

[Press release: CMA warns creative sector about illegal price collusion](#)

In the run-up to London Fashion Week, the [letter](#) highlights a [recent case](#) where 5 model agencies and their trade association were fined over £1.5 million for colluding instead of competing on the prices they charged for modelling services. The model agencies regularly and systematically exchanged confidential and commercially sensitive information and discussed prices in the context of negotiations with particular customers. In some cases, they agreed to fix minimum prices or agreed a common approach to pricing.

The Competition and Markets Authority (CMA) has also written directly to a number of other businesses in the fashion sector to warn them that this type of illegal behaviour will not be tolerated.

The creative sector is an important and rapidly growing part of the UK economy – worth £84.1 billion. But research has shown that businesses in the sector have a particularly low understanding of competition law. Over 50% of creative firms surveyed by the CMA stated that they didn't know competition law well, if at all.

This puts them at risk of not recognising if they – or others – are breaking the law.

In the recent modelling sector case, an email to a prospective member described how the trade association could be used as “a good source for sharing information between members; problem clients, usage of models' images on social media etc...” In reality, the trade association was used to share confidential and commercially sensitive information to influence members to resist the prices offered by customers because they were considered to be too low.

Stephen Blake, Senior Director, Cartels and Criminal Group, said:

The creative industries are incredibly important to the UK economy. We have some of the best creative talent in the world, and we recognise the valuable contribution these individuals make.

Because of this, it's also vital that businesses in the creative sector know that certain behaviour is illegal under UK competition law. The consequences can be serious. As we approach London Fashion Week, when the spotlight is on the fashion industry, we are publishing an open letter urging businesses to be clear on the boundaries of the law. We know the majority want to do the right thing and there are some clear steps they can take to help ensure they do so.

If companies believe they have information about an existing cartel or want

to know what one is the [Stop Cartels](#) webpage explains all and tells people how to report one.

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. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#), [YouTube](#) and [LinkedIn](#).
2. The CMA conducted [IFF research](#) with businesses in 2014 to assess levels of awareness and understanding of competition law.
3. If the CMA finds that a business has broken competition law, the consequences can be serious and far-reaching: (a) a business can be fined up to 10% of its worldwide turnover; (b) company directors can be disqualified from managing a company for up to 15 years; (c) individuals personally involved in [cartels](#) can face up to 5 years in prison.
4. Information about the modelling sector case can be found on the [case page](#).
5. Anyone who has information about a cartel is encouraged to call the CMA cartels hotline on 020 3738 6888 or email cartelshottline@cma.gsi.gov.uk. More information can be found on the [Stop Cartels](#) webpage.
6. For more information on the CMA's leniency and informant reward policies, go to [leniency](#) and [rewards](#).
7. Media enquiries should be directed to press@cma.gsi.gov.uk or call 07774 134814.