

Estate agents fined over half a million pounds for price fixing

The move comes after the CMA found that the companies, Michael Hardy, Prospect and Richard Worth, together with a fourth company, Romans, broke competition law by taking part in a price-fixing cartel, which began in September 2008.

For almost 7 years, the 4 companies conspired to set minimum commission rates for the sale of residential properties in Wokingham, Winnersh, Crowthorne, Bracknell and Warfield – where they were the leading estate agents at that time. This involved the firms exchanging confidential information on pricing and holding meetings to make sure all members enforced and maintained the agreed minimum rates.

The result was that local home-owners 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 agents for better commission rates.

Romans will not be fined as it brought the illegal activity to the CMA's attention and fully cooperated with the investigation, under the CMA's [Leniency Programme](#).

Michael Grenfell, Executive Director of Enforcement, said:

It is disappointing we've found yet another case of estate agents breaking competition law.

We trust that the fines issued today will reinforce our message that we expect the sector to clean up its act and make sure customers are not being ripped off in this way.

The industry needs to take note: this kind of behaviour will not be tolerated. If you break the law, you risk similar consequences.

The total fines imposed take into account the behaviour of the companies involved. Michael Hardy's and Prospect's fines have been discounted to reflect the fact they admitted to illegal behaviour and agreed to cooperate with the CMA, thereby shortening the length of its investigation.

Tackling cartels is a fundamental part of the CMA's work, and this is the third case it has taken against estate agents in recent years. Others include fining [3 members of the Three Counties Estate Agent Association £735,000](#) for breaking competition law in relation to letting and estate agent fees, and fining [4 estate agents in Somerset over £370,000](#) for colluding to set minimum commission rates.

The CMA 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, 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. Media enquiries should be directed to the CMA Press Office at press@cma.gov.uk or 020 3738 6460.
2. The CMA has taken action in this case under the Chapter I prohibition in the Competition Act 1998. This prohibits agreements, practices and conduct that may have a damaging effect on competition in the UK. It covers anti-competitive agreements and concerted practices between businesses ('undertakings') which have as their object or effect the prevention, restriction or distortion of competition within the UK or a part of it and which may affect trade within the UK or a part of it.
3. As part of its probe, on 13 June 2019 the CMA issued a Statement of Objections against 4 estate agents: i) Michael Hardy & Company (Wokingham) Ltd and Geocharbert UK Ltd – together known as Michael Hardy, ii) Prospect Estate Agency Ltd and Prospect Holdings (Reading) Ltd– together known as Prospect, iii) Richard Worth Ltd (in administration) and Richard Worth Holdings Ltd – together known as Richard Worth, and iv) The Romans Group (UK) Ltd and Romans 1 Ltd – together known as Romans. The company, Adelfas Property Group Ltd, currently trading as Richard Worth Estate and Land Agents is not one of the companies subject of this decision. All information relating to the CMA's work in this case can be found on the [provision of residential estate agency services case page](#).
4. Michael Hardy is being fined £142,843. This includes a reduction of 10% for settlement. Following the CMA's provisional decision in June 2019, Michael Hardy agreed to settle the investigation with the CMA. By settling with the CMA, Michael Hardy admitted being part of the cartel, and agreed to pay the penalty and to a streamlined procedure.
5. Prospect is being fined £268,765. This includes a reduction of 50% under the CMA's [Leniency Programme](#) and 10% for settlement. As in the case of Michael Hardy, by settling following the CMA's provisional decision, Prospect admitted being part of the cartel, and agreed to pay the penalty and to a streamlined procedure.
6. Richard Worth is being fined £193,911.
7. The CMA's [Leniency Programme](#) encourages businesses and individuals to come forward if they are involved in a cartel and those that cooperate may be granted immunity from penalties or significant reductions. 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.
8. 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.
9. For more information on the CMA see our homepage or follow us on Twitter, taken LinkedIn and like our Facebook page. Sign up to our email alerts to receive updates on Competition Act 1998 and cartels cases.