

Completed acquisition by JLA New Equityco Limited through its subsidiary Vanilla Group Limited of Washstation Limited

Decision to refer

ME/6792/17

The CMA's decision to refer under section 22 of the Enterprise Act 2002 given on 16 April 2018. Full text of the decision published on 27 April 2018.

Introduction

1. On 18 May 2017, Vanilla Group Ltd (**Vanilla**), a subsidiary of JLA New Equityco Ltd (**JLA**) acquired Washstation Limited (**Washstation**) (the **Merger**).
2. On 3 April 2018, the Competition and Markets Authority (**CMA**) decided under section 22(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger constitutes a relevant merger situation that has resulted, or may be expected to result, in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).¹
3. On the date of the SLC Decision, the CMA gave notice pursuant to section 34ZA(1)(b) of the Act to JLA of the SLC Decision. However, in order to allow JLA the opportunity to offer undertakings to the CMA for the purposes of section 73(2) of the Act, the CMA did not refer the Merger for a phase 2 investigation pursuant to section 22(3)(b) on the date of the SLC Decision. On 3 April 2018, the CMA extended the statutory four-month period mentioned in section 24(1) of the Act by notice pursuant to section 25(4) of the Act.
4. Pursuant to section 73A(1) of the Act, if a party wishes to offer undertakings for the purposes of section 73(2) of the Act, it must do so before the end of the five working day period specified in section 73A(1)(a) of the Act. The SLC Decision stated that if no undertakings for the purposes of section 73(2) of the Act were offered to the CMA by the end of this period, ie the end of 10 April

¹ See <https://www.gov.uk/cma-cases/vanilla-group-washstation-merger-inquiry>.

2018, or JLA indicated before this deadline that it did not wish to offer such undertakings, then the CMA would refer the Merger for a phase 2 investigation pursuant to section 22(1) of the Act and in accordance with section 34ZA(2) of the Act.

5. On 10 April 2018, JLA informed the CMA that it would not offer such undertakings to the CMA. Accordingly, the CMA has decided to make a reference. In addition, and pursuant to section 25(5)(b) of the Act, the extension to the four-month period mentioned in section 24(1) of the Act expires at the end of 24 April 2018.

Decision

6. Therefore, pursuant to section 22(1) of the Act and in accordance with section 34ZA(2) of the Act, the CMA has decided to refer the Merger to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to conduct a phase 2 investigation.

**Rachel Merelie, Delivery and Sector Regulation
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Competition and Markets Authority
16 April 2018**