

CMA demands action after Tesco blocks rival supermarkets

Tesco has now committed to put an end to these anti-competitive restrictions, after the Competition and Markets Authority (CMA) intervened.

The CMA first discovered that Tesco had been preventing landlords from letting property to other supermarkets during monitoring in 2018. This may have reduced competition and so lowered choice which leaves shoppers worse off, and is unlawful under the Groceries Market Investigation (Controlled Land) Order 2010.

After this initial discovery by the CMA, Tesco reviewed all of its land agreements, finding 23 breaches in total.

Tesco has now agreed to take remedial action for all affected land agreements; improve its internal processes and staff training to avoid future breaches and ensure that all new land agreements are in line with the Order. The CMA will monitor Tesco's progress and may take formal enforcement action if further breaches are found.

The CMA is also writing to all other supermarkets bound by the Order (Waitrose, Sainsbury's, Asda, Morrisons, M&S and the Co-op), asking them to show that their land agreements are not in breach. If any supermarket is not compliant, the CMA will consider taking enforcement action.

Andrea Gomes da Silva, Executive Director, Markets and Mergers at the CMA said:

It's unacceptable that Tesco had these unlawful restrictions in place for up to a decade. By making it harder for other supermarkets to open stores next to its branches, shoppers could have lost out.

In the future, we want the ability to fine businesses if we find that they are in breach of our orders. That's why we've called on the Government for more powers.

Further information, including a full list of the locations of land agreements that were in breach, is available on the [CMA's website](#)

Notes:

- The Groceries Market Investigation (Controlled Land) Order 2010 banned new restrictive clauses (covenants which prohibit a piece of land from being used for a supermarket) when it came into force in 2010. Tesco had introduced three of these since the Order came into force.
- The Order also banned Exclusivity Arrangements (which prevent landlords

from allowing competing convenience stores in the same block as an existing convenience store) which were over 5 years long. Tesco had 20 of these in place which were over 5 years.