

# [News story: Bristol buses released from undertakings by CMA](#)

The undertakings, covering FirstGroup Holdings Limited, 'FirstGroup', and local authority bus services, were put in place following the 1989 merger of local bus companies Badgerline and Midland Red West, which was investigated by the Monopolies and Mergers Commission (MMC).

The MMC ruled in 1989 that the merger would remove competition for bus services contracted by the former Avon County Council. Local authorities tender for – and subsidise – unprofitable bus services to maintain important transport links for residents.

Badgerline was subsequently renamed FirstGroup Holdings Limited (a subsidiary of FirstGroup plc), which then became subject to the restrictions, including a cap on the amount they could receive from the local authority for running a tendered service – and a requirement to return any excess profit from such services.

The Competition and Markets Authority (CMA) has been [reviewing the undertakings](#) since January 2017 to consider if there has been any change of circumstances which would justify the removal or variation of the undertakings.

During the investigation it was found that FirstGroup's share of tendered bus services in the region has reduced significantly since the MMC report and that in the most recent tender rounds, FirstGroup did not win any contracts at 3 of the 4 Local Transport Authorities. The CMA engaged with local stakeholders during the investigation, none of which argued that the undertakings were having a beneficial effect and should be retained.

In June, the CMA launched a consultation on its provisional decision to remove the undertakings. No representations were received and the CMA has therefore decided to release the undertakings. A notice of release of undertakings is published alongside the [CMA's final decision](#).

## **Notes for editors**

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Flickr](#), [LinkedIn](#) and [Facebook](#).
2. Media enquiries to the CMA should be directed to [press@cma.gsi.gov.uk](mailto:press@cma.gsi.gov.uk) or 020 3738 6798.