, with updates where recent or expected market developments have indicated that changes are necessary to maintain regulatory stability and support investment and network competition.

Telecoms

Responses to the consultation must be provided by 5pm on 12 June 2025.

Jon Fell, Partner
T: +44 20 7105 7436
jon.fell@osborneclarke.com

Eleanor Williams, Associate Director
T: +44 117 917 3630
eleanor.williams@osborneclarke.com

Hannah Drew, Legal Director
T: +44 20 7105 7184
hannah.drew@osborneclarke.com

TK Spiff, Associate
T: +44 20 7105 7615
tk.spiff@osborneclarke.com

Matt Suter, Senior Associate
T: +44 20 7105 7447
matt.suter@osborneclarke.com