

6 company directors disqualified for office fit-out cartel

All 3 were directors of companies within the Fourfront Group at the time the illegal cartel activity took place. Clive Lucking, founder and CEO of the Fourfront Group, has been disqualified for a period of 4 years and 9 months. Aki Stamatis, Chair of the Fourfront Group, has been disqualified for a period of 2 years and 9 months and Sion Davies, Managing Director at Area Sq. Ltd, has been disqualified for a period of 1 year and 6 months.

Clive Lucking contributed to 10 breaches affecting contracts with a total value of over £11.9 million. Aki Stamatis contributed to one of these breaches and took no steps to avoid the other 9 breaches even though he had reason to suspect or should have known about them. Sion Davies contributed to the illegal conduct by failing to prevent 3 breaches affecting contracts with a total value of £8.6 million.

In March 2019, [5 companies agreed to pay fines totalling £7 million](#) after the Competition and Markets Authority (CMA) found they had broken competition law by engaging in a form of collusive tendering known as “cover bidding”. Typically, cover bidding involves companies, when bidding in a competitive tender for a contract, agreeing with each other that one or more of them will place a bid that is deliberately intended to lose the contract, thereby reducing the intensity of competition. This type of illegal behaviour can lead to customers paying an artificially inflated price or receiving poorer quality services than if the companies had competed properly in the tender process. The 5 companies involved were: Fourfront, as well as JLL, Loop, Coriolis, ThirdWay and Oakley.

In May this year, the CMA secured legally binding disqualification undertakings from Robb Simms-Davies (former director of JLL group of companies), Trevor Hall (former director of Cube Interior Solutions Ltd, part of the Fourfront Group) and Oliver Hammond (former director of Area Sq. Ltd, part of the Fourfront Group).

Clive Lucking, Aki Stamatis and Sion Davies initially declined to give disqualification undertakings but have now done so after the CMA put them on formal notice of its intention to apply to the court for disqualification orders against them. Had they given undertakings before the CMA issued the formal notice, their periods of disqualification would not have been as long. Giving an undertaking means they agree to be disqualified from being a director of a company, or otherwise being involved in the management of any UK company, unless they have the permission of the court.

The undertakings will take effect on 7 October 2019. This allows the directors time to apply to the court for permission to carry out specified director duties. Whether or not any such application would be successful is a matter for the court, having heard representations from the directors and from the CMA. The CMA will be concerned to ensure that any permission is

subject to appropriate public protection safeguards, and Fourfront and its directors are constructively engaging with the CMA to that end.

An application for permission to act is a routine feature of disqualification cases and the CMA will remain involved in this process to ensure that the public is protected.

Today's announcement brings the total number of director disqualifications secured for illegal cartel behaviour to 12 since December 2016, when the CMA began actively using this power.

It is important that company directors understand that they have a personal responsibility for ensuring that their companies comply with competition law. Failure to do so puts in question their fitness to be a director of a company.

[Guidance is available on the CMA website](#) to help directors understand how to avoid disqualification. Anyone who suspects they may have witnessed or been involved in a cartel should [report it on our Stop Cartels page](#).

For more information, [view the case page](#).

1. The CMA had found the companies involved had infringed the Chapter I prohibition in the Competition Act 1998 by engaging in a form of collusive tendering, known as "cover bidding", in a decision dated 12 April 2019.
2. 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 instead of bringing proceedings, which has the same legal effect as a disqualification order.
3. Disqualification orders and undertakings under the Company Directors Disqualification Act may provide that a prohibition on acting as a company director or performing certain roles in relation to a company does not apply if the person obtains the permission of the court. Any application to the court for such permission will be heard by the High Court, or in Scotland the Court of Session, which will take account of any matters that the CMA considers to be relevant, which it must draw to the attention of the court.
4. At the time of infringement, Clive Lucking and Aki Stamatis were directors of each of the Fourfront Group companies, and Sion Davies was a director of Area Sq. Limited, one of the companies that makes up the Fourfront Group.

5. As a former director within the JLL group, Robb Simms-Davies would have been immune from director disqualification but had his protection withdrawn because he did not submit to a voluntary interview with the CMA. Continuous and complete cooperation with the CMA's investigation is a condition for leniency.