# CMA demands action after Tesco blocks rival supermarkets

Tesco has now committed to put an end to these anti-competitive restrictions, after the Competition and Markets Authority (CMA) intervened.

The CMA first discovered that Tesco had been preventing landlords from letting property to other supermarkets during monitoring in 2018. This may have reduced competition and so lowered choice which leaves shoppers worse off, and is unlawful under the Groceries Market Investigation (Controlled Land) Order 2010.

After this initial discovery by the CMA, Tesco reviewed all of its land agreements, finding 23 breaches in total.

Tesco has now agreed to take remedial action for all affected land agreements; improve its internal processes and staff training to avoid future breaches and ensure that all new land agreements are in line with the Order. The CMA will monitor Tesco's progress and may take formal enforcement action if further breaches are found.

The CMA is also writing to all other supermarkets bound by the Order (Waitrose, Sainsbury's, Asda, Morrisons, M&S and the Co-op), asking them to show that their land agreements are not in breach. If any supermarket is not compliant, the CMA will consider taking enforcement action.

Andrea Gomes da Silva, Executive Director, Markets and Mergers at the CMA said:

It's unacceptable that Tesco had these unlawful restrictions in place for up to a decade. By making it harder for other supermarkets to open stores next to its branches, shoppers could have lost out.

In the future, we want the ability to fine businesses if we find that they are in breach of our orders. That's why we've called on the Government for more powers.

Further information, including a full list of the locations of land agreements that were in breach, is available on the <a href="Mailto:CMA's website">CMA's website</a>

#### Notes:

- The Groceries Market Investigation (Controlled Land) Order 2010 banned new restrictive clauses (covenants which prohibit a piece of land from being used for a supermarket) when it came into force in 2010. Tesco had introduced three of these since the Order came into force.
- The Order also banned Exclusivity Arrangements (which prevent landlords

from allowing competing convenience stores in the same block as an existing convenience store) which were over 5 years long. Tesco had 20 of these in place which were over 5 years.

## CMA letter to Tesco on breaches of the Groceries Controlled Land Order

The CMA initially wrote to Tesco about one breach, and Tesco's subsequent review of its remaining land agreements uncovered 22 further breaches from its total of 5,354 land agreements.

#### These breaches included:

- 3 restrictive covenants which could have prevented other tenants from opening competing stores near Tesco stores and which breached Article 5 of the Order
- entering into or rolling-over 20 agreements which allowed Tesco exclusive rights to sell groceries in certain areas for longer than the permitted five-year period, and which breached Article 8 of the Order

The CMA understands that in the majority of cases, the breaches were caused by Tesco renewing agreements that were entered into prior to the Order coming into force without checking that the terms of the exclusivity provision in the prior agreement complied with the Order.

Tesco has acknowledged the breaches that have occurred and has cooperated with the CMA in taking forward its analysis. The CMA notes that Tesco has begun to take remedial action for 22 out of the 23 breaches and is seeking to do so in respect of the remaining breach. Details of the affected stores/land can be found in the document above.

Tesco has voluntarily agreed to improve its practices to avoid further breaches of the above Order. Specifically, Tesco is:

- taking all steps it can to release any affected party from a land agreement term which breaches the Order
- improving training for its staff on the Order, specifically about what is and is not permitted in land agreements
- requiring its external property lawyers to ensure that each new land agreement is subject to specific checks relating to compliance with the Order

See the Competition Commission's <u>Groceries Market Investigation</u> case page for information on the investigation and the <u>Groceries Market Investigation</u> (<u>Controlled Land</u>) <u>Order 2010</u> case page for more information on the order.

### <u>Luton sisters have their sentences</u> <u>increased after kidnap and assault</u>

Two women who were convicted of kidnap and assault have had their sentences increased following an intervention by the Solicitor General, Rt Hon Michael Ellis QC MP.

Uzma Iqbal, aged 33, and Sobiya Iqbal, aged 28, were filmed dancing in a nightclub whilst at a hen party in Birmingham. The videos were subsequently circulated on social media, which caused embarrassment among their families. Uzma and Sobiya, who are sisters, blamed another woman they had met at the hen party for circulating the videos.

The sisters contacted the woman they believed had circulated the videos and invited her out for the evening. On 6 January 2018 they collected her and drove her to an unlit country lane in Harpenden. After parking, they punched and kicked the woman. Sobiya armed herself with a pole and tried to force the woman to admit she had posted the videos. During the assault, they cut her hair and threatened to kill members of her family.

Uzma and Sobiya robbed the woman of her mobile phones and handbag, and started to check through the contents of the phones. While they were distracted, the woman jumped out of the car and ran across a field to escape. After running a mile she stopped at a nearby farmhouse and the police were called.

On 5 December 2019, Uzma Iqbal was sentenced to 18 months' imprisonment and Sobiya Iqbal was sentenced to 30 months' imprisonment at Luton Crown Court. Following a referral to the Court of Appeal by the Solicitor General, on 14 February both sentences were found to be unduly lenient and have been increased. Uzma Iqbal was sentenced to 3 years' imprisonment while Sobiya Iqbal was sentenced to 4 years' imprisonment.

After the hearing the Solicitor General said:

"The actions of Uzma Iqbal and Sobiya Iqbal were severe and dangerous, and it is therefore appropriate that their sentences have been increased to reflect the significant harm they caused."

### Severe flood risk as England receives

# more than twice the average February rainfall

The Environment Agency warns that a significant flood risk remains for the next few days in parts of England, with ongoing flooding expected due to the recent extreme weather and further rainfall on the way. England has now received over 200% of its average February rainfall with some areas experiencing a month's worth of rain in 24 hours.

Severe river flooding is expected today and tomorrow on the River Severn. Due to record-breaking river levels along the Severn, potential overtopping of defences remains of high concern in Ironbridge and Bewdley. EA staff are on the ground bolstering defences and working closely with emergency services to keep people safe. Ongoing significant flooding is possible along the Severn through to Friday as river levels will remain exceptionally high.

On the rivers Wye, Ouse and Trent significant river flooding is possible. Further localised flooding is possible in parts of England later this week and into weekend due to further heavy rainfall expected on Friday. Groundwater levels across parts of Dorset, Wiltshire, Hampshire and Sussex are continuing to rise and will lead to further flooding later this week.

As of 12:30 pm on Tuesday 25 February there are two severe flood warnings for Ironbridge and Shrewsbury, meaning there is an immediate risk to life; 106 flood warnings, meaning that flooding is expected; and 155 flood alerts, meaning that flooding is possible, in places across the country.

The Environment Agency is urging people to <u>check their flood risk</u> and remain prepared to take action as the situation changes.

River levels have exceeded existing records across the country this winter with a further 100 of the Environment Agency's river gauges surpassing all time readings this decade. The Rivers Colne, Ribble, Calder, Aire, Trent, Severn, Wye, Lugg and Derwent are among the many rivers where records have been broken due to continuous wet weather.

Since the start of Storm Dennis, up to 1,000 Environment Agency staff per day have been mobilised on the ground to issue flood warnings, operate flood defences and temporary pumps, clear debris from rivers, inspect damaged flood defences and make repairs. Community information officers are also out supporting affected communities offering advice and assistance.

Environment Agency operational teams have put up more than 6km of temporary flood barriers across the country and flood defences have protected over 33,700 properties from flooding over the last week.

Caroline Douglass, Director of Incident Management at the Environment Agency, said:

Our thoughts are with all who have been and continue to be affected by the persistent and extreme weather. It is devastating to see your home or business flooded, and as the case is for some, be asked to evacuate.

River levels remain exceptionally high and communities along the river Severn — in particular Shrewsbury, Bewdley, Bridgnorth and Ironbridge should be ready for potentially severe flooding. River levels are also of concern on the lower river Ouse at Cawood. We urge people to stay up to date and listen to the advice of emergency services. EA staff are on the ground giving advice and issuing flood warnings.

We are in our fourth week of exceptional river levels and stormy weather; with the effects of climate change, we need to prepare for more frequent periods of extreme weather like this. People need to be aware of their flood risk, sign up to flood warnings, make a flood plan and not to drive or walk through flood water.

The public can keep up to date with the latest safety advice, call Floodline on 0345 988 1188 or follow @EnvAgency on Twitter for the latest flood updates.

# <u>Highways England puts the bins out for</u> roadside collections in South West

Local authorities are being swamped by sackfuls of litter left in laybys across the South West.

And following the installation of layby signage along the A30 and A38 in Devon and Cornwall, Highways England is now teaming up with local councils to tackle litter issues around the roadsides of Wiltshire, Somerset and Gloucestershire.

Litter on the majority of A roads is the responsibility of local authorities to clear, but in order that litter can be collected safely, Highways England often teams up with councils to co-ordinate any necessary closures.

Councils in the South West have identified the worst affected laybys in their area, and this Sunday, Highways England will be starting work to install bins and 'keep it tidy' signs in 14 laybys along the A40, A36, A4 and A303.

The company, responsible for the country's major A roads and motorways, is working with Wiltshire, Bath & North East Somerset, South Gloucestershire, Tewkesbury Borough, Gloucester City and Forest of Dean Councils to drive home

the 'Keep Britain Tidy' message.

The £80,000 scheme is not only targeted at reducing the amount of roadside litter, and improving the lives of both communities and motorists, but it also aims to provide a saving to local authorities in terms of time and money spent on clearing rubbish from the roadsides.

The A46 layby north of Little Pennsylvania, South Gloucestershire, before the Spring Clean last year.

Chris Regan, South West Head of Service Delivery for Highways England, said:

Littering is a social problem across the country and our priority, working closely with our partners, is to keep our roads safe and well maintained for drivers and neighbouring communities.

Roadside litter is not just unsightly but it's a threat to wildlife and the environment and it can also be a safety hazard for drivers, can block drains and picking it up puts roadworkers at risk.

Litter collections are the responsibility of local authorities, but we're delighted to be working in partnership with our councils and hopefully the layby work will not only help to get the message across but also reduce the work and risk for the councils' workers.

Initial vegetation clearance work will start on three laybys near Bath on Sunday, and the full list of litter hotspot laybys receiving attention over the coming weeks are:

- A303: Longbarrow eastbound; Berwick St James westbound and eastbound
- A36: Berkley northbound; Crockerton northbound and southbound; Cley Hill southbound
- A40: Highnam westbound; Birdwood eastbound, Longford southbound; Churcham westbound
- A46: Bath northbound and southbound
- A4: Bath westbound

Cllr Bridget Wayman, Wiltshire Council Cabinet Member for Highways, said:

We welcome this initiative on our major roads in Wiltshire, and we are pleased to be working in partnership with Highways England to reduce litter throughout the county.

Wiltshire is a beautiful county and we are committed to keeping it that way, so please, use these bins and help to keep our laybys litter free.

Around 200,000 bags of litter are collected from Highways England's motorways

every year, figures have shown, and the company will once again be taking part in Keep Britain Tidy's Great British Spring Clean, from 20 March to 13 April.

Mr Regan added:

We're hoping this layby work will make a difference, for both communities and our local authority partners. And our advice to drivers is clear: please use the bins, heed the signage, and don't drop litter. Keep a bag in your car to store litter until you can dispose of it responsibly.

### General enquiries

Members of the public should contact the Highways England customer contact centre on 0300 123 5000.

### Media enquiries

Journalists should contact the Highways England press office on 0844 693 1448 and use the menu to speak to the most appropriate press officer.