

CMA letter to Tesco on breaches of the Groceries Controlled Land Order

The CMA initially wrote to Tesco about one breach, and Tesco's subsequent review of its remaining land agreements uncovered 22 further breaches from its total of 5,354 land agreements.

These breaches included:

- 3 restrictive covenants which could have prevented other tenants from opening competing stores near Tesco stores and which breached Article 5 of the Order
- entering into or rolling-over 20 agreements which allowed Tesco exclusive rights to sell groceries in certain areas for longer than the permitted five-year period, and which breached Article 8 of the Order

The CMA understands that in the majority of cases, the breaches were caused by Tesco renewing agreements that were entered into prior to the Order coming into force without checking that the terms of the exclusivity provision in the prior agreement complied with the Order.

Tesco has acknowledged the breaches that have occurred and has cooperated with the CMA in taking forward its analysis. The CMA notes that Tesco has begun to take remedial action for 22 out of the 23 breaches and is seeking to do so in respect of the remaining breach. Details of the affected stores/land can be found in the document above.

Tesco has voluntarily agreed to improve its practices to avoid further breaches of the above Order. Specifically, Tesco is:

- taking all steps it can to release any affected party from a land agreement term which breaches the Order
- improving training for its staff on the Order, specifically about what is and is not permitted in land agreements
- requiring its external property lawyers to ensure that each new land agreement is subject to specific checks relating to compliance with the Order

See the Competition Commission's [Groceries Market Investigation](#) case page for information on the investigation and the [Groceries Market Investigation \(Controlled Land\) Order 2010](#) case page for more information on the order.