

Press release: Tesco/Booker merger cleared after in-depth review

A group of independent Competition and Markets Authority (CMA) panel members has examined all submissions received since its [provisional findings](#) before coming to its final view. This follows an in-depth examination of evidence from a large number of wholesalers, suppliers and retail chains as well as a survey of hundreds of retailers.

Tesco, as a retailer, and Booker, as a wholesaler, do not compete head-to-head in most of their activities. However, since Booker supplies shops – such as Premier, Londis and Budgens – that do compete with Tesco, the group considered the impact of this carefully.

Booker does not own the shops it supplies and these retailers are free to set their prices and decide which products to stock. So, although these shops compete with Tesco, Booker cannot directly determine how they compete.

Given Tesco's influence generally in the retail sector, the CMA also examined whether the merged company could raise prices or reduce service quality at either the wholesale or retail levels. It found that existing strong competition in wholesale and retail made this unlikely.

During the course of its phase 2 investigation, the CMA surveyed hundreds of retailers which showed that most shops use more than one wholesaler and frequently switch. A quarter of symbol group retailers and a third of independent shops switched at least once a month.

In addition, almost half of symbol group retailers surveyed and more than a third of independent retailers said that if Booker were to raise prices after the merger with Tesco, they might stop buying from Booker altogether. And only around a fifth would continue buying the same volumes from Booker, alongside their other wholesalers.

The CMA also considered concerns that, after the merger, Booker would be able to use Tesco's buying power to purchase groceries from suppliers at lower prices and that other wholesalers might not be able to compete. This could lead to Booker eventually raising its prices if the choice didn't then exist to keep prices competitive. But the CMA concluded that the wholesale market would remain competitive in the longer term, noting that Booker's share of the UK grocery wholesaling market was not sufficient to justify these longer-term concerns.

The CMA also noted that if Booker could get keener prices for its goods from suppliers, this might actually intensify competition in the wholesale market, leading to cheaper prices for the shoppers and caterers Booker supplies.

Simon Polito, Chair of the inquiry group, said:

We have carefully listened to feedback from retailers and wholesalers who operate in what are highly competitive UK retail and wholesale sectors. Retailers have told us that they shop around for the best prices and service from their wholesaler, and we are confident that this will continue after Tesco buys Booker.

This has been an important investigation for us. Millions of people use their local supermarket or convenience store to buy their groceries or essentials, so it is vital that they have enough choice to secure the best deal for them. Having examined the evidence in depth, we are satisfied this will remain the case following the merger.

The CMA opened its phase 1 investigation into the merger in May. At the end of June, the companies requested a 'fast track' referral to the next stage of the investigation.

All information relating to this merger inquiry can be found on the [case page](#).

Notes for editors

1. Tesco operates more than 3,000 stores across the UK. Booker supplies services to over 5,000 'symbol' stores as well as to thousands of independent retailers and caterers.
2. A 'symbol' store is an independent grocery retailer operating under a brand owned by a wholesaler. The retailer is usually required to purchase some of its wholesale supplies from the brand owner, in return for use of the brand and other supporting services. Booker's symbol group brands are the Premier, Londis, Budgens and Family Shopper.
3. The CMA's [report](#) also recognised that Booker operates a small number of shops. In the areas where Tesco and Booker shops compete with each other directly, the CMA has found that existing competition is likely to prevent prices from going up.
4. During the CMA's inquiry Palmer & Harvey McLane Limited, and most of its subsidiaries, entered administration. The CMA has taken that into account in its final report.
5. 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. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#).

6. All the CMA's functions in phase 2 merger inquiries are performed by inquiry groups chosen from the CMA's independent panel members. The appointed inquiry group is the decision-maker on phase 2 inquiries. The CMA's panel members come from a variety of backgrounds, including economics, law, accountancy and/or business. The membership of an inquiry group usually reflects a mix of expertise and experience (including industry experience).
7. Media enquiries to the CMA should be directed to press@cma.gsi.gov.uk or 020 3738 6337.

[News story: Tough new penalties for misuse of lasers](#)

People who target transport operators with laser devices could be jailed for up to 5 years under new laws designed to protect the public.

The Laser Misuse (Vehicles) Bill, which was published today (Wednesday, 20 December 2017), will also expand the list of vehicles, beyond just planes, which it is an offence to target with lasers.

Drivers of trains and buses, captains of boats and even pilots of hovercraft will be among those protected by the new legislation.

The bill will make it easier to prosecute offenders by removing the need to prove an intention to endanger a vehicle.

And it will remove the cap on the amount offenders can be fined – which is currently limited to £2,500 – paving the way for substantial sanctions. Fines could be issued in isolation or alongside a prison sentence.

The police will also be given additional powers to catch those responsible for the misuse of lasers.

[Animation video](#)

Aviation Minister, Baroness Sugg said:

Lasers can dazzle, distract or blind those in control of a vehicle, with serious and potentially even fatal consequences.

The government is determined to protect pilots, captains, drivers and their passengers and take action against those who threaten their safety.

Alongside their existing powers of arrest and the ability to search a person once arrested, officers will no longer need to establish proof of intention endanger to a vehicle, aircraft or vessel, making it easier to prosecute swiftly. It will be an offence to shine or direct a laser towards a vehicle if it dazzles or distracts the operator, if done deliberately or if reasonable precautions to avoid doing so are not taken.

Laser pens have become a growing concern with the beam from the devices capable of affecting the ability of transport operators to control their vehicles.

Last year, the Civil Aviation Authority received reports of 1,258 laser incidents, with Heathrow the most frequent location for reports of the devices being used recklessly.

Earlier this year, the [Department for Business, Energy and Industrial Strategy ran a call for evidence on the selling of laser pointers and is considering the findings before formally responding in the new year.](#)

BALPA General Secretary, Brian Strutton said:

This is good news for transport safety. BALPA pilots and other transport workers have raised the growing threat of laser attacks for some time.

The government's announcement of a bill to tackle the misuse of lasers is therefore very welcome and we will work with DfT to ensure its effective and speedy implementation.

BALPA also welcomes the BEIS consultation on restrictions to the supply of certain lasers which we hope will move forward quickly.

[Laser promotional video](#)

National Police Chiefs' Council Lead for Lasers, Commander Simon Bray said:

Recklessly shining a laser at an aircraft or another moving vehicle is deeply irresponsible and dangerous. By causing a distraction or, in some cases, short or long-term eye damage, laser attacks can lead to catastrophic incidents.

These new and robust measures send a clear message to perpetrators: laser attacks are a crime and serious consequences will follow from committing this offence.

It is essential that the police have the powers required to support these measures and we will continue to work with the government to ensure that these powers are in place.

[Press release: Government launches Small Business Commissioner to help small firms in Wales resolve payment disputes](#)

- New Small Business Commissioner will support 208,000 small businesses in Wales to resolve payment disputes and tackle larger businesses unfair payment practices to drive culture change
- New guidance website to help small businesses with late payment issues
- Small businesses can now submit late payment complaints to the Commissioner

The Government has today (20 December 2017) launched the complaint handling service of the Small Business Commissioner to ensure fair payment practices for small businesses. This follows the appointment of Paul Uppal to the role of Small Business Commissioner.

Regulations made by Small Business Minister Margot James mean the Commissioner can now handle complaints from small businesses about unfair payment practices. The Commissioner's website is also live, providing guidance to small businesses on payment issues including how to take action if a payment is overdue.

Margot James, Small Business Minister, said:

This Government's Industrial Strategy is building a Britain in which small business can continue to thrive.

Over the last five years the amount owed to smaller businesses has more than halved from £30 billion to £14 billion. Today's Small Business Commissioner service will empower small businesses in Wales to take action if they are paid late, potentially delivering a £2.5 billion annual boost to the economy.

Paul Uppal, Small Business Commissioner, said:

Having run my own small business for over twenty years I am well aware that integrity and trust are key to running and building a successful business. My mission is to help all small businesses nurture positive and lasting relationships with their customers that work in the best interests of both.

Today I am launching a new website so small businesses know their rights, as well as how to contact me if they need further action to be taken when the larger businesses they supply owe them money.

Mike Cherry, National Chairman of the Federation of Small Businesses, said:

The UK is gripped by a poor payments crisis, over 30 per cent of payments to small businesses are late and the average value of each payment is £6,142. This not only impacts on the small business and the owner, it is damaging the wider economy.

The Small Business Commissioner is crucial to turning the tide on this late payments culture. FSB will be encouraging small businesses affected to use the service, and we hope then to see clear actions taken to tackle the worst examples of supply chain bullying.

Success will be a UK economic culture where a business that does a job promptly, is paid promptly.

The Small Business Commissioner's website guides small businesses on how to "check, chase, and choose" how to deal with unfair and late payments, that is:

- Check if the right information has been provided to the right people in order for an invoice to be paid
- Chase effectively when a payment is overdue
- Choose how to take further action, including the option of submitting a complaint to the Small Business Commissioner

This is one of a number of measures Government is taking to tackle a late payment culture. Regulations came into force in April 2017 requiring large businesses to publicly report the average time they take to pay their suppliers. This allows suppliers, including small businesses, to make informed decisions about who they do business with. Firms can check when large businesses pay their suppliers on GOV.UK. So far over 200 of the UK's largest businesses have submitted payment reports.

The Small Business Commissioner was appointed on 2 October 2017 and is based in Birmingham.

Notes to editors:

- A third of payments to small businesses are late.
- 20% of small businesses have run in to cash flow problems due to late payments.
- If small businesses were paid on time, this could boost the economy by an estimated £2.5 billion annually.
- Small businesses who wish to make a complaint can visit

www.smallbusinesscommissioner.gov.uk

- Enquiries about the Small Business Commissioner can be directed to enquiries@smallbusinesscommissioner.gov.uk
 - Complaints can be submitted to complaints@smallbusinesscommissioner.gov.uk
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Press release: Government pledges to secure the future of the Post Office

- New funding will enable the Post Office to further modernise its network and bring extra benefits to customers across the UK, with £2bn invested since 2010
- The Post Office has moved into profit for the first time in 16 years and branch numbers are the most stable they have been for decades
- Today 95% of small business customers can access day-to-day banking services in post offices, improving the business environment for small and medium-sized firms – a key part of the Government's Industrial Strategy

The Government today (20 December) announced £370 million of funding to secure the future of the UK's Post Office network.

Of that funding £210 million will be invested in continuing to modernise the network so it can continue to provide essential services and bring additional benefits to its 17 million customers across the UK, including extending opening hours and cutting queue times.

A further £160 million will help to protect 'last shop in the village' community branches and ensure everyone continues to have access to their local branch. Figures published today reveal the network has grown for the second year running, with 99.7% of people living within three miles of their local post office and number of rural branches rising to 6,185.

A key part of the Government's Industrial Strategy is improving the business environment for our small and medium-sized firms and the Government is delivering on a manifesto commitment to extend the availability of banking services to SMEs and families through the Post Office network. Today 99% of UK personal bank customers and 95% of small business customers can access day-to-day banking services in branch and last year the Post Office helped customers carry out 110 million banking transactions, an average of 200 a minute.

The funding agreement, which will run from April 2018 to March 2021, comes as the Post Office moved into profit in 2017 for the first time in 16 years, making the business less reliant on Government subsidies.

Business Secretary Greg Clark said:

The Post Office is at the heart of communities across the UK, with millions of customers and small businesses relying on their local branch every day to access a wide range of important services.

With the network at its most stable in decades, this £370m of government funding will ensure it can continue to modernise and bring further benefits to customers across the UK.

Paula Vennells, Chief Executive of the Post Office said:

Making a profit for the first time in 16 years is a major milestone in the Post Office's journey to a sustainable and successful business.

We're fulfilling the promises we have made, and this is recognised by the Government's further investment in the Post Office, which will enable us to continue transforming the business to meet our customers' changing needs – a transformation that has already seen us make significant progress.

We are committed to making the Post Office matter as much tomorrow as it does today. For over 370 years, the Post Office has stayed relevant to communities the length and breadth of the UK by changing and adapting. With the Post Office now trading at a profit, we are better placed than ever to embrace the future. By continuing to invest in post offices, in our digital channels, in support services and – most importantly – by putting our customers first, I am confident that the Post Office is absolutely ready to take on the opportunities and challenges ahead.

Thanks to Government investment of more than £2bn between 2010 and 2018, the Post Office has:

- a stable network of around 11,600 branches;
- delivered its first profit in 16 years;
- modernised more than 7,500 branches;
- protected over 3,000 'last shop in the village' community branches;
- extended opening hours on weekdays and at weekends, adding almost a million extra opening hours every month;
- become the largest Sunday retailer in the UK with more than 4,400 branches open on Sunday;
- ensured 93% of people live within 1 mile of their nearest branch.

The Government will also publish its response to the Post Office Network Consultation carried out in November 2016 which helped to inform the scale and nature of today's funding announcement.

Notes to Editors

1. The Post Office has published its 2016/17 Annual Report, Financial Statements, and Network Report on its [website](#)
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[Press release: Government launches Small Business Commissioner to help small firms resolve payment disputes](#)

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