

Anticipated acquisition by Send for Help Limited of SoloProtect Limited and SoloProtect US LLC

Decision on relevant merger situation and substantial lessening of competition

ME/6789/18

The CMA's decision on reference under section 33(1) of the Enterprise Act 2002 given on 10 May 2019. Full text of the decision published on 12 June 2019.

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.

SUMMARY

1. On 11 September 2018, Send for Help Limited (**Send for Help**) concluded Heads of Agreement with G. Broady Enterprises, George K. Broady and Eleanor J. Broady to acquire SoloProtect Limited and SoloProtect US LLC (together, **SoloProtect**) (the **Merger**). Send for Help and SoloProtect 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 Send for Help and SoloProtect is an enterprise; that these enterprises will cease to be distinct as a result of the Merger; and that the share of supply test is met. Accordingly, arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.
3. The Parties overlap in the supply of lone worker protection services (**LWPS**) to companies and organisations that employ staff who work alone. LWPS enable these employers to provide their lone workers with personal alarm devices, to raise the alarm when faced with certain risks, accompanied by ongoing monitoring and response services (the latter being provided through an alarm receiving centre (**ARC**) with an accreditation meeting a 'BS 8484' standard that enables the ARC to connect directly to police forces).

4. The CMA assessed the Merger within the product frame of reference for the supply of LWPS provided through a 'BS 8484'-accredited ARC. The CMA considered the geographic frame of reference to be the UK.
5. The CMA has examined whether the Merger gives rise to horizontal unilateral effects in the supply of LWPS provided through a BS 8484-accredited ARC in the UK. The CMA has found that:
 - (a) The Merger will result in a significant increase in concentration in what is already a concentrated market. The Parties have a substantial combined share of supply, on the basis of both revenues ([50-60]%) and volume ([40-50]%), with increments of [10-20]% and [5-10]% respectively being brought about by the Merger. Send for Help, which is already the largest supplier by a significant margin, will further enhance its market presence as a result of the Merger, with the next largest supplier, Reliance High Tech, having a considerably more limited position (a share of only [10-20]% both by revenue and by volume).
 - (b) There is a significant degree of competitive interaction between the Parties. This is supported by a range of evidence, including similarities in the Parties' service offering, the Parties' bidding data, internal documents and third-party responses to the CMA's merger investigation. While there are limits to the extent of competitive interaction between the Parties (in particular because they do not compete within certain existing 'framework' contracts and there is a degree of quality differentiation in their respective offerings), the available evidence, in the round, supports the position that they are important competitive constraints on each other at present.
 - (c) There are few alternative suppliers of LWPS with a material presence in the market. While the Parties submitted that several suppliers (including, in particular, Reliance High Tech, Orbis Protect, Lone Worker Solutions and Alertcom) provide a strong competitive constraint, the available evidence indicates that the constraint exercised by these players is limited, taking account of factors such as their capabilities, focus and market awareness. The available evidence also shows that other smaller suppliers also impose only a very limited constraint on the Parties. On this basis, the CMA considers that the remaining competitors would not provide a sufficient constraint on the Parties post-Merger.
6. The CMA therefore believes that the Merger gives rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of horizontal unilateral effects in relation to the supply of LWPS provided through a BS 8484-accredited ARC in the UK.

7. The CMA is therefore considering whether to accept undertakings under section 73 of the Enterprise Act 2002 (**the Act**). The Parties have until 17 May 2019 to offer an undertaking to the CMA that might be accepted by the CMA. If no such undertaking is offered, then the CMA will refer the Merger pursuant to sections 33(1) and 34ZA(2) of the Act.

ASSESSMENT

Parties

8. Send for Help is a UK-based supplier of LWPS (primarily, to customers in the UK) and is owned by ECI Partners LLP. Send for Help trades under its subsidiaries Skyguard, Guardian24 and Rocksure Systems Limited (trading as Peoplesafe): its products under these brands include GPS-enabled personal alarm devices, smartphone applications and alarm-receiving software. Send for Help operates its own ARC. The Merger would be the third acquisition of an LWPS supplier by Send for Help within the last five years following its acquisitions of Guardian24 in 2014 and Rocksure Systems Limited in 2017. The worldwide turnover of Send for Help in the calendar year of 2018 was £15.0 million of which £[~~15.4~~] was generated in the UK.¹
9. SoloProtect is a United States-headquartered supplier of LWPS that is primarily active in the UK, but also serves customers based in continental Europe and the United States. SoloProtect's products include GPS-enabled personal alarm devices (such as ID badges and key fobs) and smartphone applications. SoloProtect also operates its own ARC. SoloProtect is owned by G. Broady Enterprises, which is in turn held by George K. Broady and Eleanor J. Broady. The worldwide turnover of SoloProtect in the calendar year of 2018 was £8.0 million of which £6.1 million was generated in the UK.

Transaction

10. The proposed transaction is the purchase by Send for Help of the entire issued share capital of SoloProtect.
11. On 11 September 2018, Send for Help and G. Broady Enterprises, George K. Broady and Eleanor J. Broady signed Heads of Agreement for Send for Help

¹ The Parties had previously submitted that Send for Help's UK turnover was £15.4 million, and the CMA calculated Send for Help's share of supply on this basis. The Parties subsequently corrected this figure in an email to the CMA on 9 May 2019. As the difference between the two figures is not material, the CMA has not updated its market share calculation based on the revised figure.

to acquire the entire issued share capital of SoloProtect.² The Parties announced Send for Help's intention to acquire SoloProtect on their websites on 11 February 2019. The Parties confirmed at the Issues Meeting that [X].³

12. The Parties submitted that Send for Help's rationale for the Merger is to expand into international markets where SoloProtect (but not Send for Help) is already present.
13. SoloProtect's rationale for the Merger included being able to, post-Merger, offer a wider set of lone worker devices and applications and increase the level of business continuity and resilience as a result of having two ARCs. SoloProtect also submitted at the Issues Meeting that its acceptance of Send for Help's offer in September 2018 was motivated by the fact that SoloProtect's owners were, by that time, increasingly unwilling to fund the SoloProtect business's increasing cash needs. SoloProtect's submissions in this respect are considered further below in relation to the appropriate counterfactual for the analysis of the Merger.
14. The Parties have confirmed to the CMA that the Merger has not been notified for review by authorities in any other jurisdictions.

Procedure

15. The Merger was considered at a Case Review Meeting.⁴

Jurisdiction

16. Each of Send for Help and SoloProtect is an enterprise. As a result of the Merger, these enterprises will cease to be distinct.
17. The Parties overlap in the supply of LWPS in the UK, provided via a BS-8484 accredited ARC, with a combined share of supply by revenues of [50-60]% (with an increment of [10-20]% brought about by the Merger),⁵ and a combined share of supply by volume of [40-50]% (with an increment of [5-10]% brought about by the Merger). On this basis, the CMA believes that the share of supply test in section 23 of the Act is met.

²Heads of Agreement dated 11 September 2018, Annex 002 to the Final Merger Notice dated 8 March 2019 (FMN).

³ Issues Meeting between the Parties and the CMA, 18 April 2019 (Issues Meeting).

⁴ See [Mergers: Guidance on the CMA's jurisdiction and procedure](#) (CMA2), January 2014, from paragraph 7.34.

⁵ See Table 1 below for further detail.

18. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.
19. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 13 March 2019 and the statutory 40 working day deadline for a decision is therefore 10 May 2019.

Background

20. Send for Help and SoloProtect overlap in the provision of LWPS. LWPS are generally sold as packages which typically consist of the provision of personal alarm devices, ongoing monitoring and response services (provided through ARCs), and account management. LWPS packages are then sold on a subscription basis to organisations and companies that employ staff who work alone and are therefore exposed to various types of risks, such as social, environmental or incapacity risks. LWPS customers include public sector organisations (such as the NHS, housing associations, local councils and charities) and private sector organisations (such as train operating companies, logistics companies and retailers).
21. A lone worker encountering an emergency or threat may be equipped with a personal alarm device or smartphone application through which they can raise an alarm. Personal alarm devices include key fobs, ID badges, alarm buttons and other similar types of devices.⁶ Smartphone applications can also be used to raise alarms. When a lone worker raises an alarm, this alarm is processed through the LWPS provider's monitoring and response system into the ARC. The ARC's staff will then assess whether and how to escalate an alarm (with, *inter alia*, local police forces, emergency services, or other specified contacts).
22. In order for a LWPS provider to be able to connect directly to police forces, its ARC must be BS 8484-accredited. BS 8484 accreditation requires that the LWPS provider as well as the personal alarm devices and the ARC meet certain specified criteria pertaining to, for example, staff training and certain

⁶ The term 'personal alarm devices' is used throughout this decision to refer to key fobs, ID badges, 'micro' alarm devices, alarm buttons, smartwatches and other similar types of devices that can be carried by a lone worker and used to raise an alarm. For the avoidance of doubt, the term does not include smartphone-based applications. The term 'ID badges' is used in this paper to refer to any form of personal alarm device which is worn as a badge on which the lone worker's ID is displayed.

product requirements.⁷ Some ARCs are also accredited under the newer European Standard for Monitoring and Alarm Receiving Centres (EN 50518), which sets certain requirements on the location and construction of an ARC as well as technical requirements and procedures. However, few players in the UK are currently accredited under this standard.⁸

23. In addition to owning an ARC, LWPS providers can access BS 8484-accredited ARCs in a number of ways, including: (i) subcontracting from a qualified third-party ARC provider; and/or (ii) developing or adapting an existing ARC to obtain the BS 8484-accreditation.

Counterfactual

24. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual). For anticipated mergers the CMA generally adopts the prevailing 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 a realistic prospect of a counterfactual that is more competitive than these conditions.⁹
25. In the present case, the Parties have not submitted that absent the Merger, SoloProtect would have inevitably exited the market or that the conditions for a failing-firm counterfactual are met. SoloProtect instead submitted that SoloProtect's business was [redacted] loss-making [redacted] and that it had decided in April 2019 to [redacted]¹⁰ however, SoloProtect did not make any submissions as to

⁷ While any facility with the ability to respond to calls and forward these on to the police or emergency services can be used to respond to alarms, ARCs used for LWPS are generally expected to meet certain industry standards in order to be able to connect to the local police forces directly without dialling a general emergency number. The BS 8484 accreditation was specifically established as a British quality standard in order to avoid a large number of false lone worker alarms being raised with police services. The 2016 form of the BS 8484 standard has five key parts that set out the requirements for accreditation (Parts 4-8). These requirements include supplier staff training requirements and product requirements that suppliers must meet to obtain the accreditation. Suppliers of LWPS can be accredited to the whole or part of this standard. See for example <https://peoplesafe.co.uk/basics/bs8484-lone-worker-standard/>

⁸ [redacted]

⁹ *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).

¹⁰ FMN, page 15, Response to Issues Paper dated 18 April 2019 (**Response to Issues Paper**), paragraph 93.

how this information should be assessed by the CMA in the context of its the counterfactual analysis.¹¹

26. The CMA notes that the counterfactual is intended to analyse the ‘prospects for competition with the merger against the competitive situation without the merger’.¹² The CMA considers that, once the Merger was in contemplation (in this case, from June 2018, [REDACTED]) circumstances which were influenced by the Merger being in contemplation should be disregarded from the counterfactual. The CMA considers that the April 2019 decision to [REDACTED] should therefore not be taken into account in assessing the appropriate counterfactual.
27. In any event, the limited number of contemporaneous documents submitted by SoloProtect to support its [REDACTED] counterfactual (all of which were generated after June 2018) presented a mixed picture that did not fully support the Parties’ submissions in relation to SoloProtect’s [REDACTED]. For example, the Parties provided a note of a meeting between SoloProtect’s owners on 30 August 2018 which showed that the Finance Director of SoloProtect UK had submitted a [REDACTED] showing SoloProtect UK [REDACTED].¹³ This statement was marked with an internal query [REDACTED], suggesting that the [REDACTED] was contested internally and therefore cannot be considered to be clear-cut.¹⁴ Furthermore, SoloProtect did not provide the CMA with any contemporaneous documents to evidence its submissions that it had decided in April 2019 [REDACTED].
28. The available evidence therefore does not support the position that, absent the Merger, SoloProtect would either exit the market or that its future competitive strength would be materially reduced. On the basis of the evidence available to it, the CMA believes that the prospect of the prevailing conditions continuing is realistic. The CMA therefore considers the prevailing conditions of competition to be the relevant counterfactual.

Frame of reference

29. 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

¹¹ The Parties defined [REDACTED]. Presentation with the title [REDACTED] submitted in an email by Stephen Tupper to the CMA on 17 April 2019.

¹² [Merger Assessment Guidelines, paragraph 4.3.1.](#)

¹³ Email from [REDACTED]The [REDACTED] is dated [REDACTED] (ie, it was created after the Merger had already begun to be in contemplation).

¹⁴ Notes of a meeting between Craig Swallow and John Broady on 31 August 2018 submitted in an email by Stephen Tupper to the CMA on 17 April 2019.

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.¹⁵

Product scope

30. The Parties overlap in the supply of LWPS. Each Party supplies a range of products as part of their LWPS packages:
- a) Send for Help provides LWPS through both: (i) a smartphone application; and (ii) personal alarm devices, including a button / key fob (MySOS).¹⁶
 - b) SoloProtect provides LWPS through both: (i) a smartphone application; and (ii) personal alarm devices including a button that can be turned into a key fob (SoloProtect GO); ID badges (SoloProtect ID, SoloProtect ID Pro); and a smartwatch (SoloProtect Watch).
31. At an upstream level, SoloProtect also supplies personal alarm devices to other providers of LWPS, including Reliance High Tech.¹⁷ [X].
32. The Parties submitted that the narrowest appropriate product frame of reference should be ‘the provision of lone worker protection services, provided via personal alarm devices and smartphone applications, and via an ARC with BS 8484 accreditation’ (**LWPS provided through a BS 8484-accredited ARC**).¹⁸
33. As regards demand-side substitutability, the Parties submitted that:
- a) Competition should not be assessed on a narrower basis in which a segmentation would be drawn between: (i) different types of personal alarm devices, and (ii) personal alarm devices and smartphone applications, because these all fulfil similar customer needs (namely, to monitor their lone workers and enable them to raise an alarm).¹⁹ The

¹⁵ [Merger Assessment Guidelines](#), paragraph 5.2.2.

¹⁶ Send for Help also supplies specialised alarm devices and certain ‘standard’ (ie, non-smartphone-based) mobile phone solutions. The CMA understands that Peoplesafe previously supplied SoloProtect’s ID badge (Identicom) but no longer markets or sells this device. It is possible, however, that customers that previously acquired the device continue to use it.

¹⁷ The supply relationship between SoloProtect and Reliance High Tech is considered further below at paragraphs 112 to 120.

¹⁸ FMN, page 31

¹⁹ FMN, pages 26-28.

Parties acknowledged that personal alarm devices may be considered a more 'discreet' device than smartphone applications by customers wishing to enable their lone workers to raise alarms unobtrusively in emergency situations. However, the Parties submitted that the extent of this difference should not be overstated on the basis that smartphone applications are increasingly designed to be similarly discreet.²⁰ To support their position on demand-side substitutability, the Parties identified several examples of customers switching from [✂] personal alarm devices to smartphone applications and *vice versa*.²¹

- b) The product scope should not be further widened to include LWPS provided via either non-ARC solutions²² or non-BS 8484-accredited ARCs, on the basis that such solutions are unlikely to be perceived as viable by customers requiring a faster level of response and fulfilment of a broader suite of needs.²³

34. As regards supply-side substitutability, the Parties submitted that:

- a) While there are different supply-side considerations in relation to the provision of personal alarm devices and smartphone applications, there were no supply-side considerations that applied between different products within the category of personal alarm devices, as these are relatively straightforward to manufacture and/or procure.
- b) Solutions not provided via a BS 8484-accredited ARC should not be included in the product frame of reference on the basis that suppliers could not implement changes in their offering sufficiently quickly (whether by upgrading their own ARC to obtain the accreditation, adapting or developing an ARC with the accreditation, or purchasing access to an accredited ARC).²⁴

²⁰ For example, so that the alarm signal can be sent by shaking the smartphone or pressing a physical button, or by combining the phone with an unobtrusive Bluetooth accessory. The Parties' response to RFI 3 submitted on 15 February 2019 (**Response to RFI 3**), Q1.

²¹ Response to RFI 3, Q1.

²² Non-ARC solutions could include call centres or 'DIY options', where raised alarms connect the lone worker to either other colleagues, or in-house response staff.

²³ FMN, page 29.

²⁴ FMN, page 29. The Parties note that 'From a market definition perspective, we do not consider that the above outside substitution options could be implemented sufficiently quickly to widen the market.'

35. In assessing the relevant product scope, the CMA has considered whether:
- a) LWPS provided through a BS 8484-accredited ARC should be segmented as between: (i) personal alarm devices and smartphone applications; and (ii) different types of personal alarm devices; and
 - b) The product scope should be widened to include non-ARC solutions (eg call centres and DIY options) and/or non-BS 8484-accredited ARCs.

Segmentation between personal alarm devices and smartphone applications

36. The available evidence indicates that there is some degree of differentiation between personal alarm devices and smartphone applications.
37. First, there can be differences in the pricing of these types of products. For example, one competitor noted that due to their lower price, smartphone applications might be a preferred option for some customers.²⁵ The Parties also submitted evidence that their own smartphone applications are approximately [X] the price of their respective personal alarm devices.²⁶
38. Second, some of the available evidence indicates that there are some functional differences between these types of products. For example, a small number of customers that responded to the CMA's investigation indicated that smartphone applications were not suited to emergencies.²⁷ One competitor [X] noted various disadvantages of smartphone applications, including: difficulties in raising an alarm; a smartphone application's limited ability to detect non-movement or fall; the short battery life of smartphones; and operating system updates affecting the functionality of an application.
39. While, as noted above, the Parties submitted that smartphone applications are considered to be increasingly discreet, the CMA did not receive any evidence to support the position that these are considered to be on par with personal alarm devices such as an ID badges or key fobs for users where discretion is important driver of choice.

²⁵ One competitor noted on a call that 'if it is a low risk worker it is cheaper to have an application than dedicated device'.

²⁶ FMN, page 28, Figure G.

²⁷ Two customers noted in response to the CMA's questionnaire that they chose not to use smartphone applications as they were not practical in emergencies.

40. On the other hand, a number of factors weigh against a segmentation between personal alarm devices and smartphone applications.
41. First, views submitted by third parties generally supported the Parties' position that customers can switch from personal alarm devices to smartphone applications and *vice versa* (particularly in situations where the ability to act discreetly is less important). For example, two competitors noted instances of switching to smartphone applications (albeit that they did not consider this to be an over-riding market trend).²⁸
42. Second, all of the five largest suppliers (the Parties, Reliance High Tech, Lone Worker Solutions and Orbis Protect) already offer both personal alarm devices and smartphone applications (even if the relative focus between personal alarm devices and smartphone applications of each supplier varies in practice).²⁹
43. The CMA received mixed evidence as to the ease with which suppliers of personal alarm devices could switch towards providing smartphone applications. One competitor noted that while developing a smartphone application is straightforward, integrating a smartphone application with the other aspects of the supply of LWPS is difficult.³⁰ Another competitor noted that sourcing a smartphone application is challenging because of specific functionality requirements for BS 8484-accredited smartphone applications and the limited number of smartphone application suppliers.³¹
44. Third, none of the Parties' internal documents explicitly distinguish between services provided via personal alarm devices and those provided via smartphone applications. One internal document considers the product offerings of the Parties and their competitors on a grouped basis (covering all types of personal alarm devices, and including smartphone applications), without distinguishing between players offering both personal alarm devices and smartphone applications, as well as listing smartphone application-focused players amongst the Parties' 'core competitors'.³²
45. In the round, the CMA believes that any differences in the competitive conditions between personal alarm devices and smartphone applications are

²⁸ [REDACTED]

²⁹ For instance, smartphone applications are [REDACTED] LWPS sales. The competitive constraint posed by Orbis Protect is considered further below at paragraphs 129 to 135.

³⁰ A competitor noted there were difficulties in connecting an alert to the ARC including in relation how the application starts to record; locating the alert and whether other alerts are raised in parallel etc.) [REDACTED]

³¹ [REDACTED]

³² FMN, Annex 014 – Project Crusoe vendor commercial due diligence report prepared by CIL Management Consultants, pages 109-110.

relatively limited in scope. Accordingly, the CMA has not considered it appropriate to segment the product scope further between personal alarm devices and smartphone applications. The CMA has taken account of differences between suppliers' offerings where relevant in its competitive assessment.

Segmentation within personal alarm devices

46. The CMA received mixed evidence in respect of potential segmentation within personal alarm devices. The CMA received some evidence to suggest that ID badges may be differentiated from other personal alarm devices as they are particularly well-suited to enabling a lone worker to raise an alarm discreetly. Customer feedback indicated that some customers particularly value ID badges based on their discreetness and ease of accessibility. For example, one customer noted that employees expressed a preference for an ID badge-type of personal alarm device because employees are required to always carry an ID badge, and so the device is always readily accessible. A different type of personal alarm device such as a key fob, on the other hand, could be in a bag or a pocket, making it less immediately accessible and more obvious.³³
47. However, some competitors also provided examples of customers switching between different personal alarm devices, with one competitor giving an example of a customer switching from a key fob to an ID badge and *vice versa*. In addition, different types of personal alarm devices tend to be similarly priced. As noted above, the Parties' internal documents do not suggest that the Parties make a clear distinction between different types of devices.
48. The CMA has therefore considered different types of devices within a single frame of reference, while taking into account any differences between these devices where relevant in its competitive assessment.

Constraint from LWPS provided without a BS 8484-accredited ARC

49. The CMA did not receive any evidence to suggest that widening the product scope to include non-ARC solutions (eg call centres and DIY options), or non-BS 8484-accredited ARCs was justified. Both customers and competitors emphasised the importance of BS 8484 accreditation for the ARC (and

³³ [X]. In addition, two customers [X] and [X] noted the high importance of SoloProtect's ID badge, stating that they would retender if the ID badge was no longer available. One of these competitors also noted that this was the reason that [X] lost a tender for them previously.

through that, the ability to connect directly with local police) for their needs. This is consistent with the Parties' submissions.

Conclusion on product scope

50. For the reasons set out above the CMA has considered the impact of the Merger on LWPS provided through a BS 8484-accredited ARC. The CMA has received some evidence consistent with narrower frames of reference due to the distinct characteristics of some products but considers it appropriate to account for these differences as necessary in the competitive assessment.

Geographic scope

51. The Parties submitted³⁴ that the relevant geographic frame of reference is UK-wide on the basis that:
- a) there are no obvious local or regional aspects to the market on the demand-side, as customers do not specifically require a local solution; and
 - b) on the supply-side, the location of the assets and other inputs required to provide downstream services are largely independent of the precise location of demand. For example, a supplier of LWPS serving customers in the North of England does not have to separately obtain access to additional facilities to serve customers in the South of England. At most, it needs to obtain a unique reference number from the regional police (available for approximately £52-£105 a year).
52. In its decision in *Seniorlink Eldercare/Aid Call* (2009),³⁵ which concerned the provision of personal pendant alarms to individual private customers, the Office of Fair Trading considered that the geographic market was split between Great Britain and Northern Ireland due to different pricing policies and business strategies applied by suppliers.
53. However, in this case, the Parties supply across the whole of the UK, and the internal documents the CMA has received do not suggest that different strategies are applied by the Parties across different regions. The Parties' submissions were also generally confirmed by both customers and competitors, who indicated that they procure or provide LWPS provided through a BS 8484-accredited ARC across the UK (with only a small

³⁴ FMN, pages 26-31.

³⁵ [Seniorlink Eldercare / Aid Call](#) (2009) No. ME/4034/09

proportion indicating that they only procure or supply LWPS in Great Britain or parts of Great Britain).

Conclusion on geographic scope

54. For the reasons set out above, the CMA has considered that the appropriate geographic frame of reference to assess the impact of the Merger is the UK.

Conclusion on frame of reference

55. The CMA has considered the impact of the Merger on LWPS provided through a BS 8484-accredited ARC, in the UK.

Competitive assessment

Horizontal unilateral effects

56. 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.³⁶ Horizontal unilateral effects are more likely when the merging parties are close competitors. In this case, the CMA assessed whether it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC in relation to horizontal unilateral effects in LWPS provided through a BS 8484-accredited ARC, in the UK.
57. In order to assess the likelihood of the Merger resulting in horizontal unilateral effects through the loss of existing competition in the supply of LWPS provided through a BS 8484-accredited ARC in the UK, the CMA considered evidence in relation to:
- a) shares of supply;
 - b) closeness of competition between the Parties; and
 - c) competitive constraints from alternative suppliers.

Shares of supply

58. The Parties submitted share of supply figures which estimated that the Parties had a combined share of supply of [10-20]% by revenues and [20-30]% by

³⁶ [Merger Assessment Guidelines](#), from paragraph 5.4.1.

volume.³⁷ These share estimates are largely based on assumptions about competitor revenues and volumes made by the Parties.³⁸

59. The Parties submitted that market shares are not a good indicator in considering the competitive impact of the merger.³⁹ Specifically, the Parties submitted that:

- a) typical LWPS contract terms were of 36 months, and that market shares therefore reflect historic contract wins rather than the current competitive conditions;⁴⁰
- b) 'fringe' players provide a greater competitive constraint than is indicated by their market share, eg because they are capable of winning larger contracts;⁴¹
- c) the market is characterised by a number of large value contracts, meaning that firms can quickly gain or lose market share by winning or losing a small number of contracts;⁴² and
- d) competitors such as CrystalBall, Lone Worker Solutions, Lone Alert, Oysta and Safe Shores Monitoring are growing rapidly.⁴³

60. The CMA has received data on revenues and volumes directly from a significant proportion of the firms listed as competitors in the Parties' estimated shares of supply. The CMA considers that the Parties' estimates materially underestimate the Parties' shares of supply in particular because:

- a) The Parties' estimates relied on data from financial year 2017 but did not include revenue/volumes from Peoplesafe (Rocksure), which Send for Help acquired in May 2017. This materially understated the revenue and volumes associated with Send for Help's current operations.

³⁷ FMN, page 37

³⁸ FMN, Annex 021 – Calculations concerning shares of supply

³⁹ Response to the Issues Paper, paragraph 45 and following.

⁴⁰ Response to Issues Paper, paragraph 47 and following. The CMA notes that the Parties' submissions on the typical duration of LWPS contract terms shifted in emphasis as being from 'relatively small about 1 to 3 years on average' (FMN, p45) to being 36 months in the Response to the Issues Paper.

⁴¹ Response to Issues Paper, paragraph 51 and following.

⁴² Response to Issues Paper, paragraph 57 and following.

⁴³ Response to Issues Paper, paragraph 57 and following. The Parties provided the CMA with estimates of the growth rates based on the growth of 'debtors' within current assets in the statutory accounts of selected fringe players.

- b) The Parties' estimates of competitors' revenues and volumes deriving from LWPS were in several cases higher than the actual revenues and volumes supplied by those competitors.⁴⁴
- c) The total size of the market is significantly smaller than the Parties' estimates (both by revenue and volume).

61. The CMA's estimates of the size of the market and shares of supply, based on the information provided by third parties and the Parties, are set out further at Table 1 below.

Table 1: Shares of supply for the provision of LWPS provided through a BS 8484-accredited ARC in the UK, Jan-Dec 2018

Supplier	Share of supply for the calendar year of 2018	
	By revenues	By volume
<i>Send for Help</i> ⁴⁵	[40-50]%	[40-50]%
<i>SoloProtect</i>	[10-20]%	[5-10]%
Combined	[50-60]%	[40-50]%
<i>Reliance High Tech</i>	[10-20]%	[10-20]%
<i>Orbis Protect</i>	[0-5]%	[10-20]%
<i>Lone Worker Solutions (working with Mitie)</i>	[5-10]%	[5-10]%
<i>Safe Shores Monitoring</i>	[0-5]%	[5-10]%
<i>Securitas</i>	[0-5]%	[0-5]%
<i>Secom</i>	[0-5]%	[0-5]%
<i>Alertcom</i>	[0-5]%	[0-5]%
<i>CrystalBall</i>	[0-5]%	[0-5]%
<i>Oysta (working with G4S)</i>	[0-5]%	[0-5]%
<i>Stay Safe</i>	[0-5]%	[0-5]%
<i>LoneAlert</i>	[0-5]%	[0-5]%
<i>Blackline Safety (working with Securi-Guard)</i>	[0-5]%	[0-5]%
<i>Pick Protection (working with Unipart)</i>	[0-5]%	[0-5]%
<i>First2HelpYou</i>	[0-5]%	[0-5]%
Total	100%	100%

Source: data provided to the CMA by the Parties and third parties, and CMA calculations.

⁴⁴ The Parties also listed PanicGuard as a competitor. However, PanicGuard confirmed to the CMA that it supplies other LWPS suppliers and does not supply end-consumers. Therefore, the CMA does not consider PanicGuard to be a relevant competitor and, therefore, it is excluded from the share of supply estimates.

⁴⁵ In their Response to the Issues Paper the Parties did not contest the CMA's market share calculations but noted that Send for Help's share of supply may be overstated as some of its revenues fall outside the frame of reference in this case. Send for Help estimates that this portion of its revenues could be as high as approx. [X]. [X]. However, the CMA notes that this suggested change does not significantly affect the Parties' market shares, as provided in Table 1. If Send for Help's revenues are reduced accordingly, the combined share is lowered by [0-5]% from [50-60]% to [50-60]% in 2017 but the increment added by SoloProtect increases slightly.

62. Table 1 shows that:
- a) As a result of the Merger, the merged entity would be the largest supplier on the market, by some distance, with a market share of 50-60] % by revenue and [40-50] % by volume.
 - b) The Merger will result in an increment of [10-20] % by revenue and [5-10] % by volume.
 - c) Reliance High Tech is the largest supplier other than the Parties with [10-20] % shares of supply both by revenue and volume.
 - d) Lone Worker Solutions ([5-10] % by revenue and volume), Orbis Protect ([0-5] % by revenue and [10-20] % by volume) and Safe Shores Monitoring ([0-5] % by revenue and [5-10] % by volume) are the only remaining suppliers with non-negligible shares of supply. The remainder of the market is highly fragmented, with a tail of smaller suppliers each having minimal shares of supply of [0-5] %.
63. The CMA's estimated shares of supply in Table 1 are similar to those constructed by CIL Management Consultants in an analysis conducted for Send for Help in August 2018. That analysis estimated that the Parties would have a combined market share of [40-50] %, ⁴⁶ with the Merger bringing about an increment of [5-10] %. ⁴⁷
64. The CMA has considered the Parties' submissions regarding the relevance of shares of supply in this case (see paragraph 59).
65. While some contracts last more than a year, and therefore there may be some lag in changes to market shares, the CMA believes that the shares of supply nevertheless provide a relevant indication of the current relative strength of different suppliers in the market place. Although the Parties argued that the market is characterised by a number of large value contracts, the CMA found that a large number of customers buy LWPS⁴⁸, and that very few of these customers are of a significant size within the context of the market as a

⁴⁶ These estimates had been adjusted by the Parties due to inconsistencies in relation to Send for Help's volume figures.

⁴⁷ FMN, Annex 014, page 111. These market share estimates were for the 'UK dedicated lone worker solutions market' which was specified to include both applications and devices.

⁴⁸ For example, Send for Help had [X] customers in January 2018 (based on the Response to Issues Paper).

whole,⁴⁹ suggesting that market shares would not change significantly if a few customers changed supplier. The evidence the CMA has received also indicates that shares of supply for the calendar year of 2017 are similar to the shares of supply for 2018.⁵⁰

66. The CMA assessed the Parties' submission that other suppliers have experienced rapid growth, by analysing data provided by those suppliers in relation to their own sales over time. The CMA's analysis found that the data showed that [redacted], [redacted] and [redacted] have grown at a rate that is lower than the overall growth rate for the market.⁵¹ Although some smaller suppliers (namely [redacted], [redacted] and [redacted]) have experienced more significant growth, as compared to the overall market growth rate, this growth should be seen in the context of these players generating low revenues both in 2017 (less than £[redacted]) and 2018, as compared to the combined revenues of over £[redacted] million generated by the Parties in 2017.
67. The CMA therefore believes that the data clearly shows that Send for Help is the market leader in LWPS provided through a BS 8484-accredited ARC by a significant margin, and that the Merger will result in a substantial increase in concentration in an already relatively concentrated market.

Closeness of competition between the Parties

68. The Parties submitted that they do not compete closely because SoloProtect primarily competes for the premium end of the market through its 'feature-rich' products and high-quality service and Send for Help competes for the [redacted] the market.⁵²
69. In examining the closeness of competition between the Parties, the CMA has considered:
- a) The Parties' service propositions;
 - b) The Parties' bidding strategies;
 - c) Evidence from the Parties' bidding and switching data;

⁴⁹ The Parties submitted analysis based on tender data that the largest five contracts accounted for 25.7% of the total value of tenders. However, this is based on a small minority of contracts, and the data is often incomplete with missing contract values. For instance, based on Send for Help's tender data, the first year value of the contracts won in 2018 by Send for Help represented approximately [redacted] of Send for Help's revenue in the calendar year of 2018.

⁵⁰ The Parties' combined share of supply for the calendar year of 2017 was [50-60]% by revenues (with an increment of [10-20]%) and [40-50]% by volume (with an increment of [5-10]%).

⁵¹ In particular, the Parties' submission identified Lone Worker Solutions as experiencing very rapid growth [redacted].

⁵² FMN, page 43. Response to Issues Paper, paragraph 14 and following.

- d) Evidence from the Parties' churn analysis;
- e) Evidence from internal documents; and
- f) Third party views on closeness of competition between the Parties.

The Parties' service propositions

70. The Parties submitted that SoloProtect's products have a number of features differentiating them as a [REDACTED] 'premium' offering [REDACTED] Send for Help's products. In particular:
- a. SoloProtect's products have a high range of functionality: for example, SoloProtect ID incorporates GNSS technology which provides more accurate and faster location fix at a [REDACTED] cost [REDACTED].⁵³ The Parties also submitted that SoloProtect's smartphone application is designed to be '[REDACTED] user-friendly (for ease of use of the lone worker)'.⁵⁴
 - b. SoloProtect's ARC has a higher level of accreditation than BS 8484 (EN 50518), [REDACTED].
 - c. SoloProtect has a [REDACTED] level of customer service and higher speed of call handling (with calls typically being answered by a live operator within four seconds).
71. The Parties also submitted that the premium nature of SoloProtect ID is demonstrated by the [REDACTED] average revenue per user (**ARPU**) achieved in 2018 by SoloProtect ID relative to SoloProtect GO and SoloProtect's smartphone applications.⁵⁵ The Parties also submitted evidence that SoloProtect ID's ARPU is higher than that of the personal alarm devices and smartphone applications provided by other suppliers.
72. The CMA considers that there is a degree of differentiation in relation to specific individual features of the Parties' respective products and that the higher ARPU for SoloProtect's ID badge relative to SoloProtect GO and its smartphone applications as well as Send for Help's and Lone Worker Solutions' devices and smartphone applications is consistent with the SoloProtect ID badge being a [REDACTED] 'premium' device. The CMA notes however that this degree of differentiation does not preclude there being significant

⁵³ FMN, pages 45-46; Response to RFI 3, pages 6-7.

⁵⁴ Response to RFI3, page 6. The Parties also consider SoloProtect's *Insights* portal to have a range of unique features to help a client manage relationships between devices, users, groups and escalation lists.

⁵⁵ Response to Issues Paper, Table 11 showed the ARPU achieved by SoloProtect ID to be [REDACTED] in comparison to SoloProtect GO and SoloProtect's mobile applications, which generated ARPUs of [REDACTED] and [REDACTED] respectively in 2018.

competitive interaction between the Parties. The Parties may emphasise different aspects of their service offering (with Solo Protect putting greater emphasis on quality over price, and *vice versa* for Send for Help's less 'premium' offering). However, customers will consider both price and quality factors (and the importance they attribute to each) when choosing their supplier, thus ensuring a competitive dynamic between the Parties' respective offerings.⁵⁶ That such a dynamic exists between the Parties is consistent with the other evidence, considered further below.

73. Further, the CMA notes, however, that the competitive significance of these differences should not be overstated because the available evidence demonstrates that the Parties offer a broadly similar service proposition. In particular:
- (a) The Parties both offer a broad range of products. By contrast, some competitors tend to specialise in a particular type of product (for example, Blackline Safety) or provide solely smartphone applications (in the case of Stay Safe and CrystalBall).
 - (b) The Parties offer a similar range of personal alarm devices which operate in a broadly similar way. For example, SoloProtect's GO device and Send for Help's micro-personal alarm device MicroSOS weigh 30g and 27g respectively, are of similar measurements and offer the same essential function of enabling a lone worker to raise an alarm.
 - (c) Both Parties, in contrast to a number of other players active in LWPS, operate their own, specialised ARC. This factor was raised by some competitors as being important in respect of ensuring full control over the service [redacted] and as being an important factor in many tenders [redacted]. A number of other players including LoneAlert, Blackline Safety, Oysta, Pick Protection, Stay Safe and CrystalBall do not operate their own ARC. Similarly, Securitas, Alertcom and Secom do not offer specialised ARCs (ie, their ARCs respond to a number of other alarms triggered as part of services offered outside LWPS).

⁵⁶ For example, a given customer may consider Solo Protect's quality of service to be on-par with the attractiveness of Send for Help's [redacted].

The Parties' bidding strategies

74. The Parties submitted that there were differences in their patterns of bidding behaviour and provided a number of analyses to support these submissions. The Parties submitted that the data showed that:
- (a) The ARPU when SoloProtect won a bid was [redacted] than when Send for Help won the bid. Similarly, the ARPU when SoloProtect lost a bid tended to be [redacted] than for bids lost by Send for Help.⁵⁷
 - (b) Send for Help wins [redacted] contracts as compared to SoloProtect.⁵⁸
 - (c) When SoloProtect won a bid, it did so on the basis of 'quality' and that when it lost bids, it did so on the basis of 'price'.⁵⁹
 - (d) Tenders where the Parties did not bid showed materially different patterns of behaviour. For instance, the Parties submitted that their analysis showed that the primary reason for Send for Help not bidding on a given tender was [redacted] while for SoloProtect it was [redacted].⁶⁰
75. Certain UK LWPS public sector customers such as NHS and Procurement for Housing (**PfH**) purchase via a pre-defined framework arrangement.⁶¹ The two largest frameworks, NHS and PfH, account for a significant portion of the market (approximately 14-22% of the market by revenue). Send for Help is an accredited supplier to these two frameworks but SoloProtect is not, and will not have the chance to be accredited until these frameworks are next tendered in 2022. The Parties submitted that the Parties do not and will not compete with each other for customers under these frameworks until at least 2022, and that the Merger therefore will not have an impact on that portion of the market.
76. The CMA considers that the evidence provided by the Parties on [redacted] is consistent with SoloProtect generally being [redacted] successful with 'premium' customers and Send for Help generally being [redacted] successful with [redacted] customers. There are, however, a number of limitations to the Parties'

⁵⁷ Response to Issues Paper, paragraphs 34-36 and Table 1.

⁵⁸ Response to Issues Paper, paragraph 38 and Figure 5.

⁵⁹ Response to Issues Paper, paragraph 37 and Figure 4.

⁶⁰ Response to Issues Paper, paragraphs 27-30 and Figure 3.

⁶¹ The Parties submitted that while there may be some variation depending on customer requirements, framework agreements are largely the same irrespective of customer type and typically last for 4 years, sometimes with the option for the procurer to extend this for one or two years. The Parties noted that framework requirements on the service provider typically include the BS 8484 accreditation, being able to offer certain product functionalities and product / service training for end users, management and usage reporting via an online portal, account management and support, as well as offering a competitive price.

submissions regarding the extent of the differences between the Parties' bidding behaviour.

77. First, most elements of the Parties' analysis cited above at paragraph 74 are based on relatively small samples of contracts, which therefore necessarily limits the weight that can be placed on this analysis.⁶²
78. Second, the methodology used to compile this data appears to suffer from certain limitations. In particular, the evidence upon which the Parties have based their reasoning for winning/losing and for bidding/not bidding appears, in some cases, to be mixed (and therefore may not support the outcome suggested).⁶³
79. Additionally, whilst SoloProtect does not currently compete for customers under the NHS and PfH frameworks, these frameworks cover only a minority of the market (14-22%). Therefore, this submission does not illustrate that the Parties are not close competitors, at present, for the majority of the market.

Evidence from the Parties' bidding and switching data

80. The Parties provided a number of submissions regarding customer switching and tenders. In particular:⁶⁴
 - a) Send for Help's bidding data.⁶⁵ This data sets out known instances of customers switching between LWPS suppliers between 2016 and 2018.⁶⁶ The Parties noted that it includes, in addition to formal tenders, requests for quotations and direct sales to customers.⁶⁷ There are [REDACTED] entries in this dataset, of which [REDACTED] were used in the analysis.

⁶² For example, the sample sizes for the data showing the reasons for not bidding were very small: [REDACTED] for Send for Help [REDACTED] and [REDACTED] for SoloProtect (data for 2016-2019: [REDACTED]).

⁶³ In particular, the SoloProtect data on reasons for not bidding included two different lines explaining why no bid was submitted. For example, in a number of cases the reason for not bidding is listed in one entry as being 'Price (too low to be viable)', but in an alternative entry as being 'Spec' (to be interpreted as 'Specifications'). SoloProtect based their analysis on the line of entry which listed more reasons for not bidding as being related to price rather than other factors, such as specifications. Thus, there are material differences in the reasons for SoloProtect not bidding depending upon which categorisation is used

⁶⁴ SoloProtect also provided a list of tendered deals won by SoloProtect, which includes the name of the client's previous supplier (Table in SoloProtect's response to RFI 1 (page 17)). However, for 6 out of 12 tenders listed, it was the first time that the customer had tendered so there was no previous supplier. The name of the original supplier was only listed for 3 of the remaining 6 tenders. The CMA's view is that this sample size is insufficient for any analysis of this data to be informative.

⁶⁵ FMN, Annex 023 – Send for Help's bidding data.

⁶⁶ The data also includes some instances of customers switching to Send for Help from other suppliers. However, there are [REDACTED] the CMA has not relied on this part of the data.

⁶⁷ Response to RFI 4 submitted on 7 March 2019 (**Response to RFI 4**), Q9.

- b) Send for Help's tender details.⁶⁸ This is a regularly updated internal log of the status of formal tenders that Send for Help is aware of, covering the period between 2013 and 2018.⁶⁹ The Parties provided the CMA with an updated version of this dataset for the years between 2016 and 2018 following the Issues Meeting.⁷⁰ There are [REDACTED] tenders in the updated version of the dataset, of which [REDACTED] were used in the analysis.
- c) SoloProtect's Salesforce report.⁷¹ SoloProtect notes that the report includes all deals that SoloProtect bid for and lost, or did not pursue between 2016 and 2018.⁷² There are [REDACTED] deals in the dataset, of which [REDACTED] were used in the analysis.
- d) Summary of those deals that SoloProtect lost but where the customer ran a tender process.⁷³ This data includes the deals from the Salesforce report which were tendered plus some additional instances where a tender process has been run, but where no entry was made in Salesforce.⁷⁴ There are [REDACTED] deals in the dataset,⁷⁵ of which [REDACTED] were used in the analysis.

81. Send for Help submitted that their files were not a complete record of all opportunities or switching in the period between 2016 and 2018. The Parties also submitted that they did not always know whom they competed against or lost to. Consistent with this position, the CMA found a number of gaps within the Parties' bidding data sets, indicating that the data sets are incomplete. It is also clear that the datasets only provide a partial overview of the Parties' business, with the value of the contracts in these datasets being significantly lower than the Parties' total revenues. For example, based on Send for Help's tender details, [REDACTED].⁷⁶
82. Notwithstanding the limitations of the Parties' dataset, the CMA considers that the fact that both Parties record tender data suggests that they consider such

⁶⁸ FMN, Annex 053 – Copy of Send for Help tender details.

⁶⁹ Response to RFI 4, Q9.

⁷⁰ Response to Issues Paper, paragraph 54 and Table 2.

⁷¹ FMN, Annex 022 – SoloProtect's bidding data.

⁷² Response to RFI 4, Q10.

⁷³ Table in SoloProtect's response to RFI 1 submitted on 10 January 2019, page 17.

⁷⁴ Response to RFI, Q10.

⁷⁵ For [REDACTED] deals the winner is listed as 'N/A'.

⁷⁶ The representativeness of other datasets seems to be similar. In Send for Help's bidding data, the yearly revenue from the contracts represented approximately [REDACTED]% of Send for Help's revenue in 2018. The yearly revenue from the contracts in SoloProtect's Salesforce report and Summary of those deals that SoloProtect lost but where the customer ran a tender process represented approximately [REDACTED] of SoloProtect's revenue in 2018 respectively.

data relevant to their ordinary course of business operations. The CMA also believes that the data provides some direct evidence of competitive interactions between the Parties and their competitors, and therefore that some weight should be given to this data within the CMA's competitive assessment.

83. The CMA's believes that the data is consistent with the position that the Parties impose a significant competitive constraint on each other. In particular:
- a) Send for Help's bidding data shows that Send for Help identified SoloProtect as the winner in [X]% ([X] of the [X]) tenders between 2016 and 2018 in which the winner was known and was not Send for Help.⁷⁷ This represents [X] higher proportion of bids than that won by any other supplier. The second most frequent winners were [X] and [X].
 - b) Send for Help's tender details shows that between 2016 and 2018, after Send for Help itself (which won [X]% of the bids listed),⁷⁸ Lone Worker Solutions won [X]% of the bids that Send for Help participated in, [X] SoloProtect was the [X] most successful supplier winning [X]% of the bids listed. The most successful supplier won only [X]% of the tenders.⁷⁹
 - c) In SoloProtect's Salesforce report, SoloProtect identified Send for Help as participating in [80-90]% of all the bids submitted between 2016 and 2018 when the bidders were listed by SoloProtect.⁸⁰ SoloProtect identified Reliance High Tech as the second most common bidder, participating in only [10-20]% of the bids where the bidders were listed by SoloProtect.⁸¹
 - d) In the Summary of those deals that SoloProtect lost but where the customer ran a tender process, SoloProtect identified Send for Help as being by far the most frequent winner. Send for Help was the winner in

⁷⁷ An analysis by value leads to the same result.

⁷⁸ This includes [X]% of bids won by Peoplesafe which has subsequently been acquired by Send for Help.

⁷⁹ Send for Help had [X] customers in January 2018 (based on the Response to Issues Paper). Based on the number of connections, Send for Help won [X]% of the bids, Lone Worker Solutions won [X]% of the bids and SoloProtect won [X]% of the bids. The high share of connections for Lone Worker Solutions could be partly explained by the size of its win of an unusually large [X] contract.

⁸⁰ This includes Peoplesafe. By value the figure is [80-90]%.

⁸¹ 11% by value.

[60-70]% of the tenders by number and [80-90]% by value.⁸² No other competitor won more than one tender (4% of the tenders).

84. Therefore, the CMA believes that this bidding data indicates that Send for Help is by far the strongest competitor to SoloProtect, while SoloProtect is a strong competitor to Send for Help.
85. The evidence from the bidding data is also consistent with the evidence provided by third parties. One competitor provided data which indicated that, among the opportunities in which this competitor faced Send for Help, SoloProtect participated in almost all of them ([REDACTED]).⁸³ Another competitor provided data to the CMA indicating that the Parties were the two most common winners for the tenders that this competitor participated in.⁸⁴
86. The CMA therefore believes, on the basis of bidding data from the Parties and third parties, that the Parties frequently compete against each other in tenders and have been winning a significant degree of business from each other.

Evidence from the Parties' churn analysis

87. The Parties initially submitted that given the 'relatively small' contract terms (about one to three years on average), customers can and often do switch between providers.⁸⁵ In addition, the Parties submitted an analysis of customer churn which they submitted showed a [REDACTED] proportion of their customers switching to other suppliers.⁸⁶ More specifically, the Parties submitted that their analysis showed that [REDACTED]% of the customers (accounting for [REDACTED]% of connections) that left SoloProtect in 2018 joined Send for Help and [REDACTED]% (with [REDACTED]% of connections) of the customers that left Send for Help in 2018 joined SoloProtect.⁸⁷
88. First, the CMA notes that customer churn rates from SoloProtect to Send for Help are high on any basis. This is consistent with the share of supply data

⁸² Including Peoplesafe.

⁸³ [REDACTED] response to the CMA's questionnaire.

⁸⁴ [REDACTED] response to the CMA's questionnaire.

⁸⁵ FMN, p45 (the Parties later, in the Response to the Issues Paper (paragraph 44), submitted that contract lengths were typically 36 months, and that on that basis 'it was reasonable to assume a good proportion of current customers may not have made a buying decision since 2015/16: see also footnote 40 above). The Parties submitted that SoloProtect lost 18.6% subscribers by volume over the last year (as of September 2018) and 10.1% in 2017, and that Send for Help recently lost [REDACTED] to Lone Worker Solutions.

⁸⁶ Response to Issues Paper, paragraph 16 and following.

⁸⁷ Response to Issues Paper, paragraphs 20- 23 and Figures 1 and 2.

and bidding data from the Parties, all of which indicate that the competitive constraint that Send for Help exerts on SoloProtect is high.

89. Second, while the stated customer churn rates from Send for Help to SoloProtect were [X] lower, which would suggest that SoloProtect may pose a weaker competitive constraint on Send for Help than *vice versa*, there appear to be a number of discrepancies around how the Parties matched the databases. For example, the CMA found that two large customers ([X] and [X]) who switched from Send for Help to SoloProtect were not matched in the analysis and that including these two customers significantly increased the extent of switching from Send for Help to SoloProtect from [X] to [X] based on the number of connections.⁸⁸
90. The Parties' analysis also was also characterised by a number of other limitations. In particular:
 - (a) The data could not establish the supplier any customer switched to unless it was the other merging party. This meant that it was not possible to compare the proportion of customers that switched to the Parties relative to those switching to other suppliers. In addition, the data could not establish whether the customer in fact continued to purchase LWPS at all.
 - (b) The data was based on customers that were already purchasing LWPS and not those purchasing LWPS for the first time. Therefore, as is the case with the bidding and switching data described above, the data can only provide a partial view of the competitive constraints faced by the Parties.
91. Therefore, while the CMA considers that the Parties' churn analysis is consistent with Send for Help, in particular, facing some competition from suppliers other than SoloProtect, the CMA considers that only relatively limited weight can be placed on this evidence because of the limitations described above.

⁸⁸ Examples of other discrepancies include apparent multiple entries for the same customers.

Evidence from internal documents

92. The Parties have provided only a limited number of documents to the CMA. Specifically:
- (a) The Parties submitted that in relation to the Merger itself, only one responsive document was prepared.⁸⁹ Send for Help did, however, submit documents that were prepared for Send for Help's sale to ECI Partners LLP in 2018. Many of this set of documents are due diligence reports produced by third parties as part of the process for Send for Help's sale to ECI Partners LLP.
 - (b) The Parties submitted three documents describing the competitive conditions in the market.⁹⁰
93. While only limited volumes of internal documents have been provided, these documents consistently describe Send for Help as a market leader, and as having significant advantages because of its scale. These documents also consistently describe Send for Help's competitors as having significant weaknesses that prevent them from being serious challengers to Send for Help. The weaknesses listed in these documents include, for example, [REDACTED] and [REDACTED].⁹¹
94. Second, these documents consistently describe SoloProtect and Send for Help as being among a small number of core LWPS suppliers, and identify the Parties as close competitors (with SoloProtect being typically characterised as the clear number two player after Send for Help). For example:
- (a) The Parties are noted as having the most integrated business models compared to other suppliers. In particular, the Parties are described as being the only two [REDACTED], as well as being the only two suppliers that [REDACTED].⁹² The Parties – consistent with the CMA's assessment of the similarity in

⁸⁹ FMN, Annex 012 – [REDACTED], 4 October 2019. The [REDACTED] sets out Send for Help's management teams' strategy for integrating SoloProtect into Send for Help.

⁹⁰ Specifically, in response to Question 10 of the Merger Notice. The relevant documents were FMN, Annex 017 – [REDACTED], 2017; FMN, Annex 018 – [REDACTED]; FMN, Annex 019 – [REDACTED], January 2019. All three documents were prepared by external third parties rather than being internal analyses.

⁹¹ FMN, Annex 014; FMN, Annex 013, page 19 – Project Crusoe Information Memorandum, August 2018.

⁹² Among the suppliers listed in the table are: [REDACTED]. While Send for Help is described as [REDACTED], it is still [REDACTED] in the document. SoloProtect is described as [REDACTED].

their service offering – are identified as being the only two suppliers that provide a full range of service offerings.⁹³

- (b) The fact that both Parties have specialist (ie dedicated) ARCs is considered to be particularly important on the basis that [REDACTED].⁹⁴
- (c) Similarly, in comparisons of the competitive positioning of the Parties to each other relative to other players, SoloProtect is consistently listed as being the competitor closest to Send for Help's position.⁹⁵
- (d) Consistent with the CMA's analysis of the Parties' bidding data, SoloProtect is identified as [REDACTED],⁹⁶ and it is noted that the first and second most-invited companies to tender were Send for Help and SoloProtect respectively according to the customers interviewed.⁹⁷

Third party views on closeness of competition between the Parties

95. The CMA notes that customers that responded to the CMA's merger investigation did not appear well-informed as to their supplier options for LWPS and the market more generally. In particular, the CMA found a lack of awareness of the fact that Skyguard, Guardian24 and Peoplesafe were all owned by Send for Help.⁹⁸ Some of the customers of each Party stated that they were not aware of the other Party, while many customers were not aware of the Parties' competitors. The CMA therefore considers that customers' views should, in this case, be interpreted with a degree of caution in assessing the extent to which one party is viewed as an alternative to the other.
96. Notwithstanding these limitations, overall, the Parties' customers who responded to the CMA's merger investigation considered that the Parties are strong competitors and alternatives to each other.
- a) A proportion of Send for Help customers identified SoloProtect as the second most popular alternative to Send for Help, closely following Orbis Protect.

⁹³ FMN, Annex 014, slide 110.

⁹⁴ FMN, Annex 013, page 19 and FMN, Annex 014, slides 110-112.

⁹⁵ FMN, Annex 014, slides 112 and 115.

⁹⁶ FMN, Annex 015, page 24.

⁹⁷ FMN, Annex 015, page 30.

⁹⁸ For example, one of Skyguard's customers noted that it was not aware of Send for Help. [REDACTED]. Another customer noted that it switched from Guardian24 to Skyguard. [REDACTED].

- b) A proportion of SoloProtect's customers identified Send for Help as an alternative to SoloProtect, making it the most popular alternative among Send for Help's customers. Reliance High Tech was also identified as an alternative by a proportion of customers.
97. Customers also raised concerns regarding the lack of viable alternative suppliers to the Parties, the potential for increased prices, and a potential loss of quality of LWPS provided via a BS 8484-accredited ARC and a loss of choice for ID badge-type devices.
98. Competitor responses to the CMA's market testing consistently indicated that both Send for Help and SoloProtect are viewed as competing closely with each other. In particular, one competitor [REDACTED] noted that the Parties are similar in terms of what they offer and the customers they compete for.⁹⁹ A significant number of competitors raised concerns that the Merger could lead to a reduction in choice for customers, a potential decrease in the quality and an increase in prices for LWPS provided via a BS 8484-accredited ARC. Competitors also raised concerns about the Parties' ability to control the supply of SoloProtect's ID badge and to potentially limit the ability of competitors reliant on that badge to compete effectively.¹⁰⁰ Some competitors also raised concerns regarding the Parties' ability to bid under four different brands post-Merger.

Summary of evidence on closeness of competition between the Parties

99. Overall the CMA believes that the evidence described above indicates that there is a significant degree of competitive interaction between the Parties. This is reflected in:
- (a) the similarities in the Parties' product range and service offering (particularly when compared to other suppliers);
 - (b) both Parties having a material share of supply, and SoloProtect being one of a few frequent competitors in Send for Help's bidding and switching data; and
 - (c) the consistent characterisation of the Parties as closely competing in the Parties' internal documents, and the third-party views which broadly support this position.

⁹⁹ Call with [REDACTED].

¹⁰⁰ These concerns are considered further below from paragraphs and following in the context of assessing the supply relationship between SoloProtect and Reliance High Tech.

100. The CMA notes that differences in the Parties' ARPUs, and the asymmetry in the customer churn analysis between SoloProtect and Send for Help (to the extent that some weight can be placed on this analysis), suggest that SoloProtect may be a less significant constraint to Send for Help than vice versa. The CMA nevertheless believes, on the basis of the factors set out above, that there is a significant degree of competitive interaction between the Parties.

Competitive constraints

101. The Parties identified at least 14 competitors to the Parties. The Parties submitted that there are several existing players of significant size that will continue to impose a strong competitive constraint post-Merger – such as Reliance High Tech, Lone Worker Solutions, Orbis Protect and Alertcom – as well as a tail of smaller suppliers. The evidence that the CMA has received in relation to these suppliers is described in detail below.

Reliance High Tech

Parties' submissions

102. The Parties identified Reliance High Tech as the only other supplier (in addition to the Parties) with a share of supply exceeding [5-10]%, and as posing a strong competitive constraint to the Parties.¹⁰¹ The Parties also stated that Reliance had, within the last three years, won a significant contract from East Sussex Country Council with 700 subscribers (which Send for Help also competed for).

Shares of supply and bidding data

103. The CMA estimates that Reliance High Tech's share of supply is approximately [10-20]% on both a revenue and volume basis. As the only supplier other than the Parties with a share of supply both by revenue and volume exceeding [5-10]%, it is the Parties' largest competitor but lags well behind the Parties' combined share of supply ([50-60]% by revenue and [40-50]% by volume).
104. Reliance High Tech's shares of supply are broadly consistent with SoloProtect's bidding data (as described above, and noting the limitations of that data), ie SoloProtect's Salesforce report data, which indicates that Reliance High Tech was the second most common bidder after Send for Help

¹⁰¹ FMN, pages 37 and 44

for contracts SoloProtect participated in and lost or did not pursue. However, Reliance High Tech only participated in [10-20]% of the listed bids in SoloProtect's Salesforce report: significantly less than the [80-90]% of bids in which Send for Help participated.

105. In Send for Help's bidding data, Reliance High Tech (as well as Lone Worker Solutions) was the [X] most common winner, winning [X]% ([X] of the [X]) of the opportunities where the winner was known and the winner was not Send for Help. Similarly, Reliance High Tech's success was limited in the other bidding data sets provided by the Parties.¹⁰²

Service proposition

106. Reliance High Tech's customer base includes a wide range of both public sector and private sector based-clients; its customers are, [X], [X] part of the NHS framework, which comprised [X]% of its volumes of device connections in 2018.¹⁰³ The Parties submitted that Reliance High Tech has a strong customer base in the public sector, in particular the NHS and the social housing sector.¹⁰⁴
107. Reliance High Tech's LWPS solutions cover a relatively broad product range, offering both personal alarm devices (such as the SoloProtect ID badge and the Pulse key fob), the SoloProtect mobile application and the SoloProtect mobile workforce platform. Reliance High Tech also operates its own BS 8484-accredited ARC.
108. Reliance High Tech's product range is therefore relatively similar in scope to that of the Parties. However, as explained in further detail below, the potential importance of SoloProtect's personal alarm devices (namely, SoloProtect's ID badge) in Reliance High Tech's service offering suggests that there may be limitations to the competitive constraint it will exercise on the Parties post-Merger.

Internal documents

109. The Parties' internal documents provide a mixed picture of Reliance High Tech's position in the market. On one hand, [X] consistently list Reliance

¹⁰² See Send for Help's tender details and Summary of those deals that SoloProtect lost but where the customer ran a tender process

¹⁰³ [X]

¹⁰⁴ SoloProtect's response to RFI 1 submitted on 10 January 2019, Q2

High Tech amongst the core competitors of the merging entities.¹⁰⁵ On the other, these reports also note that Reliance High Tech has certain weaknesses compared to Send for Help, including that:

- a) Reliance High Tech relies [REDACTED];
- b) its contracts are [REDACTED]; and
- c) its [REDACTED].¹⁰⁶

110. In addition, internal documents submitted by SoloProtect to the CMA suggest that the Parties see the strength of Reliance High Tech as being primarily restricted to a particular segment of public sector customers (namely, NHS customers). An internal [REDACTED] suggests that SoloProtect should: [REDACTED].¹⁰⁷ This is consistent with the fact that, [REDACTED]. This document also raises further questions about Reliance High Tech's dependence on, and ability to source, SoloProtect's ID badge post-Merger (considered further below at paragraphs 112 to 120).

Third party views

111. Third parties provided mixed views on the strength of Reliance High Tech, but overall tended towards viewing Reliance High Tech as not posing a particularly strong competitive constraint. A relatively small proportion of the Parties' customers who responded to the CMA's merger investigation indicated they considered Reliance High Tech to be an alternative to the Parties (at least to some degree).¹⁰⁸ A significant, and larger, portion of customers noted, however, that they were either not aware of Reliance High Tech or that it was not a suitable option.

Reliance High Tech's supply relationship with SoloProtect

112. As stated above, Reliance High Tech sources the SoloProtect ID badge from SoloProtect [REDACTED].¹⁰⁹ In addition to the SoloProtect ID, Reliance High Tech also sells (as noted above at paragraph 107) the Pulse key fob (which it launched

¹⁰⁵ FMN, Annex 013, page 19 lists Reliance High Tech amongst a set of [REDACTED] competitors; FMN, Annex 014, pages 109-110 list Reliance High Tech as part of the [REDACTED]; FMN, Annex 015, page 6 states that [REDACTED] also see pages 22 and 24.

¹⁰⁶ FMN, Annex 014, slide 112.

¹⁰⁷ SoloProtect's response dated 1 April 2019 to S.109, dated 27 March 2019; email by Craig Swallow to Dennis Mason dated 5 April 2016. The CMA understands that Paladin is the planned next generation model of SoloProtect's ID badge.

¹⁰⁸ [REDACTED] out of the [REDACTED] customers that responded to the CMA's questionnaire.

¹⁰⁹ Reliance High Tech also sources [REDACTED].

in March 2018).¹¹⁰ Reliance High Tech has, however, noted that [REDACTED]. As noted in paragraph 46 above, the customer feedback the CMA has received indicates that the SoloProtect ID badge may be particularly valued by customers over other types of personal alarm devices such as key fob devices and may be preferred by some customers on the basis that they are particularly discreet in enabling a lone worker to raise an alarm unobtrusively. Reliance High Tech considers [REDACTED].¹¹¹

113. The Parties submitted that there are a number of alternative devices to the SoloProtect ID badge that Reliance High Tech could continue to source post-Merger, noting both other ID badges and the existence of a number of manufacturers and providers of ID badge holder accessories which could convert their devices into badge holder format. These products included the TWIG SOS Card, the Alertcom ID (manufactured by Teltonika) and the Eview SOS, which supplies an accessory which converts a device into badge holder format. The Parties submitted that the most prevalent of these devices in the UK market is manufactured by Eview (sold by a number of providers under different names) and that the combined price of the device and accessory is highly competitive, in a similar price range to Send for Help's MySOS and MicroGuard devices.¹¹²
114. The evidence from third parties indicates, however, that these personal alarm devices may be encountering some technological difficulties and have made only a minimal impact on the market to date, in terms of the volumes sold. In particular:
- (a) [REDACTED].¹¹³
 - (b) [REDACTED].
 - (c) With respect to the ID badge holder supplied by Eview, the CMA has not received any evidence to corroborate the Parties' submissions that these devices are highly competitive. By contrast, no third parties have suggested that these devices are or could be good alternatives to SoloProtect's ID badge.
115. The CMA therefore believes that there is limited evidence of proven alternative devices to the SoloProtect ID badge that Reliance High Tech could source post-Merger. Therefore, if the merged entity were to either cease

¹¹⁰ The CMA understands from Send for Help's response to RFI 1 submitted on 10 January 2019 that this product has been manufactured in China by Eview.

¹¹¹ [REDACTED]

¹¹² Response to RFI 4, Q7

¹¹³ [REDACTED]

supplying, or to raise the prices of, SoloProtect's ID badge to Reliance High Tech post-Merger, this may reduce the competitive constraint posed by Reliance High Tech post-Merger.

116. The Parties provided the CMA with several internal documents which the Parties submitted demonstrate their intention for the merged entity to continue supplying Reliance High Tech post-Merger, noting that Send for Help is in any event contractually obliged to continue supplying SoloProtect ID to Reliance for a minimum of [REDACTED]. Additionally, the Parties submitted that the Merger would not increase their incentive to foreclose rivals downstream, and specifically, Reliance High Tech, due to the focus of the Parties on different segments of the market for LWPS provided through a BS-8484 accredited ARC (ie Send for Help focusing on the [REDACTED] and SoloProtect on the 'premium' segment of the market).
117. The CMA notes, however, that Send for Help's strategy as regards supplying third parties in this respect does not appear to be entirely clear-cut, with one of its internal documents noting in relation to [REDACTED].¹¹⁴
118. The CMA also considers that the Merger could change SoloProtect's incentive to supply Reliance High Tech, because Reliance High Tech is on one of the largest frameworks – the NHS. Prior to the Merger, Reliance High Tech's NHS customers would be unlikely to switch to SoloProtect (which is not on the NHS framework) but would be more likely to switch to Send for Help (which is). The CMA therefore believes that post-Merger the merged entity could expect to compete for more of Reliance High Tech's customers than SoloProtect could pre-Merger.
119. In this regard, the Parties provided data in relation to absolute variable profit margins that suggested that SoloProtect's upstream margins on SoloProtect's ID badge are lower than its downstream margins. They are also lower than Send for Help's downstream margins for 2017 (but not for 2018).¹¹⁵ Consistent with the CMA's Merger Assessment Guidelines¹¹⁶ these factors may raise concerns that the merged entity will not have the incentive to continue supplying SoloProtect's ID badge devices to Reliance High Tech post-Merger.

¹¹⁴ FMN, Annex 012, page 10.

¹¹⁵ The Parties provided SoloProtect's absolute variable margins upstream (sales of SoloProtect's ID to other LWPS providers) as well as SoloProtect's and Send for Help's variable margins downstream (provision of LWPS with SoloProtect's ID) for the calendar years of 2017 and 2018. The margins generated downstream for each calendar year were adjusted for the contract duration, ie they were multiplied by the average duration of the contract (in years) provided by each Party. (The Parties' response submitted in 1 April 2019 to S.109 issued by the CMA on 27 March 2019).

¹¹⁶ [Merger Assessment Guidelines](#), paragraph 5.6.11 (c).

120. The CMA therefore believes that, [redacted], the competitive constraint Reliance High Tech poses may be limited by its reliance on SoloProtect's ID badge post-Merger (in particular, upon expiry of SoloProtect's current contract with Reliance High Tech). While the CMA acknowledges that Send for Help will be contractually obliged to continue to supply Reliance High-Tech [redacted], the current absence of alternative personal alarm devices with a track record of successful penetration in the market suggests that Reliance High Tech may face challenges in sourcing equivalent alternatives to its product offering. The CMA notes that this is consistent with the characterisation of Reliance High Tech's position as a competitor to the Parties in the internal documents described above.

Summary of evidence regarding Reliance High Tech

121. While Reliance High Tech is the largest competitor to the Parties (as demonstrated by its share of supply) the CMA believes it poses, overall, only a limited competitive constraint on the basis of:

- (a) Bidding data, which broadly indicates it does not compete particularly closely with the Parties and that its success in winning bids against the Parties was limited;
- (b) The Parties' internal documents, which identify Reliance High Tech as having various weaknesses, in particular, its reliance on devices from other Parties and the view that its strength is limited to NHS customers;
- (c) Third parties' views, the majority of which did not consider Reliance High Tech to be an alternative to the Parties; and
- (d) The reliance of Reliance High Tech's LWPS packages on the SP ID badges, and the uncertainty around whether it will be able to offer these ID badges or source equivalent alternative devices post-Merger.

Lone Worker Solutions

122. Lone Worker Solutions supplies LWPS provided through a BS 8484-accredited ARC via smartphone applications and personal alarm devices (which include buttons, key fobs, satellite devices and specialist devices designed for extreme conditions). Lone Worker Solutions does not own or operate its own ARC. Instead, it purchases access to an ARC from Mitie, and works in partnership with Mitie to make sales.

123. Lone Worker Solutions has a share of supply of [5-10]% by both revenues and volume in 2018, indicating that it is significantly smaller than the Parties in the supply of LWPS provided through a BS 8484-accredited ARC.
124. The share of supply data is consistent with the bidding and switching data provided by the Parties.
- (a) Lone Worker Solutions was the [X] most successful winner in Send for Help's Tender Details, winning [X]% of the bids compared to [X]% for Send for Help and [X]% for SoloProtect, including recently winning one large customer from Send for Help. The Parties also provided the analysis by weighing the wins based on the number of connections. Based on this analysis, Lone Worker Solutions was the [X] most successful winner ([X]% of subscribers) after Send for Help ([X]% of subscribers) [X] SoloProtect which was the [X] most successful winner ([X]% of subscribers). The high share of connections for Lone Worker Solutions is partly explained by the size of the large customer recently won from Send for Help.
- (b) Lone Worker Solutions was the [X] most common winner in Send for Help's bidding data, winning [X]% of opportunities compared to [X]% for SoloProtect where the winner was known and not Send for Help. The CMA considers that the rest of the bidding and switching data is consistent with limited participation and success by Lone Worker Solutions.
125. The Parties provided examples of [X] contracts that Lone Worker Solutions had won, and which Send for Help also competed for, between 2016 and 2018: [X]. Lone Worker Solutions also won the [X] contract ([X] connections) from Send for Help in 2017. However, the CMA notes that while these customers together represent approximately [X]% of Lone Worker Solutions' total connections, they only account for [X]% of the total market connections as of the end of 2018.
126. The Parties' internal documents indicate that not operating its own ARC leaves Lone Worker Solutions at some competitive disadvantage. In particular, one document notes that Lone Worker Solutions' competitive disadvantages in relation to Send for Help are: [X].¹¹⁷ It is further noted that

¹¹⁷ FMN, Annex 014, page 112.

[REDACTED].¹¹⁸ In addition, another document notes that, [REDACTED].¹¹⁹ A further document notes that Lone Worker Solutions has [REDACTED].¹²⁰

127. The majority of third parties that responded to the CMA's merger investigation did not see Lone Worker Solutions as a strong player in the market. A large share of the Parties' customers (including some of their previous customers) said that either they were not aware of Lone Worker Solutions or that it was not a good alternative to their current supplier. One customer, in particular, noted that Lone Worker Solutions was not a good alternative as it does not own its ARC.¹²¹ Some customers, however, noted that Lone Worker Solutions was a good alternative option to their current supplier.
128. Based on the evidence above, the CMA believes that Lone Worker Solutions is, overall, only a limited competitive constraint on the Parties. Its success in attracting some customers, including a large customer, indicates that it has some ability to compete against the Parties. However, its significantly lower shares of supply (in comparison to the Parties) and the bidding and switching data indicate that the current competitive constraint from Lone Worker Solutions is limited. This is also consistent with the description of Lone Worker Solutions in the third-party reports in the Parties' internal documents.

Orbis Protect

129. Orbis Protect supplies LWPS provided through a BS 8484-accredited ARC via smartphone applications, smartwatches, basic mobile phones and personal alarm devices which include alarm buttons and video enabled devices. Orbis Protect sourced a number of SoloProtect's ID badges from Peoplesafe in 2018 to resell to its customers.
130. Orbis Protect is significantly smaller than the Parties in the supply of LWPS provided through a BS 8484-accredited ARC. Orbis Protect has a share of supply of [0-5]% by revenues and [10-20]% by volume. The difference between the two shares can be explained by the fact that around [REDACTED]% of Orbis connections are through lower-priced connections, such as smartphone applications.
131. The share of supply data is broadly consistent with the Parties' bidding and switching data. This shows that Orbis Protect won [REDACTED]% ([REDACTED] of the [REDACTED]) of opportunities where the winner was known and not Send for Help in Send for

¹¹⁸ FMN, Annex 014, page 158.

¹¹⁹ FMN, Annex 014, pages 110-112.

¹²⁰ FMN, Annex 015, page 24.

¹²¹ [REDACTED]

Help's bidding data. However, the other bidding and switching datasets provided by the Parties showed that Orbis Protect had limited participation and success in winning bids.

132. The Parties submitted examples of instances where Orbis Protect had won a contract for which Send for Help also competed between 2016 and 2018: [REDACTED]. However, these instances are of limited importance given these customers represent only approximately [REDACTED]% of Orbis Protect's total connections and [REDACTED]% of the total market as of the end of 2018.
133. The Parties' internal documents do not identify Orbis Protect as a particularly strong competitor, noting that it does not, in contrast to Send for Help, engage in [REDACTED].¹²² In addition to these competitive disadvantages (compared to Send for Help), another document notes that Orbis Protect's [REDACTED].¹²³ It also notes the limited range of Orbis Protect's lone worker offering relative to that of the Parties,¹²⁴ and that for Orbis Protect, [REDACTED].¹²⁵
134. Third parties provided mixed feedback on Orbis Protect. Although less than half of Send for Help's customers identified Orbis Protect as an alternative supplier to Send for Help, Orbis Protect was, relative to other suppliers, the most often identified alternative to Send for Help by these customers. A small proportion of customers also noted that Orbis Protect was a good alternative option to their current supplier. However, a large share of the Parties' customers that responded to the CMA's merger investigation noted that either they were not aware of Orbis Protect or that it was not a good alternative to their current supplier. One customer in particular noted that Orbis Protect was not a good alternative as it does not have 'a current portal – real time'.¹²⁶
135. Based on the evidence above, the CMA believes that Orbis Protect does not provide a strong competitive constraint on the Parties. Orbis Protect has a significantly smaller share of supply (on a revenue basis) than the Parties and, consistent with its limited presence, is not a significant competitor in most of the tender data. A large share of Orbis Protect's connections are through smartphone applications, whereas both Parties make most of their sales through devices, and it is not a dedicated LWPS supplier (in contrast to the Parties).

¹²² FMN, Annex 013, page 19.

¹²³ FMN, Annex 014, page 112.

¹²⁴ FMN, Annex 014, page 109.

¹²⁵ FMN, Annex 014, pages 115 and 161.

¹²⁶ [REDACTED]

Alertcom

136. Alertcom offers ID and key fob devices which it manufactures for its own use and operates two in-house BS 8484-accredited ARCs at different locations in the UK. The Alertcom brand was launched in 2017 but the company previously traded as National Monitoring.
137. The Parties included Alertcom as being, in addition to Reliance High Tech, Orbis Protect and Lone Worker Solutions, an example of an existing third-party player of significant size and capability. This is not, however, borne out by the share of supply data, which shows Alertcom to be significantly smaller than the Parties (with a share of supply of only [0-5]% by revenues and [0-5]% by volume). Alertcom's constraint is also largely limited to its customers on framework agreements, from which Alertcom generated [X]% of its revenue in 2018.
138. The CMA considers that Alertcom's low share of supply is consistent with the Parties' bidding and switching data, which shows that Alertcom won [X]% ([X] of the [X]) of opportunities where the winner was known and was not Send for Help in Send for Help's bidding data. Alertcom was the [X] most successful winner in Send for Help's tender details, winning [X]% of the tenders. Alertcom is [X] competitor in the other bidding and switching data provided by the Parties.
139. The Parties provided examples where Alertcom has recently won contracts which Send for Help also competed for between 2016 and 2018: [X]. However, while these customers represent approximately [X]% of Alertcom's total connections, they account for only [X]% of the total market as of the end of 2018.
140. Alertcom's limited market presence is also consistent with the view provided in the Parties' internal documents, which generally do not list Alertcom among the core set of competitors.¹²⁷
141. Similarly, Alertcom was only mentioned once by SoloProtect's customers as a possible supplier (albeit it was, jointly with SoloProtect and Lone Worker Solutions, the second most often identified alternative by Send for Help customers).
142. Based on the evidence above and, in particular, Alertcom's low shares of supply and the bidding data showing Alertcom's limited success in winning

¹²⁷ FMN, Annex 013, page 19; FMN, Annex 014, page 14; FMN, Annex 015, pages 6, 22, and 24.

bids against the Parties, the CMA believes that Alertcom does not provide a strong competitive constraint on the Parties.

Other competitors

143. The Parties listed a long tail of other competitors in the supply of LWPS provided through a BS 8484-accredited ARC (including Blackline Safety, CrystalBall, First2Help You, Lone Alert, Oysta, PanicGuard, Pick Protection, Safe Shores Monitoring, Secom, Securitas and Stay Safe). As shown by Table 1, each of these other competitors has a share by revenues of [0-5]%. Given the limited size and scale of these competitors, the CMA believes that these firms do not impose a strong constraint on the Parties post-Merger (either individually or in aggregate).
144. As noted above, the Parties submitted that these fringe players provide a greater competitive constraint than is indicated by their market shares and are growing rapidly. In particular, the Parties said that these fringe competitors have won significant contracts. The Parties have also pointed to the expanding nature of the market which leaves options for the tail of smaller competitors to grow, and submitted that the tail of competitors includes companies with a reputation in security services and sufficient resources to expand. Moreover, the Parties submitted that they face broader competitive constraints, including from players with non-specialist or non-dedicated ARCs.
145. The CMA believes that the available evidence does not support the Parties' submission. As described at paragraph 65 the CMA considers that shares of supply are a relevant indication of the relative competitive strength of the different suppliers in this case. Furthermore, the examples of contracts won by these other suppliers provided by the Parties covered only [X] contracts with [X] connections amounting to [X]% of the total connections as of the end of 2018.¹²⁸ As the shares of supply illustrate, none of these suppliers has grown to a significant size and the CMA has not received evidence of smaller suppliers consistently winning larger contracts and providing a significant competitive constraint on the Parties.

¹²⁸ Response to Issues Paper, Table 4.

146. The evidence from the shares of supply is consistent with the other evidence the CMA has received. In particular:
- (a) Although the Parties' internal documents refer to some of these other competitors in some places, they do not appear in the core competitor set referenced consistently throughout the documents.¹²⁹
 - (b) Customers and competitors that responded to the CMA's merger investigation did not indicate that these other suppliers are strong competitors to the Parties that could be expected to provide a strong constraint post-Merger. For example, none of these other competitors were mentioned more than once as an alternative to the Parties by customers.
 - (c) These suppliers also do not feature to a material extent in the switching and bidding data provided by the Parties. Based on SoloProtect's bidding data, none of these competitors won more than [REDACTED]. In addition, based on Send for Help's bidding data, National Monitoring (which operates through Alertcom) and Blackline won [REDACTED]. All the other competitors did not win more than [REDACTED].
147. Moreover, many of these additional suppliers also do not have the same LWPS focus as the Parties or a comparable product range. A number of the large security-focused firms such as Securitas and Oysta (through partnership with G4S) are focused on providing LWPS to their security clients and do not have specialist ARCs. According to the Parties' internal documents, large security providers do not seriously challenge Send for Help.¹³⁰ In addition, one document notes that a non-specialist ARC may not serve lone workers as effectively.¹³¹
148. A number of the 'fringe' LWPS providers told the CMA that they mostly or only provide LWPS through smartphone applications rather than devices. Some also appear to be specialised. For instance, Blackline Safety specialises in environmental risks and provides less discreet devices that are used for purposes such as gas detection.
149. The CMA acknowledges the Parties' submissions on the expanding nature of the market but has not seen evidence of plans of expansion of the players that are part of the tail of competitors (including providers of security services). The data received by the CMA illustrated that either these other

¹²⁹ FMN, Annex 013, page 19; FMN, Annex 014, page 14; , Annex, pages 6, 22, and 24.

¹³⁰ FMN, Annex 014, page 109

¹³¹ FMN, Annex 014, page 112

suppliers had not grown materially or, where they had achieved more substantial revenue growth, this was from a very low base in 2017 and the supplier's revenues continued to be considerably smaller than those of the Parties. The CMA, therefore, does not believe that these smaller competitors provide any significant additional constraint on the Parties beyond the limited constraint imposed by their larger rivals.

Conclusion on horizontal unilateral effects

150. For the reasons set out above, the CMA believes that:

- (a) The Merger will result in a substantial increase in concentration in what is already a concentrated market. The Parties have a substantial combined share of supply, on the basis of both revenues ([50-60]%) and volume ([40-50]%, with increments of [10-20]% and [5-10]% respectively being brought about by the Merger. Send for Help, which is already the largest supplier by a significant margin, will further enhance its market presence as a result of the Merger, with the next largest supplier Reliance High Tech having a significantly more limited position (a share of only [10-20]% both by revenue and by volume).
- (b) There is a significant degree of competitive interaction between the Parties. This is supported by a range of evidence, including similarities in the Parties' service offering, the Parties' bidding data, internal documents and third-party responses to the CMA's merger investigation. While there are limits to the extent of competitive interaction between the Parties (in particular because they do not compete within certain existing 'framework' contracts and there is a degree of quality differentiation in their respective offerings), the available evidence, in the round, supports the position that they are important competitive constraints on each other at present.
- (c) There are few alternative suppliers of LWPS with a material presence in the market. While the Parties submitted that several suppliers (including, in particular, Reliance High Tech, Orbis Protect, Lone Worker Solutions and Alertcom) provide a strong competitive constraint, the available evidence indicates that the constraint exercised by these players is limited, taking account of factors such as their capabilities, focus and market awareness. The available evidence also shows that other smaller suppliers also impose only a very limited constraint on the Parties. On this basis, the CMA considers that the remaining competitors would not provide a sufficient constraint on the Parties post-Merger.

151. On the basis of this evidence, the CMA found that that the Merger raises significant competition concerns as a result of horizontal unilateral effects in the supply of LWPS provided through a BS 8484-accredited ARC in the UK.

Barriers to entry and expansion

152. Entry, or 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.¹³² In terms of timeliness, the CMA's guidelines indicate that the CMA may look for relevant entry to occur within two years.¹³³

153. The Parties submitted that in order to access the market for LWPS provided through a BS 8484-accredited ARC, firms must be able to access

(a) suitable personal alarm devices or smartphone applications; and

(b) a BS 8484-accredited ARC.

154. With respect to personal alarm devices and smartphone applications, the Parties submitted that new entrants could either develop and manufacture or procure personal alarm devices and/or smartphone applications. With respect to ARCs, as noted above, they submitted that providers could either subcontract from a third-party ARC, obtain the relevant BS 8484 accreditation for an existing ARC they already own or develop or adapt an ARC to meet the relevant BS 8484 accreditation.

155. The Parties also submitted that current participants in the market for LWPS provided through a BS 8484-accredited ARC expect entry from mobile network operators, telecare companies, workforce management companies, asset vehicle tracking companies, security companies, facility management companies, and smartphone suppliers.¹³⁴ The Parties also argued that 'most recently, First2HelpYou entered the market in 2017 and has already become one of the key players', winning significant contracts.¹³⁵

156. The CMA believes that while the available evidence indicates, on balance, that entry into the market is possible, it is difficult for expanding firms to

¹³² [Merger Assessment Guidelines](#), from paragraph 5.8.1.

¹³³ [Merger Assessment Guidelines](#), paragraph 5.8.11

¹³⁴ FMN, page 21-22

¹³⁵ FMN, page 56

establish customer relationships, and there is limited evidence of new entrants or players expanding in the market. The CMA has considered evidence from:

- (a) Internal documents; and
- (b) Third party views.

Internal documents

157. The Parties' internal documents note that [REDACTED].¹³⁶ With regard to the investment required to establish an ARC that conforms to the requirements of the BS 8484 standard, one of the Parties' internal documents notes that [REDACTED].¹³⁷
158. Another document states that for a player to establish itself, it is important to be able to offer a comprehensive set of LWPS solutions, including [REDACTED],¹³⁸ suggesting that some of the Parties' more narrowly-focused rivals¹³⁹ face a challenge to expand in this respect, and that their constraint may therefore be limited to a specific portion of the market.
159. Internal documents also confirm that expansion by large security companies has not been material, with the exceptions of Mitie's close partner Lone Worker Solutions, and Orbis Protect.¹⁴⁰ Most other generalist ARCs and security players are identified as having only won minimal business, with devices and smartphone applications monitored in the hundreds or low thousands.¹⁴¹

Third party views

160. The majority of competitors confirmed to the CMA that there are significant challenges to expansion in this market. First, competitors identified the necessity of operating a BS 8484-accredited ARC as constituting a barrier to further expansion. Although some competitors that responded to the CMA's merger investigation indicated that it is possible to subcontract from third-party ARCs, other third parties also emphasized the importance of owning the BS

¹³⁶ FMN, Annex 015, page 6. With regard to the investment required to establish an ARC that conforms to the requirements of the BS 8484 standard, however, one of the Parties' internal documents notes that 'significant investment is required to establish an ARC to ensure the construction complies with the relevant regulations and standards and is appropriately accredited' (FMN, Annex 013, page 22).

¹³⁷ FMN, Annex 013, page 22.

¹³⁸ FMN, Annex 044, page 3 – Peoplesafe Apps and Devices Brochure - June 2018

¹³⁹ This may include larger rivals such as [REDACTED] and [REDACTED], and smaller rivals such as [REDACTED].

¹⁴⁰ FMN, Annex 014, page 109.

¹⁴¹ FMN, Annex 015, page 25.

8484-accredited ARC in order to be able to guarantee a seamless service.¹⁴² One competitor indicated that a suitable ARC would take at least 12 months, with previous relevant experience, and cost approximately £2m to set up, depending on scale.¹⁴³ Another competitor noted that in addition to the normal costs of developing an ARC, a vast majority of UK ARCs would need substantial investment and development over the next two years in order to meet the new European EN 50518 ARC standard. The competitor estimated that it will need to invest upwards of £0.5m into its existing ARC to meet the new standard over a period of six to twelve months.¹⁴⁴

161. Second, some competitors also noted the importance for scale of getting access to two large LWPS framework agreements (NHS and PfH) and the difficulty faced by smaller, less-established providers to be accredited on these frameworks because a certain level of scale, reputation and credibility are required.

Examples of recent entry or expansion

162. Competitors' views are consistent with the fact that the CMA has seen limited evidence of entry and expansion in the provision of LWPS provided through a BS 8484-accredited ARC. The CMA has not received any indication from third parties that mobile network operators, telecare companies, workforce management companies, asset vehicle tracking companies, facility management companies or smartphone suppliers were about to enter or were expanding in the market. The CMA has also not received any evidence to indicate: (i) that First2HelpYou, cited by the Parties as an example of successful entry, has a significant competitive market presence, or: (ii) any concrete plans for entry or expansion by other players.¹⁴⁵

Conclusion on entry and expansion

163. The CMA believes that while entry may be possible, it would be costly and take significant time to build up the assets (eg a dedicated BS 8484-accredited ARC) and reputation required to be an effective competitive constraint on the Parties. The CMA does not believe that that expansion by

¹⁴² [REDACTED]

¹⁴³ [REDACTED]

¹⁴⁴ [REDACTED]

¹⁴⁵ See paragraph 83 and following above for a discussion of the Parties bidding data, where First2HelpYou does not show up as a successful supplier.

the tail of smaller competitors would timely, likely or sufficient to mitigate the significant competition concerns arising as a result of the Merger.

164. For the reasons outlined above, the CMA believes that entry or expansion would not be timely, likely or sufficient to prevent a realistic prospect of an SLC as a result of the Merger.

Conclusion on substantial lessening of competition

165. Based on the evidence set out above, the CMA believes that it is or may be the case that the Merger may be expected to result in an SLC as a result of horizontal unilateral effects in relation to LWPS provided via a BS-8484 accredited ARC in the UK.

Decision

166. Consequently, the CMA believes that it is or may be the case that (i) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and (ii) the creation of that situation may be expected to result in an SLC within a market or markets in the United Kingdom.
167. The CMA therefore believes that it is under a duty to refer under section 33(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.¹⁴⁶ The Parties have until 17 May 2019¹⁴⁷ to offer an undertaking to the CMA.¹⁴⁸ The CMA will refer the Merger for a phase 2 investigation¹⁴⁹ if the Parties do not offer an undertaking by this date; if the Parties indicate before this date that they do not wish to offer an undertaking; or if the CMA decides¹⁵⁰ by 24 May 2019 that there are no reasonable grounds for believing that it might accept the undertaking offered by the Parties, or a modified version of it.

Colin Raftery
Senior Director, Mergers
Competition and Markets Authority
10 May 2019

¹⁴⁶ Section 33(3)(b) of the Act.

¹⁴⁷ Section 73A(1) of the Act.

¹⁴⁸ Section 73(2) of the Act.

¹⁴⁹ Sections 33(1) and 34ZA(2) of the Act.

¹⁵⁰ Section 73A(2) of the Act.