

## Morrisons / McColl's merger only raises concerns in a small number of local areas

However, overall, the deal would not harm the vast majority of shoppers or other businesses.

On 13 July 2022, the Competition and Markets Authority (CMA) [launched its investigation](#) after the companies submitted the reported £190 million deal for review.

McColl's operates convenience newsagent shops, with over 1,100 stores across England, Scotland, and Wales, while Morrisons (owned by parent company Clayton, Dubilier & Rice 'CD&R') has around 500 grocery stores in the UK. CD&R is also the parent company of the Motor Fuel Group (MFG). MFG owns over 800 convenience stores, the vast majority of which are attached to its petrol stations.

Following its Phase 1 investigation, the CMA has found that the merger between Morrisons and McColl's raises competition concerns in 35 areas, where McColl's or MFG convenience stores will face reduced competition if the deal is allowed to go ahead as planned. Weaker competition could lead to higher prices or a lower quality service for the customers in these areas who rely on their local shops for groceries.

During the investigation, the retailers accepted that the merger would raise concerns in some areas and asked the CMA to move straight to a discussion of remedies to address these concerns.

Morrisons now has 5 working days to offer proposals to the CMA to address the competition concerns identified. The CMA would then have a further 5 working days to consider whether to accept these in principle instead of referring the case to a Phase 2 investigation.

Sorcha O'Carroll, CMA Senior Director of Mergers, said:

As the cost of living soars, it's particularly important that shops are facing proper competition so that customers get the best prices possible when picking up essentials or doing the weekly shop.

While the vast majority of shoppers and other businesses won't lose out, we're concerned that the deal could lead to higher prices for people in some areas. If Morrisons and McColl's can address these concerns, then we won't need to move on to an in-depth investigation.

In the meantime, we're working closely with Morrisons to ensure that it can provide the support that McColl's needs to continue to

operate during our investigation.

For more information, visit the [Morrison's / McColl's merger inquiry page](#).

1. The CMA's competition concerns relate to 35 local areas
2. The CMA [previously investigated CD&R's purchase of Morrison's](#) and approved the deal subject to the divestment of 87 MFG petrol stations to address competition concerns. This process is ongoing
3. All enquiries from journalists should be directed to the CMA press office by email on [press@cma.gov.uk](mailto:press@cma.gov.uk) or by phone on 020 3738 6460
4. All enquiries from the general public should be directed to the CMA's General Enquiries team on [general.enquiries@cma.gov.uk](mailto:general.enquiries@cma.gov.uk) or 020 3738 6000