

From: Dan Moore  
*Project Director*

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Dear Sir/Madam

### **CMA advice for alcohol retailers on competition law risks**

High-strength alcohol schemes, which encourage retailers not to stock certain high-strength alcohol products for public health and safety reasons, are being established all over the UK by local councils.

We are aware that many retailers are being approached by councils and the police about signing up to one of these schemes. We have also heard concerns that many retailers are not sure of the competition law implications of signing up to a scheme.

#### **What you should know**

Some high-strength schemes, or how they are implemented, may possibly carry competition law risks, which is why over the past year the CMA has been actively working with local councils and businesses to understand their concerns and to discuss the potential competition law issues.

We are not in a position to say generally whether or not an individual scheme is lawful or unlawful as the competition law risk of each scheme has to be judged on a case by case basis – ultimately by the businesses involved.

However, we are keen to help businesses comply with the law and have produced a wealth of useful material to help you to spot the main competition law risks. These materials include [specific guidance](#) on local authority initiatives, such as high-strength alcohol schemes, which we are today supplementing with a handy, at-a-glance [60-second guide](#) giving retailers a quick summary of what to look out for.

#### **What you should do**

We recognise that most businesses want to abide by the law. Not only because it is the right thing to do, but also because not doing so can have serious consequences, including the potential for significant fines being imposed.

To help you to manage the competition law risks you should read the practical guidance referred to above, particularly the 60-second summary, and bear a few key points in mind when considering joining up to a high-strength scheme:

- **Don't share competitively sensitive information with your competitors**, such as whether you are going to stop stocking high-strength alcohol, including during meetings where your competitors are in attendance.
- **Don't agree your commercial strategy or intended commercial actions with competitors**, such as by agreeing that you'll each stop stocking high-strength alcohol products at a particular time.
- If you are in a meeting in which a competitor tries to tell you their commercial plans (or a local council tries to tell you about your competitors' commercial plans), **tell them you are not interested and that you're not willing discuss it**. If you can do so, leave or call an end to the meeting.

Generally, these shouldn't stop you from participating in competition law compliant voluntary schemes where you decide on your own, without discussions with competitors, to participate in a scheme. However, before you do so, be careful to think about our advice.

We hope that this information helps you to understand and comply with competition law – doing so is in your interest, and the best interests of your customers.

Yours faithfully

Dan Moore  
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