

Completed acquisition by JCT600 Limited of Gilder Group Limited

ME/6043/13

The OFT's decision on reference under section 22(1) given on 6 September 2013. Full text of the decision published 10 September 2013.

Please note that the square brackets indicate figures or text which have been deleted or replaced in ranges at the request of the parties or third parties for reasons of commercial confidentiality.

PARTIES

1. **JCT 600 Limited (JCT600)** is a privately owned independent motor group representing 19 franchises operating from 36 sites across the North of England. JCT600 represents a wide range of vehicle marques including BMW, Mercedes-Benz, Volkswagen (VW), Audi, Porsche and Vauxhall.
2. **Gilder Group Limited (Gilder)** was a privately owned independent motor group operating VW Car, VW Van, Audi and SEAT dealerships mainly in Sheffield. Gilder disposed of its Honda dealerships in Chesterfield, Rotherham and Sheffield prior to the transaction. Gilder's turnover in the year ending 31 December 2012 was approximately £216 million.

TRANSACTION

3. On 1 March 2013, JCT600 and Garry Scotting (owner of Gilder) entered into a share purchase agreement relating to the entire issued share capital of Gilder (**Transaction**). The consideration paid for the shares was [].
4. The Office of Fair Trading (**OFT**) opened an investigation into the merger on 23 April 2013. The administrative deadline for a decision is 10 September 2013 and the statutory deadline is 7 September 2013.

JURISDICTION

5. As a result of the Transaction, JCT600 and Gilder have ceased to be distinct. The UK turnover of Gilder exceeds £70 million, so the turnover

test in section 23(1)(b) of the Enterprise Act 2002 (the Act) is satisfied. The OFT therefore believes that it is or may be the case that a relevant merger situation has been created.

FRAME OF REFERENCE

6. The OFT considers that market definition is a useful tool, but not an end in itself. Market definition provides a framework for assessing the competitive effects of the merger and involves an element of judgement. The boundaries of the market do not determine the outcome of the analysis of the competitive effects of a merger in a mechanistic way, as it is recognised that there can be constraints on merging parties from outside the relevant market, segmentation within the relevant market, or other ways in which some constraints are more important than others.¹
7. The parties overlap in the supply of new cars, used cars, light commercial vehicles (LCV) and repair and maintenance services for cars and LCV in the UK. The parties supply new and used cars and LCV of different marques and types through authorised dealerships to fleet customers² and private customers.³

Product scope

Supply of new cars

8. In previous decisions,⁴ the OFT has assessed mergers between car dealerships by distinguishing the supply of LCV from supply of cars since most customers would not consider the two vehicles as substitutes. The Competition Commission (**CC**) has previously⁵ further delineated the supply of cars into the supply of new cars and the supply of used cars mainly because new and used cars have different characteristics, different prices and different suppliers, although it would be unlikely that either is

¹ *Merger Assessment Guidelines, A joint publication of the Competition Commission and the Office of Fair Trading*, OFT1254, September 2010, paragraph 5.2.2.

² Fleet customers are customers operating a fleet of 25 or more cars such as car rental and vehicle leasing firms and large companies.

³ Private customers are individuals buying cars for their personal use.

⁴ See Completed acquisition by Inchcape plc of European Motor Holdings plc, OFT, 26 March 2007 (Inchcape/European Motor Holdings); Completed acquisition by Pendragon plc of Reg Vardy plc, OFT, 4 August 2006 (Pendragon/Reg Vardy); and Completed acquisition by Pendragon plc of CD Bramall plc, OFT, 24 June 2004 (Pendragon/CD Bramall).

⁵ Competition Commission, *New Cars: A report on the supply of new motor cars within the UK* (Cm 4660/2000) (New Cars report).

completely immune to competition from the other.⁶ The OFT has found no evidence in this case to suggest that it is necessary to deviate from this conclusion.

9. The OFT has considered whether the supply of new cars should be distinguished further by types, marques, customers and sales channel.

Segmentation by types and marques

10. The parties overlap in the supply of VW, Audi and SEAT. The parties submitted that the relevant market for the assessment of the Transaction is the supply of all types and marques of new cars. They noted that any segmentation of the supply of new cars on the basis of different types of cars or different marques would be too narrow for the purpose of market definition. The parties suggested that customers would be prepared to switch to other marques or types of cars in the event that, for example, the price of a particular marque or type of car increased by around five to 10 per cent.
11. The OFT has previously considered whether new cars could be segmented by luxury, compact, people carrier, off-road and various other types, but found that in practice there is considerable overlap between these categories of vehicles.⁷ The OFT also considered previously that sales of a new car of a particular marque are constrained by other marques.⁸
12. Third party comments suggest that customers of the parties in this case are likely to search a wide range of marques and types of cars when deciding on a car to purchase. For example, one third party informed the OFT that from a customer's perspective, many brands overlap and customers will often consider rival models of different brands before making their final decision. This may suggest that for VW, Audi and SEAT marques there is likely to be significant degree of inter-brand competition between dealers.
13. Both the parties and third parties have indicated that discounts are primarily demand driven rather than as a result of price matching. However the OFT received some evidence that where price matching does result in discounts

⁶ Pendragon/CD Bramall.

⁷ Pendragon/CD Bramall.

⁸ Inchcape/European Motor Holdings, paragraph 11.

being offered to consumers this is a result of comparisons with both the same and different marques. In particular, the OFT received evidence that prices of other marques can have an effect on the transactional sales price of a particular marque.

14. The OFT considers that in this case it is not necessary to conclude on the precise delineation of the market, but that based on the evidence received and third party comments the appropriate frame of reference is likely to be wider than the VW, Audi and SEAT marques sold by the parties.

Segmentation by customers

15. Both parties supply new cars to fleet customers and private customers. The OFT therefore considered whether the supply of new cars to fleet customers should be distinguished from the supply of new cars to private customers. The OFT also considered whether the supply of new cars to private customers should be further segmented into supply of new cars to customers purchasing on finance, customers part exchanging a car and customers purchasing with cash.
16. The CC has previously concluded that it is best to identify a single market with a degree of customer segmentation.⁹ However, third party comments in this case suggest that fleet customers have different set of purchasing options from private customers as well as the ability to purchase large volume of cars. Third party comments also suggested that there is a possible further distinction of private customers between private customers purchasing on finance, private customers part exchanging a car and private customers purchasing with cash.
17. The OFT notes that each of these groups of customers will have slightly different outside options and, as a result, the conditions of competition may differ between them. Third party comments indicated that, while private customers purchasing on finance may be more concerned about the finance and deposit contribution¹⁰ offers than about the price of the car, customers' part exchanging a car may be concerned by both the price of the new car and amount that could be obtained for the current car. In

⁹ New Cars report.

¹⁰ Dealers are able to make deposit contributions to meet customers' expectation and affordability. The OFT notes that these dealers deposit contributions have same effect as offering discounts on the list price.

relation to customers purchasing with cash, third party comments indicated that these customers may be more concerned with the level of discount that could be obtained on the list price. The OFT notes that one third party informed the OFT that 85 per cent of new cars purchases are through a payment plan, not outright cash purchase.

18. The OFT does not consider it necessary to come to a firm conclusion as to the precise product scope given that, on the evidence available to it, no competition concerns arise on any plausible frame of reference. For the purpose of the current assessment, the OFT has considered separately the supply of new cars to fleet customers and the supply of new cars to private customers, without further distinction between methods of purchasing as it found no evidence in this case to suggest that competition concerns arise on this narrower split and no third parties raised any competition concerns.

Segmentation by sales channel

19. The parties submitted that the supply of delivery mileage vehicles¹¹ by large car supermarkets impose a material competitive constraint on supply of new cars through dealerships given manufacturers with excess supply sell large numbers of such cars outside the dealership network at prices significantly below the list price. The parties submitted that delivery mileage cars are marketed and sold by large car supermarkets as a direct alternative to new cars supplied through dealerships, and as such should be considered together.
20. However, the OFT has received limited evidence to support the constraint on car dealerships from car supermarkets. In this case the OFT does not consider it to be necessary to conclude on the inclusion of car supermarkets as no competition concerns arise and therefore, on a cautious basis, the OFT has considered the impact of the Transaction on supply of new cars by car dealerships only.

¹¹ Nearly new vehicles.

Conclusion on supply of new cars

21. For the purposes of the current case, the OFT has considered the impact of the Transaction on the supply of new VW, Audi and SEAT cars to fleet and private customers by car dealerships.

Supply of used cars

22. The OFT has previously considered the supply of used cars without any further segmentation.¹² However, in this case the OFT considered whether the supply of used cars should be distinguished further by types, marques and sales channel given the level of information available to customers and because third parties have indicated that the competition dynamics have changed since the New Cars report, mainly as a result of the impact of online research.
23. The parties submitted that the supply of used cars of all types and marques sold through all sales channels should be assessed as part of the same product market because there is significant inter-brand and intra-brand competition for used cars and no clear segmentation could be made based on age¹³ or sales channel.¹⁴
24. The OFT notes from available evidence and third party comments that there is less scope for intra-brand competition in the supply of used cars, as each car will be differentiated by its age and history. This may suggest that inter-brand competition is likely to be more important for used cars, particularly as dealers routinely stock a wide range of marques.
25. The OFT does not consider it necessary to come to a firm conclusion as to the precise product scope given that, on the evidence available to it, no competition concerns arise on any plausible frame of reference. However, for the purpose of the current assessment, the OFT has considered the impact of this Transaction on the supply of used cars without further distinction by types, marque or sales channel.

¹² See Inchcape/European Motor Holdings; Pendragon/Reg Vardy and Pendragon/CD Bramall.

¹³ The parties noted that used cars of different ages are able to place significant competitive constraints on each other.

¹⁴ The parties noted that car dealerships and car supermarkets also sell cars of varying ages despite their preference for relatively newer cars. In addition, there is a strong competitive interaction between cars sold across sales channel and any change in the relative price of cars is likely to result in demand and supply side switching.

Supply of Light Commercial Vehicles (LCV)

26. The parties overlap in the supply of VW LCV. The parties submitted that the supply of LCV of all types and marque should be assessed as part of the same product market.
27. In previous decisions,¹⁵ the OFT has not separated the supply of LCV further by type or marque. The OFT has found no strong reason to depart from its previous practice, and has therefore considered the supply of all LCV as a plausible frame of reference in this case.

Supply of repair and maintenance services

28. The OFT has previously considered repair and maintenance services separately from the supply of new and used cars and LCV¹⁶ given customers did not consider the costs of servicing as a significant factor when deciding to buy a car.
29. The OFT has previously considered that both authorised dealerships and authorised garages¹⁷ are able to fully service cars under warranty and provide an authorised repairer stamp in the service log book. However, it considered the supply of repair and maintenance services to nearly new cars¹⁸ separately from the supply of repair and maintenance services to used cars mainly because customers of nearly new cars tend not to use independent garages due to the perceived risk that their warranty will be invalidated and their car devalued. The OFT noted that, it was easier for dealerships to switch between providing such services for nearly new cars and used cars while independent garages are not able to switch as easily.
30. The parties submitted that they face competitive pressure from specialist independent garages. In addition, the parties also submitted that the distinction between the supply of repair and maintenance services to nearly new cars and the supply of repair and maintenance services to used cars has become increasingly blurred due to the presence of specialist independent garages which focus on particular marque.

¹⁵ See Inchcape/European Motor Holdings; Pendragon/Reg Vardy and Pendragon/CD Bramall.

¹⁶ See Inchcape/European Motor Holdings; Pendragon/Reg Vardy and Pendragon/CD Bramall.

¹⁷ Non-franchised dealerships that have been authorised by the car manufacturer to do repair and maintenance work under warranty.

¹⁸ Nearly new cars are those that are less than three years old and still under warranty.

31. For the purposes of the current assessment, the OFT does not consider it necessary to come to a firm conclusion as to the precise product scope given that, on the evidence presented to it, no competition concerns arise on any possible frame of reference.

Conclusion on product scope

32. With respect to the supply of new VW, Audi and SEAT cars to private and fleet customers, the OFT recognises the degree of product differentiation in the market, but based on evidence and third party comments considers that the relevant product market in this case is likely to be wider than individual marques. The OFT does not consider it necessary in this case to reach a firm conclusion on the precise delineation of this market.
33. On the available evidence, the OFT does not consider it necessary to conclude on the exact product scope in this case for the other overlaps given no substantial competition concerns arise on any plausible frame of reference. However, on a cautious basis, the OFT has also assessed the impact of this Transaction on each of the:
- i. supply of used cars
 - ii. supply of LCV and
 - iii. supply of repair and maintenance services.

Geographic scope

Supply of new cars

34. The OFT has previously assessed the supply of new cars on a local and national basis separately.¹⁹
35. The parties submitted that the geographic scope for the supply of new cars is national given advertisements and promotions of new cars are on a national basis and customers are willing to travel long distances to obtain their desired car specification at the right price due to the high value and infrequent nature of new car purchases.

¹⁹ Inchcape/European Motor Holdings, paragraphs 11, 20-22.

36. Third parties also indicated that local competition is not important and that there is little or no variation in prices across local areas, despite variations in the number of competitors in each area. However, the parties were unable to provide the OFT with data which it could use to verify this.
37. In addition, the parties submitted that to the extent that competition was narrower than national, local markets were relatively wide. The parties submitted data from AutoTrader showing that 80 per cent of customers search for cars up to 100 miles from their place of residence.
38. However, the OFT notes that local dealerships offer customers with the opportunity to test drive a car before they make a purchase and third parties have indicated that although the average number of visits to a dealer has decreased from around four to two in recent years, most customers visit a dealership before purchasing a car. The OFT therefore considers that local competition may also be important.
39. In addition, with respect to customers purchasing on finance, the parties submitted that these customers are able to obtain finance plans from manufacturers' financing arms or another third party finance provider (such as banks and online vehicle funders). Third parties have also informed the OFT that manufacturers' financing arms usually offer the best finance terms for customers seeking to purchase a new vehicle on finance. The parties stated that the terms of such finance offers are set nationally by the manufacturer and are not influenced by the dealer. However, the parties did indicate that there is scope for local dealers to offer a deposit contribution, which is in effect a discount on the finance offer, using part of the profit margin on the particular vehicle and therefore local competition may also be important for these customers.
40. The evidence available in this case suggests that both local and national competition may be important to consumers and that any local competition would primarily occur over relatively large geographic areas.

Fleet customers

41. The parties submitted that approximately 75 per cent of JCT600's fleet customers across all marques are located over 150 miles from the dealership they purchase from. The fleet customers that responded to the OFT's inquiry confirmed that the geographic location of the dealer is

unimportant when making their purchasing decision since they purchase across the UK. One third party informed the OFT that fleet customers generally require dealers with national coverage, but are also able to purchase from multiple dealers.

Conclusion on geographic scope for new cars

42. It is not necessary for the OFT to come to a conclusion on the geographic scope given there are no competition concerns arising on any reasonable frame of reference. For the purposes of the assessment of the competition effects arising from this Transaction, and adopting a cautious approach, the OFT has considered the impact of the Transaction on fleet customers at the national level and on private customers at both the local and national level.
43. In line with previous cases,²⁰ the OFT considers that it is appropriate to undertake local area analysis using a catchment area within which each overlapping dealership derives 80 per cent of its private customers (the catchment area). The parties submitted that the relevant distance based on the catchment area for the supply of new cars ranges between 11 and 49 miles depending on the dealership.
44. In applying the catchment area to the parties supply of new SEAT cars,²¹ the OFT has found that there is no overlap. Given the lack of local overlap and the lack of concerns on a national basis (see below), the OFT has therefore not considered the impact of the Transaction on supply of SEAT at a local level any further.

Supply of used cars

45. The parties submitted that the geographic scope for the supply of used cars is national given advertisement of used cars are on a national basis and customers are prepared to travel long distances to purchase a used car.

²⁰ See for example Pendragon/CD Bramall.

²¹ The OFT noted that the only SEAT dealership (Menston) operated by JCT600 is over 43 miles from SEAT Sheffield dealership operated by Gilder. Further, that there are 10 other SEAT dealerships closer to SEAT Sheffield than SEAT Menston and six other SEAT dealerships closer to SEAT Menston than SEAT Sheffield.

46. The OFT has previously considered the supply of used cars but has not concluded on the exact geographic scope.²² In this case, the OFT does not consider it necessary to come to a firm conclusion on the geographic scope given there are no competition concerns arising on any reasonable frame of reference. For the purposes of the assessment of the competition effects arising from this Transaction, and adopting a cautious approach, the OFT has considered the impact of the Transaction at both the local (using the 80 per cent catchment area methodology) and national level. The parties submitted that the relevant distance based on the catchment area for the supply of used cars ranges between 21 to 132 miles depending on the dealership.

Supply of LCV

47. The parties submitted that the geographic scope for the supply of LCV is national given advertisements and promotions of new LCV are on a national basis.

48. The OFT has previously considered the supply of LCV on a national basis.²³ In this case, the OFT does not consider it necessary to come to a firm conclusion on the geographic scope given there are no competition concerns arising on any reasonable frame of reference. For the purposes of the assessment of the competition effects arising from this Transaction, and adopting a cautious approach, the OFT has considered the impact of the Transaction at both the local (using the 80 per cent catchment area methodology) and national level. The parties submitted that the relevant distance based on the catchment area for the supply of LCV ranges between 21 and 43 miles depending on the dealership.

49. In applying the catchment area to the parties supply of LCV, the OFT has found that there is no overlap. The OFT also notes that on a national basis the parties combined share of supply is less than one per cent. Given the lack of local overlap, low national market and the lack of concerns, the OFT and has not considered the impact of the Transaction on supply of LCV at any further.

²² Inchcape/European Motor Holdings.

²³ Inchcape/European Motor Holdings.

Supply of repair and maintenance services

50. The OFT has previously considered – and the parties agree – that the geographic scope for the supply of repair and maintenance services is local given customers are not willing to travel long distances to service their cars.²⁴
51. In its assessment of supply of repair and maintenance services, the OFT has not received evidence to suggest that the approach adopted in previous decisional practice²⁵ - specifically the use of 80 per cent catchment area methodology and examining the competitive effect on each marque – should be departed from and has therefore assessed the Transaction on this basis. The parties submitted that the relevant distance based on the catchment area for the supply of repair and maintenance services ranges between 10 and 28 miles depending on the dealership.
52. In applying the catchment area to the parties’ servicing garages, the OFT has found that there is no overlap in the supply of repair and maintenance services of the same marque and has therefore not considered the supply of repair and maintenance services any further.

HORIZONTAL ISSUES

53. The OFT has assessed whether there is a realistic prospect that the Transaction will result in unilateral effects in the supply of new cars to fleet and private customers and the supply of used cars at both the national and local level. In particular, the OFT considered whether the Transaction could reduce competition between dealers in a local area leading to an incentive to offer a lower discount on the list price or lower deposit contribution.

Supply of new cars

Market share

54. The OFT notes that the estimated total market size for the sale of new passenger cars and light motor vehicles in the UK by value in 2012 is approximately £87 billion.²⁶

²⁴ Inchcape/European Motor Holdings, Pendragon/Reg Vardy.

²⁵ Pendragon/Reg Vardy, Pendragon/CD Bramall.

²⁶ Key Note, Market Report 2013, Car Dealers, May 2013.

55. The parties estimated²⁷ that they have a combined market share of new cars sold in the UK of one per cent.

Closeness of competition

56. The parties noted that they compete with other dealer groups supplying all types and marques of new cars and LCV and with large car supermarkets supplying delivery mileage vehicles as well as online car brokers and importers. The parties submitted that there is a large number of dealer groups in the market and provided the OFT with the retail motor industry publication – AM 100 – which lists UK’s top 100 dealer groups. In the 2012 rankings, JCT600 and Gilder ranked 13 and 51 respectively. The top 10 dealer groups in the 2012 rankings are Pendragon, Sytner, Arnold Clark, Inchcape, Lookers, Jardine, Mercedes-Benz Retail, Ford Retail, Vertu and Greenhous.

Local competition

57. In relation to local competition, the parties submitted that the Transaction will not affect competition at the local level given customers are willing to travel long distances to obtain their specific cars at the right price. The parties noted – and third parties confirmed – that there are national elements to competition and that the internet places important competitive constraints as customers can easily compare prices across regions. The parties’ did however provide maps for each of Gilder’s dealerships together with maps for the nearest JCT600 dealership of the same marque (excluding SEAT) as well as a list of the competitors in these local areas. The OFT found that the parties’ dealerships overlap in six of the nine local areas where Gilder had a dealership.
58. The OFT found that in each of the six local areas, there remained in excess of twenty five fascia supplying other marques, with the majority of local areas also having alternative fascia selling the same marque. The OFT considers that given the evidence received in this case on the constraint on VW and Audi from other marques, sufficient constraint will remain in each local area post-merger.

²⁷ The parties have estimated their share of supply by using the Society of Motor Manufacturers and Traders’ data on total number of new and used cars sold in the UK for the year ended 31 December 2012 as the total market size.

59. Given the high number of competitors in each local area, the importance of national competition (and the parties negligible share on a national basis) and the lack of competition concerns raised by third parties, the OFT does not consider the Transaction is likely to raise competition concerns in the new cars provided by the parties to private customers.

Supply of new cars to fleet customers

60. Third party fleet customers informed the OFT that both parties supply new cars to fleet customers and fleet customers generally purchase from all major dealer groups nationally where the parties' combined share is very low. The OFT has received no evidence in this case to suggest that the parties are each other's closest competitors for the supply of new VW, Audi and SEAT cars to fleet customers and no third parties raised any competition concerns. The OFT therefore considers that there is no realistic prospect of a substantial lessening of competition for the sale of new cars to fleet customers.

Supply of used cars

61. The estimated total market size for the sale of used passenger cars and light motor vehicles in the UK by value in 2012 is approximately £9 billion.
62. The parties submitted that their estimated combined market share of used cars sold in the UK is less than one per cent. The parties also submitted that they compete with a significantly large number of dealers selling used cars in the UK.
63. The OFT notes that the parties face significant competitive constraints from a large number of authorised dealers and car supermarkets within the catchment area for the supply of used cars. In addition, no third party concerns were raised with respect to the supply of used cars. The OFT therefore does not consider there to be a realistic prospect that the Transaction will result in substantial lessening of competition in respect of supply of used cars by the parties.

Conclusion

64. In light of the parties negligible combined national market shares, the large number of competitors post-merger and the fact that no third party raised competition concerns about the Transaction, the OFT does not consider that the Transaction gives rise to a realistic prospect of a substantial lessening of competition for the supply of new and used cars supplied by the parties.

BARRIERS TO ENTRY AND EXPANSION

65. The parties submitted that the barriers to entry into the market for the supply of new cars through dealerships are relatively significant given dealers operating physically in the UK are required to be authorised by the relevant manufacturers.

66. Third party comments suggest that the main barriers to entry include acquiring a suitable site, with appropriate planning permission, and having suitable finance.²⁸ The parties submitted – and third parties confirmed – that the barriers to entry are low for the supply of used cars.

67. Given the competition assessment above, the OFT has not found it necessary to reach a firm conclusion regarding barriers to entry and expansion.

THIRD PARTY VIEWS

68. In this case, the OFT contacted fleet customers, vehicle manufacturers and dealer groups. No third party raised competition concerns about the Transaction. Third party views have been incorporated where relevant in the decision.

ASSESSMENT

69. The parties overlap in the supply of new VW, Audi and SEAT²⁹ cars to fleet and private customers, the supply of LCV, the supply of used cars and repair and maintenance services. With respect to new cars, whilst the OFT

²⁸ The level of the financial requirement for entry depends on the manufacturer's car as a full demonstrator fleet need to be purchased.

²⁹ The OFT notes that there is no local overlap between the parties in the supply of new SEAT cars.

did not find it necessary to conclude on the precise product market, the OFT however considered the product market likely to be wider than the individual marques supplied by the parties.

70. The OFT has assessed the Transaction on the basis of the supply of new cars to fleet and private customers separately. Based on the evidence provided the OFT has assessed the Transaction on both a local and national basis for supply of new cars to private customers, LCV and used cars. The OFT has also assessed the impact of the Transaction on supply of new cars to fleet customers at a national level and on repair and maintenance services at a local level.
71. For LCV and repair and maintenance services, the parties do not overlap at the local level and, for LCV, at the national level the parties' combined share is less than one per cent.
72. The OFT found that in relation to supply of new cars to private customers, the parties' combined national market share is negligible and a large number of competitors will continue to impose strong competitive constraints on the parties post-merger in each local area. The OFT found that fleet customers can negotiate directly with manufacturers to obtain better prices and easily purchase from dealers elsewhere in event any increase in prices.
73. As regards used cars the OFT does not consider there to be a realistic prospect that the Transaction will result in substantial lessening of competition given the large number of used car dealers and car supermarkets.
74. Consequently, the OFT does not believe that it is or may be the case that the merger has resulted or may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom.

DECISION

75. This merger will therefore **not be referred** to the Competition Commission under section 22(1) of the Act.