3 company directors to be disqualified over construction cartel

This move follows an investigation by the Competition and Markets Authority (CMA) into 2 of the UK's largest suppliers of rolled lead, Associated Lead Mills Ltd (ALM) and H.J. Enthoven Ltd (trading as BLM British Lead), which are based in Hertfordshire. Rolled lead is used mainly for roofing and is an important product for the construction sector.

The companies, which together account for a sizeable proportion of UK rolled lead supplies, admitted last year to forming an illegal cartel. This included breaking the law 4 times by colluding on prices, sharing the rolled lead market by arranging not to target certain customers, and arranging not to supply a new business because it risked disrupting the firms' existing customer relationships. Each of the arrangements included exchanges of competitively-sensitive information. As a result, the companies were fined £1.5m and £8m respectively.

Reflecting the serious nature of the breaches and the directors' involvement, the CMA has now secured the disqualification of Mr Jocelyn Campbell (BLM), Mr Graham Hudson and Mr Maurice Sherling (ALM). All were directors at the time the illegal activity took place.

Mr Campbell also sought to conceal his communications with competitor businesses by using a different mobile phone from his main one, in the period from December 2016 until the launch of the investigation in July 2017. This only came to light when the CMA seized the phone.

Mr Sherling admitted to suspecting that ALM was breaching competition law and receiving competitively-sensitive information from a competitor (Mr Campbell of BLM) but doing nothing to stop it.

Mr Campbell will be disqualified for 6.5 years, Mr Hudson for 4 years and Mr Sherling for 3 years.

Michael Grenfell, Executive Director of Enforcement at the CMA, said:

"It's an important responsibility of company directors to ensure that their companies don't engage in illegal anti-competitive practices, which can lead to higher prices for customers.

"The CMA has clear evidence that these directors either knowingly entered into illegal arrangements and communications, or were aware of them and did nothing to stop them. That's why these measures are needed. This should be a message to all directors — if your company breaches competition law, you risk personal disqualification."

The CMA has issued a range of guidance to help businesses and directors understand more about how to comply with competition law, including compliance advice for company directors on how to avoid director

disqualification and the competition law risk guide.

More information can be found on the <u>investigation into roofing materials</u> case page.

Notes to Editors

- 1. Under the Company Directors Disqualification Act, the CMA has the power to apply to the court to disqualify a director from holding company directorships or performing certain roles in relation to a company, for a specified period, if a company of which he or she is a director has breached competition law. The Act also allows the CMA to accept a disqualification undertaking from a director as an alternative to bringing proceedings in court for an order; such an undertaking has the same legal effect as a disqualification order. These disqualifications were secured by such an undertaking.
- 2. The public can access the register of disqualified directors at the Companies House website.
- 3. Associated Lead Mills Ltd (ALM) is owned by International Metal Industries Ltd. H.J. Enthoven Ltd (trading as BLM British Lead) is owned by Eco-Bat Technologies Ltd.
- 4. The disqualification of Mr Campbell will begin on 18 March 2021 and the disqualifications of Mr Hudson and Mr Sherling will begin on 30 May 2021.
- 5. Media queries should be directed to: press@cma.gov.uk or 020 3738 6460.