

Press release: CMA sends tough message to business cheats with cartel campaign

It comes as new research shows many firms don't know enough about how to comply with competition law.

The Competition and Markets Authority's (CMA) latest cartel awareness campaign aims to educate businesses about which practices are illegal and urges people to come forward if they suspect a business has taken part in cartel behaviour, such as fixing prices or rigging contracts.

ICM research released by the CMA today to coincide with the campaign shows that out of amongst 1,000 companies surveyed:

- only 57% knew it was illegal to fix prices
- nearly half either didn't know or thought it was legal to discuss prices with competing bidders when quoting for new work (23% said 'don't know', and 25% actually thought it was legal)
- significantly more than half (59%) didn't know or thought that dividing up and sharing customers with rivals was legal (24% said 'don't know' and 35% actually thought it was legal)

Howard Cartlidge, Senior Director of Cartels at the CMA, said:

Businesses that fix prices or rig contracts are breaking the law and ripping people off.

The victims are customers and other businesses, who are getting cheated out of a fair deal.

We know that the vast majority of businesses want to do the right thing, but pleading ignorance simply isn't good enough. Today's campaign makes it easy to find out the facts.

If you know of something illegal – do the right thing and tell us about it.

The campaign is targeting industries including construction, manufacturing, recruitment, estate agents and property management and maintenance. These are sectors identified as particularly susceptible to cartels. Previous campaigns have driven a 30% rise in the number of tip-offs to the CMA's cartels hotline.

The campaign uses simple imagery on social media sites and a [dedicated website](#) and comes as the CMA continues to step up its enforcement action. Since April 2015 it has issued over £155 million in fines following

investigations into anti-competitive practices and it is currently investigating 15 cases including in construction services, roofing materials and estate agency.

Examples of CMA action include:

- Two of the biggest suppliers of charcoal and coal for households in the UK were fined £3.4 million for taking part in a market sharing cartel.
- Water tank firms were fined over £2.6 million, after they formed a cartel to divide up customers, fix minimum prices and share commercially sensitive information for tanks used in large construction projects (such as schools and hospitals).
- Somerset estate agents were fined over £370,000 for fixing minimum commission rates, such that local home owners had been denied a fair deal when selling their property. The CMA also secured the disqualification of 2 company directors in this case.
- An Amazon Marketplace seller was fined over £160,000 and its director disqualified from running a company after agreeing to fix the prices of popular posters and frames with a competitor.

Notes to editors

1. Businesses found to have been involved in illegal cartels can be fined up to 10% of their annual turnover. Individuals can face up to 5 years in prison and directors can be disqualified from holding director positions for up to 15 years. These can be reduced or eliminated altogether where a business or individual report their involvement in a cartel and co-operates fully with the CMA's investigation. Witnesses who blow the whistle can receive a reward of up to £100,000.
2. The CMA has [published results from an ICM survey of 1,201 businesses](#), which includes breakdowns by region and sector.
3. The campaign encourages people to visit the CMA's designated '[Stop Cartels' page](#) which features videos, short guides and case studies to explain what cartels are and how people can report them.
4. If you have witnessed a cartel or have been involved in a cartel and wish to apply for leniency, call: 0203 738 6888 (witnessed); 0203 738 6833 (leniency). For more information on cartels and the CMA's campaign, visit the Stop Cartels webpage.
5. Enquiries should be directed to the CMA press team at press@cma.gov.uk or 020 3738 6460