

Press release: University laundry merger broken up by CMA

The decision by the Competition and Markets Authority (CMA) comes following an in-depth investigation into market leader JLA's takeover in May 2017 of its closest competitor Washstation. The 2 firms supply managed laundry services to higher education providers including universities, colleges and student accommodation providers.

The merger was investigated by a CMA group of independent panel members which today published its final decision. The group found a substantial loss of competition resulting from the merger and that customers may be expected to pay more for, or receive lower quality, managed laundry services.

Findings show that other firms offering laundry services to higher education providers are not currently able to compete effectively with JLA / Washstation. The investigation also found that any future growth by these smaller rivals would be unlikely to offset the loss of competition resulting from the merger, either sufficiently or quickly enough. Additionally, it was found that companies providing laundry services in other sectors, such as healthcare or leisure, would find it difficult to enter the higher education sector and compete effectively against JLA / Washstation in the foreseeable future.

In order to address the loss of competition resulting from the merger, the CMA has decided that JLA must sell Washstation's higher education business to a new owner to be approved by the CMA.

Stuart McIntosh, Inquiry Chair, said:

Our decision will preserve competition and choice for universities and other providers of student accommodation.

The CMA thoroughly monitors mergers across the UK. Where it finds concerns it will take action, and has the ability to reverse completed mergers to ensure that customers are not worse off.

Full information on the merger investigation can be found on the [case page](#).

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. JLA and Washstation are both UK companies predominantly active in the UK.
3. JLA acquired Washstation in May 2017. In December 2017, the CMA called

in the merger for investigation. At the end of the initial (phase 1) review, JLA offered no undertakings to address the competition concerns found in the CMA's phase 1 decision, and the CMA therefore referred the case for an in-depth [\(phase 2\)](#) investigation on 16 April 2018.

4. On 10 August 2018 the group of independent panel members [published its provisional findings](#) and [notice of possible remedies](#) and invited views. The group considered responses to its provisional findings and proposals on remedies.
5. The CMA's functions in phase 2 merger investigations are performed by inquiry groups chosen from the CMA's panel members. The appointed inquiry group are the decision-makers on phase 2 investigations.
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 members of this inquiry group are [Stuart McIntosh \(Inquiry Chair\)](#), [Anne Fletcher](#), [Ulrike Hotopp](#) and [Sheila McClelland](#).
8. Media enquiries to the CMA should be directed to press@cma.gsi.gov.uk or 020 3738 6460.