

CMA calls for procurement reform and enhanced action against bid rigging

September 2026

The UK Competition and Markets Authority (CMA) has called on the government to make the prevention, detection and deterrence of bid rigging an explicit national procurement priority. The CMA estimates that collusion may be costing UK taxpayers between £1 billion and £3.5 billion each year, against annual public procurement expenditure of approximately £400 billion.

Its proposals include collecting complete bid-level data, including unsuccessful bids, in a machine-readable format and using data analytics and artificial intelligence (AI) to identify suspicious bidding patterns. Suppliers participating in public tenders should expect increased scrutiny of bidding behaviour, while contracting authorities may need to strengthen data collection, procurement design and escalation procedures.

Overview

On 8 September 2026, the CMA's Chief Executive Sarah Cardell delivered a speech in Parliament accompanying the publication of two policy papers: "[Public Procurement in the National Interest](#)", which considers how procurement can support competition, innovation, growth, resilience and longer-term public value; and "[Rigged Bids, Real Costs](#)", which calls for a coordinated, data-led approach to detecting and deterring collusion in public procurement.

The reports reflect the CMA's view that public procurement should be treated as a strategic economic capability rather than principally as an administrative process. However, procurement can deliver value only where the competition between suppliers is genuine. Bid rigging undermines that condition by creating the appearance of competitive tendering while suppliers secretly coordinate prices, bids or contract allocation.

Key procurement issues identified by the CMA

1. Clearer objectives and stronger trade-offs between policy goals.

The CMA notes that procurement is expected to deliver multiple objectives, including value for money, innovation, growth, resilience, national security, domestic jobs, skills and social value. These goals can conflict, requiring clearer priorities and more explicit trade-offs.

2. Public sector fragmentation can weaken purchasing power.

Multiple public bodies often buy from the same suppliers but share limited market intelligence, expertise and planning. This reduces purchasing power, weakens incentives for supplier investment and limits government's ability to shape markets effectively.

3. Incentives favour compliance over outcomes.

Procurement teams are expected to support innovation, growth and resilience while being assessed mainly on compliance, risk management and short-term value. The CMA argues this encourages process over outcomes and calls for better incentives, capabilities and data to measure broader impacts.

4. Barriers hinder innovative firms and new entrants.

The CMA argues that procurement can be too costly, complex and uncertain for smaller and innovative businesses. While individual requirements may be reasonable, together they can favour incumbents, reducing competition and limiting opportunities for innovative firms to grow.

5. Procurement underutilised to drive and support innovation/emerging technologies.

Current procurement processes are primarily designed to buy established products and minimise risk. The CMA believes procurement should play a greater role in testing, commercialising and scaling emerging technologies that do not fit traditional models.

The CMA's recommendations for procurement reform

To address these issues, the CMA proposes five broad changes to how public procurement is designed and delivered.

- **Greater focus on outcomes rather than process** – Procurement authorities should receive clearer direction on desired outcomes and the trade-offs between cost, innovation, resilience, domestic capability and competition.
- **Stronger coordination across the public sector** – Organisations buying from the same suppliers or markets should share expertise, market intelligence and procurement plans. Better coordination would improve market understanding, increase leverage and deliver efficiencies.
- **Improved procurement data and evidence** – Authorities should assess how procurement decisions affect competition, supplier growth, innovation and market resilience. The CMA argues that outcomes cannot be effectively targeted unless they are measured.
- **Reducing barriers to participation** – Bidder requirements should be proportionate, particularly where compliance costs could discourage small- and medium-sized enterprises (SMEs), scale-ups and innovative suppliers. The CMA notes that such requirements can create fixed costs similar to regulation.
- **Using procurement to drive and support innovation/emerging technologies** – Processes should allow experimentation, phased development and managed risk where solutions or suppliers are not known in advance. The CMA highlights outcome-based requirements, staged procurement and maintaining competition between alternative solutions during development.

Bid rigging remains a key concern

The CMA's second report, "[Rigged Bids, Real Costs](#)", focuses on bid rigging in public procurement.

Bid rigging occurs when suppliers collude during a procurement process, creating the appearance of competition while secretly coordinating their bids. According to the CMA, this can result in higher prices, reduced quality and weaker incentives to innovate.

Sarah Cardell noted that research cited by the Organisation for Economic Cooperation and Development (OECD) suggests bid rigging can increase procurement prices by 20% or more. Using conservative assumptions, the CMA estimates that taxpayers could be overpaying suppliers by between £1 billion and £3.5 billion each year.

The CMA also highlighted that more than half of its completed bid-rigging cases since 2014 have involved public procurement.

Enforcement risks

Bid rigging is a serious infringement of UK competition law. Businesses found to have participated in collusive tendering arrangements may be subject to intrusive and time-consuming investigations by the CMA and, ultimately, significant financial penalties. Depending on the circumstances, findings of bid rigging may also have significant reputational consequences and affect eligibility for future public procurement opportunities. Individuals may also face personal consequences, including director disqualification in certain cases.

The CMA's continued focus on public procurement, combined with increased use of screening tools and data analytics, suggests that suppliers should ensure that bidding decisions are made independently and that appropriate competition law compliance measures are in place.

Data analytics and AI detection

A central theme of the CMA's report is the growing ability of competition authorities to detect bid rigging through technology.

The CMA notes that cartel enforcement has historically relied heavily on whistleblowers, complaints and chance discoveries. However, advances in data analytics and AI now enable suspicious bidding patterns to be identified across large datasets.

The CMA has developed its own Bid Rigging Intelligence Tool (BRIT), and is currently piloting the tool with government departments. Sarah Cardell stated that those pilots are already generating promising leads. However, the CMA believes that the full potential of the tool cannot be realised because procurement data, particularly information relating to losing bids, is not routinely collected or retained in a machine-readable format.

The CMA therefore argues that a coordinated approach to procurement data collection is necessary if systematic bid-rigging screening is to take place across the public sector.

Recommendations on bid rigging

The CMA recommends three immediate actions:

Make bid rigging an explicit procurement priority.

The prevention, detection and deterrence of bid rigging should be expressly recognised within the national procurement policy statement and related procurement guidance.

Expand screening capability

The CMA recommends building on current departmental pilots and establishing a mechanism for screening procurement data across central government and the wider public sector.

To facilitate this, the report recommends collecting and retaining bid-level data, including unsuccessful bids, in a machine-readable format capable of large-scale analysis.

Monitor implementation

The CMA recommends monitoring implementation by tracking matters such as screening coverage, referrals, investigations, analytical leads and demonstrable savings, while avoiding disclosure of information that could allow suppliers to evade detection.

Practical implications

The CMA's proposals signal a continued focus on competition compliance in public procurement.

For contracting authorities, the report highlights the importance of procurement data collection and coordination, with a particular emphasis on retaining information that can be used to detect and investigate bid-rigging risks.

Key actions for suppliers to the public sector

Suppliers to the public sector should be aware of the increasing use of data analytics and AI to identify potentially collusive behaviour

To reduce competition law risk, such suppliers should consider:

- Reviewing bid preparation processes
- Refreshing competition law training
- Documenting independent pricing decisions
- Monitoring contacts with competitors
- Preserving records supporting tender decisions

Our observations

While many of the CMA's recommendations are directed at government, the report signals a clear expectation that data-driven bid-rigging detection will become an increasingly important feature of public procurement. Measures relating to the retention and analysis of bid-level data could be implemented relatively quickly and may increase the likelihood of suspicious bidding patterns being identified. Suppliers participating regularly in public tenders should therefore review competition law compliance procedures and ensure that tendering decisions are demonstrably independent.

What happens next

While the CMA's recommendations do not currently create new legal obligations, the government's willingness to adopt them will be important. Measures relating to data collection and bid screening could potentially be implemented relatively quickly, whereas broader procurement reform may require more significant policy changes.

Whether these recommendations are reflected in future procurement policy will be an important indicator of the government's appetite for more data-driven competition enforcement in public procurement.

Contacts



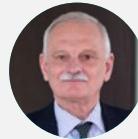
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