

# Completed acquisition by CD&R Fund IX of MRH (GB) Limited

## Decision on relevant merger situation and substantial lessening of competition

The CMA's decision on reference under section 22(1) of the Enterprise Act 2002 given on 31 August 2018. Full text of the decision published on 5 October 2018.

Please note that [X] indicates figures or text which have been deleted or replaced in ranges at the request of the parties or third parties for reasons of commercial confidentiality.

ME/6750/18

### SUMMARY

1. On 21 June 2018, Clayton Dubilier & Rice Fund IX, L.P. (**CD&R Fund IX**), a private equity fund which exercises indirect control over Motor Fuel Group (**MFG**), acquired MRH (GB) Limited, through the acquisition of MRH's holding company, LSF9 Robin Topco Limited (**MRH**) (the **Merger**). MFG and MRH are together referred to as the **Parties**.
2. The Competition and Markets Authority (**CMA**) believes that it is or may be the case that each of MFG and MRH is an enterprise, that these enterprises have ceased to be distinct as a result of the Merger, and that the turnover test is met. The four-month period for a decision, as extended, has not yet expired. The CMA therefore believes that it is or may be the case that a relevant merger situation has been created.
3. The Parties overlap in the retail supply of road fuel (both petrol and diesel), the retail supply of auto-LPG and the retail supply of groceries from their petrol stations. The Parties are also active in the wholesale supply of road fuel in the UK, although MRH's activities are restricted to the Isle of Wight and Jersey, where MFG is not active. While there is no horizontal local overlap in wholesale supply, there is a vertical relationship between MFG's activities in

the wholesale supply of road fuel and MRH's activities in the retail supply of road fuel.

4. Consistent with its approach in previous cases, the CMA has assessed the impact of the Merger in the following frames of reference:
  - (a) The retail supply of road fuel at a national and local level;
  - (b) The retail supply of auto-LPG at a national and local level;
  - (c) The retail supply of groceries at a national and local level; and
  - (d) The wholesale supply of road fuel at a national and local level.
5. With regard to the retail supply of road fuel, the Parties estimated that their combined national share of supply was around [10-20]% by number of sites and around [10-20]% by volume. The CMA found that the Parties did not compete particularly closely on any national parameter (including innovation). Therefore, the CMA does not believe that the Merger will give rise to a realistic prospect of a substantial lessening of competition (**SLC**) in the retail supply of road fuel at a national level.
6. At the local level, in line with previous decisions, the CMA used drive-time isochrones of 10 minutes for urban areas and 20 minutes for rural areas to delineate the geographic scope.
7. The Parties identified 566 sites where one Party's site is within the drive-time of a site of the other Party: 279 such sites when the analysis was centred on an MFG site and 287 such sites when the analysis was centred on an MRH site. The Parties then applied filters to identify local areas of potential concern, resulting in 84 potentially concerning overlap areas.
8. The Parties conceded that the test for reference was met with respect to 23 of the 84 overlap areas. This allowed the CMA to focus its analysis on the remaining 61 overlap areas. The CMA found that the Merger does not give rise to a realistic prospect of an SLC in 55 of these areas due to a number of factors relating to the conditions of local competition. However, the CMA found that in 6 overlap areas the Parties compete particularly closely and there would be insufficient effective competition remaining post-Merger. Therefore, overall, the CMA found 29 overlap areas where the test for reference was met. The CMA considered whether entry or the expansion of existing firms could mitigate the effect of the Merger on competition but did not receive any evidence to suggest that competitor entry or expansion would offset an SLC in any of these overlap areas.

9. With regard to the national retail supply of auto-LPG, the national retail supply of groceries and the national wholesale supply of road fuel, on the basis of the Parties' low market shares and on the basis of third party responses to the CMA's merger investigation, the CMA found no competition concerns.
10. At the local level:
  - (a) As regards the retail supply of auto-LPG, in line with its previous decisions, the CMA applied two alternative conservative filters. Four local areas failed one or more of these filters. Following a more detailed local assessment, the CMA did not have competition concerns in three areas. The CMA was unable to rule out concerns as regards the fourth area: MFG Sparkford/MRH Podimore.
  - (b) As regards the retail supply of groceries, consistent with its approach in its recent grocery cases,<sup>1</sup> the CMA used a filtering approach whereby a local area failed the filter if the Merger resulted in a fascia count reduction from 4 to 3 or fewer within a 5-minute drive-time or 1-mile radius. The CMA found three sites in two local areas which failed the filter: MFG Sparkford/MRH Hazelgrove and MRH Newbridge.
11. The CMA found that the local area that failed the filter for the retail supply of auto-LPG is part of an area in which the CMA believes there is a realistic prospect of an SLC in the retail supply of road fuels. This is also the case for both areas that fail the filter for the retail supply of groceries. However, the CMA has not considered these products in these areas in further detail, as, on the basis of evidence received from the Parties, it believes any undertakings in lieu (**UILs**) which satisfactorily address the CMA's concerns as regards the retail supply of road fuel in these areas will also address any potential concerns the CMA may have in relation to auto-LPG and/or groceries.
12. With regard to vertical effects arising from MFG's activities as a wholesale supplier of road fuel, the CMA applied a filtering approach to identify local areas where the Parties' retail sites and MFG's wholesale customers (ie other road fuel retailers) are particularly close competitors or where there are relatively few retail competitors in the local area. Five local overlap areas failed this filter. On a more detailed local assessment, the CMA found that, while the merged entity may have the ability to increase wholesale prices to its customers (Murco road fuel retailers) during the remaining term of the supply contracts, the required diversion levels to make such a foreclosure

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<sup>1</sup> See [CMA report](#) on the anticipated acquisition by Tesco PLC of Booker Group plc, 20 December 2017 (**Tesco/Booker**), and ME/6716/17, Anticipated acquisition by Co-operative Group Ltd of Nisa Retail Ltd, CMA, 23 April 2018 (**Coop/Nisa**)

strategy profitable were unrealistic and any profit achieved would be limited by the future expiry of these contracts. For this reason, the CMA does not believe that the Merger gives rise to a realistic prospect of an SLC as a result of vertical effects in the wholesale supply of road fuel.

13. The CMA is therefore considering whether to accept undertakings under section 73 of the Enterprise Act 2002 (**the Act**). MFG has until 7 September 2018 to offer an undertaking to the CMA that might be accepted by the CMA. If no such undertaking is offered, the CMA will refer the Merger pursuant to sections 22(1) and 34ZA(2) of the Act.

## ASSESSMENT

### Parties

14. CD&R Fund IX exercises indirect control over MFG, the second largest independent<sup>2</sup> petrol station owner and operator in the UK. MFG owns and operates 438 petrol stations across the UK under a number of different brands, and supplies road fuel on a wholesale basis to 183 independent Murco-branded sites in the UK. The turnover of MFG in its financial year ending 31 December 2017 was approximately £1.7 billion, all of which was generated in the UK.
15. MRH (together with its subsidiaries) is the largest independent petrol station owner and operator in the UK. MRH owns and operates 490 petrol stations across the UK under a number of different brands. In addition, MRH owns Isle of Wight Fuels Limited, which operates the bulk liquid fuel storage terminal on the Isle of Wight. MRH distributes road fuel on a wholesale basis on the Isle of Wight and, to a more limited extent, in Jersey. The turnover of MRH in the financial year ending 1 October 2017 was approximately £2.3 billion, almost all of which was generated in the UK.

### Transaction

16. On 26 February 2018, CD&R Firefly Bidco Limited (a holding company within the CD&R Fund IX structure) entered into an agreement to acquire LSF9 Robin Topco Limited, the holding company of MRH (the **Merger**). The Merger completed on 21 June 2018.

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<sup>2</sup> 'Independent' excludes petrol stations owned by supermarkets or by oil companies.

## Procedure

17. The Merger was considered at a Case Review Meeting.<sup>3</sup>

## Jurisdiction

18. The Merger met the jurisdictional thresholds under Article 1(2) of the EU Merger Regulation and was therefore notified by the Parties to the European Commission. The Merger was referred back in its entirety to the CMA under Article 4(4) of the EU Merger Regulation on 4 June 2018.
19. Each of MFG (which is controlled by CD&R Fund IX) and MRH is an enterprise. As a result of the Merger, these enterprises have ceased to be distinct.
20. The UK turnover of MRH exceeds £70 million so the turnover test in section 23(1)(b) of the Act is satisfied.
21. The Merger completed on 21 June 2018. The four month deadline for a decision under section 24 of the Act is 29 October 2018, following an extension under section 25(2) of the Act.
22. The CMA therefore believes that it is or may be the case that a relevant merger situation has been created.
23. The preliminary assessment period for consideration of the Merger under section 34A(2) of the Act started on 5 June 2018. The statutory 45 working day deadline for a decision, following extensions under section 34A(5) of the Act, is 31 August 2018.

## Counterfactual

24. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual). For completed mergers the CMA generally adopts the pre-merger conditions of competition as the counterfactual against which to assess the impact of the merger. However, the CMA will assess the merger against an alternative counterfactual where, based on the evidence available to it, it believes that, in the absence of the merger, the prospect of these conditions continuing is not realistic, or there is

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<sup>3</sup> See *Mergers: Guidance on the CMA's jurisdiction and procedure* (CMA2), January 2014, from paragraph 7.34.

a realistic prospect of a counterfactual that is more competitive than these conditions.<sup>4</sup>

25. In this case, there is no evidence supporting a different counterfactual, and the Parties and third parties have not put forward arguments in this respect. The CMA therefore believes the pre-Merger conditions of competition to be the relevant counterfactual.

## Frame of reference

26. Market definition provides a framework for assessing the competitive effects of a merger and involves an element of judgement. The boundaries of the market do not determine the outcome of the analysis of the competitive effects of the merger, as it is recognised that there can be constraints on merging parties from outside the relevant market, segmentation within the relevant market, or other ways in which some constraints are more important than others. The CMA will take these factors into account in its competitive assessment.<sup>5</sup>
27. The Parties overlap in the retail supply of road fuel (both petrol and diesel), the retail supply of auto-LPG and the retail supply of groceries from their petrol stations.
28. MFG and MRH are also both active in the wholesale supply of road fuel in the UK. However, as MRH's activities are restricted to the Isle of Wight and Jersey, where MFG is not active, no local horizontal overlap arises. Nevertheless, there is a potential vertical relationship between MFG's activities in the wholesale supply of road fuel to Murco dealers and MRH's activities in the retail supply of road fuel locally in the UK.
29. The CMA has therefore considered the appropriate frame of reference for:
- (a) The retail supply of road fuel;
  - (b) The retail supply of auto-LPG;
  - (c) The retail supply of groceries; and
  - (d) The wholesale supply of road fuel.

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<sup>4</sup> [Merger Assessment Guidelines](#) (OFT1254/CC2), September 2010, from paragraph 4.3.5. The [Merger Assessment Guidelines](#) have been adopted by the CMA (see [Mergers: Guidance on the CMA's jurisdiction and procedure](#) (CMA2), January 2014, Annex D).

<sup>5</sup> [Merger Assessment Guidelines](#), paragraph 5.2.2.

### ***Retail supply of road fuel – product and geographic frame of reference***

30. The Parties submitted that, in line with previous decisions of the UK competition authorities, the relevant product frame of reference is the retail supply of road fuel to motorists, without further segmentation between petrol and diesel.
31. Regarding the geographic frame of reference, the CMA has previously considered the retail supply of road fuel at both a national and a local level.<sup>6</sup> The Parties supported this approach and noted that the CMA had previously adopted drive-time isochrones of 10 minutes in urban areas and 20 minutes in rural areas as a proxy for the geographic scope of local markets.
32. The CMA has not received any evidence to support departing from the product or geographic frames of reference adopted in its previous cases.
33. The CMA has therefore assessed the effect of the Merger on the retail supply of road fuel at both a national and local level, using the drive-time isochrones set out in paragraph 31.

### ***Retail supply of auto-LPG – product and geographic frame of reference***

34. The Parties submitted that the UK competition authorities have previously considered the retail supply of auto-LPG separately to the retail supply of road fuel. The Parties submitted that there is limited supply-side substitutability between auto-LPG and other road fuels (as specialist equipment must be installed at petrol stations) and no demand-side substitutability (as cars need to be adapted to use it). The Parties also submitted that there were significant differences between auto-LPG and other road fuels in terms of their miles-per-gallon ratio and price.
35. The Parties submitted that the UK competition authorities have previously assessed the retail supply of auto-LPG both nationally and at a local level, based on drive-time isochrones of 40 minutes. The Parties submitted that customers travel further to purchase auto-LPG than for petrol and diesel.
36. The CMA has not received any evidence to support departing from the product frame of reference adopted in its previous cases. However, regarding

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<sup>6</sup> ME/6563/15, Anticipated acquisition by MRH (GB) Limited of 78 service stations from Esso Petroleum Company Limited, CMA, 23 December 2015 (**MRH/Esso**), paragraph 28; ME/6741/14, Completed acquisition by Motor Fuel Limited of 228 petrol stations and other assets from Murco Petroleum Limited, CMA, 22 December 2014 (**MFG/Murco**), paragraph 35; and ME/6534/15, Anticipated acquisition by Motor Fuel Limited of 90 petrol stations from Shell Service Station Properties Limited, Shell U.K. Limited and GOGB Limited, CMA, 26 August 2015 (**MFL/Shell**), paragraph 25.

the geographic frame of reference, the CMA notes that there is no clear precedent in previous cases. In particular:

- (a) In MFL/Shell,<sup>7</sup> the CMA used 40-minute drive-time isochrones on a cautious basis because the merging parties' closest sites were located 38 minutes' drive from each other.
  - (b) In MFG/Murco,<sup>8</sup> the CMA used, 30- and 40-minute drive-time isochrones on a cautious basis (without concluding on the appropriate geographic boundaries) as the merging parties did not overlap on 10- or 20-minute drive-time isochrones.
  - (c) In Shell/Rontec,<sup>9</sup> the OFT used 10-, 20-, 30- and 40-minute drive-time isochrones. The OFT noted that the broad consensus among third parties was that a 20-minute isochrone was the most appropriate.
37. Third party responses received by the CMA did not provide a consistent view on the appropriate geographic scope. One third party noted that it expected customers to drive further to purchase auto-LPG than petrol and diesel, two third parties (one of which was a supplier of auto-LPG from a non-petrol station site) submitted that most customers would travel approximately 5 miles / 10-15 minutes to purchase auto-LPG, and another estimated the catchment area for auto-LPG sales to be about 41 minutes (29 miles) based on data acquired through its loyalty scheme.
38. On a cautious basis, the CMA has therefore assessed the effect of the Merger on the retail supply of auto-LPG both nationally and at a local level using 10-, 20-, 30- and 40-minute drivetime isochrones.

### ***Retail supply of groceries – product and geographic frame of reference***

39. The Parties submitted that, under the COFO model,<sup>10</sup> which is adopted at the majority of the Parties' sites, the franchisee ultimately determines the retail price of the grocery products sold and there is consequently no direct competition between MFG and MRH in the retail supply of groceries. Nevertheless, for the sake of completeness, the Parties submitted that the UK competition authorities have previously assessed the retail supply of groceries (including through stores located at petrol stations) according to their size,

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<sup>7</sup> MFL/Shell, paragraph 29

<sup>8</sup> MFG/Murco, paragraph 41

<sup>9</sup> ME/5191/11, Anticipated acquisition by Shell UK Limited of 253 petrol stations from Consortium Rontec Investments LLP, OFT, 3 February 2012 (**Shell/Rontec**), paragraphs 114 and 115

<sup>10</sup> Company-owned, franchise-operated, whereby the Party owns the petrol station real estate and operates the fuel activity, while the franchisee operates and manages the onsite convenience store / food service activities.



and determined that the competitive constraint faced by stores within each size category is asymmetric, such that:

- (a) One-stop stores (OSS) (those with net sales area of more than 1,400 square metres) are competitively constrained only by other OSS;
  - (b) Mid-size stores (MSS) (those with net sales area of less than 1,400 square metres but more than 280 square metres) are competitively constrained by other MSS and OSS; and
  - (c) Convenience stores (those with net sales area of less than 280 square metres) are constrained by other convenience stores, MSS and OSS.
40. All of the grocery stores operated on MFG and MRH forecourts are convenience stores.
41. The Parties submitted that the UK authorities have previously considered the retail supply of groceries at a national and local level. The Parties submitted that, at a local level, the CMA has defined the geographic frame of reference for convenience stores as a 5-minute drive-time, with these stores being constrained by OSS within a 10-minute drive-time in urban areas (15 minutes in rural areas) and by MSS within a 5-minute drive-time in urban areas (10 minutes in rural areas).
42. However, the CMA notes that its most recent cases concerning the retail supply of groceries through convenience stores<sup>11</sup> have applied a geographic frame of reference for convenience stores of either a 5-minute drive-time or 1-mile radius, and have not considered OSS and MSS outside of this catchment to fall within the frame of reference.
43. The CMA has not received any evidence to support departing from the frame of reference adopted in its recent previous cases concerning the retail supply of groceries. The CMA has therefore considered the effect of the Merger on the retail supply of groceries at both a national and local level, applying a geographic frame of reference of either a 5-minute drive-time or 1-mile radius around each convenience store operated at an MFG or MRH petrol station.

### ***Wholesale supply of road fuel – product and geographic frame of reference***

44. The Parties submitted that the UK competition authorities have previously considered there to be a single market for the distribution of transport and heating fuels in Great Britain. In previous cases involving petrol stations,<sup>12</sup> the

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<sup>11</sup> Co-op/Nisa and Tesco/Booker

<sup>12</sup> MFG/Murco, paragraph 56

CMA has considered that the wholesale supply of road fuels takes place at a national level, and may also take place at the regional or local level (although this was ultimately left open).

45. The CMA has not received any evidence to support departing from the frame of reference adopted in previous cases. It was not necessary for the CMA to conclude in this case on the precise scope of local/regional markets, since no realistic prospect of an SLC arises on any plausible basis.

### ***Conclusion on frame of reference***

46. For the reasons set out above, the CMA has assessed the impact of the Merger in the following frames of reference:
- The retail supply of road fuel at a national and local level (using as a proxy for the local market drive-time isochrones of 10 minutes in urban areas and 20 minutes in rural areas);
  - The retail supply of auto-LPG at a national and local level (using as a proxy for the local market drive-time isochrones of 10, 20, 30 and 40 minutes);
  - The retail supply of groceries at a national and local level (using as a proxy for the local market both a 1 mile radius and drive-time isochrones of 5 minutes); and
  - The wholesale supply of road fuel at a national level and a local/regional level.

### **Competitive assessment**

47. The CMA considered the following potential theories of harm:
- (a) Unilateral horizontal effects in the retail supply of road fuel at a national and local level;
  - (b) Unilateral horizontal effects in the retail supply of auto-LPG at a national and local level;
  - (c) Unilateral horizontal effects in the retail supply of groceries at a national and local level;

- (d) Vertical effects in the wholesale supply of road fuel to petrol stations at a national and local/regional level.<sup>13</sup>

### ***Horizontal unilateral effects***

48. Horizontal unilateral effects may arise when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged firm profitably to raise prices or to degrade quality on its own and without needing to coordinate with its rivals.<sup>14</sup> Horizontal unilateral effects are more likely when the merging parties are close competitors.

### ***Horizontal unilateral effects in the retail supply of road fuel***

#### *Local pricing*

##### *Price setting*

49. The Parties explained to the CMA how they set their road fuel prices. As is common in the industry, both Parties have a number of price ‘markers’ for each site, which consist of competitors in the local area whose pricing may be taken into account in the Party’s price-setting.

- *MFG*

50. MFG’s prices are set by MFG centrally on a site-by-site basis with reference to local conditions of competition. While MFG [X] targets for its network, every site is priced according to its performance and the competition it faces locally. Pricing decisions for each site are determined by a combination of [X] and several local factors, including the prices at the marker sites, [X] and other site-specific factors.
51. MFG uses a pricing algorithm to suggest prices for each site, which are then systematically checked by senior management.
52. MFG price marks [X] sites which are closest in drive-time to the centred site. MFG seeks to weight the importance of particular price marker sites, taking into account factors such as the brand, drive-time, distance, volume, quality,

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<sup>13</sup> With regard to the national wholesale supply of road fuel, given the small increment arising from the Merger and the Parties’ low combined share of supply, and given no concerns from third parties, the CMA found no horizontal competition concerns. With regard to the local wholesale supply of road fuel, there is no horizontal overlap arising from the Merger.

<sup>14</sup> [Merger Assessment Guidelines](#), from paragraph 5.4.1.

access, visibility and traffic flows. These weightings are used [REDACTED], which is then used by MFG in its pricing algorithm.

- *MRH*

53. MRH uses a third party pricing algorithm to produce recommended prices, which are then reviewed by a pricing analyst in light of site-specific factors.
54. For its standard pricing,<sup>15</sup> the MRH pricing system calculates suggested prices based on various inputs, ensuring that prices are consistent with [REDACTED].
55. When selecting its price markers, MRH considers all nearby sites and estimates [REDACTED] with respect to these sites[REDACTED]. MRH typically selects [REDACTED] to be used as price markers and [REDACTED] is classified as the key marker. Other qualitative evidence is used to verify the [REDACTED] and the relevance of each marker.

#### *Price markers*

56. The Parties submitted that a price effect as a result of the Merger is not inevitable where one Party assigns the other Party the highest-weighted price marker (in MFG's case) or assigns the other Party the highest [REDACTED] (in MRH's case) (both referred to going forward as "main markers"), or generally marks the other in an overlapping area. The Parties submitted that:
  - (a) Markers, including main markers, are designed to represent the wider level of competition faced by the Parties in particular local areas and should be viewed as a representative set of competitors designed to proxy the competitive landscape in each area, rather than representing the entire competitive set faced in a given area.
  - (b) Depending on the commercial goals in any given area (eg whether a site is aiming to increase volume or margin), the main marker may not be considered at all by the Parties' pricing algorithms.
  - (c) Where the main marker is taken into account in the Parties' pricing algorithms, it represents one of a number of factors.
  - (d) Given the number of competing fascia and low combined market shares in the areas subject to a detailed local assessment, it is not realistic to assume that a sufficient number of customers would divert between the

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<sup>15</sup> MRH [REDACTED].

Parties' sites to make a price increase profitable, irrespective of whether one Party main marks the other.

(e) There are limitations and anomalies present in the assignment of markers. For example, the Parties' pricing algorithms use datasets [REDACTED], which does not cover all petrol stations,<sup>16</sup> meaning that main marking a particular site is not always indicative of a particular closeness of competition with that site.

57. While the CMA acknowledges the Parties' arguments, it notes that the Parties chose to mark certain competitors within each site's competitive set and that the Parties use these price markers within their price setting methodologies. The CMA therefore believes that the Parties' price marker information is broadly indicative of the Parties' views of the competitive landscape at each of their sites. The CMA places weight on this information, alongside other information, in its competitive assessment.

#### *National competition*

58. The CMA considered whether the Merger may give rise to horizontal unilateral effects in the retail supply of road fuels on a national basis, either as a result of a loss of current (static) competition between the Parties, or through a loss of future (dynamic) competition, which may lead to higher prices, lower quality or less innovation.

59. The Parties submitted that there was no realistic prospect of an SLC as a result of the Merger on a national basis. The Parties said that there are few national parameters of competition in the retail supply of road fuel. They submitted that their decision-making process relating to the retail pricing of fuel is driven by local conditions of competition at each of their sites. While decisions for each site's pricing are taken centrally, the key competitive parameters informing these decisions are local. Accordingly, the Parties submitted that there could be no effect of the Merger at a national level which was not the result of an aggregation of local effects.

60. The CMA's investigation found that many competitive parameters are set locally. This was supported by the Parties' own internal documents indicating the way in which they determine their own competitive offering, and by submissions from third parties. In particular, the CMA's investigation found that price is largely determined locally, as shown by the Parties' pricing methodologies which (other than the wholesale cost of fuel) are largely based on factors relevant to the local competitive landscape. Third parties confirmed

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<sup>16</sup> In particular, the Parties explained that [REDACTED].

that competition, in particular pricing, is determined at a local level, considering the prices of local competitors.

61. However, the CMA also notes that there may be some scope for the Parties to adjust their offering nationally, or for there to be some elements of national competition. For example, some third parties told the CMA that certain aspects of their offering are determined nationally, such as target aggregate margins.
62. The CMA notes that the Merger results in the combination of two significant national retail suppliers of road fuel, with the Parties being the two largest independent operators of petrol station operators in the UK. The CMA has therefore considered whether the Merger may give rise to an SLC in the retail supply of road fuel on a national basis under three potential theories of harm:
  - (a) Loss of current competition on a national basis;
  - (b) Loss of future competition on a national basis; and
  - (c) Loss of innovation.

*Loss of current competition on a national basis*

63. The CMA assessed whether the Merger may result in a loss of static competition on a national basis through the merged entity raising prices at the national level.
64. The Parties submitted that the retail supply of road fuel is highly fragmented at the national level, with a significant number of competing suppliers. The Parties submitted that the combined market share of MFG and MRH on a national basis was [10-20]% based on number of sites and [10-20]% based on fuel volumes, while the top four supermarkets active in the retail supply of road fuel (Tesco, Sainsbury's, Asda and Morrisons) together account for approximately [40-50]% of total volume, and approximately [20-30]% by number of sites.
65. While the merged entity would be the largest owner and operator of petrol stations in the UK by number of sites, it would rank third in terms of national volume, behind Tesco and Sainsbury's.
66. The CMA's investigation supported the Parties' view that they compete with a range of petrol suppliers, and not only other independent operators:
  - (a) The Parties' internal documents indicated that, although they monitor other independents most closely, they also monitor oil majors and supermarkets.

Supermarkets are presented in these documents as low price, high volume sites.

- (b) Evidence from the Parties' price marker data indicates that supermarkets are particularly influential on the Parties' pricing. For both Parties, supermarket sites are disproportionately more likely to be price markers than other sites in the local area. In comparison, the Parties are no more likely to price mark each other than they are to price mark other independent operators.
- (c) Third party evidence supported the view that, at a national level, the Parties do not compete more closely with each other than with other suppliers.

67. While a small number of third parties said that the Merger could allow the Parties to influence pricing nationally, these comments were generally framed in terms of the Parties having localised influence in many areas across the UK (which would be captured through the CMA's local assessment). Third parties generally submitted that, although some factors are considered on a network-wide basis, they monitor competitors on a local basis and consider that they compete locally (particularly as regards pricing) with all types of supplier.
68. On the basis of this evidence, the CMA believes that the Merger would not give rise to a realistic prospect of an SLC as a result of a loss of current competition on a national basis.

*Loss of future competition on a national basis*

69. The CMA has assessed whether the Merger may result in a loss of future competition arising from the Merger affecting the expansion plans of one or both of the Parties. This loss of competition may arise in circumstances where, absent the Merger, one Party might have entered areas where the other Party is already present or where both Parties might have entered into areas where neither is currently present. This theory of harm relates to non-specific local areas.
70. The Parties submitted that there would be no loss of future competition as a result of the Merger:
- (a) The Parties explained that, while they both acquire and dispose of sites on an ongoing basis, neither has extensive plans to develop new-to-industry sites in local areas in which the other Party is already present or would have entered absent the Merger.<sup>17</sup> The Parties said that there is no

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<sup>17</sup> The Parties submitted that MRH is developing six new-to-industry sites but none of these fail the local filters.

evidence to suggest that future acquisitions absent the Merger would be likely to overlap with each other.

(b) The Parties told the CMA that they are not substantially more likely than their competitors to develop new-to-industry sites or to acquire sites. They noted that their competitors have been more active than them in opening new-to-industry sites and have also been active in acquiring sites.

(c) Given the number of road fuel suppliers in all local areas, the entry of a new site, or the acquisition of an existing site by one of the Parties, in a particular area is unlikely to lead to substantially greater competition. In particular, there is nothing which distinguishes the Parties' offerings that cannot be replicated by another competitor in the market.

71. The CMA considered whether the Parties' existing shares of supply, and areas of local overlap, may not accurately reflect the future competitive landscape if, for example, the Parties were to expand significantly (and in the same areas), in particular if their competitors were to contract. However, the Parties submitted that there is no reason to believe that their current low combined market share nationally understates their future competitive effect.

72. The CMA's investigation found that there is no basis for concern about a loss of future competition as:

(a) While the Parties have both expanded significantly in the past few years, the Parties' recent expansion does not indicate that they are focused on expanding in the same particular areas, whether looked at broadly (eg on a regional level) or locally.

(i) The CMA analysed the Parties' bidding data to acquire new sites for the last three years and found that the Parties have not frequently bid for the same sites, and when they have bid against each other, there were a number of other bidders.

(ii) The Parties' networks are not concentrated in a particular area and some competitor networks overlap with the Parties' networks.

(b) While there has been a period of consolidation in the market, in particular as a result of the exit from / reduction in fuel retail by some of the large oil firms, the CMA found that the Parties' remaining large competitors expect to maintain or grow their position:

(i) Other independent providers have increased significantly their own numbers of sites concurrently with the Parties' own expansions.



- (ii) Supermarkets told the CMA that they [X].
- (iii) While some oil majors have disposed of sites over the past few years (eg Shell has sold about 200 sites since 2014<sup>18</sup>), the CMA found no evidence that this trend will continue (rather [X] and Shell said it has no current plans to sell further sites).
- (iv) The Parties' competitors mostly submitted that they either have specific plans to expand or would like to expand where the opportunity arises.

73. On the basis of this evidence, the CMA believes that the Merger would not give rise to a realistic prospect of an SLC as a result of a loss of future competition on a national basis.

#### *Loss of innovation*

- 74. The CMA has assessed whether the Merger may result in a loss of innovation. This may be the case if either Party has in the past developed new products or services in response to competition from the other, or could be expected to do so in the future.
- 75. The CMA assessed recent initiatives by the Parties, eg in relation to the roll-out of electric vehicle charging and partnering with new groceries and food-to-go providers.
- 76. The Parties' internal documents indicated that such developments were largely driven by changes in customer preferences and, for electric vehicle charging, the regulatory landscape, rather than driven by competition with other fuel suppliers. The CMA found no evidence to suggest that these developments were driven by competition with the other Party.
- 77. The evidence available also did not suggest that the Parties were key innovators in the market. Third parties generally indicated that the Parties were broadly in line with other market players, though some suggested that other participants were more innovative.
- 78. On the basis of this evidence, the CMA believes that the Merger does not give rise to a realistic prospect of an SLC as a result of a loss of innovation.

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<sup>18</sup> Response to RFI 3, Annex 17

## *Local competition*

79. Based on the drive-time isochrones set out in paragraph 31 above, the Parties carried out a local analysis of overlaps between the MFG and MRH sites. They identified 566 sites<sup>19</sup> where one Party's site is within the relevant drive-time isochrone of a site of the other Party: 279 such sites when the analysis was centred on an MFG site and 287 such sites when the analysis was centred on an MRH site.
80. Consistent with previous cases,<sup>20</sup> the Parties then applied the following filters to identify areas where the Merger may give rise to competition concerns and which therefore warranted further assessment:
- (a) Price marker filters, where:
    - (i) either Party identifies a site of the other Party as its main price marker; or
    - (ii) either Party identifies a site of the other Party as one of three or fewer competing (ie price-marked) sites; or
    - (iii) the Merger would lead to a reduction in competing brands in the price marker list from four to three or fewer.
  - (b) Geographic competitors: the Parties' sites are the closest in terms of drive-time; or
  - (c) Fascia count: the Merger would lead to a reduction in fascia from 4-to-3 or fewer (by brand or owner)<sup>21</sup> within the relevant drive-time isochrones.<sup>22</sup>
81. In relation to filter 1a, previous OFT and CMA decisions have considered the 'main' price marker to be the highest ranked price marker in the relevant price marker list. MFG does not internally identify a 'main' price marker, but (as described in paragraph 52) [§]. The CMA found that, for certain sites, the weighting of the highest weighted price marker was notably greater than the

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<sup>19</sup> This figure includes duplicates.

<sup>20</sup> See Shell/Rontec, MFG/Murco, MFL/Shell, MRH/Esso and ME/5407/12, Proposed acquisition by J Sainsbury plc of 18 petrol stations from Rontec Investments LLP, OFT, 7 June 2012

<sup>21</sup> While it is the site owner who sets the prices (rather than the brand owner, which is typically the wholesale supplier of the fuel), the CMA notes that, from the customer's perspective, the brand of the site might be an important factor in choosing a petrol station site. Therefore, the CMA considers it appropriate to consider both the number of brands and the number of owners for the purposes of the filtering methodology.

<sup>22</sup> The Parties identified four local areas where one of the competing sites was under development and was therefore classified as 'unbranded'. However, the number of local areas failing this limb of the filter is unchanged regardless of whether these 'unbranded' sites are counted as a separate fascia or are excluded from the fascia count.

other price markers and was therefore clearly the ‘main’ price marker for the purposes of limb 1a. However, for other sites, the CMA found that there was little difference in the weighting between the top two (or more) highest-weighted price markers, such that it may not be appropriate to distinguish the highest-weighted competitor as the ‘main’ marker compared with the competitor(s) with similar weights.

82. In the circumstances of this case, the CMA considered it appropriate to amend filter 1a so that, where the focal site is an MFG site, the site is deemed to fail filter 1a where either an MRH site is identified as the price marker with the highest weighting or an MRH site is identified as a price marker with a weighting in excess of 25% (irrespective of its ranking).<sup>23</sup>
83. With respect to filter 1c, previous OFT and CMA decisions have only found a site to fail this filter where the number of competing *brands* in the price marker list is reduced. Since it is the owner of the site who sets the price (rather than the brand owner), the CMA considered whether it would be appropriate to amend this filter to also capture sites where the number of competing *owners* in the price marker list is reduced. However, given that applying such an amendment would not result in any additional local areas failing the filters, it was not necessary for the CMA to conclude on this point.

#### *Filtering process*

84. Following the application of the filters set out in paragraph 80 (including the CMA’s amendment to the price marker filter for MFG), the Parties identified as failing one or more of the filters 161 sites where one Party’s site is within the drive-time of a site of the other Party.<sup>24</sup> The CMA reviewed this analysis and identified one further overlap area which had not been identified by the Parties. Once de-duplicated, this resulted in 84 overlap areas.<sup>25</sup> The CMA verified the Parties’ analysis and found it to be robust.
85. The Parties submitted that, given the cautious nature of the above filters, it was appropriate to apply a series of secondary filters to exclude further local areas from a detailed area-by-area assessment. The Parties submitted that the application of these secondary filters (which would apply additional rules relating to the proximity of the Parties’ sites relative to other sites, the extent

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<sup>23</sup> It is not necessary to make the same amendment where the focal site is an MRH site because, as described in paragraph 55, MRH does identify a ‘key’ price marker, which represents the main competitor price point that MRH considers in its price setting.

<sup>24</sup> The amendment to limb 1a of the filter led to the failure of an additional site: MFG-owned Victoria. The overlapping area in which MFG-owned Victoria is included already failed when centred on the MRH site in that area, so this did not result in an increase in failed overlapping areas.

<sup>25</sup> MRH is developing six new-to-industry sites. However, the addition of these sites does not lead to the failure of any additional overlap areas.

to which the Parties price marked one another, the number of brands and owners remaining post-Merger and the market share of the Parties in the local area) would be consistent with criteria applied by the CMA in past cases where it had concluded that certain local areas which failed the primary filters nevertheless did not give rise to a realistic prospect of an SLC.

86. The CMA did not consider it appropriate to apply the criteria outlined by the Parties as a 'secondary filter'. Whilst the CMA acknowledges that the factors identified by the Parties may be appropriate to consider as part of a detailed local assessment, the CMA has not tested whether the proposed secondary 'filter' would be appropriate to apply mechanistically across all sites. The CMA also did not believe that it was feasible to test the application of the proposed secondary filter within the context of its Phase 1 investigation.
87. With regard to those local areas where the filters were failed (including their proposed secondary filters), the Parties submitted that the degree to which the Merger may be found to give rise to competition concerns varied. The Parties submitted that in some local areas there were very strong arguments why the Merger could not plausibly give rise to a realistic prospect of an SLC, while in others a more detailed assessment may be required before the CMA could satisfy itself that no concerns arose. In other areas, the Parties acknowledged that the decisional practice of the CMA suggested that the Merger may give rise to a realistic prospect of an SLC.
88. The Parties conceded that the test for reference was met in 23 of the 84 local areas where the primary filter was failed, as listed in Annex 1. The CMA reviewed these local areas and found that these were areas where the CMA was more likely to find prima facie competition concerns on the basis of one or more of the following factors: the proximity of the Parties' sites, the prominence of the Parties' in each other's price marker lists, the high market shares of the Parties in the local area and/or the limited number of competitor sites in the local area. The CMA therefore agreed with the Parties that the Merger gave rise to a realistic prospect of an SLC with respect to the retail supply of road fuel in these 23 local areas without having to conduct a detailed local assessment in each area.<sup>26</sup> This allowed the CMA to focus its analysis on the remaining 61 overlap areas.

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<sup>26</sup> On the basis of its high level review, the CMA was satisfied that a more in-depth look at these local areas was unlikely to produce a different outcome. The CMA notes that, following its in-depth assessment of the remaining local areas (in which the Parties submitted that the test for reference was not met), the CMA identified some further local areas in which the Merger would give rise to a realistic prospect of an SLC. This supports the view that an in-depth assessment of those local areas in which the Parties conceded that the test for reference was met would have confirmed that there was a realistic prospect of an SLC in these local areas.

89. As part of its assessment of the remaining 61 local overlap areas, the CMA considered the following categories of evidence:
- (a) The drive-time distance between the Parties' sites, and between the Parties' sites and competitor sites;
  - (b) Traffic flows in the area, which may affect the degree to which sites may be competing for the same customers;
  - (c) The identity and number of the Parties' price markers and the weights (in the case of MFG's sites) or [X] (in the case of MRH's sites) associated with each of these;
  - (d) The number, geographic location and identity<sup>27</sup> of competitor sites present in the local area; and
  - (e) The Parties' combined shares of supply in the local area by volume and by number of sites.
90. Through this local area assessment, the CMA believes that in 55 of the 61 local areas which failed a primary filter the Merger does not give rise to a realistic prospect of an SLC in the retail supply of road fuel. This is due to a combination of factors, which differ on a site-by-site basis both in terms of their relevance and importance in the CMA's assessment. These factors include: the number of competitors in the local area and their proximity to the Parties' sites; the low combined market share of the Parties in the local area; competitors' sites being located at closer or similar drive-time distances to the Parties' overlapping sites; the Parties' overlapping sites price marking a number of competitors with higher or similar weightings/[X] to the Parties' overlapping site(s); supermarkets exerting a particularly strong constraint on the Parties; and/or the traffic flows in the local area indicating that the Parties' overlapping sites are not competing closely (despite their proximity) relative to competitors' sites.
91. The CMA's assessment of the six remaining overlap areas is set out below.

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<sup>27</sup> See paragraph 66 regarding petrol sites owned by supermarkets.

## *Detailed local assessment*

### *MFG Beaumont/MRH Kings Norton*

92. This competitive overlap merited a more detailed assessment because (i) MFG price marks MRH, assigning MRH a [X] weighting; and (ii) the Parties are closest to each other in terms of drive-time.
93. The Parties submitted that:
- (a) the sites are only very marginally closest to each other, with Esso Bournville the second closest to each site (0.03 minutes further from MFG Beaumont and 0.5 minutes further from MRH Kings Norton);
  - (b) the main price marker filter is only met one way (that is, when the assessment is centred on [X]), and [X] main marks [X] even though it is not the closest site in terms of distance, demonstrating the importance of [X] in the local area;
  - (c) MFG Beaumont serves southbound traffic on the A441 arterial road, whereas MRH Kings Norton serves northbound traffic on the dual carriageway section of the A441; and
  - (d) the Parties' combined market share is no more than [10-20]%, with at least 12 competing owners remaining post-Merger, including Sainsbury's and Asda supermarkets and a nearby Tesco which is on the same road as MRH Kings Norton.
94. Based on the evidence available to it, the CMA found that the overlap between MFG Beaumont and MRH Kings Norton gives rise to a realistic prospect of an SLC in the retail supply of road fuel for the following reasons:
- (a) MRH Kings Norton is the closest competitor to MFG Beaumont (and vice versa) in terms of drive-time.
  - (b) MRH Kings Norton is MFG Beaumont's [X] ranked price marker with a [X] weight of [X], which indicates that the MRH site is highly influential on the MFG site's price setting. MRH Kings Norton has only [X] price markers, of which MFG Beaumont is one.
  - (c) The nearby [X] is price marked [X] by MFG Beaumont ([X]), and [X] by MRH Kings Norton.
  - (d) The northbound traffic flow on the A441 is served by both sites, although MFG Beaumont also serves southbound traffic because, while MRH

Kings Norton is on a road with a central reservation, MFG Beaumont is accessible from both sides of the road.

(e) There are several other petrol stations in the area but only one, Esso, is close by. There are no petrol stations in the vicinity to the south of the Parties until customers reach another MFG site 7 minutes' drive down the A441 to the south (MFG Bridge Hopwood), which serves both northbound and southbound traffic flows.

(f) The nearest supermarket-owned petrol sites are relatively distant, the closest being a Sainsbury's which is 7 minutes' drive from MFG Beaumont and 6 minutes' drive from MRH Kings Norton.<sup>28</sup> MFG [redacted], suggesting that Sainsbury's exerts a limited constraint on MFG.

95. The CMA therefore believes that the Merger gives rise to a realistic prospect of an SLC in the retail supply of road fuel in this local area.

#### *MFG Fairfield/MRH Newbridge*

96. This competitive overlap merited a more detailed assessment because (i) MRH is MFG's [redacted] price marker; and (ii) the Parties are closest to each other in terms of drive-time.

97. The Parties submitted that:

(a) The main marker filters are only met one way. [redacted] main marks [redacted] even though [redacted] is a closer site.

(b) The sites serve different traffic flows. MRH Newbridge is a service station serving traffic at junction 1 of the M9, which joins the A8 dual carriageway (the main through road to West Edinburgh). MFG Fairfield is located in a light industrial and residential area to the west of the M9, away from the traffic flow to/from Edinburgh.

(c) There will remain at least four competing owners in the area post-Merger.

98. Based on the evidence available to it, the CMA found that the overlap between MFG Fairfield and MRH Newbridge gives rise to a realistic prospect of an SLC in the retail supply of road fuel for the following reasons:

(a) MRH Newbridge is the closest competitor to MFG Fairfield (and vice versa) in terms of drive-time.

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<sup>28</sup> While the Parties note that there is a Tesco nearby, the CMA understands that the petrol operations are managed at this site, and the prices are set, by Esso.

- (b) MRH Newbridge is MFG Fairfield's [redacted] price marker, [redacted], which indicates that the MRH site has a material influence on MFG's price setting.
- (c) MRH Newbridge has [redacted] price markers, of which MFG Fairfield is [redacted] ranked, while the [redacted] and [redacted] are [redacted] BP-owned sites.
- (d) MRH Newbridge is on the exit road from the M8, which the CMA considers makes it easily accessible for local residents who may choose between MRH Newbridge and MFG Fairfield. Both sites are also accessible for drivers passing through Broxburn.
- (e) When the assessment is centred on MFG Fairfield, the Merger results in a reduction of 5 to 4 in competing brands and a reduction of 5 to 4 in competing owners in the area.
- (f) When the assessment is centred on MFG Fairfield, within the 10-minute drive-time the Merger results in a relatively high combined market share of [30-40]%, and a relatively high increment of [10-20]%.
- (g) The Parties would own half (5 out of 10) of the sites in the area when centred on MFG Fairfield.
- (h) There are no supermarket-owned petrol sites in the immediate vicinity of either site. The closest to MFG Fairfield is Tesco South Queensferry, over 9 minutes' drive away, and this is the only supermarket in the area when centred on MFG Fairfield. MRH Newbridge's closest supermarket is Morrison's which is over 7 minutes' drive away. The Parties' price markers reflect that supermarkets in the wider area may exert only a limited constraint: only MFG Fairfield includes a supermarket site ([redacted]) in its price markers, [redacted].
- (i) The second-closest competitor to MFG Fairfield, BP-branded Ingliston SF Connect, is over 7 minutes' drive away (the second closest site to MFG Fairfield is another MFG site, MFG Glendevon).

99. The CMA therefore believes that the Merger gives rise to a realistic prospect of an SLC in the retail supply of road fuel in this local area.

*MFG Hanwell/MRH Studley Grange/MRH Southall*

100. This competitive overlap merited a more detailed assessment because (i) the two MRH sites are MFG's [redacted] price markers; and (ii) the Parties are closest to each other in terms of drive-time.

101. The Parties submitted that:



- (a) The main price marker filter is not met in respect of MRH Studley Grange, which main marks [redacted] and only [redacted] MFG Hanwell with a materially lower [redacted] compared with [redacted].
- (b) While MRH Southall [redacted] marks MFG Hanwell, it assigns [redacted].
- (c) The Parties' sites serve different traffic flows. MRH Southall is located on the eastbound traffic flow of the A4020 into London. MRH Studley Grange is located on the southbound side of Boston Road, serving residential traffic flows to the south of the A4020 and is not a convenient alternative to MRH Southall. MFG Handwell is located on a residential area to the north of the A4020, serving local traffic flows.
- (d) The combined market share is no more than [10-20]%, and there will remain at least 10 competing owners post-Merger.
- (e) [redacted] supermarkets are important competitors. Even though they are further away than the Parties' sites, they form a ring around the Parties' sites, putting downward pressure on prices in the area.

102. Based on the evidence available to it, the CMA found that the overlap between MFG Hanwell, MRH Studley Grange and MRH Southall gives rise to a realistic prospect of an SLC in the retail supply of road fuel for the following reasons:

- (a) MRH Studley Grange and MRH Southall are the two closest competitors to MFG Hanwell in terms of drive-time. MFG Hanwell is also significantly closer to MRH Studley Grange than are other competitors.
- (b) MFG Hanwell price marks [redacted] MRH sites [redacted], which indicates the [redacted] MRH sites are highly influential on MFG's price setting.
- (c) While it has assigned [redacted] to other sites, MRH Southall nonetheless ranks MFG Hanwell as its [redacted] price marker and MRH Studley Grange price marks MFG Hanwell as its [redacted] price marker.
- (d) MFG Hanwell is located on Church Road, a residential street a very short distance to the north of the A4020, serving local traffic flows. MFG Hanwell, although not on the A4020, is visible from this road and easily accessible from it. Moreover, MRH Studley Grange and MFG Hanwell are extremely close geographically, being each other's closest sites by drive-time. As such MFG Hanwell serves a similar traffic flow to MRH Southall and a similar local area to MRH Studley Grange. There are no further competitors serving the A4020 traffic flow in the isochrone of both MFG Hanwell and MRH Southall.

(e) There are no supermarket-owned petrol sites in close proximity. The closest is Tesco Extra which is over 8 minutes' drive from MFG Hanwell, over 7 minutes' drive from MRH Southall and over 6 minutes' drive from MRH Studley Grange.

(f) There are some local alternatives to the Parties, but the price marker information indicates that MRH may exert the strongest competitive constraint on MFG, and vice versa.

103. The CMA therefore believes that the Merger gives rise to a realistic prospect of an SLC in the retail supply of road fuel in this local area.

#### *MFG Lymm/MRH Cheshireways*

104. This competitive overlap merited a more detailed assessment because MFG price marks [X] MRH sites which, when combined, are the [X] influence on MFG.

105. The Parties submitted that:

(a) The area is only caught by the CMA's filters one way, [X], and does not meet the closest in distance or the main price marker filters.

(b) The sites serve distinct locations and traffic flows, with MFG Lymm serving through traffic and MRH Cheshireways serving residential traffic in a village, particularly since a new bypass has opened which diverts traffic around MRH Cheshireways.

(c) The combined market share centred on MFG Lymm is only [30-40]%, and there will remain at least 4 competing owners post-Merger.

(d) When centred on MRH Cheshireways, there is significant competition from supermarkets just outside of the isochrone which would be accessible for local residents.

106. Based on the evidence available to it, the CMA found that the overlap between MFG Lymm and MRH Cheshireways gives rise to a realistic prospect of an SLC in the retail supply of road fuel for the following reasons:

(a) MFG Lymm price marks [X] sites of which MRH Cheshireways and the more distant MRH Tabley Hill are the [X] price markers [X]. This indicates that the two MRH sites have a material influence on MFG's price

setting and, combined, have a significantly greater influence than Shell [redacted].<sup>29</sup>

- (b) The Merger results in a reduction of 5 to 4 in competing brands and in a reduction of 5 to 4 in competing owners in the area.
- (c) Although the sites are located on different traffic flows with no main road connecting the two settlements, due to the limited number of other petrol sites in the local area, the Parties' sites are likely to be close alternatives for local residents.
- (d) When the assessment is centred on MFG Lymm, within the 10-minute drive-time the Merger results in a relatively high combined market share of [30-40]%, and a material increment of [10-20]%.
- (e) The Parties would own 2 out of 5 sites in the area.
- (f) Competing sites are located further away: of the three competitors within MFG Lymm's isochrone, BP is on a motorway and therefore less accessible, and Shell and Esso are at the edges of the isochrone.
- (g) There are no supermarkets in the local area. Although there are several supermarkets outside MFG Lymm's isochrone, [redacted] these sites do not exert a significant constraint on the Parties' sites.

107. The CMA therefore believes that the Merger gives rise to a realistic prospect of an SLC in the retail supply of road fuel in this local area.

#### *MFG Styal Road/MRH Civic Centre*

108. This competitive overlap merited a more detailed assessment because (i) MRH is MFG's [redacted] price marker; and (ii) the Parties are closest to each other in terms of drive-time.

109. The Parties submitted that:

- (a) The main marker filter is only met one way as [redacted] does not main mark [redacted] despite it being the closest competing site.
- (b) The sites are on different traffic flows. MRH Civic Centre serves local traffic flows in the residential suburb of Wythenshawe. MFG Styal Road is well located to serve traffic associated with the airport (particularly taxis

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<sup>29</sup> Given the opening of the new bypass that diverts traffic around MRH Cheshireways, [redacted]. However, MFG did not provide evidence to support this submission such that the existing price marker information could be rebutted.

and hire cars) and commuter traffic between parts of Cheshire and the Manchester arterial road system.

- (c) The combined market share is no higher than [20-30]% and there will remain at least 8 competing owners post-Merger. This includes the nearby Sainsbury's and Tesco. [X] is the [X] price marker for MRH Civic Centre and the [X] price marker for MFG Styal Road.

110. Based on the evidence available to it, the CMA found that the overlap between MFG Styal Road and MRH Civic Centre gives rise to a realistic prospect of an SLC in the retail supply of road fuel for the following reasons:

- (a) MRH Civic Centre is the closest competitor to MFG Styal Road (and vice versa) in terms of drive-time.
- (b) The Parties' price marking indicates close competition between these sites as MFG Styal Road has MRH Civic Centre as its [X] price marker, and MRH Civic Centre price marks only [X] competitors, one of which is MFG Styal Road.
- (c) MFG Styal Road is accessible for customers going northbound towards MRH Civic Centre via Hollin Lane.
- (d) When the assessment is centred on MRH Civic Centre, within the 10-minute drive-time the Merger results in a material market share of [20-30]%, with a material increment of [5-10]%.
- (e) There are few alternatives nearby:
  - (i) The only competitor within the area bounded by the bypass, Manor retail group-owned Texaco, located next to Manchester airport, is currently closed. The CMA notes the Parties' submission that a new BP site is set to open near to Texaco's old site but the CMA believes that this may be a relatively unattractive option for local customers due to airport traffic.
  - (ii) Remaining competitors, including the two supermarket sites, are located more than 5 minutes' drive away from both of the Parties' sites.

111. The CMA therefore believes that the Merger gives rise to a realistic prospect of an SLC in the retail supply of road fuel in this local area.

*MFG Swallow/MRH Felling/MRH Gateshead*

112. This competitive overlap merited a more detailed assessment because (i) the three MRH sites in the area are price marked by MFG; and (ii) the Parties are closest to each other in terms of drive-time.
113. The Parties submitted that:
- (a) The three sites in this overlap area are the closest to each other but the main marker filter is only met one way. [X] marks [X] as its [X] price marker and [X] does not price mark [X] at all.
  - (b) The sites serve different traffic flows. MFG Swallow is located in a residential area serving traffic flows travelling towards the A167 Gateshead Highway arterial road, which carries traffic to central Gateshead and Newcastle. MRH Felling is located to the east of Gateshead town centre in a mixed commercial and residential area serving the traffic flow on the eastbound A184 away from central Gateshead. MRH Gateshead serves residential traffic flows in suburbs to the east of Gateshead.
  - (c) The combined market share is no more than [20-30]%, and there will remain at least 10 competing owners.
  - (d) There are nearby Morrisons, Asda and Sainsbury's supermarkets. [X] is the [X] price marker for MFG Swallow.
114. Based on the evidence available to it, the CMA found that the overlap between MFG Swallow, MRH Felling and MRH Gateshead gives rise to a realistic prospect of an SLC in the retail supply of road fuel for the following reasons:
- (a) In terms of drive-time, MRH Felling is the closest competitor to MFG Swallow, and MFG Swallow is the closest competitor to MRH Felling and MRH Gateshead.
  - (b) MFG Swallow is MRH Felling's [X] ranked price marker, with a significantly higher [X] compared with the [X] other competitors in its price marker list (respectively [X]). This indicates that MFG Swallow is highly influential on MRH Felling's price setting.
  - (c) Although the Parties did not provide any weightings for the competitors in MFG Swallow's price marker list, MFG Swallow price marks [X] MRH

sites,<sup>30</sup> which indicates that the MRH sites may be highly influential on MFG's price setting. The Parties stated that [REDACTED]. Moreover, the CMA notes that this [REDACTED] site appears to serve different traffic flows to the Parties' sites.

- (d) While MRH Felling is inaccessible for westbound traffic on the A184, MFG Swallow and MRH Gateshead are in the same residential area and, for customers travelling on Sunderland Road, both sites are a credible option. Shell Redheugh Bridge appears to serve a different traffic flow. The Parties own all three sites that serve traffic between the eastern side of Gateshead and Newcastle city centre.
- (e) Within the isochrone, the Merger results in a material market share of [20-30]%, with an increment of [5-10]%.
- (f) The Parties would own 25% (5 out of 20) sites in the area centred on MRH Felling and 24% (5 out of 21) sites in the area centred on MFG Swallow.
- (g) The River Tyne forms a significant barrier to traffic flows, and the Parties have a high concentration of the sites on the south side of the river in Gateshead, where the Parties' four sites are located close to each other, with the MFG site situated between three MRH sites.
- (h) While there are alternative petrol stations along the river to the west (including supermarkets), there are few alternatives in the eastern side of Gateshead. [REDACTED] the sites to the west of the Parties exert a limited constraint on the Parties' sites.
- (i) There are no supermarket-owned petrol sites in close proximity. The closest is Morrison's Byker which is over 7 minutes' drive from MFG Swallow and over 8 minutes' drive from MRH Felling, and is on the opposite side of the river.

115. The CMA therefore believes that the Merger gives rise to a realistic prospect of an SLC in the retail supply of road fuel in this local area.

#### *Conclusion on horizontal unilateral effects*

116. For the reasons set out above, the CMA believes that the Merger gives rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in relation to the retail supply of road fuel in:

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<sup>30</sup> [REDACTED].

- (a) The 23 local areas set out in Annex 1;
- (b) MFG Beaumont/MRH Kings Norton;
- (c) MFG Fairfield/MRH Newbridge;
- (d) MFG Hanwell/MRH Studley Grange/MRH Southall;
- (e) MFG Lymm/MRH Cheshireways;
- (f) MFG Styal Road/MRH Civic Centre; and
- (g) MFG Swallow/MRH Felling/MRH Gateshead.

***Horizontal unilateral effects – retail supply of auto-LPG and retail supply of groceries***

117. On the basis of the Parties' low market shares and on the basis of third party responses to the CMA's merger investigation, the CMA found no competition concerns on a national basis for the retail supply of auto-LPG or the retail supply of groceries.
118. To assess whether any areas may raise concerns at a local level in respect of either the retail supply of auto-LPG or the retail supply of groceries, the CMA adopted a filtering approach:
- (a) With respect to the retail supply of auto-LPG, the CMA applied two alternative conservative filters. A local area failed the filter if: (i) the Merger resulted in a fascia count reduction from 5 to 4 or fewer (by brand or owner) within any of the isochrones discussed in the geographic market definition in paragraph 38; or (ii) the Parties' sites were the closest in terms of drive-time. Four local areas failed one or more of these filters.

Following a more detailed assessment of the local conditions of competition in these four local overlap areas, the CMA ruled out concerns in three overlap areas on the basis that they only fail the filter on the shorter drive-time isochrones and there are a number of competitors in the area captured by the longer drive-time isochrones.

However, the CMA was unable to rule out concerns in the remaining local area: MFG Sparkford/MRH Podimore.

(b) With respect to the retail supply of groceries, consistent with its approach in past cases,<sup>31</sup> a local area failed the filter where the Merger resulted in a fascia count reduction from 4 to 3 or fewer within a 5-minute drive-time or 1-mile radius. Based on the Parties' submissions and the CMA's own analysis of datasets from recent groceries cases, the CMA found three sites in two local areas failed the filter: MFG Sparkford/MRH Hazelgrove and MRH Newbridge.

119. The local area that fails the filter for auto-LPG (MFG Sparkford/MRH Podimore) is part of an area in which the CMA believes there also to be a realistic prospect of an SLC in the retail supply of road fuels. This is also the case for both areas that fail the filters for the retail supply of groceries (MFG Sparkford/MRH Hazelgrove and MRH Newbridge). On the basis of evidence received from the Parties, the CMA believes that it is inconceivable for the Parties to address the competition concerns relating to the retail supply of road fuel at a site without also addressing any competition concerns relating to the retail supply of auto-LPG and/or groceries at the same site. For this reason, the CMA has not considered these products in these areas in further detail as it believes that any UILs which satisfactorily address the CMA's concerns as regards the retail supply of road fuel in these areas would also address any potential concerns the CMA may have with regard to these other products. The CMA has accordingly not concluded on whether the test for reference is satisfied with regard to these products in these local areas.

### ***Vertical effects – wholesale supply of road fuel***

120. Vertical effects may arise when a merger involves firms at different levels of the supply chain, for example a merger between an upstream supplier and a downstream customer or a downstream competitor of the supplier's customers.

121. Vertical mergers may be competitively benign or even efficiency-enhancing, but in certain circumstances can weaken rivalry, for example when they result in foreclosure of the merged firm's competitors. The CMA only regards such foreclosure to be anticompetitive where it results in an SLC in the foreclosed market(s), not merely where it disadvantages one or more competitors.<sup>32</sup>

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<sup>31</sup> Tesco/Booker, Coop/Nisa

<sup>32</sup> In relation to this theory of harm 'foreclosure' means either foreclosure of a rival or to substantially competitively weaken a rival.



122. The CMA's approach to assessing vertical theories of harm is to analyse (a) the ability of the merged entity to foreclose competitors, (b) the incentive of it to do so, and (c) the overall effect of the strategy on competition.<sup>33</sup>
123. In the present case, MFG wholesale supplies road fuel to 183 independent Murco petrol stations. The CMA has therefore considered whether, in local areas where an MRH site overlaps with a Murco site supplied by MFG, the merged entity could have the ability and incentive to increase wholesale prices to the Murco site, with the expectation that if the retail price rises and some retail sales are lost, a proportion of those will be recaptured by the MRH site, and by existing MFG retail sites also in the area.<sup>34</sup> This could result in higher retail prices for consumers and weaken the retail competitive constraint from the Murco site.<sup>35</sup>
124. Given the number of local overlaps, and broadly consistent with the CMA's previous decisional practice,<sup>36</sup> the CMA applied a filtering approach to identify local areas in which the Merger may give rise to vertical effects. This filter primarily sought to identify local areas where the relevant sites are particularly close competitors or where there are relatively few retail competitors such that the merged entity may be more likely to benefit from retail sales diverting away from the Murco site. In other areas, the CMA believes that the merged entity would not have the incentive to pursue a foreclosure strategy, even if it has the ability to do so. This filtering approach identified local areas, using the same drive-time isochrones used in the CMA's assessment of horizontal effects in the retail supply of fuel described above, where:
- (a) the Merger would result in a reduction in competing owners from 4 to 3 or fewer; or
  - (b) an MRH site was the closest site to an MFG dealer site by drive-time.
125. The CMA did not use price markers in its filtering approach as it did not have information on which competitors the Murco sites price-marked. However the CMA took into account MRH's price markers in its area-by-area assessment.

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<sup>33</sup> [Merger Assessment Guidelines](#), paragraph 5.6.6.

<sup>34</sup>Where there is already an MFG retail site in the area, MFG might already have some incentive to increase its wholesale prices to divert retail sales to its site. The Merger could increase this incentive if, by adding MRH's sites in the area, it increases the proportion of diverted retail sales recaptured.

<sup>35</sup>The CMA does not believe that the Merger could give rise to concern at a national level under this theory of harm, given MFG's limited national share of supply in the wholesale supply of road fuel.

<sup>36</sup>In MFL/Murco the CMA adopted the fascia count filter but did not use a filter based on geographic closeness based on drive-time. In MFL/Shell, the CMA considered geographic closeness and fascia count in its assessment.

126. This filtering methodology resulted in seven sites failing the filter, which once de-duplicated, resulted in five local areas.
127. The CMA excluded concerns in two sites on the basis that the Parties would not have an ability to increase prices, due to the Murco dealer being out of the minimum contract term with MFG and able to switch to an alternative wholesale supplier if MFG increased its wholesale prices. The CMA confirmed that alternative wholesale suppliers were present in these areas. However, the exclusion of these sites did not reduce the number of areas for consideration as other sites in these areas also failed the filters.
128. The CMA excluded concerns in two of the seven local areas on the basis that there are a number of credible alternatives in the area and the Parties would be unlikely to recapture sufficient switching customers such that they would have an incentive to undertake a foreclosure strategy. The CMA therefore considered in further detail three local areas:
- (a) Murco Amesbury Filling Station / MRH Durrington;
  - (b) Murco Saffrons Cross / MRH Northside; and
  - (c) Murco Carters of Capel / MRH Leith Hill.

### *Ability*

129. The Parties submitted that the merged entity would not have the ability to foreclose the Murco dealers at these sites. The Parties noted MFG's extremely limited market share in the wholesale supply of fuels, and the ease with which Murco dealers can switch from MFG to alternative suppliers when their contract term expires, and the absence of up-front costs required to do so. [REDACTED].<sup>37</sup>
130. The CMA confirmed that alternative wholesale suppliers are present in all three of these local areas. This was confirmed by a number of Murco dealers in the local areas. The CMA therefore considers that MFG would not have the ability to foreclose Murco dealers in the longer term.
131. However, based on the CMA's review of [REDACTED].<sup>38</sup> The CMA confirmed that [REDACTED]. The CMA found that [REDACTED].

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<sup>37</sup> Under the terms of the agreements under review, [REDACTED]. In practice, [REDACTED].

<sup>38</sup> [REDACTED].

132. Evidence from Murco dealers indicated that MFG-supplied dealers are likely to pass on any wholesale price increases to their customers to a significant extent. This is supported by the fact that margins in the retail supply of fuel are generally low: the Parties submitted, based on a 2017 industry report, that the industry average was about 3-5p per litre.<sup>39</sup> This is also consistent with previous decisions by UK competition authorities relating to mergers in the supply of road fuel, where the pass-through rate has been estimated to be around 100%.<sup>40</sup>
133. The CMA therefore believes that the merged entity may have the ability to increase wholesale prices to the three Murco dealers in paragraph 128 during the existing term of their contracts, and that such increases in wholesale prices could affect prices at the retail level. However, the CMA believes that in the longer term (as the contracts expire or are terminated) the Murco dealers would be able to avoid any price increase by switching away to another wholesale supplier.

#### *Incentive*

134. The Parties submitted that the merged entity does not have the incentive to foreclose Murco dealers. The Parties explained that the fragmented nature of the local retail fuel market means that the merged entity would not capture a substantial proportion of the sales which may divert away from the Murco dealer following an increase in their retail prices. The Parties added that any such foreclosure strategy could only be both short term and localised. Moreover, MFG would risk losing many other wholesale customers as a result of this strategy given the significant reputational damage it would suffer, endangering its dealer supply nationally, beyond any particular local area.
135. MFG may have an incentive to increase wholesale prices to Murco dealers in the local areas under review if:
- (a) there are no, or few, alternative retail suppliers in the local area, such that the Parties (both at their MFG and MRH retail sites) may be likely to capture a substantial proportion of customers switching away from the Murco dealer site in response to a price rise; and
  - (b) the profits generated from MFG's wholesale supply to the Murco dealer are lower than the profits generated from retail sales at the overlapping MRH site (as measured by comparing the margins generated through the

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<sup>39</sup> Source: Barber Wadlow (2017).

<sup>40</sup> Shell/Rontec, paragraphs 96 and 97

wholesale and retail sales), so that retail gain may outweigh the foregone wholesale profit.

136. [✂].

137. In each local area, the CMA calculated the level of diversion required in order for it to be profitable for the merged entity to raise prices at the Murco dealer site, and considered whether it was plausible that the level of diversion would be achieved. In each case, the CMA found that it was unrealistic that the required diversion levels would be attained, given the local conditions of competition in those local areas and the alternatives to which customers could switch. This suggested that the merged entity would have no (or very limited) incentive to engage in such a strategy.

138. The CMA also took into account that any limited incentive that the merged entity may have to engage in such a strategy would be short-term, due to the dealers' ability to exit their supply contracts after a minimum term and the availability of alternative suppliers (as discussed in paragraphs 129 to 131 above).

139. For these reasons, the CMA believes that the merged entity would not have an incentive to increase wholesale prices at the three local areas under review as a result of the Merger.

#### *Effect*

140. Given the CMA's conclusion that the merged entity would not have an incentive to increase wholesale prices to the three Murco dealers, the CMA has not assessed the effect on competition of such a foreclosure strategy.

#### *Conclusion on vertical effects*

141. For the reasons set out above, the CMA believes that the Merger does not give rise to a realistic prospect of an SLC as a result of vertical effects in relation to MFG's wholesale supply of road fuel to independent Murco dealers.

#### ***Barriers to entry and expansion***

142. Entry, or the expansion of existing firms, can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no SLC. In assessing whether entry or expansion might prevent an SLC, the CMA

considers whether such entry or expansion would be timely, likely and sufficient.<sup>41</sup>

143. The Parties submitted that there is considerable M&A activity in the petrol station market with sites frequently changing hands. They also submitted that, with demand for sites continuing to exceed supply, some independents have sought to develop 'new-to-industry' sites to grow their networks.
144. Except in relation to the MFG Styal Road/MRH Civic Centre overlap area (see paragraph 110(e)(i)), the Parties did not submit evidence on any particular entry or expansion that may mitigate the CMA's competition concerns in any of the local areas discussed in paragraphs 92 to 115, nor has the CMA received any such evidence from third parties. In its previous cases in the retail supply of road fuel, the CMA has received evidence that there are substantial barriers to establishing new petrol stations.<sup>42</sup> A change of ownership of an existing competing petrol station is unlikely to mitigate the competition concerns identified.
145. For these reasons, the CMA believes that it cannot rely on entry or expansion being timely, likely or sufficient to prevent a realistic prospect of an SLC as a result of the Merger.

### **Third party views**

146. The CMA contacted competitors and suppliers of the Parties, and relevant trade bodies. Some competitors raised concerns regarding the reduction of local competition, the reduction of brands and an increase in the Parties' buyer power as a result of the Merger. Other competitors and suppliers did not share these concerns, noting that the Parties were not closer competitors with each other than with other retail suppliers of road fuel. While the trade bodies did not have specific concerns, they noted that it was hard to predict the impact of the Merger. No other third parties raised concerns about the Merger.
147. Third party comments have been taken into account where appropriate in the competitive assessment above.

### **Decision**

148. Consequently, the CMA believes that it is or may be the case that (i) a relevant merger situation has been created; and (ii) the creation of that

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<sup>41</sup> [Merger Assessment Guidelines](#), from paragraph 5.8.1.

<sup>42</sup> MFG/Murco

situation has resulted, or may be expected to result, in an SLC within a market or markets in the UK.

149. The CMA therefore believes that it is under a duty to refer under section 22(1) of the Act. However, the duty to refer is not exercised whilst the CMA is considering whether to accept undertakings under section 73 of the Act instead of making such a reference.<sup>43</sup> MFG has until 7 September 2018<sup>44</sup> to offer an undertaking to the CMA.<sup>45</sup> The CMA will refer the Merger for a phase 2 investigation<sup>46</sup> if MFG does not offer an undertaking by this date; if MFG indicates before this date that it does not wish to offer an undertaking; or if the CMA decides<sup>47</sup> by 14 September 2018 that there are no reasonable grounds for believing that it might accept the undertaking offered by MFG, or a modified version of it.
150. The statutory four-month period mentioned in section 24 of the Act in which the CMA must reach a decision on reference in this case expires on 29 October 2018. For the avoidance of doubt, the CMA hereby gives MFG notice pursuant to section 25(4) of the Act that it is extending the four-month period mentioned in section 24 of the Act. This extension comes into force on the date of receipt of this notice by MFG and will end with the earliest of the following events: the giving of the undertakings concerned; the expiry of the period of 10 working days beginning with the first day after the receipt by the CMA of a notice from MFG stating that it does not intend to give the undertakings; or the cancellation by the CMA of the extension.

**Sheldon Mills**  
**Senior Director**  
**Competition and Markets Authority**  
**31 August 2018**

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<sup>43</sup> Section 22(3)(b) of the Act.

<sup>44</sup> Section 73A(1) of the Act.

<sup>45</sup> Section 73(2) of the Act.

<sup>46</sup> Sections 22(1) and 34ZA(2) of the Act.

<sup>47</sup> Section 73A(2) of the Act.

## ANNEX 1

Overlap sites	Filter failed
MFG Ashford/MFG East Stour/MRH Beaver/MRH Hothfield	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
MFG Barnet/MFG New Barnet/MFG Potters Bar/MRH Whetstone/MRH Cockfosters/MRH Southgate	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> <li>• Fascia counts (owners)</li> </ul>
MFG Bawbee/MRH Leven	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Fascia counts (owners)</li> </ul>
MFG Bear Cross/MFG Hamworthy/MFG Bournemouth Road/MRH Wallisdown/MRH Oakdale/MRH East Howe/MRH Longfleet	<ul style="list-style-type: none"> <li>• Closest sites</li> <li>• Price marker</li> </ul>
MFH Brighton Road/MRH Whitgift/MRH Hayling Down	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
MFG Calne/MRH Pippin	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> <li>• Fascia counts (owners)</li> </ul>
MFG Canvey Island/MFG Kents Hill/MRH Canvey Island/MRH Long Road/MRH Manor	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> <li>• Fascia counts (owners)</li> </ul>
MFG Carlton Square/MFG Sportsman/MRH East Lane/MRH Pierrepont	<ul style="list-style-type: none"> <li>• Price marker</li> </ul>
MFG Finsbury Park/MFG Stamford Hill/MFG Ambassador/MRH Hornsey Road/MRH Horsney Rise/MRH Stamford Hill	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
MFG Hastings/MFG Bexhill/MRH Glyne Gap/MRH Sidley	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
MFG Kenilworth/MRH Warwick Road	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>

Overlap sites	Filter failed
<b>MFG Killay/MRH Dunvant</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MFG Mid-Cornwall/MRH Cornish Gateway</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MFG New John Street/MRH Key Hill</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MFG Nothwick/MFG St Stephens/MRH Castle/MRH Blackpole</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MFG Pwllmeyric/MFG Almondsbury/MRH Chepstow/MRH Patchway</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MFG Riviera/MRH Riviera</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MFG Sparkford/MRH Hazelgrove/MRH Podimore/MRH Lydford</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MRH Runnymede/MFG Egham</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MFG Walton House/MFG Parkhurst/MRH Moleside/MRH Palace/MRH Shepperton</b>	<ul style="list-style-type: none"> <li>• Price marker</li> </ul>
<b>MFG Thamesmead/MRH Lakedale</b>	<ul style="list-style-type: none"> <li>• Price marker</li> </ul>
<b>MFG Grays/MRH Chafford/MRH Daneholes</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>
<b>MFG Romford/MRH Collier Row</b>	<ul style="list-style-type: none"> <li>• Price marker</li> <li>• Closest sites</li> </ul>