

News story: Pagers merger may face in-depth investigation

Capita and Vodafone face an in-depth merger investigation, unless the companies offer acceptable ways of addressing competition concerns.

Capita and Vodafone both supply wide-area paging services to customers, including emergency services and hospitals. Customers rely on pagers because issues such as coverage, reliability and battery life mean that alternative technologies, like mobile phones, are not suitable.

The Competition and Markets Authority's (CMA) initial investigation into the merger has found that it could lead to a substantial lessening of competition as the 2 companies are the only suppliers of wide-area paging services in the UK.

It found that, after the merger, customers could face price rises and reduced quality of coverage.

Capita 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.