

# CMA to investigate ESS's move to three-year contracts for schools

Press release

The CMA is investigating whether education software company ESS is abusing a dominant position to push schools into accepting a new 3-year contract.



The investigation will assess concerns around a contract change made by Education Software Solutions Ltd Group (ESS) – the largest provider of school management information systems in the UK. The company is requiring its customers to move from one-year contracts to 3-year contracts and the CMA is considering whether schools were given sufficient time to consider their options, such as moving to an alternative provider instead of renewing with ESS for the full 3 years. The CMA is concerned that this change makes it more difficult for alternative providers to compete with ESS to win business.

In the UK, most state schools are required to have a management information system in place. These systems are used to handle student information, such as attendance and safeguarding. Some schools have told the CMA that the process for selecting an MIS is often lengthy and can involve complex procurement steps.

The CMA will be considering all relevant issues, including the concerns raised by schools and whether it should be imposing interim measures while its investigation is ongoing.

Ann Pope, Senior Director of Antitrust at the CMA, said:

We have heard concerns regarding ESS's contract changes. Thousands of schools rely on management information systems and their choice of supplier should not be restricted. The duration of the ESS contract has been significantly extended and schools should be able to pick the best provider for their needs.

While ESS has made some changes to its original position, such as

the introduction of a possible 6-month break clause, some schools tell us this is still not enough time. A formal investigation will allow us to consider this matter properly.

As part of its investigation, the CMA will also consider the pricing of some ESS product packages – specifically, it will look at how ESS’s management information system product is being sold alongside its financial management software. This could encourage customers to buy both products and deter customers moving away from ESS.

The CMA is concerned that, by adopting such a pricing strategy, market players that only offer one of these services may be unable to compete, potentially leading to an uncompetitive market in future.

More information is available on the [Investigation into the conduct of ESS case page](#).

1. No conclusion should be made that the law has been broken. The CMA has made no decision that ESS’s contracts need to change.
2. ESS is the largest provider of school management information systems in the UK. Its systems are currently used in England, Wales, and Northern Ireland.
3. The competition legislation relevant to the CMA’s investigation is the Competition Act 1998. The Chapter II prohibition in the Competition Act 1998 prohibits any conduct on the part of one or more undertakings which amounts to the abuse of a dominant position in a market, and which may affect trade within the UK.
4. The CMA may launch an investigation under the Competition Act 1998 if it has reasonable grounds to believe that there has been an infringement of competition law. If the CMA decides that there has been a breach of competition law then it can impose a fine up to 10% of ESS’s worldwide turnover, as well as issue legally binding directions to bring the breach to an end.
5. All enquiries from journalists should be directed to the CMA press office by email on [press@cma.gov.uk](mailto:press@cma.gov.uk) or by phone on 020 3738 6460.
6. All enquiries from the general public should be directed to the CMA’s General Enquiries team on [general.enquiries@cma.gov.uk](mailto:general.enquiries@cma.gov.uk) or 020 3738 6000.

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