

## **COMPLETED ACQUISITION BY MOTOR FUEL LIMITED OF 228 PETROL STATIONS AND OTHER ASSETS FROM MURCO PETROLEUM LIMITED**

### **Notice under paragraph 2(1) of Schedule 10 to the Enterprise Act 2002 – consultation on the proposed undertakings in lieu of reference pursuant to section 73 of the Act**

#### **Introduction**

1. On 22 December 2014, the Competition and Markets Authority (CMA) decided under section 22(1) of the Enterprise Act 2002 (the Act) that it believes that it is or may be the case that the completed acquisition (referred to in this decision as ‘the Merger’) by Motor Fuel Limited (MFL) of 228 petrol stations and other assets from Murco Petroleum Limited (Murco) has resulted or may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom (the SLC decision). The text of the SLC decision is available on the CMA’s webpages.<sup>1</sup>
2. Under section 73(2) of the Act, the CMA may, instead of making a reference of the Merger for an in-depth ('phase 2') investigation, and for the purpose of remedying, mitigating or preventing the substantial lessening of competition concerned or any adverse effect which has or may have resulted from it or may be expected to result from it, accept from such of the parties concerned as it considers appropriate undertakings to take such action as it considers appropriate.
3. On 29 December 2014, MFL proposed an undertaking to the CMA under section 73(2) of the Act. As required under section 73A(1) of the Act, MFL made this offer within five working days beginning the day after the CMA notified it of the SLC decision under section 34ZA(1)(b) of the Act. The CMA gave notice to MFL on 8 January 2015, pursuant to section 73A(2)(b) of the Act, that it considered that there were reasonable grounds for believing that the undertaking offered, or a modified version of it, might be accepted by the CMA under section 73(2) of the Act and that it was considering MFL’s offer. A copy of that notice is available on the CMA’s webpages.<sup>2</sup> As set out in the SLC decision, the CMA believes that, in the absence of an appropriate

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<sup>1</sup> See [CMA Case Page](#).

<sup>2</sup> See [CMA Case Page](#).

undertaking, it would be under a duty to refer the Merger for a phase 2 investigation.

## The undertaking offered

4. As set out in the SLC decision, the CMA found that the Merger gives rise to a realistic prospect of a substantial lessening of competition as a result of horizontal unilateral effects in relation to the market for the retail supply of road fuels in the Hythe area in Kent.
5. To address the CMA's concerns, MFL has offered to divest one petrol station and related assets, including a grocery outlet, that before the Merger was owned by Murco (Seapoint Filling Station) in the Hythe area in Kent, by way of the sale of the freehold property (the Murco Hythe Site). MFL submitted that this divestment will remedy the substantial lessening of competition identified in the SLC decision.
6. The CMA considers that the proposed divestment of the Murco Hythe Site is likely to provide a clear-cut and effective remedy for the substantial lessening of competition identified and to be capable of ready implementation. The sale of the Murco Hythe Site will eliminate any accretion in MFL's market position in this local market, as there is no other site previously owned by Murco within the 10-minute drive time isochrone.
7. As set out at paragraph 6 of the notice of 8 January, the CMA does not consider it appropriate to seek an upfront buyer in respect of the Divestment Business.

## Proposed decision and process going forward

8. For the reasons set out above, the CMA considers that the proposed undertaking offered by MFL is, in the circumstances of this case, appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision.
9. The CMA therefore gives notice that it proposes to accept this undertaking in lieu of a reference for a phase 2 investigation. The text of the proposed undertaking is available [on the case page](#).
10. Before reaching a decision as to whether to accept the proposed undertaking, the CMA invites interested parties to make their views known.

11. Representations should be made in writing to the CMA by 17:00 on Thursday, 5 February 2015 and be addressed to:

Carole Bowley / Ronan Scanlan  
Mergers Group  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
London  
WC1B 4AD

E-mail: [carole.bowley@cma.gsi.gov.uk](mailto:carole.bowley@cma.gsi.gov.uk) / [ronan.scanlan@cma.gsi.gov.uk](mailto:ronan.scanlan@cma.gsi.gov.uk)

Telephone: 020 3738 6912 / 6127

**Deadline for comments: by 17:00 on Thursday, 5 February 2015**

12. The CMA will have regard to any representations made in response to this consultation and may make modifications to the proposed undertakings as a result. If the CMA considers that any representation necessitates any material change to the proposed undertakings, the CMA will give notice of the proposed modifications and publish a further consultation.