

CMA finds concerns in drinking water solutions merger

Press release

The CMA has found that the anticipated purchase of Waterlogic by Culligan could lead to a loss of competition in the supply of multifunctional taps to business customers in the UK.



Image credit: CMA

Culligan (mainly through its Zip brand) is the leading supplier of multifunctional taps to business customers – such as offices – in the UK. Waterlogic (through its Billi brand) is one of Culligan’s main competitors.

Unlike traditional taps, multifunctional taps can provide chilled, hot or boiling and, depending on the model, sparkling water. They offer an easy-to-use solution for businesses, that want to provide drinking water solutions in the workplace that are better for the environment than disposable bottles.

The Competition and Markets Authority (CMA) is concerned that this merger would leave just three large suppliers of multifunctional taps to business customers in the UK, which could lead to higher prices or lower quality of service.

Sorcha O’Carroll, CMA Senior Director of Mergers, said:

Multifunctional taps are an increasingly popular option for employers who need to make drinking water readily available to employees and want to reduce waste. By removing a key player that offers this product, this deal could lead to higher costs to businesses and lower quality service.

If the merging businesses can offer a suitable way to address this issue, then we won’t need to move to a more in-depth investigation.

Culligan and Waterlogic have now 5 working days to submit proposals to address the CMA's competition concerns. If suitable proposals are not submitted, the deal will be referred for an in-depth Phase 2 investigation.

For more information, [visit the Culligan and Waterlogic merger inquiry page](#).

1. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.
2. There are 2 routes by which the CMA may come to review a merger (details of which can be found in the CMA's [quick mergers guidance](#), paragraph 2.5). Businesses can formally notify a merger to the CMA by completing a Merger Notice or the CMA's Merger's Intelligence Committee can investigate mergers that have not been notified to it.
3. Under the Enterprise Act 2002 the CMA has a duty to make a reference to Phase 2 if the CMA believes that it is or may be the case that a relevant merger situation has been created, or arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

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