

Morrisons' proposals provisionally clear way for McColl's deal

In July 2022, the Competition and Markets Authority (CMA) [launched its investigation](#) into Morrisons reported £190 million purchase of stores owned by McColl's Retail Group Plc.

Following its Phase 1 investigation, the CMA found that the deal would not harm the vast majority of shoppers or other businesses, but that it raised competition concerns in 35 areas. The two retailers accepted these concerns and engaged with the CMA in discussing potential remedies.

Morrisons has now offered to divest 28 McColl's stores to a purchaser or purchasers to be approved by CMA. This includes 26 stores in England (in areas such as Swindon, Lincoln and Brentwood), 1 store in Scotland (Perth) and 1 store in Wales (Newport).

The CMA is minded to accept these proposals, which appear to be suitable to restore the loss of competition brought about by the deal across each of the 35 local areas. While the number of McColl's stores that Morrisons is proposing to sell is lower than the number of areas in which concerns were identified, the sale of some stores would address the concerns in multiple areas.

The CMA is now consulting on the proposals – known as undertakings – for the sale of these stores. If the CMA accepts the proposals, the deal would be cleared to proceed.

Sorcha O'Carroll, CMA Senior Director of Mergers, said:

Our preliminary view is that the sale of these stores will preserve competition in these local areas and prevent consumers from losing out due to this deal, at a time when shoppers are already facing rising prices.

If, after reviewing the responses to our consultation, we conclude that the competition issues have been addressed, the deal will be cleared.

McColl's operates convenience newsagent shops, with over 1,100 stores across England, Scotland, and Wales, while Morrisons (owned by parent company Clayton, Dubilier & Rice (CD&R)) has around 500 grocery stores in the UK. CD&R is also the parent company of the Motor Fuel Group (MFG). MFG owns over 800 convenience stores, the vast majority of which are attached to its petrol stations.

For more information, or to respond to our consultation, visit the [Morrisons/McColl's merger inquiry](#) page.

1. The CMA is publishing a notice of consultation and the text of the Proposed Undertakings, alongside the text of the Phase 1 decision of 8 September 2022 and the decision of 23 September 2022 that the CMA is considering undertakings offered by Morrisons. The CMA's consultation is scheduled to run until 24 October 2022.
2. On 8 September 2022, following a Phase 1 review, the CMA has found that Morrisons acquisition of McColl's gives rise to a realistic prospect of substantial lessening of competition (SLC) in relation to retailers in 35 local areas across England, Scotland and Wales.
3. The CMA served an initial enforcement order on 25 May 2022, requiring the companies to operate independently, as they did before the purchase, and the order remains in force. Details of the order can be found on the [Morrisons/McColl's merger inquiry page](#).
4. The list of the 28 McColl's stores can be found [here](#).
5. All media enquiries should be directed to the CMA press office by email on press@cma.gov.uk, or by phone on 020 3738 6460.