

CMA requires Dye & Durham to sell TM Group

Following a Phase 2 merger investigation, the CMA has found that the acquisition of TM Group by Dye & Durham substantially lessens competition in the supply of property search services in England and Wales.

Property search reports are used to make sure that buyers and sellers have all the facts they need about a property – including title, access rights, planning restrictions, water and sewerage services, flood risk and other important information – before a sale goes ahead. The reports are ordered from firms like Dye & Durham and TM Group by conveyancers, solicitors, estate agents, and mortgage brokers on behalf of people and businesses buying and selling properties. Charges for property search services arise in almost every property transaction and are typically included within the conveyancing fees paid by homebuyers.

Dye & Durham, an international provider of cloud-based software and technology solutions, announced the £91.5 million purchase of Swindon-based TM Group in July 2021. Both businesses offer property search services to clients in the UK under a variety of different brands.

The firms chose not to notify the CMA about the deal but, as part of its ongoing monitoring of mergers and acquisitions, the CMA identified potential concerns and began an initial investigation in October 2021. It was referred for an in-depth investigation, overseen by an independent inquiry group, in December 2021.

The inquiry group has considered a wide range of evidence, including from the merging businesses' own strategic documents and a survey of customers, as well as extensive information provided by customers, competitors and other industry players.

The firms were close rivals before the merger and the evidence shows that the combined business would be the largest provider in the market. The CMA also found that the merger would only leave 2 other large national suppliers in the market and that competition from smaller suppliers would not offset the competition lost by the merger.

The CMA has therefore concluded that the merger would reduce competition and could lead to less innovation, higher prices and lower quality services in the market. This could mean a worse deal for people and businesses buying or selling residential and commercial properties in England and Wales.

To address this loss of competition, the CMA has concluded that Dye & Durham must sell TM Group to a suitable buyer to be approved by the CMA.

Richard Feasey, chair of the independent CMA group conducting this inquiry, said:

The merger of 2 of the biggest players in this market would be bad news for anyone buying or selling property in England and Wales.

Competition drives innovation and keeps prices down. Without it, we can pay more for worse products and services.

To address our concerns, Dye & Durham must sell TM Group in its entirety to a suitable buyer.

For more information, visit the [Dye & Durham/TM Group merger inquiry page](#).

1. The UK merger control regime is voluntary, which means that merging businesses are free to choose whether to notify a merger to the CMA. The fact that a merger has not been voluntarily notified to the CMA does not mean that the CMA will not review it. The CMA has a duty to track merger activity to determine whether any unnotified merger may give rise to a substantial lessening of competition. The CMA's Mergers Intelligence Committee, which keeps merger activity under review, decided to call in the merger for review after Dye & Durham acquired TMG in July 2021.
2. There are two 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. Before the merger, the Parties were two of the four largest suppliers of property search reports, with the other two large competitors being ATI and Landmark.
4. Canadian-based Dye & Durham has expanded globally over the last few years, into territories such as Australia and Ireland, as well as the United Kingdom. Since 2016, it has acquired 11 firms based in England and Wales, including PIE, PSG Connect, Index, York Place, Terrafirma and Future Climate Info (FCI), and one in Northern Ireland.
5. The CMA has concluded that a full divestiture of TM Group would be an effective and proportionate remedy to address the substantial lessening of competition and resulting adverse effects it has found.
6. Any potential purchaser must satisfy the CMA's normal purchaser suitability criteria, I.e., that a purchaser: is independent of the merging parties; has the necessary capability to compete in the relevant markets; is committed to competing in the relevant markets; and will not create further competition concerns.
7. The CMA's approach to the remedies process is set out in [Merger remedies guidance](#) CMA87 (13 December 2018).
8. The CMA has the choice of implementing any final remedy decision either by accepting final undertakings pursuant to Section 82 of the Enterprise Act 2002 ('the Act') if the Parties wish to offer them, or by making a final order under Section 84 of the Act. Either the final undertakings or the final order must be implemented within 12 weeks of publication of our final report (this period may be extended once by up to 6 weeks under exceptional circumstances), including the period for any formal public consultation on the draft undertakings or order as specified in Schedule 10 of the Act.

9. The final undertakings or the final order will require Dye & Durham to complete the full divestiture of TM Group to a purchaser approved by the CMA within a timescale specified by the CMA in Chapter 10 of the Final Report. The CMA does not normally publish the timescale within which the Parties must complete a divestiture remedy.
10. Under Section 120 of the Act parties have the right to seek a review of decisions in merger cases. These applications are heard by the Competition Appeal Tribunal.