

Reassessment of FNZ/GBST deal confirms competition concerns

The Competition and Markets Authority (CMA) reassessed the deal, following its request to the Competition Appeal Tribunal (CAT) for a remittal of its original 'Phase 2' decision to block the merger. This request was made after FNZ's appeal to the CAT.

In line with its provisional findings, a group of independent CMA panel members (the Group) has found in its reassessment that the purchase of GBST by FNZ could substantially reduce competition in the sector. This is because FNZ and GBST, which are both providers of retail investment platform solutions, are close competitors and few other significant suppliers offer effective and competitive alternatives.

In addition to its activities in retail investment platform solutions, which overlap with those of FNZ, GBST also has a capital markets business, which does not currently compete with any of FNZ's existing activities in the UK. The CMA has considered whether its concerns could be addressed by FNZ selling a narrower package of assets, rather than the sale of GBST in full.

In April, the CMA consulted on a proposal requiring FNZ to sell GBST to an independent third party approved by the CMA, with a right to subsequently buy back a limited set of assets relating to the capital markets business. These assets that could be sold back to FNZ would be limited to those that could be transferred without affecting GBST's competitiveness in the supply of retail investment platform solutions. After considering further submissions from FNZ, GBST and other parties, the Group has concluded this proposal effectively prevents any reduction in competition as a result of this deal.

Martin Coleman, Chair of the CMA inquiry group, said:

"Having completed our thorough review of the evidence, we have confirmed our provisional conclusion that the merger of FNZ and GBST could significantly decrease competition in the supply of retail investment platform solutions in the UK.

"Requiring FNZ to sell GBST, with the right to repurchase certain parts of the GBST business that are not related to the concerns that we have found, will protect investment platforms and the people they serve, including millions of people with pensions and other investments, from facing higher prices or poorer service in the future."

For more information, visit the FNZ/GBST merger inquiry [case page](#).

For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.