Press release: Heathrow and Arora admit to anti-competitive car park agreement

The fine to be imposed by the Competition and Markets Authority (CMA), comes after its investigation into the airport's agreement with the Arora Group for the lease of Arora's Sofitel hotel at Terminal 5. This included a clause restricting how parking prices should be set by Arora for non-hotel guests.

The CMA investigated whether the pricing restriction prevented the Arora Group from charging non-hotel guests cheaper prices than those offered at other car parks at the airport.

Following its investigation, the CMA has provisionally found that Heathrow and the Arora Group breached competition law. Both parties have formally accepted that this was a breach of competition law and have removed the pricing restriction, with Heathrow agreeing to settle the case and pay a £1.6m fine.

The Arora Group will not be fined, as it was granted immunity for coming forward under the CMA's leniency programme. The programme is designed to encourage companies to co-operate if they think they might be involved in wrong-doing.

As part of its work, the CMA has sent letters to other airports and hotel operators warning against similar anti-competitive agreements.

This is the first time the CMA has taken competition law enforcement action in a case involving a land agreement.

Ann Pope, the CMA's Senior Director for Antitrust, said:

Airport car parking charges are paid by millions of people and any agreements to restrict price competition are not acceptable.

Competition law applies to land agreements at airport car parks in the same way as any other type of business arrangement.

This fine should act as a strong warning to all companies that the CMA will take action to make sure businesses are free to compete on price.

The CMA has a dedicated reporting hotline for cartels (020 3738 6888) and recently launched a <u>campaign</u> to encourage more people to come forward with information about suspected illegal behaviour.

Notes for editors

- 1. "Land agreements" refer to agreements between businesses which create, alter, transfer or terminate an interest in land. This case involved written agreements between a freeholder (Heathrow) and its leaseholder (Arora Group).
- 2. Heathrow's fine was reduced by 20% from £2 million to £1.6 million because Heathrow voluntarily entered into settlement with the CMA.
- 3. The <u>Civil Aviation Authority</u> is a concurrent competition authority in relation to Airport Operation and Air Traffic Services. It assisted the CMA in its investigation and will be issuing an Open Letter to airport operators and other relevant parties.
- 4. Under the CMA's leniency policy, a business that has been involved in a cartel may be granted immunity from penalties or a significant reduction in penalty in return for reporting cartel activity and assisting the CMA with its investigation. Individuals involved in cartel activity may also in certain defined circumstances be granted immunity from criminal prosecution for the cartel offence under the Enterprise Act 2002. Visit our Leniency Guidance for more information.
- 5. The CMA operates a rewards policy under which it may pay a financial reward of up to £100,000 in return for information which helps it to identify and take action against cartels.
- 6. An overview of the investigation can be found on the <u>case page</u>. The investigation was opened on 7 December 2017. The CMA has issued a statement of objections to both companies and has reached a settlement with Heathrow.
- 7. The anti-competitive behaviour outlined in this press notice is covered by the Chapter I prohibition of the Competition Act 1998.
- 8. For more information on competition law, see our homepage and our competition law guidance. People can also follow us on Twitter, LinkedIn or sign up to our email alerts to receive updates on Competition Act 1998 and cartels cases.
- 9. Media enquiries should be directed to press@cma.gov.uk or journalists should call 020 3738 6460. Non-media enquiries should be emailed to general.enquiries@cma.gov.uk

News story: £3m support scheme launched to reduce air pollution from farming

A scheme, backed with £3m of funding, to help farmers reduce ammonia emissions from agriculture has been officially launched today (18 September, 2018).

The <u>Catchment Sensitive Farming</u> partnership between Defra, the Environment Agency and Natural England will support farmers to take action to reduce harmful ammonia emissions.

Farming is responsible for 88 percent of all UK emissions of ammonia gas which can travel long distances, be damaging to the environment, and combine with other pollutants to form particulates, which are harmful to human health.

The money will fund a team of specialists who will work with farmers and landowners to implement the measures to reduce their ammonia set out in the new Code of Good Agricultural Practice (COGAP) for Reducing Ammonia Emissions.

The team will provide training events, tailored advice, individual farm visits and support with grant applications, all funded by the programme.

Bob Middleton, Programme Manager, Catchment Sensitive Farming said:

As custodians of the land, farmers have an important role to play in protecting the environment. But reducing ammonia emissions can also bring real business benefits.

The UK loses £138m of nitrogen per year from ammonia emissions, so by taking action to reduce them, farmers can get more value from their manure and fertiliser and save money.

This new initiative adds to the existing, popular programme of advice to improve water quality and prevent flooding from farmed land and a new guidance video which sets out simple steps all farmers can take to reduce ammonia emissions, such as the way they handle livestock feed, and manure and fertiliser spreading.

Farming Minister George Eustice said:

There is growing evidence that ammonia emissions can have

significant impacts to parts of our environment so we want to help farmers play their part in reducing them.

The specialist team of advisers leading this project can advise farmers on steps they can take, such as improved slurry handling facilities, and grants are available where investment is required.

Reducing emissions from farming is a key element of the government's ambitious new Clean Air Strategy, which has been welcomed by the <u>World Health</u> Organization.

The announcement comes less than a week after the introduction of the government's landmark <u>Agriculture Bill</u> which sets out ambitious proposals to protect and enhance our environment.

To replace the Common Agricultural Policy, a new system will reward farmers for "public goods", which includes taking action to improve air and water quality and soil health.

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Press release: Investigation shuts down 'emergency services' book publisher

MP (NW) Limited (MPNW) was incorporated in September 2015. Its business was listed as 'other publishing activities', with a registered office in Chester. The Insolvency Service launched an investigation following complaints about the company's activities.

On 28 August 2018, the High Court sitting in Manchester heard the petition presented on behalf of the Secretary of State for Business, Energy and Industrial Strategy.

The investigation established, and in winding up the company on that day, the Court accepted that MPNW cold-called other small businesses to sell them advertising space in three very similar quarterly magazines — Insight, Inside Story and Reaction — claiming to offer an alternative look at the way the emergency services operate. MPNW also claimed that around 2,000 copies would be printed and distributed for each issue.

However, investigators found that commission-based sales staff misled advertisers into believing that MPNW was a not-for-profit organisation or was directly affiliated with one or other branch of the emergency services, and the numbers of magazines distributed was far lower than indicated.

Additionally, the company failed to keep adequate accounting records with the result that it was not possible to ascertain how many magazines had actually been printed and distributed. Nor has it been possible to know whether all receipts from advertisers were accounted for and what remuneration/commission was paid to directors/staff.

Scott Crighton, a Chief Investigator at the Insolvency Service, said:

MPNW attracted customers by exploiting their generous and benevolent nature and by misleading them into believing that income generated from advertisements would benefit the emergency services whereas, in reality, just 0.3% of revenue was paid out by way of charitable donation.

The actions of the court in winding up this company has prevented further loss to the businesses community and demonstrates that the Insolvency Service can and will use its powers to take action against those who would seek to profit from the charity and goodwill of others.

Any business owner who is solicited in this way should exercise discretion before agreeing to purchase advertising space.

On the winding-up of the company, the Official Receiver was appointed liquidator.

MP (NW) Limited (Company number 09781619) was incorporated on 17 September 2015. Its registered office is at Unit 20, Evans Business Centre, Minerva Avenue, Chester, CH1 4QL.

The petition to wind up the company was presented in the High Court Manchester on 26 June 2018, under the provisions of section 124A of the Insolvency Act 1986 following confidential enquiries by Company Investigations under section 447 of the Companies Act 1985, as amended. MPNW was wound up on 28 August 2018 and the Official Receiver was appointed as liquidator.

The petition was heard by District Judge McNall and the Secretary of State was represented by Richard Tetlow of counsel and Gowling WLG (UK) LLP solicitors. The company was not present or represented. Company Investigations, part of the Insolvency Service, uses powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK on behalf of the Secretary of State for Business, Energy & Industrial Strategy (BEIS).

Further information about live company investigations is available here.

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is available.

Media enquiries for this press release - 020 7674 6910 or 020 7596 6187

You can also follow the Insolvency Service on: