

Press release: £3.4m fine for household coal and BBQ supplier cartel

CPL and Fuel Express are 2 of the main suppliers of bagged household fuels, including coal and firelogs, and charcoal for barbecues, to large national supermarkets and petrol stations.

They have agreed to pay the fines for breaking competition law after a CMA investigation led them to admit rigging competitive tenders to supply Tesco and Sainsbury's. For each of the tenders concerned, they agreed that one of them would submit a higher bid that was designed to lose – so that the existing supplier could retain 'its' customer. This is a form of bid-rigging under which competitors share out the market between them. They also exchanged competitively-sensitive confidential pricing information.

The CMA's investigation started after intelligence work following a tip off to the CMA's cartels hotline led the authority to carry out surprise inspections at the premises of the 2 suppliers.

The investigation revealed that the companies had engaged in this illegal market sharing arrangement from June 2010 to February 2011.

Stephen Blake, CMA Senior Director for Cartels, said:

Millions of people buy these products to help keep their homes warm in winter and to fire up their barbecues in summer, so it's important that shoppers are offered the best price. This will only happen when companies compete fairly.

Market sharing and bid rigging are illegal. They skew the market so businesses don't have to compete for customers, who in turn are cheated out of a fair deal and can end up paying higher prices or having to make do with poorer quality products or services.

Today's announcement shows how seriously we take this type of activity. It's important that all businesses play by the rules and the CMA will pursue those who break the law.

The CMA has a dedicated reporting hotline for cartels (0203 738 6888) and recently launched a [new campaign](#) to encourage more people to come forward with information that will help it stamp out illegal cartel activity.

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
2. CPL (CPL Distribution Limited and CPL Industries Holdings Limited together 'CPL') has agreed to pay a penalty of £2,816,514.

3. Fuel Express Limited, Fuel Express (Bagnalls) Limited (previously known as Bagnalls Haulage Limited), Carbo (UK) Limited and G.N. Grosvenor Limited (together 'Fuel Express') will pay a penalty of £627,867.
4. These penalty figures are after a 20% reduction for settlement to reflect the fact that the companies have admitted breaking competition law and have agreed to follow a streamlined procedure for the remainder of the case.
5. The penalties will not become payable until after the CMA has issued a formal infringement decision imposing the penalties and setting out the CMA's findings in full, together with the basis for the calculation of the penalties. The CMA is today issuing a formal statement of objections with a view to issuing a final decision shortly afterwards.
6. Enquiries should be directed to the CMA press team at press@cma.gsi.gov.uk or 020 3738 6191.