

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

[Press release: Outstanding tax lands engineering boss with 7-year ban](#)

Victor Craig Morrell (49) was the sole director of Specmar Ltd, a company that provided engineering support services to the oil and gas industry.

However, Specmar entered into Creditors Voluntary Liquidation in January 2017 due to difficult trading conditions and after it failed to pay thousands of pounds of unpaid tax.

After the company was wound up, investigators from the Insolvency Service looked into the conduct of Victor Morrell and his role into the failure of the company.

Investigators confirmed that over a four-year period between August 2012 and February 2016, Victor Morrell filed inaccurate tax returns on behalf of the Specmar, where he inappropriately claimed input tax on items that were out of scope.

After personal expenses were disallowed, it was calculated that due to the incorrect filing of tax returns, Victor Morrell changed from being a creditor of Specmar in August 2014 to owing the company's Director's Loan Account more than £350,000 at liquidation in January 2017.

On 22 August 2018, the Secretary of State accepted a disqualification undertaking from Victor Morrell after the company director did not dispute the fact that he submitted inaccurate tax returns.

Effective from 14 September 2018, Victor Morrell is now banned for 7 years from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

Robert Clarke, Chief Investigator for the Insolvency Service, said:

Directors have a firm duty to ensure they deal properly with tax matters and pay what is due. Taxation revenue provides for the benefit of all and cannot simply be ignored.

Victor Morrell has paid the price for failing to do that as he cannot now carry on in business other than at his own risk.

Notes to editors

Mr Victor Morrell, of Peterhead and whose date of birth is July 1969.

Specmar Limited (Company Reg no. SC384447)

Mr Morrell signed a seven year undertaking on 22 August 2018 which was agreed on 24 August 2018. The disqualification commenced 14 September 2017.

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company's property

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of other restrictions](#).

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

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This service is for journalists only. For any other queries, please contact the Insolvency Enquiry line on 0300 678 0015.

For all media enquiries outside normal working hours, please contact the Department for Business, Energy and Industrial Strategy Press Office on 020 7215 1000.

You can also follow the Insolvency Service on:

- [Twitter](#)
- [LinkedIn](#)
- [YouTube](#)

Press release: Pressure grows on producers of illegal streaming devices and thieves of paid-for content

- Government to explore further measures to prevent damage to creative and broadcasting industries caused by theft of intellectual property
- Minister warns users and providers of adapted streaming devices who steal 'paid for' content they run the risk of fines or prison
- Extensive review finds current laws are effective in combating illicit streaming

The Minister for Intellectual Property, Sam Gyimah, today highlighted the continued Government clampdown on users and providers of illicit streaming boxes who cause damage to our £92bn creative industries.

It comes as the Intellectual Property Office (IPO) publishes its response to a [call for views on illicit streaming](#) (PDF, 297KB, 16 pages)

. This finds that a number of recent prosecutions show existing laws are working. But the government will push ahead with a range of measures to tackle the threats created by the infringement of intellectual property rights.

Media streaming boxes are devices such as Android TV or Kodi boxes. They are legal until they are altered with apps or add-ons that allow users to access 'paid for' material for free. This could be subscription TV, premium sports channels and new films. Using apps or add-ons like these is against the law. It is estimated that around one in four may not be paying for what they are watching.

Minister for Intellectual Property, Sam Gyimah said:

Illegal streaming damages our creative industries. We have always been clear that media streaming devices used to access 'paid for' material for free are illegal. Recent prosecutions have shown that if caught, sellers of boxes adapted in this way face fines and a prison sentence.

Through our modern Industrial Strategy, we are backing our booming creative industries which is why we are taking further steps to tackle this threat and in our recent creative industries sector deal outlined support to create the right conditions for them to continue to thrive.

The IPO published its response to a Call for Views on illicit streaming today. It shows recent prosecutions demonstrate the current laws are working. This summer the owner and operator of a major pirate streaming service providing illegal access to Premier League football, was jailed for five years in Newcastle. Around the same time, two suppliers of illicit streaming devices were jailed for four and a half years for selling hundreds of devices that let customers watch games via unauthorised access to Sky Sports, BT Sport and illegal foreign channels.

But in addition to the law, the government is taking a range of additional steps to counter the problem. It has already delivered a public education campaign in conjunction with Crimestoppers and industry stakeholders to highlight the risks associated with watching content using ISDs while also highlighting the importance of tackling the organised criminal networks behind much of this activity.

In addition, the Government confirmed today that it will:

- Consider the evidence for and potential impact of administrative site

blocking (as opposed to requiring a High Court injunction in every case), as well as identifying the mechanisms through which administrative site blocking could be introduced.

- Work to identify disruptions that may be applied at other points in the supply chain, for example App developers, and further develop our understanding of the effect of new generation smart TVs on how this infringement occurs.
- Undertake research into consumer attitudes/motivations towards use of ISDs in order to develop more effective strategies for reducing levels of use.
- Deliver up to date training to Trading Standards officers via the established IP in Practice courses.

The Police Intellectual Property Crime Unit (PIPCU) will continue to prioritise resources in this area, taking appropriate action against those traders who seek to encourage copyright infringement through the sale of IPTV boxes.

View the [Intellectual Property Office call for views responses](#) (ZIP, 7.58MB)

[Press release: Maritime fees increase will bring extra investment for services](#)

From 13 November 2018, the Maritime & Coastguard Agency (MCA) will increase most of its fees across the whole of the UK.

The fee increases have been carefully planned, with a public consultation carried out in 2016, so industry and all those affected have been involved every step of the way. As a result of this active consultation with industry, it was agreed to introduce some fees in stages to reduce the impact on both businesses and individuals.

Consideration was also given to the impact on small-scale operators. The survey fee increase should only affect 11% of fishing vessels – about 600 –

as only those 15 metres in length or over need to be surveyed.

How the fee increases work

A phased increase in fees will cover fees to survey a vessel and the seafarer medical examination fee.

The hourly vessel survey rate will increase in two stages:

- i) from the current £94 per hour to £120 per hour in November 2018;
- ii) from £120 to £147 per hour in November 2019.

The Seafarer Medical Examination Fee will increase in three stages from £80 to £115. The increases will be from £80 to £95 (November 2018), £95 to £105 (November 2019) and £105 to £115 (November 2020).

All other fees will increase in a single increment from 13 November. You can find out more information about the MCA's fees increases on our [main fees page](#).

[Press release: Welsh language programming set to benefit from a multi-million pound boost from the UK Government](#)

Millions of pounds of additional funding will be injected into Welsh language programming as part of a UK Government boost for the independent broadcast sector, it has been announced today (19 October) by the Secretary of State for Digital, Culture, Media and Sport Jeremy Wright.

A share of the fund which aims to halt the decline of UK produced children's content will be used to commission Welsh language programming and content, stimulating the creation of dynamic and distinctive Welsh language productions from the independent sector.

The UK Government investment will be used to reverse the growing trend of airing repeats and facilitate the creation of Welsh language programmes that can repeat the success of all-time favourites such as Fireman Sam. It will also include:

- A multi-million pound boost for commercial radio; and
- A special fund to help fledgling production companies develop and pitch their original ideas to make them a reality

The Contestable Fund recognises the significance that Welsh language

productions have had on the cultural and social life of Wales, which is why the Department for Digital, Media, Culture and Sport has aimed to allocate 5% of the available budget to Welsh and other indigenous UK languages.

The Secretary of State for Wales, Alun Cairns said:

This funding announcement will provide a significant boost to Welsh language programme creators, helping to secure a whole new generation of young Welsh language programme viewers.

With this UK Government investment, the thriving Welsh language broadcast sector will be able to build on its success and create distinctive, captivating programmes that will educate and entertain the growing number of Welsh language speakers in the country.

Production levels of new children's content have declined over the past decade, with public service broadcasters spending roughly 40% less than they did in 2006. As a result a significant amount of children's programming on children's channels now consist of repeats.

Minister for Digital Margot James said:

Young people in the UK deserve high quality content that entertains, informs and reflects their experiences growing up across the country today.

The UK broadcasting and production sectors are world renowned, and a success story to be proud of. This innovative project is an instrumental part of our support for the UK's vibrant media sector and will help it continue to go from strength to strength.

In 2016, 98% of children's content on commercial children's channels and 91% on public service broadcasters were repeats. To directly combat this decline in content for younger people in the UK, £57 million will be invested in to a Young Audiences Content Fund, administered by the BFI. This will focus on funding a new influx of creative and distinctive content that represent UK children and teenagers today. Five per cent of the Young Audiences fund will support production companies develop their ideas.

Ben Roberts, Director of Lottery Film Fund, BFI said:

We're excited to be working with Government to deliver the new Young Audiences Content Fund to help support UK companies to create exciting and distinctive new programmes for young people. It goes hand-in-hand with the BFI's own mission to connect audiences with the widest possible range of content. We look forward to making the

most of this new opportunity to back talent to create bold and original programming and expand the choices available for young people.

Also announced today as part of the Contestable Fund is a £3m Audio Content Fund which will encourage greater innovation and experimentation in the commercial radio sector.

Currently, examples of public service content (aside from national and local news) on commercial radio are rare due to commercial pressures. By removing the necessity for commercial stations and producers to seek as much sponsorship and advertising revenue, the fund will provide significant support to radio producers to try something different, particularly with new voices who do not have an established relationship with broadcasters and therefore access to funding.

Siobhan Kenny, Chief Executive at Radiocentre, said:

Commercial radio stations are always looking at new ways to serve their listeners, but sometimes the financial reality makes it difficult to do everything they would like. The Audio Content Fund has the potential to provide a significant boost in public service content for audiences, as well as a great opportunity for commercial radio broadcasters to broaden the range of output they provide.

Further guidance, including how to apply to both of the funds, will be published by the fund administrators in the new year. The pilot will then be open for applications in April 2019.