

News story: Just Eat/Hungryhouse merger faces in-depth investigation

Both companies provide online takeaway ordering services. These give restaurants the opportunity to reach a wide pool of consumers and offer them the convenience of choosing from a large range of takeaway providers in one place.

Following its initial investigation into the merger, the Competition and Markets Authority (CMA) has found that the companies are close competitors because of the similarity of their service and their broad geographical coverage.

The CMA also believes that more recent entrants to this market offering delivery services – such as Deliveroo, UberEATS and Amazon Restaurants – represent less direct competition to the companies as these tend to target different types of restaurant (primarily dine-in restaurants without their own delivery services). These recent entrants also offer less extensive geographic coverage than Just Eat and Hungryhouse.

The CMA is therefore concerned that the loss of competition resulting from the Just Eat/Hungryhouse merger may result in worse terms for restaurants using either of the 2 companies.

The merger will now be referred for an in-depth phase 2 investigation by an independent group of CMA panel members – unless Just Eat is able to offer undertakings which sufficiently address the CMA's competition concerns.

Just Eat has until 17 May 2017 to offer proposals to resolve the competition concerns. If it does not offer undertakings, or if the CMA is unable to accept undertakings offered, the merger will be referred for an in-depth phase 2 investigation.