

Thank you for the opportunity to share our thoughts.

Deliveroo have contributed towards people's palates being broadened. For that, they should be commended. However, there's a lot to be concerned about with this investment.

Impact on Small Food Businesses

As a small food business, we have experienced Deliveroo's aggressive pricing. Charging small businesses 42% (net fee per order) to use their Delivery service. Deliveroo bring in additional revenue, but they undercut food businesses with X% discounts, free deliveries etc. This takes price conscious customers away from the many small food business across the UK and switches them to Deliveroo's ecosystem. Unfortunately, small businesses do not have the liberty to offer such discounts to retain these customers and inevitably end up losing them.

With an investment from Amazon, this will only increase their ability to offer discounts, augmented with Amazon's extensive data in the UK to take more customers away from the many small food businesses in the UK, and switch them to Deliveroo's ecosystem

To trade as a small food business in the current market, we have to work with at least 1-2 third party aggregators. Thankfully we are still in a position where we can choose which of the 3 platforms to work with. If this investment is approved permanently, I'm afraid that we will have this choice taken away from us. Small food businesses will have no choice, but to work with Deliveroo and ultimately be at the mercy of their pricing and profits, otherwise be unable to survive in the current market.

Impact Beyond COVID-19

All businesses are facing major challenges during COVID-19. Deliveroo should not receive special dispensation. The CMA should be careful of sending the message that Deliveroo is 'too big to fail'. This will have dire consequences in the future and will only further consolidate Deliveroo's dominance in the UK. This should only be approved temporarily or on a conditional basis, until the market turbulence from COVID-19 has passed.

Yours Faithfully

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