

## **Completed acquisition by Vanilla Group Limited of Washstation Limited**

### **Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority on 13 December 2017**

On 13 December 2017 the Competition and Markets Authority (CMA) issued an Initial Enforcement Order in accordance with section 72(2) of the Enterprise Act 2002 (the Act) (the IEO) in respect of the completed acquisition by JLA New Equityco Ltd (JLA) through its subsidiary Vanilla Group Limited (Vanilla) of Washstation Limited (Washstation) (the Merger).

The IEO provides that, except with the prior written consent of the CMA, Vanilla and JLA shall not take any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action under the Act by the CMA which may be justified by the CMA's decisions on such a reference.

By letter dated 16 October 2018, JLA requested the consent of the CMA to enable for JLA to assume full responsibility for all the Washstation contracts with non-higher education customers which may otherwise be prohibited by, inter alia, paragraphs 4(a) and 5(a) of the IEO.

On the basis that:

- a) in the Final Report published on 11 October 2018, the CMA found that the Merger may be expected to result in a substantial lessening of competition in the supply of managed laundry services to higher education customers under vend share agreements in the UK;
- b) CMA's decision on the reference does not require the taking of any action in relation to the supply of managed laundry services to non-higher education customers; and
- c) JLA submitted that the acceptance of its derogation request will not prejudice the implementation of a remedy in relation to Washstation's managed laundry higher education contracts;

the CMA grants a derogation from paragraphs 4 and 5 of the IEO in relation to Washstation's contracts with non-higher education customers.

This derogation is granted on the condition that:

- a) the identification of the non-higher education contracts held by the Washstation business is conducted by JLA's 'clean team' (☒), under the supervision of the Monitoring Trustee and with assistance from the Hold Separate Manager; and

- b) JLA will issue a communication to JLA staff who work in managed laundry services reiterating that the obligations of the IEO remain in place in relation to Washstation's managed laundry higher education contracts.

**Stuart McIntosh**  
**Inquiry Group Chair**  
**19 October 2018**