Press release: CMA finds customers could lose out due to car parts merger

Euro Car Parts bought most of Andrew Page in October 2016, after the company went into administration. Both companies sell car parts and components to independent garages and workshops and to larger national or multi-regional customers, including repair centre chains, vehicle fleets and roadside assistance companies.

A group of independent panel members at the Competition and Markets Authority (CMA) has <u>investigated the merger</u>. The group identified 10 local areas in England where the 2 companies were close competitors and where the merger could result in reduced competition for local customers, leading to higher prices or a lower quality of service.

The group did not consider that national or multi-regional customers would be adversely affected by the merger.

Professor Alasdair Smith, Inquiry Chair, said:

Andrew Page was in administration and would have closed down if a purchaser had not been found. The only 2 other purchasers would have bought a much smaller number of depots. We think that in most markets the merger will not further reduce competition compared to the alternative.

However, in 10 local areas we are concerned that a reduction in competition could lead to higher prices and a lower quality of service.

In addition to the summary of provisional findings and the provisional findings report, a notice of possible remedies has been issued today, which outlines the measures the CMA could take if it still believes the merger would reduce competition when it makes its final decision. This identifies that competition could be maintained if Euro Car Parts sells depots in the 10 affected areas.

Anyone wishing to respond to the notice of possible remedies should do so in writing by no later than 28 September 2017. Anyone wishing to respond to the provisional findings should do so in writing, by no later than 5 October 2017.

Please email eurocarparts/andrewpage@cma.gsi.gov.uk or write to:

Project Manager Euro Car Parts/Andrew Page merger inquiry Competition and Markets Authority Victoria House Southampton Row LONDON WC1B 4AD

As set out in the administrative timetable for this inquiry, the CMA's final report will be published by the statutory deadline on 5 November 2017.

Notes for editors

- 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. The summary of provisional findings can be found on the <u>case page</u>. The CMA is required to publish its final decision by 5 November 2017.
- 3. On 10 March 2017 the CMA started its initial investigation and on 22 May 2017 the CMA referred it for a phase 2 investigation.
- 4. All the CMA's functions in phase 2 merger inquiries are performed by independent inquiry groups, chosen from the CMA's panel members, and supported by CMA staff. The appointed inquiry group are the decision-makers on phase 2 inquiries.
- 5. The members of the inquiry group are: <u>Professor Alasdair Smith</u> (Inquiry Chair), <u>Lesley Ainsworth</u> and <u>Rosalind Hedley-Miller</u>.
- 6. The CMA's panel members come from a variety of backgrounds, including economics, law, accountancy and/or business; the membership of an inquiry group usually reflects a mix of expertise and experience.
- 7. The 10 local areas, which the group identified are Blackpool, Brighton, Gloucester, Liphook, Scunthorpe, Sunderland, Swindon, Wakefield, Worthing and York.
- 8. For more information on the CMA see our <a href="https://www.nee.gov.nee.go
- 9. Media enquiries should be directed to: press@cma.gsi.gov.uk, 020 3738 6191.