<u>Press release: New campaign targets</u> <u>cartels as tip offs rise by third</u>

The increase follows a previous Competition and Markets Authority (CMA) campaign targeting this illegal behaviour.

The CMA is now launching a <u>new campaign</u> to encourage more people to come forward with information that will help it hunt out illegal cartels. The campaign is part of a ramping up of the CMA's enforcement activity and comes after the award of an extra £2.8m from the government for this work.

Cartels are businesses which cheat their customers by agreeing not to compete with each other so that they can keep their prices high. There are serious penalties for being in a cartel, but many workers in the UK know little about them, putting them and their companies at risk.

The new campaign encourages people to be "Safe, not Sorry" if they think they may have involved themselves in cartel activity and to make sure they are the first to report it to the CMA. Witnesses — those not involved themselves but who have seen something untoward — are also asked to "Do the Right Thing" by reporting it to the CMA.

The CMA saw a 30% increase in tip offs in 2017, following the launch of the CMA's first digital campaign.

As part of the new campaign, the CMA is reminding people that, if they come forward with information about their involvement, they can receive significant reductions in fines and avoid being disqualified from running a company. If they are the first to come forward, they can receive total immunity, including from criminal prosecution. Witnesses who blow the whistle can receive a reward of up to £100,000.

Stephen Blake, Senior Director for Cartels at the CMA, said:

We are committed to tackling cartels wherever we find them. More people are reporting illegal activity to us and we urge anyone with information to come forward. If you're involved, it's better to be safe, not sorry and to tell us about it first — before someone else does.

For those who were not involved but have witnessed illegal activity, we urge them to do the right thing. We know that this is a sensitive issue and some people could worry about what might happen to them if they speak to us. All information is treated confidentially and we can discuss any concerns that people may have over keeping their identity secret.

Francesca West, Chief Executive at whistleblowing charity Public Concern at

Work, which is backing the "Safe, not Sorry" campaign, said:

We know from our experience that speaking up isn't easy, but it is often the only way to prevent further harm. It is encouraging the CMA has seen a 30% rise in people coming forward to report the illegal behaviour of cartels.

Over the past two years, the CMA has issued £151m in fines following successful investigations into anti-competitive practices and it is currently investigating 15 cases where competition law may have been broken.

The new campaign will target a range of industries that are at a greater risk of cartels forming. These sectors include: construction, manufacturing and business support services. These are sectors that have either a history of reported cartel activity or characteristics that make them vulnerable to cartels.

Recent cases where the CMA has taken enforcement action include:

- <u>Water tank firms fined over £2.6 million</u>, after they formed a cartel to divide up customers and fix minimum prices for tanks used in large construction projects (such as, schools and hospitals).
- •<u>Somerset estate agents fined over £370,000</u> for fixing the minimum prices of their commission rates, meaning that local home owners were denied a fair deal when selling their property.
- •Amazon marketplace seller fined over £160,000 and director disqualified from running a company after agreeing to fix the prices of popular posters and frames with a competitor. The competitor contacted the CMA to report the cartel activity and received immunity.

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, visit the Stop Cartels webpage or view the CMA's video guidance.

Notes to Editor

- 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 occupation and consumer law. For CMA updates, follow us on Twitter occupation and consumer law. For CMA updates, follow us on Twitter occupation and occupation. Facebook, Youtube and flickr.
- 2. 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 reports their involvement in a cartel and co-operates fully with the CMA's investigation.
- 3. The campaign encourages people to visit the CMA's designated 'Stop

- <u>Cartels</u>' page which features videos, short guides and case studies to explain what cartels are and how people can report them. The campaign page can be found at: <u>www.gov.uk/stopcartels</u>
- 4. Public Concern at Work is a dedicated whistleblowing charity that offers independent and confidential advice to workers who are unsure whether or how to raise a public interest concern. It operates an advice line managed by qualified lawyers with a wealth of experience in whistleblowing law and practice. To contact Public Concern at Work, call 020 7404 6609.
- 5. Enquiries should be directed to the CMA press team at press@cma.gsi.gov.uk or 020 3738 6191.