



News Release

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AUDIT MARKET INVESTIGATION

Competition Commission publishes issues statement

The Competition Commission has today published an issues statement as part of its market investigation into the supply of statutory audit services to large companies in the UK.

The [Office of Fair Trading referred the market](#) to the Competition Commission (CC) for investigation in October. The CC is now carrying out its own comprehensive investigation, to see if there are any features of this market which prevent, restrict or distort competition and, if so, what action might be taken to remedy them.

The issues statement follows the first stage of gathering information, views and evidence and identifies the specific questions and areas the inquiry is examining at this stage. It does not imply that the Inquiry Group has yet identified any competition concerns.

The full issues statement is available on the [audit market home page](#) along with all other information relating to the investigation.

The CC is required to report by 20 October 2013 and will shortly publish a timetable setting out a schedule for the various stages of the investigation.

Any interested party is invited to respond to the issues statement in writing by 12 January 2011. It is particularly interested in the views of users of audit reports, such as investors, lenders and analysts.

To submit evidence, please email auditors@cc.gsi.gov.uk or write to:

Inquiry Manager
Audit Market investigation
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Notes for editors

1. The CC is an independent public body, which carries out investigations into mergers, markets and the regulated industries.
2. The members of the audit market investigation group are: [Laura Carstensen](#) (Group Chairman and CC Deputy Chairman), [Carolan Dobson](#), [Barbara Donoghue](#), [Richard Farrant](#) and [Robin Mason](#).
3. Under the Enterprise Act 2002, the OFT can make a market investigation reference to the CC if it has reasonable grounds for suspecting that competition for the supply or acquisition of certain goods or services is not working effectively.
4. In its inquiry, the CC is required to decide whether ‘any feature, or combination of features, of each relevant market prevents, restricts or distorts competition in connection with the supply or acquisition of any goods or services in the United Kingdom or a part of the United Kingdom’. If so, then there is an adverse effect on competition and the CC will also consider whether this results in a detrimental effect on customers through higher prices, lower quality or less choice of goods or services or less innovation in relation to such goods or services. The CC will then decide whether the CC should introduce remedies to tackle the adverse effect on competition or detrimental effect on customers or whether the CC should recommend action be taken by other bodies to remedy the adverse effects on competition or resulting customer detriment, and if so, what actions or remedies should be taken. If the CC finds that there is no adverse effect on competition, the question of remedies will not arise.
5. The Enterprise Act 2002 requires the CC to consult the main parties on its proposed decisions and it will also publish notice of its provisional findings on the CC website as required by its rules. Full details on the CC’s guidelines for market investigation references are available on the CC website:
www.competition-commission.org.uk/rep_pub/rules_and_guide/pdf/cc3.pdf.
6. Enquiries should be directed to [Rory Taylor](#) or [Siobhan Allen](#) or by ringing 020 7271 0242.