

# **Discrimination against retail customers by Ladbrokes and Coral through the provision of materially worse each way terms, in direct contradiction of their claims in their latest submission to the CMA**

## **Introduction**

1. This document follows up my earlier submissions to the Competition and Markets Authority (CMA) in connection with the CMA's Phase 2 investigation into the proposed merger between Ladbrokes plc and certain businesses of Gala Coral Group Limited (Coral). As in other documents related to this case, Ladbrokes and Coral are referred to collectively as the Parties.

## **Scope and focus of this document**

2. This document demonstrates the inaccuracy and misleading nature of information presented by the Parties in their document 'ME/6556/15 - RESPONSE TO THE ISSUES STATEMENT AND OTHER DOCUMENTS CURRENTLY AVAILABLE' dated 24 March 2016 (loaded onto the CMA website on 6 April 2016) to support their claims that they are 'significantly constrained by online gambling' and that 'online imposes a significant constraint on the retail value proposition'.
3. The specific point addressed in this document relates to the claim made by the Parties in Paragraphs 2.67 to 2.73 of their document that 'there is considerable overlap between the offers available in retail and online' and that the 'difference in approach [relating to offers in the online and retail channels] does not signal a lack of competition [in the retail market]'. Through the use of the Parties' own advertising material this document demonstrates that the claim that Corals offers 'extra places' in both online and retail channels to be untrue. It also highlights a very recent example where Ladbrokes' discriminatory terms resulted in retail customers receiving 48% worse value than online customers in the same horse race. The only reasonable conclusion to draw from the information presented in this document, which highlights the common practice of the Parties, is that while competition is clearly vibrant in the online channel, competition is so weak in the retail channel that the Parties have concluded that they can offer significantly degraded value to retail customers and still remain viable, by effectively exploiting retail customers to cross-subsidise online customers.

## **The inaccuracy of the Parties claims regarding Coral concessions**

4. The Parties present in Paragraph 2.69, as part of their claim that 'there is considerable overlap between the offers available in retail and online', a table that compares concessions offered by Coral in the online and retail channels.
5. Row 8 of that table relates to 'extra places', for which just a tick, without any additional comment, appears in both the 'online' and 'retail' columns, indicating that the same concessions regarding extra places are provided in online and retail channels. Data taken directly from Corals own advertising confirms this to be manifestly untrue.
6. This claim relates to the provision of each way betting, specifically the number of places on which the place part of an each way bet will be paid out. Each horse race has industry 'standard' each way terms based on the number of runners and whether the race is a handicap. The standard each way terms for non-handicaps is to offer one-fifth of the win odds for 3 places for the place part of the bet for races with 8 or more runners, and one-quarter of the win odds for 2 places for the place part of the bet in races with 5-7 runners. The standard each way terms for handicap races are: 5-7 runners – one quarter the win odds for 2 places; 8-11 runners – one fifth of the win odds for 3 places; 12-15 runners – one quarter of the win odds for 3 places; and 16 or more runners – one quarter of the win odds for 4 places. For all races with

less than 5 runners, both handicaps and non-handicaps, there is no each way betting so betting is 'win only'. The provision of 'extra places' would therefore result from a bookmaker paying out on more than the standard number of places for the type of race in question.

7. For the run-of-the-mill racing on most days, these standard terms are used universally by all bookmakers in both online and retail channels. For major races, especially many runner handicaps, on Saturdays and at major high profile meetings, some bookmakers offer enhanced terms by offering 'extra places' (i.e. the place part of the each way bet will be paid on more than the standard number of places) and/or by offering the place part of each way bets at a higher fraction of the win odds, most typically one-quarter of the win odds rather than one-fifth.
8. The table below shows the standard each way terms and the each way terms provided by Coral for the 28 races at the recent Cheltenham Festival. The information in this table is taken directly from Coral's advertisements in the Racing Post on each day of the Cheltenham meeting. The table shows two aspects of the each way terms offered: (1) the number of places on which the place part of an each way bet was paid; and (2) the fraction of the win price that applied to the place part of the each way bet, so, for example, '1/4 - 3' represents one-quarter the win odds for the place part of the each way bet, paid on 3 places.

|           | Race                          | 'Standard' EW terms | Coral EW terms |         |
|-----------|-------------------------------|---------------------|----------------|---------|
|           |                               |                     | Online         | Retail  |
| Tuesday   | Supreme Novice Hurdle         | 1/5 - 3             | 1/4 - 3        | 1/4 - 3 |
|           | Arkle Novice Chase            | 1/4 - 2             | 1/4 - 2        | 1/4 - 2 |
|           | Ultima Handicap Chase         | 1/4 - 4             | 1/4 - 5        | 1/4 - 4 |
|           | Champion Hurdle               | 1/5 - 3             | 1/4 - 3        | 1/4 - 3 |
|           | Mares Hurdle                  | 1/5 - 3             | 1/4 - 3        | 1/5 - 3 |
|           | National Hunt Chase           | 1/5 - 3             | 1/4 - 4        | 1/4 - 3 |
|           | Novice Handicap Chase         | 1/4 - 4             | 1/4 - 4        | 1/4 - 4 |
| Wednesday | Neptune Novice Hurdle         | 1/5 - 3             | 1/4 - 3        | 1/5 - 3 |
|           | RSA Novice Chase              | 1/5 - 3             | 1/4 - 3        | 1/5 - 3 |
|           | Coral Cup                     | 1/4 - 4             | 1/4 - 6        | 1/4 - 5 |
|           | Champion Chase                | 1/5 - 3             | 1/4 - 3        | 1/5 - 3 |
|           | Cross Country Chase           | 1/5 - 3             | 1/4 - 3        | 1/4 - 3 |
|           | Fred Winter Handicap Hurdle   | 1/4 - 4             | 1/4 - 4        | 1/4 - 4 |
|           | Champion Bumper               | 1/5 - 3             | 1/4 - 4        | 1/4 - 3 |
| Thursday  | JLT Novice Chase              | 1/5 - 3             | 1/4 - 3        | 1/4 - 3 |
|           | Pertemps Handicap Hurdle      | 1/4 - 4             | 1/4 - 5        | 1/4 - 4 |
|           | Ryanair Chase                 | 1/5 - 3             | 1/4 - 3        | 1/5 - 3 |
|           | World Hurdle                  | 1/5 - 3             | 1/4 - 3        | 1/5 - 3 |
|           | Brown Advisory Plate          | 1/4 - 4             | 1/4 - 4        | 1/4 - 4 |
|           | Mares Novice Hurdle           | 1/5 - 3             | 1/4 - 3        | 1/5 - 3 |
|           | Kim Muir Handicap Chase       | 1/4 - 4             | 1/4 - 4        | 1/4 - 4 |
| Friday    | Triumph Hurdle                | 1/5 - 3             | 1/4 - 3        | 1/4 - 3 |
|           | County Hurdle                 | 1/4 - 4             | 1/4 - 5        | 1/4 - 4 |
|           | Albert Bartlett Novice Hurdle | 1/5 - 3             | 1/4 - 3        | 1/4 - 3 |
|           | Cheltenham Gold Cup           | 1/5 - 3             | 1/4 - 3        | 1/4 - 3 |
|           | Foxhunters Chase              | 1/5 - 3             | 1/4 - 3        | 1/5 - 3 |
|           | Martin Pipe Handicap Hurdle   | 1/4 - 4             | 1/4 - 4        | 1/4 - 4 |
|           | Grand Annual Handicap Chase   | 1/4 - 4             | 1/4 - 4        | 1/4 - 4 |

9. The two figures below illustrate sections of the Coral advertisements in the Racing Post for the Tuesday and Thursday of the Cheltenham Festival (15 and 17 March 2016) showing examples of the source of the information in the table above.

16/1 *Sempre Medici*  
Each-way 1/4 the odds a place 1-2-3

### SKY BET SUPREME NOVICES' HURDLE

2 Miles 87 Yards, Novices' Hurdle, Cheltenham 1.30pm, Live on C4

|                      |                        |
|----------------------|------------------------|
| 11/4 Min             | 20/1 Charbel           |
| 10/3 Altior          | 25/1 North Hill Harvey |
| 5/1 Buveur D'Air     | 40/1 Pengolai Pavilion |
| 11/1 Supasundae      | 50/1 Mister Miyagi     |
| 14/1 Bellshill       | 50/1 Petit Mouchoir    |
| 16/1 Silver Concorde | 66/1 William H Bonney  |
| 16/1 Tombstone       | 80/1 Holly Bush Henry  |

Each-way 1/4 the odds a place 1-2-3

### RACING POST ARKLE

1 Mile 7 Furlongs 199 Yards, Novices' Chase, Cheltenham 2.10pm, Live on C4

|                       |                     |
|-----------------------|---------------------|
| 4/9 Douvan            | 40/1 Fox Norton     |
| 13/2 Vaniteux         | 66/1 Baltimore Rock |
| 8/1 Sizing John       | 80/1 Aso            |
| 12/1 The Game Changer |                     |

Each-way 1/4 the odds a place 1-2

### ULTIMA HANDICAP CHASE

3 Miles 1 Furlong, Handicap Chase, Cheltenham 2.50pm, Live on C4

|                         |                         |
|-------------------------|-------------------------|
| 7/1 Holywell            | 25/1 Doing Fine         |
| 15/2 Out Sam            | 25/1 Spring Heeled      |
| 10/1 Kruzlinin          | 33/1 Band Of Blood      |
| 11/1 Carole's Destrier  | 33/1 Double Ross        |
| 12/1 Beg To Differ      | 33/1 Indian Castle      |
| 12/1 Morning Assembly   | 33/1 Katenko            |
| 14/1 Un Temps Pour Tout | 33/1 O Maonlai          |
| 14/1 Theatre Guide      | 33/1 Shanahan's Tum     |
| 16/1 Regal Encore       | 40/1 Algemon Pazham     |
| 16/1 The Young Master   | 40/1 Audacious Plan     |
| 18/1 Southfield Theatre | 40/1 Fox Appeal         |
| 25/1 Ballykan           | 100/1 According To Trev |

Each-way 1/4 the odds a place 1-2-3-4.  
(5 Places Online, Mobile & Telephone). Non-runner money back. Rule 4 may apply. All advertised prices subject to fluctuation.

**FOR OUR OTHER CHELTENHAM OFFERS SEE PAGES 11 & 29**

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### RYANAIR WORLD HURDLE

2 Miles 7 Furlongs 213 Yards, Hurdle, Cheltenham 3.30pm, Live on C4

|                       |                         |
|-----------------------|-------------------------|
| 5/4 Thistlecrack      | 28/1 Martello Tower     |
| 11/2 Cole Harden      | 33/1 At Fishers Cross   |
| 7/1 Alpha Des Obeaux  | 50/1 Bobs Worth         |
| 9/1 Saphir Du Rheu    | 50/1 Lieutenant Colonel |
| 11/1 Whisper          | 150/1 Knockara Beau     |
| 18/1 Aux P'tits Soins | NR Un Temps Pour Tout   |
| 25/1 Kilcooley        |                         |

Each-way 1/5 the odds a place 1-2-3 (1/4 Online, Mobile & Telephone)

### RYANAIR CHASE

2 Miles 4 Furlongs 166 Yards, Chase, Cheltenham 2.50pm, Live on C4

|                      |                     |
|----------------------|---------------------|
| 4/5 Vautour          | 28/1 Josses Hill    |
| 7/1 Road To Riches   | 33/1 Gligamboos     |
| 10/1 Valseur Lido    | 33/1 Vibrato Valtat |
| 14/1 Al Ferof        | 50/1 Annacotty      |
| 16/1 Taquin Du Seuil | 50/1 Champagne West |
| 22/1 Village Vic     | 100/1 Captain Conan |
| 25/1 Dynaste         | 100/1 Oscar Rock    |
| 25/1 Smashing        |                     |

Each-way 1/5 the odds a place 1-2-3 (1/4 Online, Mobile & Telephone)

### PERTEMPS NETWORK FINAL

2 Miles 7 Furlongs 213 Yards, Handicap Hurdle, Cheltenham 2.10pm, Live on C4

|                      |                         |
|----------------------|-------------------------|
| 7/1 Leave At Dawn    | 20/1 Westren Warrior    |
| 9/1 Cup Final        | 25/1 Rathpatrick        |
| 10/1 If In Doubt     | 25/1 Warriors Tale      |
| 10/1 Our Kaempfer    | 28/1 Broxbourne         |
| 11/1 Missed Approach | 28/1 Un Ace             |
| 12/1 Arpege D'Alene  | 33/1 Padge              |
| 14/1 Taglietelle     | 40/1 All Hell Let Loose |
| 16/1 Saddlers Encore | 40/1 Flintham           |
| 18/1 Mall Dini       | 40/1 Kilfinichen Bay    |
| 20/1 Box Office      | 50/1 Dubawi Island      |
| 20/1 Join The Clan   | 50/1 Ruacana            |
| 20/1 Oscar Sam       | 50/1 Rolling Maul       |

Each-way 1/4 the odds a place 1-2-3-4 (5 places Online, Mobile, telephone & in Shop with Connect)

### JLT NOVICES' CHASE

2 Miles 3 Furlongs 168 Yards, Novices' Chase, Cheltenham 1.30pm, Live on C4

|                       |                       |
|-----------------------|-----------------------|
| 4/1 Garde La Victoire | 10/1 L'Ami Serge      |
| 9/2 Black Hercules    | 12/1 Three Musketeers |
| 9/2 Bristol De Mai    | 18/1 King's Odyssey   |
| 9/2 Outlander         | 33/1 As De Mee        |
| 9/1 Zabana            | 125/1 Mount Gurnery   |

Each-way 1/4 the odds a place 1-2-3. Non-runner money back. Rule 4 may apply. Prices subject to fluctuation.

**FOR OUR OTHER CHELTENHAM OFFERS SEE PAGE 11**

**THE GREATEST SHOW ON TURF**

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10. Analysis of the each way terms provided by Coral at the Cheltenham Festival shows that:

- Coral offered the **standard number of places in both online and retail channels in 22 races**
- Coral offered the **standard number of places the retail channel but an 'extra place' in the online channel for 5 races**
- Coral offered **'extra place(s)' in both the online and retail channels in just one race**, though even in this single case where an extra place was available to retail customers, Coral offered

a further 'extra place' in the retail channel (i.e. 6 places rather than 5) - this race was the 26 runner Coral Cup, sponsored by Coral, and thus a race where Coral were particularly keen to make a promotional splash and gain publicity.

[The each way terms for races where Coral offered 'extra place(s)' are shaded in green in the table in Paragraph 8]

11. In summary, therefore, **there were no races at the highest profile race meeting of the year where Coral offered the same 'extra places' in online and retail channels.** Perhaps, on reflection, the tick in the table in Paragraph 2.69 of the Parties latest submission was placed there in error. On the other hand it may have been included intentionally in the hope of misleading the unsuspecting into believing the arguments based on its inclusion, in the full knowledge that what it was suggesting is in fact patently untrue and in direct contradiction of the real situation.
12. It is not clear to me whether the reference to 'enhanced prices' in the table in Paragraph 2.69 of the Parties document is intended to refer to, or include, the offering of an enhanced fraction for the place part of each way bets. In this context, however, the table in Paragraph 8 also shows that Coral offered:
  - **fully standard each way terms**, i.e. standard number of places and the standard place fraction, **in 11 races**
  - an **enhanced place fraction for both online and retail channels in 9 races**
  - an **enhanced place fraction for the online channel but not for the retail channel in 8 races**.

This again shows clearly that Coral does not consistently provide the same concession to retail customers as that provided to online customers.

#### **Discrimination against retail customers by Ladbrokes**

13. In contrast with Coral, Ladbrokes offered the same 'extra places' to both online and retail customers in the 7 Cheltenham Festival races in which it provided extra places. While this was a positive move by Ladbrokes, it does not represent Ladbrokes normal approach, as Ladbrokes have, over recent months, been moving towards the Coral approach of almost never offering extra places to retail customers. This was highlighted most starkly during last week's Aintree Grand National meeting, where **both Ladbrokes and Coral provided extra places to online customers on at least one race each day, but never provided those extra places to retail customers.** In the Grand National itself, a race with 39 runners which attracts by far the greatest public interest and betting activity of the year, both Coral and Ladbrokes offered each way betting for 5 places to online customers but only 4 places for retail customers. (As an aside, Paddy Power was the only national LBO operator offer to provide 5 places to its retail customers in the Grand National, as a consequence of which, from my own experience and that of others that I have spoken to since, resulted in Paddy Power shops attracting much more business than nearby LBOs of competitors, suggesting that retail customers are rather more sensitive to the value in prices offered than the Parties might like the CMA to believe. One LBO manager of a national chain in a location where the only nearby competitor is Paddy Power went as far as to say that while his shop was busy due to the Grand National, they were 'slaughtered' by Paddy Power).
14. The most alarming example of discrimination that I have ever seen by either of the Parties against retail customers through provision of different each way terms was just 6 days ago, in the Foxhunters Chase, a 23 runner race over the Grand National fences on 7 April 2016. In this race, as is illustrated in the copy of the Ladbrokes prices and each way terms reproduced below from Ladbrokes advertisement in that day's Racing Post, Ladbrokes provided both fewer places



and a lower place fraction to retail customers - one quarter of the win odds for 4 places for online customers, and one fifth of the win odds for 3 places for retail customers. This represents a new nadir in what has become an all too familiar and increasing trend of discrimination against retail customers.

| CRABBIE'S FOX HUNTER'S CHASE   |     |                    |     |
|--|-----|--------------------|-----|
| 4.05pm, Aintree, 2 miles 5 furlongs, live on CH4   |     |                    |     |
| ON THE FRINGE  | 7/4 | DINEUR             | 50  |
| PACHA DU POLDER  | 7/2 | NIGHT ALLIANCE     | 50  |
| MARASSONNIEN   | 7   | SAM CAVALLARO      | 50  |
| CURRENT EVENT  | 8   | CURRENT EXCHANGE   | 66  |
| MENDIP EXPRESS   | 14  | DOUBLEDISDOUBLEDAT | 66  |
| MAJOR MALARKEY   | 20  | FORT GEORGE        | 66  |
| MONKEY KINGDOM   | 25  | NEED TO KNOW       | 66  |
| CLONBANAN LAD  | 33  | OCKEY DE NEULLIAC  | 66  |
| DAYMAR BAY   | 40  | FORGE VALLEY       | 80  |
| FREDO  | 40  | RICHMOND           | 100 |
| BOUND FOR GLORY  | 50  | SWALLOWS DELIGHT   | 100 |
| COTTAGE OAK  | 50  |                    |     |
| Each-way one-fifth (one-quarter online & mobile)<br>the odds a place 1,2,3,(4 online & mobile) |     |                    |     |

- The magnitude of the degradation in value provided to retail customers compared with online customers can best be illustrated by calculating the total percentage for the 'place book' based on Ladbrokes prices. The table below illustrates this. The win price in the table is the decimal equivalent of the traditional odds quoted by Ladbrokes (e.g. 8/1 is equivalent to 9.00 as a £1 win bet returns £9 if successful). The place price is then calculated by applying the relevant fraction to the win price (e.g. for Current Event at 8/1, the place price is 2/1 at one quarter of the win price and 8/5 at one fifth of the win price, which convert to 3.00 and 2.60 as decimal odds). The place price is then converted to a '%age of the place book' which is the reciprocal of the place price when represented as decimal odds (e.g. again for Current Event at 8/1 to win, and 3.00 and 2.60 to place for online and retail channels respectively, the percentage of the place book is 33.33% and 38.46% respectively (1/3.00 and 1/2.60)).

| Horse  | Win price | Place price  |            | %age of the place book |                |
|--|-----------|--------------|------------|------------------------|----------------|
|  |           | Online - 1/4 | Retail 1/5 | Online                 | Retail         |
| On The Fringe                                | 2.75      | 1.4375       | 1.35       | 69.57%                 | 74.07%         |
| Pacha De Polder                              | 4.50      | 1.875        | 1.70       | 53.33%                 | 58.82%         |
| Marasonnien                                  | 8.00      | 2.75         | 2.40       | 36.36%                 | 41.67%         |
| Current Event                                | 9.00      | 3.00         | 2.60       | 33.33%                 | 38.46%         |
| Mendip Express                               | 15.00     | 4.50         | 3.80       | 22.22%                 | 26.32%         |
| Major Malarkey                               | 21.00     | 6.00         | 5.00       | 16.67%                 | 20.00%         |
| Monkey Kingdom                               | 26.00     | 7.25         | 6.00       | 13.79%                 | 16.67%         |
| Clonbanan Lad                                | 34.00     | 9.25         | 7.60       | 10.81%                 | 13.16%         |
| Daymar Bay                                   | 41.00     | 11.00        | 9.00       | 9.09%                  | 11.11%         |
| Fredo  | 41.00     | 11.00        | 9.00       | 9.09%                  | 11.11%         |
| Bound For Glory                              | 51.00     | 13.50        | 11.00      | 7.41%                  | 9.09%          |
| Cottage Oak                                  | 51.00     | 13.50        | 11.00      | 7.41%                  | 9.09%          |
| Dineur                                       | 51.00     | 13.50        | 11.00      | 7.41%                  | 9.09%          |
| Night Alliance                               | 51.00     | 13.50        | 11.00      | 7.41%                  | 9.09%          |
| Sam Cavallaro                                | 51.00     | 13.50        | 11.00      | 7.41%                  | 9.09%          |
| Current Exchange                             | 67.00     | 17.50        | 14.20      | 5.71%                  | 7.04%          |
| Doubledisdoubledat                           | 67.00     | 17.50        | 14.20      | 5.71%                  | 7.04%          |
| Fort George                                  | 67.00     | 17.50        | 14.20      | 5.71%                  | 7.04%          |
| Need To Know                                 | 67.00     | 17.50        | 14.20      | 5.71%                  | 7.04%          |
| Ockney De Neulliac                           | 67.00     | 17.50        | 14.20      | 5.71%                  | 7.04%          |
| Forge Valley                                 | 81.00     | 21.00        | 17.00      | 4.76%                  | 5.88%          |
| Richmond                                     | 101.00    | 26.00        | 21.00      | 3.85%                  | 4.76%          |
| Swallows Delight                             | 101.00    | 26.00        | 21.00      | 3.85%                  | 4.76%          |
| <b>Total percentage for the 'place book'</b> |           |              |            | <b>352.33%</b>         | <b>407.46%</b> |

16. Adding the '%age of the place book' for all horses in the race gives the total percentage for the 'place book' – 352% for online and 407% for retail. For a 'balanced' place book, where, on average, neither bookmaker nor bettor wins, the total percentage for the 'place book' is 100% multiplied by the number of places which are paid, i.e. 400% where 4 places are paid and 300% where 3 places are paid (this is the equivalent of a 100% total percentage in a 'balanced' win book, where there is just one winner, i.e. 100% x 1). Therefore, at Ladbrokes' advertised prices, online customers on average benefitted from a better than 'balanced' place book as the total place percentage of 352% is lower than the 'balanced' total place percentage of 400% (100% x 4 places). Retail customers, however, received much poorer value as the total place percentage of 407% is significantly greater than the 'balanced' total place percentage of 300% (100% x 3 places). Overall, therefore, online customers on average received a 12% price boost relative to a 'balanced' book for the place part of each way bets ( $(400\% - 352\%)/400\%$ ) while retail customers on average suffered a degradation in value of 36% relative to a 'balanced' book for the place part of their each way bets ( $(407\% - 300\%)/300\%$ ). **Combining these two effects, the value received by retail customers was 48% lower than that received by online customers** ( $(100\% + 36\%) - (100\% - 12\%)/(100\% - 12\%)$ ).
17. Although this analysis is based on Ladbrokes' advertised prices that would have been available at the opening of its LBOs on 7 April 2016, it also holds true as prices changed during the lead-up to the race, as the basic terms (one quarter of the win price for 4 places against one fifth for 3 places) applied for all bets on the race taken by Ladbrokes, including bets at board

price or starting price, the price at which the Parties have been at great pains on several occasions to stress to the CMA that approximately 85% of all horse racing bets are placed.

18. This example demonstrates clearly the magnitude of disadvantage that can be suffered by retail customers relative to online customers through the discrimination in the provision of each way terms practised by the Parties. In this particular example, not only was there very large scale discrimination, but, given that the online total place percentage was less than a 'balanced' total percentage, there was very likely an actual cross-subsidy of online customers by retail customers.

#### **Conclusions from the discrimination practised by the Parties**

19. While this analysis may seem to be narrowly focused on one very specific aspect of the Parties' offerings, it is fundamental to any assessment of the current competitiveness of the retail betting market relative to the online market, which must be a key consideration in assessing the extent of further harm to the competitiveness of the retail market that would be caused if this proposed merger is allowed to proceed. This review of each way terms highlights very starkly that, in several of the most significant and high profile horse races of the year, one of the Parties provided significantly worse terms to its retail customers than to its online customers, in direct contradiction of the Parties' own claim of consistency and overlap between the offerings in the two channels. The example of the Aintree Foxhunters Chase also shows the scale of the degradation in value that can be suffered by the Parties' retail customers relative to their online customers.
20. This ability to offer materially worse terms in the retail channel is a clear indication of the already relatively weak price competition in that channel. Given this prevailing weak competition, removal of a major operator from an already very small group of national LBO operators would inevitably lead to an even weaker competitive environment, with even greater incentives for all remaining operators, including the merged entity with around half of the country's LBO estate, to discriminate further against retail customers by offering worse prices and much worse each way terms to its retail customers.
21. This analysis also raises very serious doubts over the reliability of the Parties submissions to the CMA as, in this specific example, a relatively simple review of information provided in the Parties' own advertisements demonstrates that the Parties have been dishonest in this aspect of their submission to the CMA. Given the untruthful nature of this aspect of the latest submission, this inevitably raises questions over the truthfulness of the rest of the information that Parties have provided to the CMA. In this context I can only hope that the CMA has access to sufficient depth and breadth of resources, and to specific expertise in the relevant aspects of retail betting markets and economics, to probe deeply into all critical aspects of the Parties' submissions to weed out the spurious and unfounded claims that echo through much of what the Parties have provided.