

Customers could lose out in motor parts merger

Universal Components UK Limited (Universal Components), owned by TVS Europe Distribution Limited, and 3G Truck & Trailer Parts Ltd (3G) are 2 of the leading wholesalers of commercial vehicle and trailer parts in the UK. Both businesses are known for their broad service offering, allowing customers to buy a wide range of parts from a single supplier.

Following an in-depth Phase 2 investigation, the Competition and Markets Authority (CMA) has found that Universal Components and 3G compete closely with each other to supply replacement parts for commercial vehicles and trailers to motor factors (local distributors), who in turn sell on to independent garages and repairers in the UK. The CMA also found that customers seeking to purchase a wide range of parts from a single supplier would have limited alternatives after the merger. This could lead to UK motor factors facing higher costs and lower quality services, such as longer delivery times or worse stock range and quality.

In reaching this provisional decision, the CMA analysed a significant body of evidence looking at how closely the 2 businesses compete, including the companies' internal documents and feedback from customers and competitors. The companies' internal documents showed that the businesses monitor each other closely when determining their strategies and setting prices, and that Universal Components' decision to buy 3G was motivated in part by the desire to remove 1 of its main competitors from the market.

Kirstin Baker, Inquiry Group Chair, said:

Both of these companies supply commercial vehicle and trailer parts that are vital to a wide range of businesses across the UK. We are concerned that, as a result of this merger, distributors would be likely to face less product choice, poorer service and higher prices.

This could make it more difficult and expensive for garages and repairers to service their customers' vehicles and keep them on the road.

All interested parties now have until 4 November 2020 to submit views on possible remedies to address the CMA's concerns and until 11 November 2020 to submit views on the CMA's provisional findings.

For more information, visit the [TVS Europe Distribution Limited / 3G Truck & Trailer Parts merger inquiry](#) web page.

For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.