

# Piano supplier fined £3.7m for illegally preventing price discounts

The move comes after the Competition and Markets Authority (CMA) issued a [Statement of Objections](#) against Casio Electronics Co. Ltd (Casio) in April 2019. Casio has now admitted that, between 2013 and 2018, it broke competition law by implementing a policy designed to restrict retailer freedom to set prices online, requiring digital pianos and keyboards to be sold at or above a minimum price.

Casio's actions had included telling retailers to sell digital pianos and keyboards online at or above a certain price. It then monitored their prices and pressured retailers to modify or raise their prices online when they fell below the specified minimum price. This kind of illegal practice, known as resale price maintenance (RPM), often means that customers miss out on the best possible prices because, even when they shop around, they find all retailers tend to be selling at around the same price.

Casio used new software that makes it easier to monitor online prices in real time and ensure widespread compliance with its pricing policy. It also meant that individual retailers had less incentive to discount for fear of being caught and potentially sanctioned. Casio's monitoring was also helped by retailers reporting to Casio other retailers which were discounting its instruments.

Ann Pope, CMA Senior Director of Antitrust, said:

A digital piano or keyboard can be a significant purchase, and customers should be able to shop around for a good price. Casio's illegal action – telling retailers not to offer their musical instruments at discounted prices – made it harder for customers to shop around for a better price and meant they risked paying over the odds.

At the CMA, we take this type of anti-competitive practice seriously and we will not hesitate to impose penalties where we establish the law has been broken. That's why we have imposed our largest ever fine for this type of offence on Casio at £3.7 million

As a result of Casio's illegal actions, the CMA has imposed a £3.7 million fine; this fine was discounted to reflect the fact that the company admitted to the illegal behaviour and agreed to co-operate with the CMA, so shortening the CMA's investigation.

The CMA has produced [guidance for businesses](#) about RPM so they make sure they play by the rules and avoid fines. Businesses can also watch the CMA's short film that explains what RPM looks like in practice.

## What is resale price maintenance (RPM)?

A public version of the CMA's final infringement decision will be published in due course.

1. The Chapter I prohibition of the Competition Act 1998 covers anti-competitive agreements, concerted practices and decisions by associations of undertakings which have as their object or effect the prevention, restriction or distortion of competition within the UK or a part of it and which may affect trade within the UK or a part of it. Similarly, Article 101 of the Treaty on the Functioning of the European Union (TFEU) prohibits such anti-competitive agreements, concerted practices and decisions by associations of undertakings which may affect trade between EU member states.
2. EU and UK competition authorities have been very active in investigating resale price maintenance in recent years and have together issued several infringement decisions. The European Commission fined four companies for resale price maintenance in July 2018: [Philips](#), [Pioneer](#), [Asus](#), [Denon](#).
3. The fine amount was discounted by 20% to reflect the company's admission of illegal conduct.
4. The CMA fined three other companies for online resale price maintenance: one in August 2016, in the [light fittings sector](#) and 2 in May 2016; one in the [bathroom fittings sector](#) and one in the [commercial refrigeration sector](#).
5. In 2018 the CMA issued 19 [warning letters](#) and 3 [advisory letters](#) about resale price maintenance: alerting companies to the illegal nature of this practice and prompting action to ensure compliance.
6. Digital pianos and keyboards are a significant part of the wider UK musical instruments sector which is estimated at around £440 million annually. Casio's own turnover in relation to digital pianos and keyboards is less than £10 million and is the basis of the overall level of the fine.
7. Any business found to have infringed the Competition Act 1998 can be fined up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including the seriousness of the infringement(s), turnover in the relevant market and any mitigating and aggravating factors.
8. The decision is addressed to Casio Electronics Co. Ltd which the CMA

provisionally considers was directly involved in the alleged infringement and to Casio Computer Co. Ltd as its ultimate parent company.

9. The CMA has not addressed the decision to any retailer. This is because the CMA has applied Rule 10(2) of its Competition Act 1998 Rules, according to which it may address an infringement decision to fewer than all the persons who were party to the relevant agreement/s.
10. The CMA has four other ongoing antitrust investigations in the musical instruments and equipment sector: cases [50565-3](#), [50565-4](#), [50565-5](#), [50565-6](#)
11. Media queries should be directed to [press@cma.gov.uk](mailto:press@cma.gov.uk), on 020 3738 6460.