

CMA warns firms over price-fixing of supplies to disabled students

The Competition and Markets Authority (CMA) has sent advisory letters to a number of firms, reminding them of their obligations under competition law, after learning of allegations that some suppliers colluded over the price of key services and equipment. Price-fixing is a serious breach of competition law and can cheat people out of a lower price, which could have been available if competition was working properly.

Disabled students who are eligible can receive funding through the Disabled Student Allowances grant scheme, managed by the Student Loans Company (SLC), which acts on behalf of the UK and Welsh governments' education departments. Under the current system, an independent needs assessor will provide SLC with recommendations for products and services along with quotations from suppliers, and SLC will work with the student to put the support in place.

The CMA is concerned that SLC – and so ultimately the taxpayer – may have paid over the odds for certain goods and services because some suppliers agreed prices before providing quotations. This alleged activity could also have reduced the overall amount which disabled students have available for purchasing equipment through the scheme.

While the CMA has been considering these allegations, SLC has told the CMA that it is making a number of changes to the way it procures goods and services for disabled students. The changes will increase price transparency and competition amongst companies, and should therefore limit the potential for anti-competitive behaviour to take place.

Michael Grenfell, the CMA's Executive Director of Enforcement, said:

“Healthy competition is the cornerstone of getting the best deal so we are concerned if companies might be doing something to threaten that. It is particularly troubling in this case if the interests of disabled students are affected, and if public funding is hit.

“We trust that the letters we have issued, and today's announcement, send a clear message. Any suppliers engaging in price fixing with competitors, or other illegal collusion, need to review their practices and make changes now.”

The CMA has not made a legal finding as to whether competition law has been broken at this stage, but it will keep this sector under review, remaining open to the possibility of further action if these concerns are not fully addressed.

The CMA runs a '[Cheating or competing?](#)' campaign, which aims to educate businesses about which practices are illegal and urges people to come forward if they suspect a business has taken part in cartel behaviour, such as

rigging contracts or price fixing. It has also issued a range of guidance to help businesses understand more about how to comply with competition law.

Notes to Editor

1. For more information on CMA advisory letters, what they are and when they are used, look at the CMA's [Warning and Advisory Letters page](#).
2. The Students Loan Company provides funding to disabled students through [Disabled Students' Allowances](#).