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11th May 2020

Re: Amazon/Deliveroo merger inquiry

Dear Inquiry Group,

We write to you with reference to the CMA’s recent announcement that they have provisionally cleared the investment by Amazon into Roofoods Ltd (trading as Deliveroo).

We are all enduring a very difficult time both socially and economically due to the Coronavirus crisis. In times of massive upheaval, it’s understandable that the way we work must change and sometimes corners may be cut. However, we are surprised by the CMA’s clearance of the Amazon investment in Deliveroo.

Our biggest concern is that apparently the CMA has been led to believe by Roofoods that it is solely due to the Coronavirus crisis that their business model is at risk of failing. From what we have seen from past accounts of Roofoods Ltd they did not have a sustainable business model. In the year to December 2018 their reported loss was £257m. The accounts for the year ending 2019 have not yet been published but we would be very surprised if Roofoods had managed to turn such a large loss into a profit. From what we could see they continued to spend massive amounts on advertising, had millions so spend on sponsoring Saturday Night Takeaway on ITV, millions to spend on sponsoring the England football team and continued to advertise for hundreds of new roles within Deliveroo.

What evidence has the CMA been given that Roofoods had become a viable business prior to the outbreak of Coronavirus? Please assure us that the CMA has investigated this properly. We are concerned that Coronavirus has been used as an excuse to allow investment in a company that without additional investment was likely to fail anyway. Since when has it been the job of the CMA to allow a merger because a business would fail without the merger happening? You should still consider all relevant competition issues. You state that alternative funding for Deliveroo was unlikely. If that was the case and Roofoods failed then someone could buy the assets off the administrator and in fact this might bring more competition into the market.

We wrote to yourselves in January 2020 outlining our concerns about the excessive market power Deliveroo and others are obtaining in the takeaway food delivery market. We fear this is damaging to independent operators such as ourselves and damaging to the supplying restaurants. We also have concerns about the additional data that Amazon would be collecting and how this would further damage competition.

We hope you give this letter proper consideration. Please contact us if you wish to discuss it with us.

Yours sincerely,
Jonathan Fieldsend and Milon Miah