

# Press release: CMA lifts the lid on estate agents' cartel

This is the second time the Competition and Markets Authority (CMA) has taken enforcement action against estate agents in recent years, and raises concerns that the sector does not properly understand the seriousness of anti-competitive conduct and the consequences of breaking competition law.

By publishing its [findings](#) in this recent investigation, together with a [short case study](#), the CMA reveals today exactly what the agents involved did, and is also reminding others to comply with competition law and avoid being fined.

A group of estate agents – all based in the Burnham-on-Sea area in Somerset – had a meeting and agreed to fix their minimum commission rates at 1.5% with the aim of making the agents involved more money, so denying local home owners the chance of getting a better deal when selling their property.

“With a bit of talking and cooperation between us, we all win!” was their rationale.

Email evidence also explained how “the aim of the meeting...will be to drive the fee level up to 1.5%” and “...it’s really important we all give it the priority it deserves (making as much profit as possible!)”.

At the meeting they agreed to form what is known as an illegal ‘cartel’ – when two or more businesses agree not to compete with each other.

The estate agents took steps to ensure the minimum fee agreement was kept to by emailing each other when a specific issue arose, such as accusations of “cheating” on their agreement.

Each business also took it in turn to “police” the cartel to make sure everyone was sticking to the agreement – parties were to report any issues “to the policeman immediately and get the matter resolved rather than let it fester and risk the agreement falling apart!!!!”.

Stephen Blake, Senior Director of Cartel Enforcement said:

Cartels are a form of cheating. They are typically carried out in secret to make you think you are getting a fair deal, even though the businesses involved are conspiring to keep prices high.

We are committed to tackling cartels regardless of the size of the businesses involved. We have taken action against estate agents before, and remain committed to tackling competition law issues in the sector.

James Munro, Head of the National Trading Standards Estate Agency Team, said:

We welcome the CMA's reminder to the property sector of the importance of competition law. Being part of a cartel can have serious consequences for both businesses and individuals, so it is crucial that estate agents are aware of their competition law obligations.

As the industry regulator we use cases like this as a trigger to assess the fitness of an individual or business to engage in estate agency work. This can lead to a formal warning or lifetime ban in engaging in this work.

The CMA imposed fines totalling £370,084 on 5 of the 6 estate agents involved in this cartel. The sixth business involved was not fined as it was the first to confess its participation in the cartel under the [CMA's leniency policy](#) and cooperated with the CMA's investigation.

Today the CMA is highlighting its range of [simple guides](#) to help businesses understand more about competition law, and be confident they are not inadvertently breaking it. If businesses believe they have information about an existing cartel or want to know what one is the [Stop Cartels](#) webpage explains all and tells people how to report one.

#### **Notes for editors**

1. More information on this investigation including details of the CMA's full decision can be found on the [case page](#).
2. The Competition Act 1998 prohibits agreements, practices and conduct that may have a damaging effect on competition in the UK. The Chapter I prohibition covers anti-competitive agreements and concerted practices between businesses ('undertakings') which have as their object or effect the prevention, restriction or distortion of competition within the UK or a part of it and which may affect trade within the UK or a part of it. Any business found to have infringed the Competition Act 1998 can be fined up to 10% of its annual worldwide group turnover.
3. 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.
4. For more information on the CMA see our [homepage](#) or follow us on Twitter [@CMAgovuk](#), [Flickr](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and civil cartels cases.

5. Media enquiries should be directed to [press@cma.gsi.gov.uk](mailto:press@cma.gsi.gov.uk) or call 07774 134814.

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## [News story: National Reference Test 2018](#)

Today, 18 September 2017, Ofqual has announced that the next, annual National Reference Test will be held between 19 February and 2 March 2018. Our test supplier, the National Foundation for Educational Research (NFER), is contacting about 350 schools that have been selected to take part in this year's test to make arrangements.

Commenting on the first annual test held in February and March 2017, Sally Collier, Ofqual's Chief Regulator said:

Thank you again to all the 341 schools and nearly 18,000 GCSE students who took part in the first test, earlier this year. We have completed the analysis of this year's test and we are very satisfied with the quality of the information that it has provided. Nearly all schools that had been asked to take part did so and this was a major contributor to the quality of the information we obtained. I would ask all schools that are contacted for the test in 2018 to take part. Thank you in advance for your support.

Each year a sample of GCSE students will take the same test so it will show, over time, if there is any change in how students perform at a national level. Results from the test will only be used to measure changes in performance nationally. There will be no results for individual students or schools.

We would expect to see an improvement in early National Reference Test results as student and teacher familiarity with the new English language and maths GCSEs increases. This, alongside the need to compare the performance of student cohorts over several years, means that we expect it will be 2019 at the earliest before exam boards will start to use the information from the National Reference Test when they award GCSEs.

For more information about the test, please visit the [National Reference Test document collection](#).

For more information about the National Foundation for Educational Research please visit [the NFER website](#).

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## Press release: PM statement: 20th anniversary of Welsh devolution

It has been 20 years since Wales made the historic decision to create its National Assembly and, in that time, we have seen some significant changes to the way in which Wales is governed.

I am pleased that my government has made an important contribution to Wales's devolution journey. We enacted the Wales Act earlier this year which delivers a new devolution settlement for Wales, further powers to the Assembly and the Welsh Government and making clearer their areas of responsibility. We have also agreed a fiscal framework with the Welsh Government that secures fair levels of funding for Wales for the longer term and paves the way for the Assembly to take responsibility for Welsh Rates of Income Tax in two years' time.

The Welsh economy has also acquired an international reputation for excellence. I took the CEO of Aston Martin to Japan with me where the company signed a £500 million deal which will help safeguard jobs in Wales and open new possibilities for future deals with Japan.

We also saw the signing of the Cardiff City Region Deal and Swansea Bay Region City Deal bringing in millions of pounds of investment and creating thousands of jobs, helping provide real opportunities for growth and prosperity in Wales.

We have also announced the abolition of Severn tolls which is a vital investment artery into Wales which will boost the economy of South Wales by around £100 million a year.

We are now engaged in another historic mission which will see the UK leave the European Union and start the process of bringing a range of new powers back from Brussels to UK shores.

I have been clear that throughout this process we will negotiate as one United Kingdom, taking due account of the specific interests of every nation and region of the UK.□

I will continue to engage with the devolved administrations as we seek a deal that secures the specific interests of the people and governments of Wales, Scotland and Northern Ireland, as well as those of all parts of England.

Wales will always have a voice at the negotiating table.

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## [Press release: Change of Her Majesty's Ambassador to Turkey](#)

2012 – 2016 Dublin, Her Majesty's Ambassador 2011 Tehran, Her Majesty's Ambassador 2008 – 2009 Washington, Deputy Head of Mission 2006 – 2007 Colombo, High Commissioner and non-Resident High Commissioner to the Republic of Maldives 2003 – 2006 FCO, Director Europe (bilateral relations and resources) 2002 – 2003 FCO, Director of Iraq Policy Unit 1998 – 2002 Brussels, UK Permanent Representation to the EU, Counsellor for External relations 1996 – 1998 FCO, Assistant Private Secretary to the Foreign Secretary 1993 – 1995 Lisbon, Head of Political section 1990 – 1992 FCO, Desk Officer for EU regional policy and Gibraltar, Europe Directorate 1988 – 1989 FCO, Head of Section, Central Africa Department 1985 – 1988 Ankara, Third then Second Secretary Chancery 1984 Full time language training (Turkish) 1982 – 1983 FCO Assistant Desk Officer, Southern Africa Department 1982 Joined FCO

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## [Press release: Ice cream director out in the cold for accounting records failure](#)

Robert Scappaticci, who acted as a director of Gerards Ice Cream Co Ltd, has been disqualified for six years and six months for failing to ensure that the company maintained or preserved adequate accounting records.

The company, which also included fast food outlets, went into Voluntary Liquidation on 15 September 2014 with an estimated deficiency of £373,839. However, six months prior to liquidation, the ownership of a chip shop was transferred to a third party. Without adequate accounting records it was not possible to verify the terms of sale or the extent to which the chip shop business may have been an asset in the liquidation.

As a result, it is possible that a number of creditors were denied money owed to them.

The disqualification undertaking given by Scappaticci on 2 June 2017 prevents him from directly or indirectly becoming involved in the promotion, formation or management of a company for the duration of the term.

Commenting on the disqualification, Robert Clarke, Group Leader of Insolvent Investigations at The Insolvency Service, said:

In this particular case, the director transferred a valuable

company asset, without ensuring the company operated in a transparent way by providing sufficient records to explain the transfer. As a result, innocent creditors may have lost out.

This disqualification should serve as a reminder to other company directors tempted to operate in a similar way, that the Insolvency Service will rigorously pursue enforcement action and seek to remove them from the market place.

## Notes to editors

Scappaticci's date of birth is 20 September 1974 and he resides in Didsbury, Manchester.

Gerards Ice Cream Co Ltd (CR0 No. 03710255) was incorporated on 9 February 1999 and traded from William Street, Ardwick, Manchester. The company traded as an Ice Cream manufacturer and wholesaler whilst also retailing both ice cream and fast food from various sites in Manchester.

Scappaticci's Undertaking was accepted by the Secretary of State on 05 June 2017 and his period of disqualification will commence on 26 June 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, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

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

You can also follow the Insolvency Service on: