Six years on, which authority was more accurate in its assessment of the Visa/Plaid case: the CMA or the DOJ?

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Executive summary

The market for digital payments is large and rapidly growing. Open banking uses Application Programming Interfaces (APIs) to allow authorised third parties (e.g. fintechs) to connect directly with consumer bank accounts to share data and make payments. The use of open banking payments has grown in jurisdictions around the world, including the UK and US.

In January 2020, the multinational payments company Visa attempted to acquire Plaid, an open banking fintech provider, for $5.3 billion. The acquisition was cleared by the UK Competition & Markets Authority (CMA) following a Phase 1 merger enquiry but abandoned in January 2021, after the US Department of Justice (DOJ) filed an antitrust lawsuit in November 2020. Visa later acquired Tink, a European open banking provider, in June 2021.

This project assesses which of the CMA and DOJ was more accurate in its assessment of the competitive impacts of the acquisition, based on how the market has evolved in the six years since the original assessments were made. To make this assessment, it leverages information and evidence on five themes: Visa's strategy, Plaid's business model, regulatory developments, evolving consumer dynamics, and market maturity.

Based on this analysis, the CMA's prediction of how the market would evolve absent the acquisition has proved more accurate than the DOJ's. Plaid and its open banking competitors have continued to grow, supported by regulation that has encouraged market entry and expansion. By contrast, the DOJ's counterfactual – in which Plaid would build a proprietary payments network to compete with Visa's card business – has not materialised: Plaid has instead pivoted toward integrated services for consumers and businesses, while a more constrained US regulatory environment has limited open banking's growth.

This project also considers the theories of harm that were identified by the CMA and DOJ, and evaluates whether they are credible today. We consider that the nascent competition theories of harm assessed by both authorities and the foreclosure theory of harm assessed by the CMA are all less credible today considering recent market developments. These developments include consumer adoption of open banking remaining low, Visa's conduct after acquiring Tink, and in the US, continued regulatory uncertainty and high data access costs. We therefore consider that the CMA was right to conclude that the merger would not bring about a substantial lessening of competition (SLC).

Overall, the CMA's decision to clear the acquisition in 2020 has been better justified by subsequent market evidence than the DOJ's decision to block the deal. However, this may reflect differing market and regulatory environments in the US and UK at the time, and differing institutional risk tolerances in the context of uncertainty in merger assessments rather than a difference in analytical rigour. The DOJ appears to have taken a more risk-averse position given Plaid's growth trajectory and first-mover advantage in an unregulated market, while the CMA's more risk-tolerant approach proved better suited to the UK's more developed open banking regulatory ecosystem.

This project relies on publicly available evidence, meaning it cannot draw on internal documents or detailed, disaggregated data on firms' financial performance. This project therefore assumes that observed behaviours and statements are reflective of true strategies, which is a limitation of our analysis.

Introduction

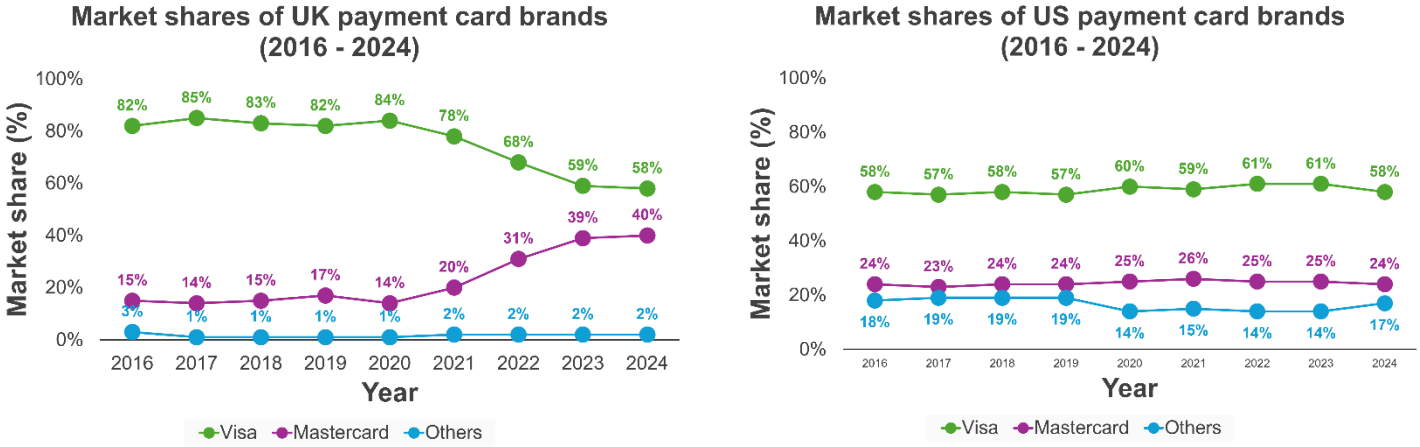
In January 2020, Visa announced its agreement to acquire fintech company Plaid for $5.3 billion. In August 2020, the UK's Competition and Markets Authority (CMA) cleared the transaction following a Phase 1 merger investigation. In contrast, the US Department of Justice (DOJ) filed an antitrust lawsuit seeking to block the acquisition, leading Visa and Plaid to abandon the deal in January 2021.

Throughout this report, we refer to the Visa/Plaid case as both a merger and an acquisition, as acquisitions are assessed as a class of merger by the CMA (CMA, n.d.).

Six years later, this report evaluates the CMA and DOJ's respective competition assessments to determine which assessment has been better supported by subsequent market developments.

Visa is a multinational payments company, with operations across the world. Visa operates in a duopoly with Mastercard in the UK (combined 98% market share) and US (combined 82% market share), see Figure 1.

Figure 1 – Market shares of Visa in the UK and US payments markets (2016-2024)



Source: Global Payments Report (2026)

Plaid is a US-headquartered provider of open banking services with operations in the UK, US, Canada and Europe. To provide open banking services, fintechs such as Plaid and other financial institutions securely access consumer banking data through Application Programming Interfaces (APIs). There are broadly two types of open banking services:

1. **Account information (or account aggregation) services** – these allow access to consumer financial information, including account balances, transactions and identity data held by financial institutions. In the UK, these are called Account Information Services (AIS).
2. **Payment services** – these services provide authorised third parties with the ability to initiate and send payments with consumer consent. In the UK, these are referred to as Payment Initiation Services (PIS). In other jurisdictions, particularly the US, they can also be referred to as 'account-to-account' or 'pay by bank' payments.

The Visa/Plaid case is important for several reasons. Firstly, the digital payments market is large and rapidly growing. Grand View Research forecasts that the digital payments market globally will be worth around $165 billion in 2026, rising to nearly $683 billion in 2033 (Grand View Research, 2026). Moreover, digital payments also support huge amounts of other economic activity. Secondly, digital payments have many features common in digital markets, such as two-sided platforms, network effects and first-mover advantages, meaning that learnings for the case may have implications for other digital markets. Lastly,

developments in competition regulation for digital markets were also underway at the time of the case, including consultations that would eventually lead to the Digital Markets, Competition & Consumers Act (2024) in the UK and the Digital Markets Act (2023) in Europe.

The next section summarises the authorities' assessments of the case and economic literature on the theories of harm considered by the CMA and DOJ.

Literature review

The CMA and DOJ assessments

The CMA and DOJ each took different approaches when analysing the Visa/Plaid case, largely reflecting the varying contexts of the assessments. The CMA's assessment focused more on the prevailing competitive conditions, whereas the DOJ made its assessment based on prospective competitive conditions. This reflected differences in the maturity of open banking and its regulation in the UK and the US. These differences ultimately resulted in contrasting market definitions, counterfactuals and theories of harm, as summarised in Table 1 below.

Table 1 – Comparison of the CMA and DOJ Visa/Plaid competition assessments

Competition assessment	CMA	DOJ
Relevant legal standard used	Assessed based on whether the acquisition would create a substantial lessening of competition (SLC) under the Enterprise Act (2002).	Assessed based on Visa being able to maintain a monopoly (Section 2 – Sherman Act) and substantially reduce competition in online debit payments (Section 7 – Clayton Act).
Relevant market definition	Broadly defined as consumer-to-business (C2B) payments, including cards, direct debits, payment initiation services and digital wallets.	Narrowly defined as the online debit payments market, where Visa held its monopoly.
Counterfactual	Plaid would continue to expand independently, as one of multiple competing providers under the UK's Open Banking framework.	Plaid would have continued to develop into a competitor in online debit payments, ultimately challenging Visa's monopoly.
Theories of harm	**Loss of future competition:** if the acquisition would remove a future competitive constraint for Visa by eliminating Plaid as a potential entrant into the C2B payments market. **Potential foreclosure of PIS rivals (conglomerate effects):** Visa could leverage its position in card payments to foreclose rival PIS providers by tying or bundling Plaid's open banking services with Visa's card network to merchants.	**Loss of future competition:** the DOJ argued that Plaid's banking relationships, technology, and customer network uniquely positioned it to become a significant competitive threat to Visa.

Nascent competition theories of harm in digital markets

The literature on nascent competition examines acquisitions in which an incumbent acquires a firm that does not yet compete directly but has the potential to become a significant future rival. Unlike traditional merger analysis, these cases require authorities to assess future competitive potential rather than existing market outcomes. As Melamed (2022) argues, conventional indicators such as market shares and revenues are inherently backward-looking and therefore provide limited insight into a nascent firm's competitive potential. Nascent acquisitions may also, though, generate efficiencies by combining complementary assets and accelerating innovation (Melamed, 2022; Bowman & Dumitriu, 2021). Merger

assessment must therefore balance the harm of eliminating an emerging competitor against these efficiencies.

Nascent acquisitions may harm competition in two ways. First, they may remove a firm that would otherwise have become a meaningful competitive constraint, allowing the incumbent to preserve market power that future entry could have eroded (Melamed, 2022). Second, they may eliminate an independent source of innovation. Although the acquired technology may continue to be developed, an incumbent has weaker incentives than an independent entrant to introduce innovations that threaten its existing products, potentially reducing innovation, choice and long-run competition (Ezrielev, 2022; Melamed, 2022). These concerns are particularly relevant in digital markets, where network effects and data advantages reinforce incumbent positions (Crémer, de Montjoye & Schweitzer, 2019).

Even though Plaid did not compete directly with Visa in online debit payments in 2020, the DOJ argued that its future entry was credible. Internal documents showed that Plaid was developing a bank-account-based payments product and intended to leverage its connections with approximately 11,000 US financial institutions and more than 200 million consumer bank accounts to enter payments. Visa's own documents estimated that Plaid could pose a $300–500 million downside risk to its US debit business if acquired by a rival, suggesting that Visa regarded Plaid as a future competitive threat. Similar concerns arose in the CMA's assessments of Meta/Giphy (CMA, 2021b) and Adobe/Figma (CMA, 2023), where the CMA argued that acquisitions could eliminate credible future competitive threats and reduce incentives to innovate in the markets for display advertising and image editing and illustration software respectively.

Assessing nascent competition theories of harm is especially challenging because defining the counterfactual requires authorities to predict whether, and how quickly, the target would have matured into a real competitive threat, which is uncertain and difficult to assess at an early stage where the target has a relatively limited operating history. The CMA (2021a) considers whether the target would likely have entered or expanded absent the merger and whether that future competition would have given rise to a substantial lessening of competition. This assessment draws on evidence including entry plans, forecasts, internal documents, customer relationships, and the firm's ability and incentive to enter. OECD (2020) similarly emphasises the likelihood and timing of entry, while Taladay and Ryu-Naya (2025) propose that nascent acquisition assessments should consider the parties' market positions, the target's stage of development, market dynamism, likely competitive impact, the acquirer's incentives and the appropriate counterfactual.

The foreclosure theory of harm (conglomerate effects)

To assess leveraging, authorities examine whether a merged entity can extend market power from one market into another by foreclosing rivals through tying or bundling (OECD, 2023). Tying makes access to one product conditional on purchasing another, while bundling involves offering products together either exclusively ("pure bundling") or alongside separate sales, often at a discount ("mixed bundling") (Adams & Yellen, 1976). In digital markets, these strategies may be particularly significant because network effects and economies of scale can direct users towards the merged firm's offering, making it more difficult for rivals to achieve sufficient scale (Mandrescu, 2021).

The CMA (2020) considered this theory in Visa/Plaid, assessing whether Visa could leverage its strong position in card-based payments by tying or bundling its card services with Plaid's payment initiation services (PIS). In theory, merchants could have been required to adopt Plaid's PIS to access Visa's card services or encouraged to purchase both through discounted bundles. The CMA was concerned this could shift demand towards the merged entity's PIS offering and prevent rival PIS providers from achieving sufficient scale.

This theory is consistent with the economic literature on leveraging and foreclosure. Whinston (1990) demonstrates that tying can facilitate foreclosure where a firm possesses

market power in the tying market and rivals in the tied market depend on achieving sufficient scale. Leveraging concerns have featured in several recent digital mergers. Leveraging by tying and bundling was raised in relation to Microsoft's acquisition of LinkedIn and, before that, Google's acquisition of DoubleClick (OECD, 2023). In the case of Microsoft/LinkedIn, technical (rather than contractual) tying involving, for instance, integrating LinkedIn with Microsoft Office or having LinkedIn pre-installed with Windows, was considered (OECD, 2023). Both mergers were cleared, though Microsoft's acquisition of LinkedIn was cleared subject to conditions. In the context of digital mergers, alternative strategies for leveraging have been proposed, such as predatory pricing (as in Amazon's abandoned acquisition of iRobot, the maker of Roombas) and self-preferencing (as in CENEJE/Sully Systems, which was approved with conditions) (OECD, 2023).

In contrast, Mandrescu (2021) argues that expansion into adjacent markets through complementary products is often a legitimate feature of platform competition rather than exclusionary conduct. Google, for example, has expanded its ecosystem through Android, Chrome, Maps and Google Pay, generating efficiencies through greater interoperability and improved user experience. Similarly, Hull (2006) argues that tying and bundling may reduce production, transaction and distribution costs while improving quality and pricing. The competition concern therefore arises not from expansion itself, but where it excludes equally efficient rivals or reinforces market power without countervailing consumer benefits.

This distinction underpinned the CMA's assessment. Rather than treating the acquisition as inherently anticompetitive, it considered whether the merged entity had the ability and incentive to foreclose rival PIS providers. The CMA rejected the theory based on Visa's limited ability, concluding that rival PIS providers had "effective and timely counterstrategies", including partnering or merging with other payment providers, and therefore that the merged entity "would not have the ability to foreclose rival PIS providers" (CMA, 2020). Having failed the ability test, the CMA was "not required to consider" incentives, although Visa's internal documents did not indicate leveraging formed part of the acquisition rationale. The CMA therefore concluded that this theory of harm was unlikely to be credible (CMA, 2020).

Empirical framework

There have been several market developments since the acquisition was originally assessed. For the purposes of our assessment, we group these developments into five key themes, which are informed by Taladay & Ryu-Naya (2025), the CMA's Merger Assessment Guidelines (CMA, 2021a) and the OECD (2022). Figure 2 below summarises the themes and relevant information sources used to assess the cases.

Figure 2 – Summary of themes and evidence sources used in analysis

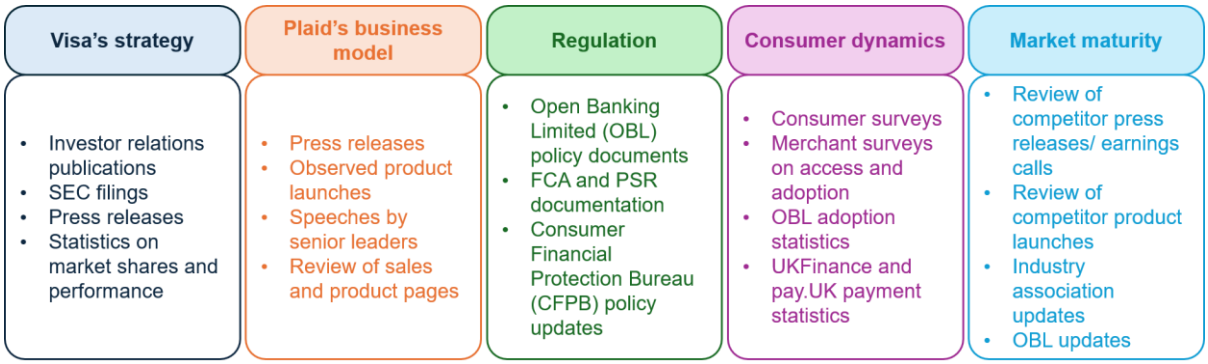


Table 2 summarises key evidence related to these themes, specifically in the UK and US market context, which will form the basis of this project's analysis. Several other sources were also used to broaden our understanding of the market, which are included in the bibliography for completeness.

Table 2 – Summary of evidence collected, broken down by themes for the UK and US

Theme	Key UK evidence	Key US evidence
Visa strategy	• Acquisition of Tink's infrastructure, talent and technology to embed into Visa's core solution (Visa, n.d.b). • Launch Visa A2A, a commercial Variable Recurring Payments (VRP) scheme in partnership with merchants, authorised third parties and retail banks (Visa, 2024a; Visa, 2025b).	• Diversification and ambition to become a 'network of networks' across all payment verticals (Visa, 2025a). • Strategic expansion into commercial money movement; and value-added services (Visa, n.d.a; Visa, 2024b; Visa, 2025c). • Reported exit from the US market, with concerns over data access and fee arrangements (PYMNTS, 2025).
Plaid business model	• $8 billion private valuation, after several funding rounds since the abandoned acquisition (Plaid, 2018; Plaid, 2021; Plaid, 2025a; The Paypers, 2026). • Added key partnerships to UK business portfolio, such as Zilch, ClearBank, YouLend, Moneybox, Pokerstars, Paysend (Plaid, n.d.). • Plaid is now a member of industry-led open banking schemes (Visa, 2025b; UK Payments Initiative, 2026).	• Plaid has developed payment capabilities since 2020, introducing new APIs such as 'Auth' and 'Transfer' (Plaid, n.d.h). • Continued to diversify business but not yet grown its own proprietary payment rail (Plaid, 2025c). • Continued to leverage existing payment rails in the US, including FedNow and ACH (Plaid, 2025b).
Regulation	• Focus on transition away from the CMA Order and developing a sustainable ecosystem (OBL, 2023). • Developing a commercialised ecosystem by lowering barriers to entry and expansion (FCA, 2025).	• Introduced the Personal Financial Data Rights in November 2024 to provide standardised API access to third parties (CFPB, 2025a). • Issues remain in relation to fees and commercial arrangements and broader uncertainty of how the 1033 rules are being implemented (CFPB, 2025b).
Consumer dynamics	• Adoption of open banking payment services has grown to approximately 12% (OBL, 2025). • Challenges remain for adoption, from a lack of consumer demand and dispute processes (The Payments Association, 2025b).	• Only 11% of consumers made an open banking payment in 2024, with security and trust (56%) being the top reason why it wasn't used (PYMNTS, 2024). • There is a lack of other evidence on how consumer uptake of open banking services has evolved.

Market maturity	• Open banking market growth, with recent OBL directory data suggesting there are 239 authorised third party providers, compared to 175 third party providers active in 2020 (OBL, n.d.b; OBL, n.d.c). • Other aggregators have all continued to grow through partnerships. For example, TrueLayer have launched partnerships with Trading 212, IG Group, InvestEngine, Ebay, bet365, to name a few (TrueLayer, 2026a; TrueLayer, 2026b; TrueLayer, 2026c). • Banks have entered open banking, with NatWest and Lloyds developing their own PIS (NatWest, n.d.; Lloyds Bank, n.d.).	• Plaid is likely to be the US market leader, with approximately 10,000 connections with US financial institutions and a further 7,000 connections with fintech apps and services (Plaid, n.d.k). • Other competitors, such as MX Technologies have a total 13,000 connections, although it is unclear how many transactions they each handle (MX Technologies, n.d.).

This section now assesses which authority was more accurate in the counterfactual that it identified in light of the evidence presented in Table 2.

The CMA's assessment of the counterfactual, where Plaid continues to grow as part of a thriving and mature open banking ecosystem, was broadly accurate: Plaid's **business model** evidence suggests that they have continued to grow following the abandoned acquisition, supported by their ability to raise additional funding in April 2021 and April 2025 through private equity investors. Plaid's most recent valuation in February 2026 was approximately $8 billion, significantly more than the proposed acquisition price in 2020. Furthermore, the open banking market has also **matured**, as the total number of connections has continued to increase, according to recent Open Banking Limited (OBL) data. Plaid's competitors (e.g. TrueLayer) have increased merchant partnerships, alongside recent self-provision of open banking by retail banks. This has occurred as the **regulatory environment** has continued to be robust, lowering barriers to entry and expansion for competitors and allowing rival PIS providers to challenge Plaid's position in the market.

By contrast, Plaid has not grown to challenge Visa's online debit payments offering in the way the DOJ envisaged it could. **Consumer evidence** from the US market suggests that there has not been as much growth in open banking as anticipated, with Global Payments Report (2026) finding that account-to-account payments accounted for 4% of e-commerce payments in 2025. From a **business model** perspective, Plaid has not built its own proprietary payments service as envisaged by the DOJ, and has instead focused on leveraging existing rails provided by the Automated Clearing House or Federal Reserve.

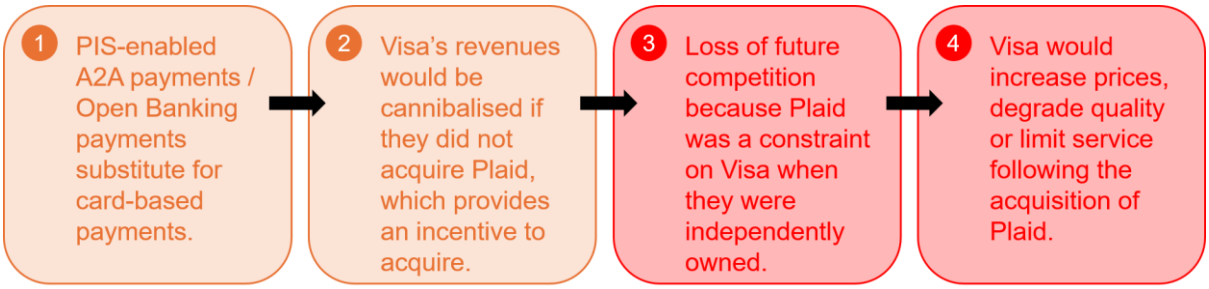
Analysis

This section considers the themes set out in the empirical framework and uses them to assess how credible the theories of harm proposed by the CMA and the DOJ would be today, given how the market has developed.

The CMA's loss of future competition theory of harm

The CMA argued that Visa's acquisition of Plaid would lead to the loss of future competition in the consumer-to-business (C2B) payments market. The conditions required in this theory of harm are outlined in Figure 3 below.

Figure 3 – Conditions required for CMA's loss of future competition theory



Condition 1 requires that open banking payments can substitute for card-based payment methods for UK C2B payments. Current evidence does not provide strong support for this. Although open banking payments do provide benefits for merchants over cards, such as lower costs (The Payments Association, 2025b), consumer adoption remains limited despite growing over time. In early 2025, around 12% of UK consumers had adopted open banking payment methods (Open Banking Limited, 2025). Constraints on consumer adoption include trust and lower consumer protections, such as the lack of a standardised dispute or chargeback mechanism. Low consumer adoption, in turn, constrains merchant adoption as payments markets are often two-sided and require strong cross-platform network effects.

Condition 2 does not appear strongly supported by current evidence, though there is a lack of publicly available information on market shares that would allow us to assess this quantitatively by, for instance, calculating diversion ratios. While the number of open banking payments in the UK have grown quickly from a low base since 2020 (Open Banking Limited, 2025), this does not appear to have significantly cannibalised Visa's revenues. Visa's revenues in UK and Ireland grew between FY18 and FY22 (PSR, 2025) despite the growth of open banking during that period.

Condition 3 does not appear to hold given current market conditions. If Visa were to acquire Plaid, the merged entity would still face significant competition from other open banking providers. Plaid faces several other competitors which have been able to grow because of the favourable regulatory environment, including, for instance:

- TrueLayer, which in 2025 claimed to be the largest UK pay by bank provider and to process more than 40% of UK pay by bank payments (TrueLayer, 2025),
- Yapily, which claims to cover the majority of UK banks (Yapily, 2026b), and
- token.io, which has partnerships with many UK banks and received investment from HSBC Ventures (HSBC Ventures, 2025).

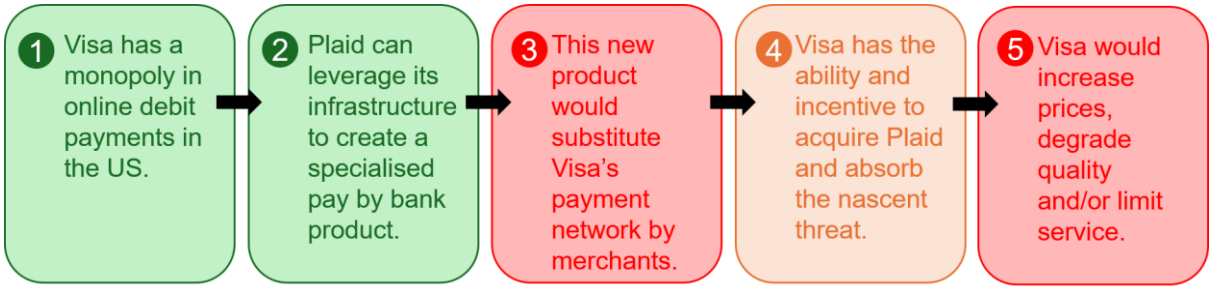
Visa's conduct after acquiring Tink in 2021, following the abandoned acquisition of Plaid, provides evidence that suggests **Condition 4** does not hold. Rather than seeking to increase prices, degrade quality or limit service, Visa's strategy after acquiring Tink has focused on building partnerships across the market, and seeking to integrate Tink's offering into their core offering to merchants. They have also used Tink's infrastructure to become a facilitator by intermediating between merchants, retail banks and other open banking providers.

In summary, it is unlikely that this theory of harm holds today. The CMA's original assessment considered that the theory of harm would not hold because the merged entity would continue to face a competitive constraint from other providers. This remains true today, and recent developments and evidence also cast doubt on other elements of the theory of harm. In particular, Plaid's growth does not seem likely to cannibalise Visa's revenues to a significant degree based on consumer adoption to date, and the experience of Visa's acquisition of Tink suggests it would use an acquisition of Plaid to form partnerships across the market and expand its offering, rather than to raise its prices or degrade quality.

The DOJ's nascent competitive threat theory of harm

The DOJ proposed a more expansive theory of harm than the CMA, arguing Visa had a strong incentive to eliminate Plaid's business as a potential future competitor to its monopoly in online debit payments. The conditions required for this theory of harm to be credible are outlined in Figure 4 below.

Figure 4 – Conditions required for DOJ's nascent competitive threat theory



The evidence available from the US market today suggests that **Condition 1** continues to hold. The DOJ's market definition focused on the online debit payments market. We are not aware of publicly available data on market shares in online debit payments specifically, but Visa had approximately 60% market share for US card payments processing in 2024 (Statista, 2026a). This is broadly consistent with global data in Visa (2025d) where Visa identified itself as having between 54% and 60% market share, based on the metric used.

Condition 2 also appears to broadly hold. Plaid has expanded into the payments sector in the US since 2020. Evidence from Plaid blogs (Plaid, 2025b) also suggests that they have been able to expand their payments capabilities across several payment rails, including Real Time Payments, FedNow, Same Day Automated Clearing House (ACH). In Plaid's 2024 shareholder letter, they reported that they were 'accelerating investment' into their payments products and that they were seeing 'strong demand' (Plaid, 2024). However, while the original DOJ lawsuit predicted that Plaid would grow into a proprietary or standalone payment network, this has not been realised yet.

We do not consider **Condition 3** to be credible based on current evidence from the US market, despite the potential advantages of open banking payment methods for merchants including cost (Federal Reserve, 2025). Consumer adoption remains low, with evidence from a 2024 study finding that only 11% of US adults had carried out an open banking transaction in the previous year (Federal Reserve, 2024). Although uptake is growing, it remains low, and trust issues may continue to limit adoption. Regulatory uncertainty and high data access costs for open banking providers act as further constraints on adoption in the US, such that substitutability is less in the US than in the UK. Indeed, these factors reportedly led Visa to exit the US open banking market in 2025 (PYMNTS, 2025).

In relation to **Condition 4**, Visa's incentive to acquire Plaid now appears to be different from the one envisaged by the DOJ in 2020. Rather than seeking to eliminate Plaid as a competitor to its card business, Visa's incentive to acquire Plaid in the future would come from wanting to integrate it as part of the 'network of networks' strategy that it has publicly espoused (Visa, 2025a). At present, this incentive is likely to be relatively weak given the regulatory uncertainty and data access costs that led Visa to discontinue its own US open banking offering. If those issues are resolved, the future incentive to acquire may be greater.

Condition 5 is unlikely to hold given that Condition 3 does not appear to hold.

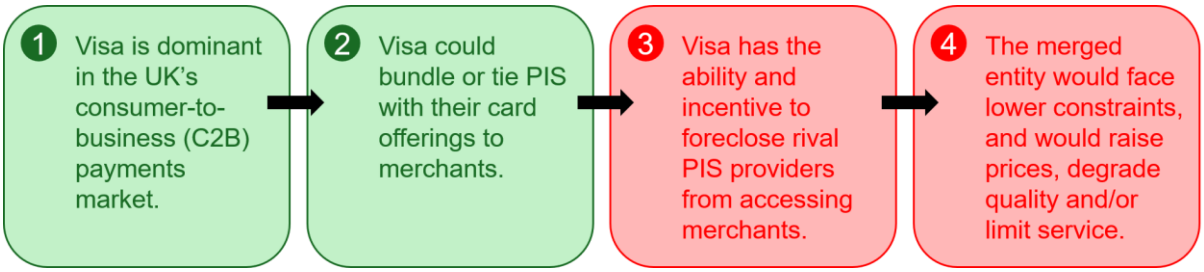
In summary, this theory of harm according to which Visa's acquisition of Plaid aimed to absorb a nascent competitive threat to its online debit payments business in the US does not appear to be credible based on current evidence. Low consumer adoption, regulatory uncertainty and high data access costs constrain the ability of open banking to substitute for Visa's offering on a substantial scale. The 'network of networks' strategy that Visa has

adopted since the DOJ's assessment also means that if these constraints on the growth of open banking payments in the US were to ease, any acquisition of Plaid by Visa would likely see Plaid's payments offering integrated into Visa's rather than discontinued entirely.

The CMA's foreclosure (conglomerate effects) theory of harm

Figure 5 below outlines a causal chain for the CMA's foreclosure theory of harm.

Figure 5 – Conditions required for CMA's foreclosure theory



There is substantial evidence that **Condition 1** holds and Visa continues to hold a dominant position in the UK's C2B payment market. The CMA found that Visa's market share was approximately 60-70% at the time of the proposed acquisition, and this does not appear to have changed materially since the time of the case (Figure 1). Cards remain central to the UK C2B payments market. Moreover, recent PSR evidence suggests 95% of transactions using UK-issued cards are made on the Visa and Mastercard networks (PSR, 2025), with survey evidence suggesting Visa accounts for a greater share than Mastercard (Visa, 2026).

Condition 2 concerns Visa's ability to bundle or tie PIS payments with their card network. This condition holds in principle, in that Visa holds a dominant position in the UK C2B payments market and has relationships with a large number of merchants.

Condition 3 does not appear to hold in 2026. The ability of Visa to foreclose rivals by tying and bundling is limited. The UK Payments Initiative was launched in 2026 and offers an alternative to Visa's A2A scheme. It has significant industry support, with major banks (e.g. Barclays, HSBC and Lloyds Banking Group) and fintech firms (e.g. TrueLayer, Yapily and Plaid itself) participating in the scheme (UK Payments Initiative, 2026). Several major banks appear to be multi-homing, participating in the UK Payments Initiative and collaborating with Visa on their A2A scheme (ibid. and Visa, 2025b). Furthermore, Visa's incentive to engage in a strategy of foreclosing nascent competitors is likely weakened by recent regulatory scrutiny. Visa has recently been the focus of investigations by the PSR and FCA (PSR, 2026a; PSR, 2026b; FCA, 2026).

The failure of Condition 3 means **Condition 4** cannot hold.

In summary, this theory of harm is less credible in 2026 than in 2020. As well as the lack of ability for Visa to engage in the foreclosure strategy that the CMA identified, additional evidence and market developments between 2020 and 2026 suggest that the incentive to foreclose rivals is also likely to be weaker now.

Conclusion

This report has assessed, with the benefit of evidence reflecting six years of subsequent developments, whether the CMA or the DOJ was more accurate in its assessment of Visa's proposed acquisition of Plaid. Overall, the evidence suggests that the CMA's assessment has been better supported by subsequent market developments.

While Plaid has continued to expand following the abandoned acquisition, as both the CMA and DOJ expected, it has not developed into the competitive constraint on Visa's online debit business envisaged by the DOJ.

We find that the theories of harm considered by the authorities in 2020 are less persuasive in light of subsequent market developments. These include low consumer adoption of open banking, Visa's conduct following its acquisition of Tink, and, in the US, ongoing regulatory uncertainty and high data access costs that appear to limit the extent to which open banking will substitute for card payments. Overall, then, the CMA was correct to conclude that the proposed acquisition would not give rise to a substantial lessening of competition.

There are two key limitations to our analysis, stemming from the fact that we have had to rely solely on publicly available evidence. We have therefore been unable to rely on internal documents that might have provided insight into the true strategies and beliefs of the firms. Secondly, we have not had access to granular quantitative evidence that would have allowed us to calculate, for example, diversion ratios.

More broadly, the Visa/Plaid case illustrates an inherent difficulty of merger assessments in digital markets. Competition authorities must make predictions about how competition will evolve in the future under substantial uncertainty, especially where the target is a young, innovative firm. With hindsight, it is easier to assess which authority made the right assessment. However, at the time the assessment was conducted, some areas – such as changes in strategy and business models – may have been challenging to foresee.

Ex post analysis like that presented in this report can help to refine future predictions by providing evidence on where previous predictions have been correct or incorrect, and what factors have led to this. Our analysis suggests that factors such as consumer dynamics and regulatory environments can be especially important to how competition evolves in digital markets.

We recommend that competition authorities are explicit about the assumptions underpinning their counterfactuals and about the uncertainty surrounding those assumptions. Doing so would improve the transparency of merger decisions. It would also aid ex-post analysis like that presented in this report, which can ultimately strengthen the evidence base for future assessments.

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