

Estate agent directors disqualified for roles in illegal cartel

Stephen Jones and Neil Mackenzie were directors at estate agents Richard Worth and Michael Hardy, respectively, from September 2008 to May 2015. During this time, their firms took part in a cartel with 2 other local estate agents in which they conspired together to set minimum rates for commission on the sale of residential properties in Wokingham, Winnersh, Crowthorne, Bracknell and Warfield – where they were the leading estate agents at that time.

Both have now been disqualified for 6 and a half years for their roles in the cartel, meaning they cannot act as directors of any companies or be involved in the management of any company based in England, Scotland or Wales during this time.

The move follows a Competition and Markets Authority (CMA) investigation into the cartel, which found that the 4 estate agents maintained the illegal activity for almost 7 years. They exchanged confidential information on pricing and held meetings to make sure all members of the cartel enforced and maintained the agreed minimum rates.

This meant that homeowners in the affected areas were denied the chance of securing the best possible deal when selling their property because they were unable to meaningfully shop around all their local estate agents for a better commission rate.

And, as a result, 3 of the 4 estate agents – including Richard Worth and Michael Hardy – were [fined over £600,000 for their illegal behaviour](#).

Michael Grenfell, Executive Director of Enforcement, said:

Selling your home can be a stressful and expensive experience, and one that shouldn't be made harder by estate agents conspiring to cheat homeowners out of the best deal.

Company directors have an important responsibility to make sure their firms don't take part in this kind of anti-competitive behaviour.

Today's disqualifications should send a clear message to the sector – stay on the right side of the law or face the consequences.

The 2 disqualifications announced today bring the total number of directors

disqualified following a CMA investigation to 18. As part of the Company Directors Disqualification Act, the CMA can seek the disqualification of any director where their company has broken competition law. It is one of a number of tools the CMA can use to protect consumers from anti-competitive behaviour.

The CMA also 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.

1. The disqualification undertakings are available on the [CMA's case page](#). Mr Jones and Mr Mackenzie each gave disqualification undertakings after the CMA commenced court proceedings seeking orders for their disqualification. The CMA's acceptance of the undertakings given by Mr Jones and Mr Mackenzie brings those court proceedings to an end.
2. Under the Company Directors Disqualification Act 1986, the CMA has the power to apply to the court for an order disqualifying a director from holding company directorships or performing certain roles in relation to a company for a specified period if a company of which he or she is a director has breached competition law and their conduct makes them unfit to be a director or be involved in the management of a company. The Act also allows the CMA to accept a disqualification undertaking from a director instead of bringing proceedings. A disqualification undertaking has the same legal effect as a disqualification order.
3. The other 2 estate agency firms involved in the illegal minimum fee arrangement qualified for leniency under the [CMA's leniency policy](#). Under the policy the CMA will not seek the disqualification of their cooperating directors, as long as the estate agents continue to comply with the terms of their leniency agreements with the CMA.
4. The CMA is also currently seeking director disqualifications in 2 further separate proceedings before the court. One in relation to its probe into [Residential estate agency services in the Burnham-on-Sea area](#), and one in relation to its [Supply of precast concrete drainage products: civil investigation](#).
5. The total number of directors disqualified following a CMA investigation includes 1 director who was disqualified on his conviction for the criminal cartel offence in relation to the [supply of precast concrete drainage products](#)
6. For more information on the CMA follow us on [Twitter](#), [Facebook](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and civil cartels cases.
7. Media enquiries should be directed to press@cma.gov.uk, or call 020 3738 6460.