

Press release: Lighting company fined £2.7 million for restricting online prices

The National Lighting Company (NLC) supplies light fittings to a range of retailers who then sell them on. After a detailed [investigation](#), the Competition and Markets Authority (CMA) found it imposed a minimum price on online sellers, who then had to retail goods at, or above, this price.

This kind of illegal practice, known as resale price maintenance (RPM), means customers miss out on the best possible prices and cannot shop around for a better deal on that supplier's products.

NLC, which tried to avoid detection by not committing agreements to writing, has been fined £2.7 million for breaking competition law. The fine covers violations in relation to its Endon and Saxby brands and includes an extra penalty because the company ignored an earlier warning letter from the CMA. A warning letter may be sent when the CMA has reasonable grounds to suspect anti-competitive behaviour. It is not a formal allegation but must be taken seriously and requires a considered response.

The CMA has today sent a number of warning letters to other suppliers in the light fittings sector where there are reasonable grounds to suspect they may also be engaging in RPM.

To help stamp out resale price maintenance, the CMA has also today re-issued its advice to help businesses stay on the right side of the law. This includes an [open letter](#) on RPM, a [film on RPM](#) and [case studies](#) that explain how other businesses have ended up breaking the law.

Ann Pope, CMA Senior Director, Antitrust, said:

"This decision should act as a warning to companies that resale price maintenance is illegal and that warning letters issued by the CMA are to be taken seriously and not to be ignored.

"The digital economy is booming and with so many businesses operating online it is vital that fair competition is maintained across all sectors. The CMA wants to ensure consumers get a fair price and a good deal.

"That can only happen when retailers are free to set their own prices."

Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.

2. The Chapter I prohibition of the Competition Act 1998 covers anti-competitive agreements, concerted practices and decisions by associations of undertakings which have as their object or effect the prevention, restriction or distortion of competition within the UK or a part of it and which may affect trade within the UK or a part of it. Similarly, Article 101 of the Treaty on the Functioning of the European Union (TFEU) prohibits such anti-competitive agreements, concerted practices and decisions by associations of undertakings which may affect trade between EU member states.
3. The CMA has produced a series of [animated videos](#) explaining the main principles of competition law and how they affect small businesses.
4. Any business found to have infringed the Competition Act 1998 could be fined up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including seriousness of the infringement(s), turnover in the relevant market and any mitigating and/or aggravating factors.
5. The infringement decision, which was published today, was addressed to the following companies which the CMA found were directly involved in the infringements and/or are liable as parent companies of the companies directly involved in the infringements:
 - Saxby brand: Poole Lighting Limited, Saxby Lighting Limited and their parent company, The National Lighting Company Limited.
 - Endon brand: Poole Lighting Limited, Endon Lighting Limited and their parent company, The National Lighting Company Limited
6. The CMA has not imposed penalties on any retailer. This is because the CMA has applied Rule 10(2) of its Competition Act 1998 Rules, according to which it may address its infringement decision to fewer than all the persons who were party to the relevant agreements. Whilst the CMA has decided only to impose a penalty on the supplier in this case, retailers should be aware that they can also be fined for entering into RPM agreements with suppliers.
7. NLC's fine was increased for ignoring the CMA's warning letter. However, it also benefited from a 30% reduction to the fine because it applied for and was granted leniency. An additional 20% reduction was applied because NLC voluntarily entered into settlement with the CMA. The fine also included a small reduction as a result of NLC agreeing to implement a comprehensive compliance programme.

8. The CMA may send warning or advisory letters to businesses where it has concerns that they may be harming competition in their market sector. Receiving a warning letter does not mean that a company has broken the law. See '[Warning and advisory letters: essential information for businesses](#)' for further information.
9. Any businesses that have concerns about RPM or other anti-competitive behaviour can contact the CMA by email (general.enquiries@cma.gsi.gov.uk) or by phone (020 3738 6000).
10. The CMA currently has 12 ongoing cases open under the Competition Act 1998.
11. For more information on the CMA see our [homepage](#), or Twitter account [@CMAgovuk](#), or [Flickr](#), [LinkedIn](#) and [Facebook](#) pages. Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and civil cartels cases.
12. Information on this investigation, including the non-confidential decision, can be found on the [case page](#).
13. Enquiries should be directed to Rebecca Cassar (rebecca.cassar@cma.gsi.gov.uk, 020 3738 6633).