

Imprivata's purchase of Isosec raises competition concerns

Press release

The Competition and Markets Authority (CMA) has found that Imprivata's proposed acquisition of Isosec raises competition concerns.



Imprivata and Isosec provide secure authentication management solutions to healthcare providers in England. These technologies can give staff protected access to sensitive patient data sourced from a central NHS IT system.

Following its Phase 1 investigation, the CMA has found evidence indicating that Imprivata and Isosec are important rivals in this area and part of the motivation for the takeover was the removal of a competitive threat from the market. Evidence also shows that competition between them is expected to grow in the future with the introduction of new products. In addition, the merging companies' customers, including the NHS, have limited other options in terms of suppliers.

The CMA is therefore concerned that the merger could reduce choice and stifle innovation in authentication management solutions for accessing sensitive NHS data. This would have an impact on both non-NHS and NHS healthcare providers across England and could potentially lead to taxpayers receiving poorer value for money in relation to these services.

Joel Bamford, CMA Senior Director of Mergers, said:

Just like consumers, the NHS relies on competition between suppliers to keep prices low and drive innovation. The evidence we've seen from NHS customers and the companies' own documents shows that Imprivata and Isosec would compete increasingly strongly if it wasn't for their proposed deal. Losing this competition would lead to a worse outcome for the NHS and other healthcare providers. Unless the companies address our concerns, we will refer the deal to a more in-depth review.

The CMA will refer this merger to a more in-depth Phase 2 investigation unless the companies address its concerns. As standard, they now have 5 working days to offer legally binding proposals to the CMA. The CMA then has a further 5 working days to consider whether to accept any offer instead of referring the case to a Phase 2 investigation.

For more information, visit the [Imprivata, Inc./Isosec Limited merger inquiry page](#).

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