Setback for Microsoft’s £59bn plan to buy video game company

Microsoft’s acquisition of Activision Blizzard could reduce competition and requires further investigation, the UK’s watchdog has said.

The $68.7bn (£59.4bn) takeover was announced in January, and would make Xbox-maker **Microsoft** a more powerful rival to Sony and Nintendo.

But the Competition and Markets Authority said the deal could restrict competitors’ access to Activision Blizzard games and limit competition in the emerging cloud gaming market.

Both companies have been given until 8 September to come up with proposals that would address these concerns.

If this does not happen, the authority will escalate its investigation, meaning more scrutiny.

Activision Blizzard has some of the world’s best-selling and most recognisable gaming franchises, such as Call of Duty and World of Warcraft.

The all-cash takeover would be the **largest in the history of the tech industry**.

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Both Microsoft and Activision said they will continue to cooperate with the CMA.

Microsoft president and vice chairman Brad Smith said: "Sony, as the industry leader, says it is worried about Call Of Duty, but we've said we are committed to making the same game available on the same day on both Xbox and PlayStation."

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Activision Blizzard's chief executive Bobby Kotick said he

still expects the deal to close in Microsoft’s financial year ending 30 June, 2023.