

Adevinta's merger purchase of Gumtree raises competition concerns

News story

The CMA has found that Adevinta's anticipated £6.5bn (\$9.2 billion) purchase of eCG from eBay could lead to higher prices and less choice for consumers.



Adevinta and eBay Classified Group (eCG) both operate online classified advertising platforms in the UK. These websites – Adevinta's Shpock and eCG's Gumtree – allow people to buy and sell a broad range of used or new goods such as clothing, electronics and furniture. eBay's marketplace, ebay.co.uk, is the largest platform for people to sell goods to one another in the UK.

With the sale to Adevinta, eBay will acquire a 33.3% voting stake in Adevinta and positions on the Adevinta board. This means that eBay will be able to participate in the management of Adevinta and could enable it to influence the business strategy for both Gumtree and Shpock.

In addition, having reviewed eBay's internal documents at the time the decision was made to sell eCG to Adevinta, the Competition and Markets Authority (CMA) considers there would have been a realistic chance eBay would have sold Gumtree to a different purchaser without retaining its influence. This would have resulted in Gumtree becoming an independent competitor to eBay's marketplace.

Following its Phase 1 investigation, the CMA is concerned the merger could lead to a loss of competition between Shpock, Gumtree and eBay's marketplace, with only Facebook Marketplace remaining as a significant competitor. This could reduce consumer choice, increase fees or lower innovation in the supply of platforms that allow people to buy and sell goods online.

Adevinta and eBay now have until 23 February 2021 to offer legally binding solutions to resolve the CMA's competition concerns. The CMA then has 5 working days to consider whether to accept the offer instead of referring the deal to an in-depth investigation.

Joel Bamford, Senior Director of Mergers:

It is important that people have choice when it comes to selling items they no longer require or searching for a bargain online, and that they can enjoy competitive fees and services.

There is a realistic chance that without this deal Gumtree and Shpock would have been direct competitors to eBay, which is by far the biggest player in this market. This is the latest in a series of merger probes by the CMA involving large digital companies, where we are thoroughly examining deals to ensure that competition is not restricted, and consumers' interests are protected.

More information can be found on the [Adevinta / eBay merger inquiry casepage](#).

- For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk
- As part of the deal, eBay will receive \$2.5 billion of cash and 540 million shares of Adevinta, representing 44% ownership of the pro forma company and a 33.3% voting stake
- Online marketplaces are sites that aggregate product information from multiple sellers, so users can compare and purchase products online. Digital advertising platforms publish promotional material through online platforms such as social media, search engines, websites, and any other program that can be accessed digitally.

Published 16 February 2021

Adevinta's purchase of Gumtree raises competition concerns

News story

The CMA has found that Adevinta's anticipated £6.5bn (\$9.2 billion) purchase of eCG from eBay could lead to higher prices and less choice for consumers.



Adevinta and eBay Classified Group (eCG) both operate online classified advertising platforms in the UK. These websites – Adevinta's Shpock and eCG's Gumtree – allow people to buy and sell a broad range of used or new goods such as clothing, electronics and furniture. eBay's marketplace, ebay.co.uk, is the largest platform for people to sell goods to one another in the UK.

With the sale to Adevinta, eBay will acquire a 33.3% voting stake in Adevinta and positions on the Adevinta board. This means that eBay will be able to participate in the management of Adevinta and could enable it to influence the business strategy for both Gumtree and Shpock.

In addition, having reviewed eBay's internal documents at the time the decision was made to sell eCG to Adevinta, the Competition and Markets Authority (CMA) considers there would have been a realistic chance eBay would have sold Gumtree to a different purchaser without retaining its influence. This would have resulted in Gumtree becoming an independent competitor to eBay's marketplace.

Following its Phase 1 investigation, the CMA is concerned the merger could lead to a loss of competition between Shpock, Gumtree and eBay's marketplace, with only Facebook Marketplace remaining as a significant competitor. This could reduce consumer choice, increase fees or lower innovation in the supply of platforms that allow people to buy and sell goods online.

Adevinta and eBay now have until 23 February 2021 to offer legally binding solutions to resolve the CMA's competition concerns. The CMA then has 5 working days to consider whether to accept the offer instead of referring the deal to an in-depth investigation.

Joel Bamford, Senior Director of Mergers:

It is important that people have choice when it comes to selling items they no longer require or searching for a bargain online, and that they can enjoy competitive fees and services.

There is a realistic chance that without this deal Gumtree and Shpock would have been direct competitors to eBay, which is by far the biggest player in this market. This is the latest in a series

of merger probes by the CMA involving large digital companies, where we are thoroughly examining deals to ensure that competition is not restricted, and consumers' interests are protected.

More information can be found on the [Adevinta / eBay merger inquiry casepage](#).

- For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk
- As part of the deal, eBay will receive \$2.5 billion of cash and 540 million shares of Adevinta, representing 44% ownership of the pro forma company and a 33.3% voting stake
- Online marketplaces are sites that aggregate product information from multiple sellers, so users can compare and purchase products online. Digital advertising platforms publish promotional material through online platforms such as social media, search engines, websites, and any other program that can be accessed digitally.

Published 16 February 2021

Homes England and United Trust Bank launch £250m Housing Accelerator Fund

Homes England, the Government's housing delivery agency and United Trust Bank (UTB), an established specialist lender, have today announced a £250 million fund to support small and medium-sized builders with development finance at up to 70% Loan to Gross Development Value.

The Housing Accelerator Fund will provide construction loans between £1m and £10m. The alliance will improve access to finance offered to smaller builders and drive the continued diversification of the housing market over the coming years. Applications are being accepted from today and prospective borrowers should contact UTB using the details below.

Gordon More, Chief Investment Officer, Homes England said: "The Housing Accelerator Fund is open for business from today. In line with Homes England's commitment to supporting SMEs, it will help smaller builders get on and build now, as well as improve the lending landscape for SMEs by driving competition in the market, improving choice and encouraging innovation. United Trust Bank has consistently supported housebuilders of all sizes and is an experienced and capable lender, we're pleased to be collaborating with them on this long-term partnership and look forward to seeing the fund support the delivery of new homes across the country."

Noel Meredith, Executive Director, United Trust Bank said: "SME housebuilders

have a vital role to play in delivering the UK's new housing needs and UTB has amassed considerable experience helping such businesses to complete thousands of successful developments. This is an exciting new partnership with Homes England which will make a real difference to both long established and newly formed development companies requiring competitive funding and the long-term support of a knowledgeable and experienced specialist lender. This alliance will help to reinvigorate and increase diversity in the SME housebuilding sector, and boost housing supply in areas under the greatest affordability pressures."

Housing Minister, Rt Hon Christopher Pincher MP said: "It is a top priority for this Government to build the homes this country needs and it is vital for our economic recovery that we support as many as possible within the house-building industry to deliver these homes. "I welcome the announcement of the alliance between Homes England and United Trust Bank – this is win-win. It will not only support our commitment to build more homes, but also give smaller developers easier access to finance."

For more information, please visit the United Trust Bank website email development@utbank.co.uk or call 020 7190 5555.

Notes to editors For further information about United Trust Bank: Jason Wyer-Smith – 42 PR: Email: jason@42pr.com / Mobile: 07824 818242 About United Trust Bank United Trust Bank (UTB) is an expanding UK specialist bank founded in 1955 providing a wide range of secured funding facilities for individuals and businesses and deposit accounts for individuals, businesses and charities. The Bank has dedicated divisions providing development finance, bridging finance, structured finance, asset finance and mortgages and their in-depth knowledge combined with commercial awareness makes it the lender of choice for finance brokers, developers and individuals seeking a high quality, bespoke service and a reliable source of funding.

Independent report: John Penrose MP publishes proposals to strengthen UK's competition regime

- Independent report from John Penrose MP sets out proposals to boost competition to benefit businesses and consumers across the UK
- review considers how the UK's competition regime can be updated in the context of COVID-19 and the end of the transition period
- "A free-trading, global post-Brexit Britain should aim to have one of the best competition and consumer regimes in the world", Mr Penrose said

John Penrose MP has today (16 February) [published proposals to update the](#)

UK's competition and consumer regime.

In September 2020, Mr Penrose was invited by the government to conduct an independent review of UK competition policy, to see how it can be reformed as the country begins life as an independent trading nation and builds back better from COVID-19.

In his final report – Power to the People – Mr Penrose recommends measures to reform the UK's competition institutions for the digital age.

Mr Penrose brings a unique perspective from his experience in business, an understanding of everyday consumer issues from 15 years as a constituency MP, and long-running interest in the subject.

Business Secretary Kwasi Kwarteng said:

The UK's competition laws and institutions are highly regarded across the globe, however as we build back better from the pandemic and start life as an independent trading nation, we have a golden opportunity to strengthen that reputation.

I want to thank John Penrose for his hard work on this independent report, which considers how the UK's competition regime can promote productivity, reward and encourage innovation and, most importantly, get consumers a better deal.

We will consider John's recommendations and respond in due course.

Chancellor Rishi Sunak said:

This government continues to champion British businesses as demonstrated by our unprecedented £280 billion package of support throughout the pandemic.

We must strengthen competition in our economy as we build back stronger from COVID-19 and protecting consumers will remain at the heart of this important work.

In his report, Mr Penrose outlines options to promote competition in the UK and to improve consumer confidence. This includes proposals to protect consumers from new kinds of rip-offs, and to ensure that they can expect fair treatment, particularly in online transactions.

Mr Penrose recommends further work to strengthen and speed up enforcement of consumer and competition law.

Mr Penrose's report complements recent government action on competition.

In November 2020, the government [announced the formation of a new Digital Markets Unit](#) to oversee a pro-competition regime for platforms including

those funded by digital advertising, such as Google and Facebook.

John Penrose was appointed the Prime Minister's Anti-Corruption Champion in December 2017 and was reappointed in July 2019. He was previously a Minister of State in the Northern Ireland Office from November 2018 to July 2019. John was first elected as MP for Weston, Worle and the Villages in 2005.

Before entering Parliament, John had an extensive business career, which included roles at: J P Morgan (risk management on a bank trading floor), McKinsey (strategic management consultancy), Thompson (academic book publishing), and Pearson PLC (Managing Director of Longman's schoolbook publishing operations). John also helped found Credit Market Analysis (publishing credit data for financial firms).

Say Hy to the home of the future

- UK's first homes with appliances fuelled entirely by hydrogen will be built in Low Thornley, Gateshead, with funding from the government's Hy4Heat innovation programme, Northern Gas Networks and Cadent
- the houses include hydrogen appliances such as boilers, hobs, cookers and fires that release no carbon emissions – providing the public a glimpse into the potential home of the future
- demonstrates the potential of hydrogen energy to help achieve the government's ambitions to eliminate the UK's contribution to climate change by 2050

The UK's first homes with household appliances fuelled entirely by hydrogen are set to be built in Low Thornley, Gateshead, providing the public a glimpse into the potential home of the future where no carbon emissions are released.

The 2 semi-detached homes, funded with the help of the UK government's [Hy4Heat Innovation programme](#), will open in April 2021, showing how hydrogen has the potential to be used as a clean replacement to natural gas in the home.

The hydrogen house project is aligned with a larger scheme detailed in the Prime Minister's [Ten point plan](#) which also includes establishing a Hydrogen Neighbourhood, and to the development of plans for a potential Hydrogen Town before the end of this decade.

The houses will use 100% hydrogen for domestic heating and cooking in appliances including boilers, hobs, cookers and fires.

Unlike natural gas, which is responsible for over 30% of the UK's carbon emissions, hydrogen produces no carbon at the point of use, with the only by-product being water.

Hydrogen could play a vital role in achieving the government's commitment of eliminating the UK's contribution to climate change by 2050, with the industry creating up to 8,000 jobs across Britain's industrial heartlands and beyond by 2030, potentially unlocking up to 100,000 jobs by 2050.

Energy Minister Anne-Marie Trevelyan said:

From running a hot bath and cooking our evening meals to turning on the heating, most of us use natural gas every day. However, to tackle climate change, we need to find alternatives to fossil fuels and move towards making clean energy the norm.

While these new houses in Gateshead will look like any other, they will showcase how low carbon hydrogen can transform the way we power our homes and offer a glimpse of what the future holds as we build back greener.

The project secured a £250,000 grant from the government's [Hy4Heat Innovation programme](#) and is being run by gas company Northern Gas Networks and Cadent, who have both also input £250,000 of funding each.

The houses are planned to be open to members of the public, who will be able to view appliances and see how they compare to existing ones. Local schools, colleges and universities will also be welcomed to learn about the new technology, as well as potential careers in the emerging green economy and in science, technology, engineering and maths (STEM) subjects.

Mark Horsley, Chief Executive Officer of Northern Gas Networks said:

We're delighted to be working with BEIS and Cadent on this unique demonstration, which gives energy customers a first glimpse at hydrogen technology in the home.

Just like natural gas, hydrogen can heat homes in exactly the same way, meaning minimal change for customers in terms of how they use gas for heating or cooking.

The houses bring to life the potential of this green gas for keeping UK homes warm, while minimising impact on the environment.

Steve Fraser, Chief Executive Officer at Cadent said:

We are proud to be part of this important project where we will be able to show customers what their future gas appliances will look like. A familiar sight to them, with one difference, they will be powered by hydrogen.

These projects are so important to demonstrate a decarbonised energy solution in homes now.

Today's announcement comes ahead of government plans to publish its Hydrogen Strategy later this year, which will outline plans to build a UK hydrogen economy.

The hydrogen houses are intended to have a 3-year lifespan, but potentially longer, up to 10 years. They are not intended to be habitable, but to showcase the use of hydrogen fuelled applications in a real-world domestic setting.

The innovative hydrogen appliances have been produced with support from the government's Hy4heat innovation programme.

The 2 hydrogen houses are being built at Northern Gas Networks' site in Low Thornley, Gateshead.