## Resale Price Maintenance: advice for retailers



### What is Resale Price Maintenance (RPM)?

- RPM is where a supplier and a retailer agree that the retailer will not resell the supplier's products below a specified price
- Recommended resale prices (RRP) to retailers are not RPM if the retailer can still resell at a price it wants and there are no threats or financial incentives for sticking to RRP

## Why should you be careful if you are a retailer involved in an RPM agreement?

- You may worry that if you do not cooperate with a supplier's pricesetting policies, they will stop doing business with you
- However, RPM agreements are usually unlawful because they prevent you from offering lower prices and setting your prices independently to attract more customers
- If you have been involved in RPM with your supplier, you may both be found to be breaking competition law

#### You should bear in mind that:

- RPM can be indirect. You may still be involved in an unlawful RPM agreement where a supplier:
  - imposes restrictions on how far you can discount its product
  - prevents or limits your ability to advertise lower prices online (socalled 'minimum advertised price policies'), or
  - links a resale price for the product to what other retailers are selling it for
- Where the product is sold does not matter either. RPM can apply equally to sales online as it does to sales in shops

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# Do you have concerns about RPM or other anti-competitive behaviour?

Contact the CMA by:

- online form
- phone: 020 3738 6000

If you have been involved, you may even benefit from lenient treatment by coming forward to the CMA:

 See our website for more information about leniency benefits, eligibility and conditions

### For more information on competition law:

- See our short videos
- See our advice for businesses

### Don'ts for retailers

- Don't agree with your suppliers to fixed or minimum retail prices
- Don't exercise pressure on the supplier and other retailers to adhere to recommended resale prices

These materials do not constitute legal advice and should not be relied upon as such.

### Remember, suppliers can't dictate resale prices