

[News story: Competition concerns over washroom suppliers' merger](#)

Rentokil, which trades as Initial for washroom services, and Cannon are 2 of the UK's largest suppliers of washroom services to commercial, industrial and public buildings. These include the supply and fitting of dispensers such as air sanitisers and soap dispensers; replacement of toilet paper; and waste collection from feminine hygiene units and nappy bins.

On 28 June 2018, after finding competition concerns, the Competition and Markets Authority (CMA) [referred Rentokil Initial's purchase of Cannon Hygiene](#) to a group of independent CMA Panel members for an in-depth Phase 2 investigation.

After considering a wide range of evidence, the CMA has issued its provisional findings. It has found there could be reduced competition in the supply of washroom waste disposal services for customers that require a single provider across the whole or a large part of the UK.

This is because Rentokil and Cannon are 2 of the 3 major suppliers at this level – alongside the largest supplier, PHS. The CMA has found that other suppliers of washrooms services do not compete strongly for the same customers and has seen no evidence that this will change after the merger. The merger would therefore leave a limited number of options for these customers.

It has not identified concerns in relation to the remainder of the companies' services, where it considers there is sufficient competition.

The CMA is now inviting comments on its provisional findings until 5pm on 8 November 2018. It will also seek comments up until 5pm on 1 November 2018 on its remedies notice, which outlines measures the CMA could take if it finally decides that there has been a substantial lessening of competition. This includes the potential sale of the Cannon UK business.

Further details are available on the investigation [case page](#).