

[News story: Electro Rent / Microlease merger could reduce competition](#)

Both companies rent, lease and sell equipment that tests and measures the performance of electronic devices used in certain industries such as telecommunications, defence, utilities and information technology.

The completed merger of the rival businesses was referred to a group of independent panel members at the Competition and Markets Authority (CMA) for an in-depth investigation, after an initial investigation identified competition concerns.

The group has found that Electro Rent, though significantly smaller than Microlease in the UK, was the only other rental company operating in the country to have the resources and stock to compete effectively with Microlease.

It also determined that, while there is a limited number of alternatives, the merged business is now the only suitable UK supplier for a large number of customers.

It is unlikely that the merged business would be prevented from using its position to increase prices or reduce its quality of service to customers by new entrants or expansion of established companies.

The group has therefore provisionally concluded that it is likely the merger will lead to a substantial lessening of competition in the sector, and a worse deal for UK customers.

The CMA is now inviting comments on both its provisional findings and its possible remedies, which include selling part or all of one of the merged companies. See the [case page](#) for more information.

The CMA's final report will be published by the statutory deadline of 4 April 2018.