

# Retained Vertical Block Exemption Regulation: BVRLA Response to CMA Consultation

## 1 Introduction

- 1.1 This document sets out the British Vehicle Rental and Leasing Association's (**BVRLA**) response (**the Consultation Response**) to the CMA's consultation on the Retained Vertical Block Exemption Regulation (**Retained VABER**), and its proposal to recommend that the Secretary of State replaces the Retained VABER with a UK Vertical Agreements Block Exemption Order (**UK VABEO**).
- 1.2 The BVRLA has previously contributed to the CMA's consultation, participating in roundtables held by the CMA in March and April 2021. The BVRLA also submitted a confidential position paper to the CMA outlining the key Retained VABER issues of interest to BVRLA members in June 2021 (**the BVRLA Position Paper**).
- 1.3 The BVRLA represents the demand side of the automotive industry. Our members engage in vehicle rental, leasing and fleet management. BVRLA members own and operate more than four million cars, vans and trucks. They spend more than £30 billion upgrading their fleets each year and are responsible for buying around 50% of new vehicles sold annually in the UK, including 83% of vehicles manufactured in the UK for sale in the UK.
- 1.4 Given that some of the questions in the CMA's consultation document are of less relevance to BVRLA members, the BVRLA has chosen to focus on questions relating to issues that most strongly affect BVRLA members. The structure of this Consultation Response is as follows:
  - Section 2 sets out further information for the CMA's consideration on the importance of 'end user' status for leasing, rental, and intermediary companies, and why the UK VABEO is the appropriate location for this policy.
  - Section 3 then sets out the BVRLA's response to selected questions from the CMA's consultation document that most affect BVRLA members.
- 1.5 The BVRLA's submissions support a robust, fair, and transparent competitive framework in UK vehicle leasing, rental and fleet markets, and would protect the position of UK consumers in the post-Brexit environment. The BVRLA looks forward to the CMA's final recommendation to the Secretary of State for Business, Energy and Industrial Strategy on the Retained VABER, and is available to further discuss any of the matters set out in this Consultation Response should that be of assistance to the CMA.

## 2 'End User' Status should be defined in the UK VABEO

### Context

- 2.1 As noted in the BVRLA Position Paper, the Retained VABER includes as a hardcore restriction under Article 4(c):

*"the restriction of active or passive sales to end users by members of a selective distribution system operating at the retail level of trade, without prejudice to the possibility of prohibiting a member of the system from operating out of an unauthorised place of establishment"*

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2.2 The meaning of 'end user' in the hardcore restriction in Article 4(c) of the Retained VABER is clarified by the Motor Vehicle Block Exemption Regulation (**MVBER**) Supplementary Guidelines, which state that:

- *“For the purposes of the application of the Block Exemption Regulations, and in particular as regards the application of Article 4(c) of the General Vertical Block Exemption Regulation, the notion of ‘end users’ includes leasing companies”* (paragraph 51); and
- *“The notion of ‘end users’ also encompasses consumers who purchase through an intermediary. An intermediary is a person or an undertaking which purchases a new motor vehicle on behalf of a named consumer without being a member of the distribution network.”* (paragraph 52)

2.3 The application of 'end user' status to leasing companies is an important principle that derives from the case law of the Court of Justice of the EU. In Case C-70/93 *BMW v ALD Autoleasing*, the Court of Justice held that an agreement whereby a motor vehicle manufacturer prohibited members of its selective distribution system from delivering vehicles to independent leasing companies if those companies would make them available to lessees outside the relevant dealer's contract territory restricted competition by object and effect.

2.4 Under the current Retained VABER framework, 'end users' benefit from protections against sales restrictions imposed by a supplier upon members of its selective distribution system. That valuable protection currently applies to vehicle leasing and rental companies, and intermediary companies that purchase vehicles on behalf of consumers, but also other parties such as consumers themselves. It is important that the concept of 'end user' in the UK VABEO continues to be broadly interpreted to ensure that suppliers are not able to unduly restrict competition through the way they structure their distribution networks.

#### **Clarification of 'end user' status should be included in the UK VABEO, not the MVBER**

2.5 The BVRLA Position Paper set out how 'end user' status for leasing, rental and intermediary companies provides benefits for consumers, including by promoting intra-brand competition between franchised dealers in the sale of new vehicles, and by making different purchase models available to consumers across a wide range of vehicles (e.g. leasing, hire purchase, personal contract purchase), thus enhancing consumer choice.

2.6 The BVRLA would be happy to provide further information on the consumer benefits provided by 'end user' status, if that would be of assistance to the CMA. However, this Consultation Response focuses on the reasons why it would be beneficial to incorporate the interpretational provisions on 'end user' status in the UK VABEO itself.

2.7 It is important first to recognise that the location of the 'end user' interpretational provisions in the current MVBER Supplementary Guidelines is a result of the way in which the EU competition rules applicable to the sale of new vehicles have developed over time, and the sequencing of the relevant regulations. To briefly recap:

- Between 1985 and 2010, the motor vehicle sector was subject to a series of sectoral block exemption regulations which covered vertical agreements related to the distribution of new motor vehicles (Regulation 123/85, followed by Regulation 1475/95, and then Regulation 1400/2002). The last of these of these block exemption regulations also covered issues

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relating to spare parts distribution and repair and maintenance services (i.e. 'aftermarkets' services). Article 1(1)(w) of Regulation 1400/2002 clarified that the concept of 'end user' should be interpreted as including leasing companies, a point which was confirmed in Q46 of the accompanying Explanatory Brochure.

- In 2010, when the European Commission (**EC**) came to evaluate Regulation 1400/2002, it concluded that the "primary" market for the distribution of new motor vehicles was not subject to significant competition shortcomings. As a result, the EC's conclusion was that distribution of new motor vehicles would be more appropriately dealt with under the flexible effects-based approach of the general vertical agreements block exemption regime.
- Since 2010, the current MVBER, Regulation 461/2010, has covered vertical agreements relating to the purchase, sale or resale of spare parts or for the provision of repair or maintenance services (i.e. 'aftermarkets' services), but not vertical agreements for distribution of new motor vehicles. Instead, Regulation 461/2010 extended the application of Regulation 1400/2002 to vertical agreements for distribution of new motor vehicles until 31 May 2013. Since that date, such agreements have been assessed under the VABER.

2.8 It is counterintuitive that the meaning of 'end user' for the purposes of the VABER should be set out in the MVBER Supplementary Guidelines, and not in the VABER itself or only in the Vertical Guidelines. While the EC did not expressly set out its reasoning, it seems likely that this decision was based on the convenience of dealing with the issue in a similar way to the expiring Motor Vehicles regulation. Both Regulation 1400/2002 and the accompanying Explanatory Brochure had previously dealt with 'end user' status, and so including similar wording in the new MVBER Supplementary Guidelines was likely seen as the most straightforward approach at the time.

2.9 However, there are several reasons why the MVBER Supplementary Guidelines is not the appropriate location for this important provision:

- (a) Most obviously, this position is a hangover from the content of the previous MVBER (Regulation 1400/2002), and accompanying Explanatory Brochure. Given that new vehicle distribution now falls to be assessed under the Retained VABER, it no longer makes sense for companies and their advisors to have to refer to the MVBER Supplementary Guidelines, which chiefly focus on competition in aftermarkets.
- (b) The current position raises the risk that the 'end user' interpretational provisions could inadvertently "slip through the cracks" if the sector-specific MVBER is permitted to expire without renewal in future. While the BVRLA is strongly in favour of the existing protections under the MVBER, and considers that they should be maintained, it cannot be ruled out that prevailing market conditions could change in future, such that the aftermarkets hardcore restrictions in the MVBER are no longer deemed necessary by the CMA. In that scenario, unless the 'end user' interpretational provisions had been captured elsewhere, the status of leasing, rental, and intermediary companies would no longer be protected in the UK, contrary to consumers' best interests.
- (c) Even if the CMA remained alive to the issue identified in paragraph (b), and proposed to relocate the 'end user' interpretational provisions to the UK VABER upon the future expiry of the MVBER, procedural difficulties might arise due to the schedule of review of the respective retained block exemptions, with the Retained MVBER due to expire one year *after* the retained VABER. A situation could therefore arise where the CMA is unable to recommend the inclusion of the 'end

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user' interpretational provisions in the UK VABEO until the next periodic review, which could be up to five years later (based on the CMA's proposal that the VABEO expire after six years). This would be highly damaging to legal certainty and business confidence in the motor vehicle rental and leasing sector.

- (d) A period of uncertainty in the UK between the adoption of the UK VABEO and any supplementary interpretational provisions could prompt motor vehicle manufacturers to change their distribution policies and approaches in a manner which could potentially harm end users, and would put the onus and burden of proof on end users to challenge those approaches, which would harm consumers.

2.10 The BVRLA submits that the most appropriate place for the 'end user' interpretational provisions is in the text of the UK VABEO itself. This would:

- (a) Improve legal certainty on this issue for all players in the motor vehicle sector (noting that similar issues may arise in other sectors, which would also benefit from clearer interpretational provisions – see paragraph (c) below). This is particularly important because BVRLA members have experienced cases where players in the supply chain have availed themselves of the ambiguity of the current verticals regime on the meaning of 'end user' to restrict the commercial freedom of leasing companies / intermediaries. For example, BVRLA members are aware of one motor vehicle manufacturer recently restricting access for leasing companies to a new model of vehicle it was launching in the UK, thereby limiting competition for its in-house leasing business;
- (b) be consistent with the historical approach under Regulation 1400/2002, which was to include a definition of 'end user' in the text of the regulation (in addition to more detailed comments in the Explanatory Brochure); and
- (c) enable the CMA to apply 'end user' status to leasing, rental and intermediary companies in other sectors, thus bringing similar benefits to consumers as are currently enjoyed in the automotive sector.

2.11 In order to include the 'end user' interpretational provisions in the UK VABEO, the BVRLA proposes that the CMA:

- (a) Include a new definition under Article 1(i)(j) of the UK VABEO as follows:

*"end user" includes leasing and rental companies, and consumers who purchase through an intermediary (being a person or an undertaking which purchases products on behalf of a named consumer without being a member of the distribution network)*

- (b) Include the existing text of paragraphs 51 and 52 of the MVBER Supplementary Guidelines in the Vertical Guidelines immediately following the existing paragraph 56, which deals with the hardcore restriction of restricting sales to end users under Article 4(c) VABER.
- (c) Clarify that the reference to rent and lease agreements in the section on the scope of the VABER in the Vertical Guidelines does not conflict with 'end user' status for leasing, rental and intermediary companies. Paragraph 26 of the Vertical Guidelines currently states that the VABER *"also applies to goods sold and purchased for renting to third parties. However, rent and lease agreements as such are not covered, as no good or service is sold by the supplier to the buyer"*.

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- 2.12 The BVRLA notes that the EC has not proposed including the 'end user' interpretational provisions in the draft revised VABER or Vertical Guidelines, which were published on 9 July 2021. The BVRLA's view is that this is a regrettable omission from the EC's proposed approach. Although the EC received submissions in the context of its consultation on the MVBBER and MVBBER Supplementary Guidelines that the interpretational provisions on 'end user' status should also be included expressly in the VABER,<sup>1</sup> it may be that this proposal was not brought to the attention of the EC team leading the VABER review.
- 2.13 In any event, the BVRLA submits that the CMA is no longer constrained by the EC's approach to the VABER at EU level, and should take this opportunity to improve the clarity of the UK VABEO by incorporating the important interpretational provisions on 'end user' status as set out in paragraph 2.11.

### 3 BVRLA Response to CMA Consultation Questions

**Question 9: What are your views on the CMA's proposed recommendation on dual distribution?**

**Question 10: Do you think that additional guidance on information exchange in the context of dual distribution would be helpful? If so, please provide your views on what that guidance should say.**

- 3.1 The BVRLA has no objections to the CMA's proposed recommendation to retain an exception for dual distribution in the UK VABEO in the same form as in the Retained VABER, but which also applies to dual distribution by wholesalers and by importers. The BVRLA recognises that the ability of suppliers to combine direct sales with sales via independent distributors is capable of increasing consumer choice and promoting competition.
- 3.2 However, as the CMA has identified, dual distribution can give rise to problematic information exchanges. Paragraph 3.17 of the CMA's consultation document may have in mind voluntary exchanges of competitively sensitive information between a supplier and its distributor which have as their object or effect the restriction of competition between them (for example exchanging information on price charged to end customers).
- 3.3 A related concern for BVRLA members is the increasingly common requirement imposed by motor vehicle manufacturers (either directly, or indirectly via requirements imposed on dealers) that rental and leasing companies must supply the motor vehicle manufacturer with the details of the rental / leasing company's customer, or the ultimate driver of the vehicle if different. In the experience of BVRLA members, this frequently goes beyond the customer / driver's delivery address, and can include personal information such as telephone number, email address, or the corporate customer's company number or VAT number, without any apparent justification.
- 3.4 Given that motor vehicle manufacturers are increasingly engaging in dual distribution by setting up their own leasing operations to compete with those of independent leasing companies, providing the personal data of these customers may enable motor vehicle manufacturers to win customers back from independent leasing companies when the leasing contract is due to expire. Even if there is a short-term and limited benefit to individual lessees who may receive individual offers from motor vehicle manufacturers, the overall impact will be anticompetitive, given that it reduces leasing companies' incentives to invest and innovate, and over time could lead to a reduction in the overall level of competition in the leasing market.

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<sup>1</sup> EC, Commission Staff Working Document on the MVBBER (published 28 May 2021), page 96.

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- 3.5 Given the increasing amount of data requested motor vehicle manufacturers, and provided by the driver in order to access in-vehicle technology, manufacturers are increasingly able to deal with the driver directly outside of communication channels with the leasing provider. This can occur in several ways throughout the leasing customer lifecycle:
- (a) In-life: vehicles may prompt drivers to take them for repair or servicing via the manufacturer's channels only via in-vehicle alerts; manufacturers may seek to sell 'ancillary' services to the driver;
  - (b) End-of-life: motor vehicle manufacturers may contact drivers directly with "special offers" to renew their vehicle, seeking to bypass the leasing company.
- 3.6 The BVRLA notes that the EC has recently raised similar concerns with information exchange in the context of dual distribution. In the draft revised VABER (which is open for consultation until September 2021), the EC proposes to narrow the scope of the dual distribution exemption to clarify that where the parties' aggregate market share at retail level exceeds 10%, then information exchanges between them will not qualify for exemption under the safe harbour. Instead, such information exchanges must be assessed under the rules on horizontal agreements, including the EC's 'Guidelines on the applicability of Article 101 of the Treaty to horizontal cooperation agreements' (the **Horizontal Guidelines**).<sup>2</sup>
- 3.7 In order to address this concern, both in the automotive sector and more widely, the BVRLA considers that the CMA should introduce a new hardcore restriction to the UK VABEO, providing that suppliers may not require 'end users' to disclose any data of the user of the goods supplied other than what is strictly necessary to enable the use of the goods. This proposal, which was previously included in the BVRLA Position Paper, should capture measures imposed directly by motor vehicle manufacturers on rental or leasing companies, and also those imposed indirectly via buyer-distributors such as dealers.
- 3.8 Irrespective of the introduction of whether a new hardcore restriction is introduced into the UK VABEO, the BVRLA is in favour of additional guidance on information exchange in this context. The key points which should be included in such guidance are:
- (a) Suppliers may only require their customers to disclose the personal data of the ultimate users of the products or services where strictly necessary in order to enable the provision of those goods or services; and
  - (b) Where personal data of the ultimate users is provided to suppliers which operate a dual distribution model, that data should be subject to internal firewalls within the supplier, preventing it from being used by the supplier's marketing / customer acquisition teams.
- 3.9 Introducing clear guidance on these points would go some way to addressing the harms to competition arising from the ability of suppliers operating dual distribution models to win downstream customers from their direct counterparties.

**Question 20: What are your views on the CMA's proposed recommendation on territorial and customer restrictions? In particular, what are your views on the CMA's proposed recommendation to:**

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<sup>2</sup> EC, Draft revised VABER, Article 2(5). See also the EC's Explanatory Note to the Draft Revised VABER, pages 2-3.

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- a) continue to treat territorial and customer restrictions as ‘hardcore’ restrictions so as to remove the benefit of the block exemption (subject to exceptions);*
- b) maintain a distinction between active and passive sales;*
- c) revisit the distinction between active and passive sales for certain types of online sales in the CMA VABEO Guidance; and*
- d) change the current regime in order to give businesses more flexibility to design their distribution systems according to their needs?*

*In your response please consider whether:*

- a) there are any features of the UK internal market militating in favour or against retaining the treatment of territorial restrictions as ‘hardcore’ restrictions for the purposes of the UK VABEO;*
- b) the distinction between active and passive sales remains valid and whether changes to this categorisation should be made in order to:
 
  - i. clarify the situations where online sales amount to passive or active sales; or*
  - ii. give businesses more flexibility to combine different distribution models.**

- 3.10 The BVRLA considers that the CMA’s proposed approach to hardcore restrictions represents a missed opportunity to tackle consumer harm resulting from restrictive practices of suppliers relating to data access. With its proposals on parity obligations, the CMA has shown itself willing to introduce new rules where necessary to address emerging restrictions of competition in the UK’s digital economy. However, this is a discrete and narrow issue, and the UK VABEO could have a much more significant impact if it set out clear guiding principles which suppliers must adhere to in the emerging “data economy”.
- 3.11 In the automotive sector, technological advances in the field of onboard telematics and the advent of the ‘connected car’ raise the prospect of innovative new services, which will benefit consumers. These may include:
- (a) Mobility as a Service (i.e. flexible, on-demand mobility services);
  - (b) proactive maintenance (i.e. avoiding a breakdown);
  - (c) remote diagnostics;
  - (d) parts pre-ordering.
- 3.12 Companies in the rental & leasing sector should be enabled to play a key role in delivering these services to consumers, and promote a more ‘joined up’ approach between drivers, employers and lessors, and manufacturers. Enabling rental and leasing companies to use the data generated by the ‘connected car’ will maximise efficiency and quality of service for consumers.
- 3.13 Benefits of ensuring **leasing companies** have fair access to vehicle telematics data include:
- (a) Security and vehicle tracking: BVRLA members are aware of instances where vehicle tracking technology has enabled leasing companies to recover stolen vehicles, thus reducing total loss risk and overall insurance cost.
  - (b) Proactive maintenance: using remote diagnostics, leasing companies could utilise Diagnostic Trouble Code (DTC) reporting to identify and address problems (e.g. brake pad wear, oil and fluid readings) before they become more serious. Again, this should result in fewer disruptions

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for drivers (e.g. lower breakdown risk), and potentially reduced maintenance costs due to the 'stitch in time' principle. Benefits may also accrue to leasing companies in the form of optimised vehicle residual values.

- (c) Telematics-based insurance: many leasing companies offer insurance products, and the ability to offer telematics / usage-based insurance may reduce the cost for some consumers.

3.14 In addition to the points above, benefits of ensuring **rental companies** have fair access to vehicle telematics data also include:

- (a) Post-rental assessment: telematics data could help more accurately detect and identify the timing and cause of damage, and the precise amount of fuel used by rental customers.
- (b) Permitted mileage: accurate mileage recordings can help ensure consumers do not exceed permitted mileage limits (for which there may be a charge).
- (c) Accident analytics: data may assist with determining the causes and responsibility for contested road traffic incidents.
- (d) Digital key access: customers able to unlock rental cars via a smart phone app or other electronic device allows greater flexibility, extended hours and increased rental locations making it easier for consumers to access vehicles.

3.15 At the same time, however, there are risks that unless fair access to data is guaranteed, technological advances will instead lead to reduced consumer choice, higher prices, hampered innovation and a significantly less competitive automotive value chain.

3.16 This has been recognised by previous reviews by regulatory bodies, such as the 2017 study by DG MOVE, which noted the incentives for motor vehicle manufacturers to abuse the market power they hold as 'gatekeepers' for the data generated by on-board telematics in the vehicles they manufacture.<sup>3</sup> In BVRLA members' experience, there is currently a broad spectrum of approaches to data access across different motor vehicle manufacturers:

- (a) Some manufacturers are willing to share data with rental and leasing companies when it suits them, for example providing vehicle-specific service data to enable leasing companies to identify required repairs, provided the work will be directed to the manufacturer's franchised repair shops.
- (b) Some manufacturers have indicated a willingness to share data with rental and leasing companies in future, but only for a fee. This potentially significant cost may reduce the commercial incentive to develop new or existing use cases for such data.
- (c) Some manufacturers flatly refuse to share any data with rental and leasing companies. Manufacturers sometimes argue that they are unable to share data because it is the property of the end user / driver. However, this is a false argument: the rental / leasing company is the owner of the vehicle in question, and therefore has a legitimate interest in data relating to its performance and condition.

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<sup>3</sup> European Commission/TRL, 'Access to in-vehicle data and resources', Final report, pages 185-186

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- (d) Some manufacturers may even restrict access to vehicle On-board Diagnostics (OBD) ports by preventing third party devices from connecting, thus restricting rental / leasing companies from accessing vehicle data directly from the vehicle.

- 3.17 In theory, motor vehicle manufacturer restrictions on 'end user' access to data generated by on-board telematics could be captured by the prohibition on abuse of a dominant position under Chapter 2 of the Competition Act 1998. However, the narrow legal test for whether access to such data would constitute an 'essential facility' means motor vehicle manufacturers may regard the law as unclear in this area, and thereby be encouraged to impose restrictions on access. A more effective solution would be for the CMA to send a clear signal, and provide for fair, reasonable and non-discriminatory access to onboard telematics data in the UK VABEO.
- 3.18 The BVRLA therefore submits that the CMA should introduce a new hardcore restriction into Article 4 of the UK VABEO, providing that vertical agreements that have as their object the denial, limitation, delay or imposition of unfair requirements for access to any data generated by the goods or services shall not benefit from the exemption under Article 2.

***Question 38: The CMA invites views on the proposed recommendation in respect of agency issues and stakeholders to make any submissions they consider would help the CMA to develop useful guidance on this topic.***

- 3.19 The BVRLA notes that the issue of so-called 'dual role' agents, which may act both as a 'genuine' agent and as an independent distributor for different products of the same supplier, has recently attracted scrutiny, with the EC publishing a working paper on the subject in February this year (the **EC Working Paper**).<sup>4</sup>
- 3.20 BVRLA members have noted that the dealer model operated by motor vehicle manufacturers is changing, and there is a marked trend towards motor vehicle manufacturers appointing dealers as their agents for sales made to certain customer segments, or for certain product lines (in particular electric vehicles), while the dealer remains a distributor in relation to other customer segments or product lines.
- 3.21 Existing case law of the EU Courts suggests that an agent which carries out business for its own account separate to the agency relationship may not be a 'genuine' agency for competition law purposes. On the other hand, paragraph 16(g) of the Vertical Guidelines suggests that 'genuine' agency is not necessarily incompatible with the agent also acting as an independent distributor within the same product market, but that the principal must fully reimburse any activities which it requires the agent to carry out. However, there is limited guidance on this scenario in the EU Vertical Guidelines, and a fuller explanation would provide greater legal certainty for all players in the automotive value chain.
- 3.22 The BVRLA submits that the CMA should follow a similar approach to that taken by the EC in its recent draft revised Vertical Guidelines, and provide that, in order for the 'genuine' agency exemption to apply to 'dual role' agents, the following conditions must be met, in addition to the requirements in the existing guidance on 'genuine' agency in the Vertical Guidelines:<sup>5</sup>
- (a) the independent distributor must be genuinely free to enter into the agency agreement (i.e. there must be no duress or threats to worsen the distributor's existing contractual terms); and

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<sup>4</sup> EC, Working paper: Distributors that also act as agents for certain products for the same supplier (5 February 2021).

<sup>5</sup> See EC, Draft Vertical Guidelines (9 July 2021), paragraphs 34 – 38.

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- (b) all relevant risks and investments linked to the sale of the goods or services covered by the agency agreement must be reimbursed by the principal.

3.23 In relation to the second condition above, the CMA should provide specific guidance on how it will differentiate investments which are related to the agency function from those which relate to the independent distribution activity, where both channels relate to products in the same relevant market. The BVRLA supports the draft approach proposed by the EC, whereby the only market-specific investments that the principal would not have to cover in that scenario would be those that relate exclusively to the sale of differentiated products in the same product market that are not sold under the agency agreement.<sup>6</sup> Therefore:

- (a) Market-specific investments which have already have been incurred by the agent when acting as an independent distributor, but which are also relevant to acting as an agent in the relevant market, should be reimbursed by the principal;
- (b) The principal should reimburse all market-specific investments made by the agent in the relevant product market covered by the agency, even if those investments are made partly in respect of products for which the agent acts separately as an independent distributor;
- (c) Where costs are incurred by the agent simultaneously in respect of products covered by the agency agreement, and other products which are not covered by the agency agreement (e.g. the cost of establishing a website), the principal should reimburse part of that cost.

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<sup>6</sup> Ibid., paragraph 37.

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## About the BVRLA

The BVRLA represents over 970 companies engaged in vehicle rental, leasing and fleet management. Our membership is responsible for a combined fleet of four million cars, vans and trucks – one-in-ten of all vehicles on UK roads.

BVRLA members represent the demand-side of the automotive industry, buying around 50% of new vehicles, including over 80% of those manufactured and sold in the UK. In doing so, they support almost 500,000 jobs, add £7.6bn in tax revenues and contribute £49bn to the UK economy each year.

Together with our members, the association works with policymakers, public sector agencies, regulators, and other key stakeholders to ensure that road transport delivers environmental, social and economic benefits to everyone. BVRLA members are leading the charge to decarbonise road transport and are set to register 400,000 new battery electric cars and vans per year by 2025.

BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness.

The association achieves this by reinforcing industry standards and regulatory compliance via its mandatory Codes of Conduct, inspection regime, government-approved Alternative Dispute Resolution service and an extensive range of learning and development programmes.

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