

Construction firms fined £36 million for breaking competition law

Following an investigation by the Competition and Markets Authority (CMA), the Northern Ireland-based firm FP McCann Ltd is facing a fine of more than £25 million for its part in the scheme. Derbyshire-based Stanton Bonna Concrete Ltd and Somerset-based CPM Group Ltd are due to pay more than £7 million and £4 million respectively.

The fines have been imposed after the CMA found that the companies broke competition law by taking part in an illegal cartel covering Great Britain. From July 2006 to March 2013, they agreed to fix or coordinate their prices, shared the market by allocating customers and regularly exchanged competitively sensitive information.

These arrangements continued for nearly 7 years and involved meetings attended by senior executives from each of the firms. The CMA recorded a number of these meetings and used them as evidence when arriving at its final decision.

Last year, 2 of the 3 firms, Stanton Bonna Concrete Ltd and CPM Group Ltd, both accepted that they broke competition law by engaging in these arrangements. Accordingly, under the CMA's provisions for leniency and settlement processes, they have received reductions to their fines.

Pre-cast concrete products, such as drainage pipes, are of crucial importance to large infrastructure projects and are often used in roads and railways or water management projects.

Customers for these products include engineering and construction firms, utilities providers and local and national government across Great Britain. At the time of the infringement the firms were the leading players in the market.

Andrea Coscelli, the CMA's Chief Executive, said:

"These companies entered into illegal arrangements where they secretly shared out the market for important building products and agreed to keep prices artificially high. This is totally unacceptable as it cheats customers out of getting a good deal.

"The CMA will not hesitate to issue appropriately large fines in these cases and we will continue to crack down on cartels in the construction sector and in other industries."

The CMA also runs a [Stop Cartels 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. There's also a range of [guidance to help businesses](#) understand more about competition law.

Notes to editors

- The decision is addressed to the following parties, which the CMA has found were directly involved in the infringements or are liable as parent companies of the undertakings directly involved:
 1. Stanton Bonna Concrete Limited and its parent companies Bonna Sabla SA, Consolis Finance SAS, Consolis SAS, and Consolis Group SAS (SBC);
 2. CPM Group Limited; and
 3. FP McCann Limited.
- The final fines for each of the firms were:

£7,474,745 (SBC)

£4,000,000 (CPM Group Limited)

£25,449,676 (FP McCann Limited)

- In calculating financial penalties (fines), the CMA takes into account a number of factors including seriousness and duration of the infringement, turnover in the relevant market and any mitigating and/or aggravating factors.
- CPM Group Ltd and SBC were handed reduced fines as a settling parties which admitted their involvement in cartel activity. Parties under investigation may enter into “settlement” if they are prepared to admit that they have breached competition law and are willing to agree to a streamlined administrative procedure for the remainder of the investigation. In return, the CMA imposes a reduced fine on the business where settlement would achieve clear efficiencies, resulting in the earlier adoption of any infringement decision and resource savings.
- SBC also reported the cartel conduct under the CMA’s leniency policy and therefore benefited from a discount on its fine. Under the CMA’s leniency policy, a business that has been involved in a cartel may be granted immunity from penalties or a significant reduction in penalty in return for reporting cartel activity and assisting the CMA with its investigation. An undertaking may qualify for immunity or a reduced penalty where it has a genuine intention to confess that it has engaged in cartel conduct, and provides information that adds significant value to the CMA’s investigation. Individuals involved in cartel activity may also in certain circumstances be granted immunity from criminal prosecution for the cartel offence under the Enterprise Act 2002.
- Anyone who has information about a cartel is encouraged to call the CMA cartels hotline on 020 3738 6888 or email cartelshotline@cma.gov.uk.
- More information about the case is available on the [case page](#).