

**REFERENCE RELATING TO THE COMPLETED ACQUISITION BY HUNTER DOUGLAS N.V. OF CONVERTIBLE LOAN NOTES AND CERTAIN RIGHTS IN 247 HOME FURNISHINGS LTD. IN 2013 AND THE COMPLETED ACQUISITION BY HUNTER DOUGLAS N.V. OF A CONTROLLING INTEREST IN 247 HOME FURNISHINGS LTD. IN 2019**

**Notice of provisional findings made under Rule 11.3  
of the Competition and Markets Authority Rules of Procedure<sup>1</sup>**

1. On 1 April 2020, the Competition and Markets Authority (CMA), made a reference to its chair for the constitution of a Group of CMA Panel Members (the Inquiry Group)<sup>2</sup> in accordance with section 22 of the Enterprise Act 2002 (the Act), regarding the completed acquisition by Hunter Douglas N.V. (**Hunter Douglas**) of convertible loan notes and certain rights in 247 Home Furnishings Ltd. (**247**) in 2013 (the **2013 Transaction**) and the subsequent completed acquisition by Hunter Douglas of a controlling interest in 247 in 2019 (the **2019 Transaction**), and requiring it to report within a period ending on 15 September 2020.

*Provisional findings*

2. The CMA Inquiry Group appointed to consider this reference has made the following provisional findings on the statutory questions it has to decide pursuant to section 35(1) of the Act:
  - (a) The 2013 Transaction did not create a relevant merger situation. While Hunter Douglas acquired material influence over 247 and, thus, the 2013 Transaction resulted in enterprises ceasing to be distinct, the share of supply test was not satisfied, taking account of the particular and unusual circumstances of this case.
  - (b) A relevant merger situation has been created by the 2019 Transaction;  
and

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<sup>1</sup> See [Rules of procedure for merger, market and special reference groups: CMA17](#).

<sup>2</sup> Under Schedule 4 to the Enterprise and Regulatory Reform Act 2013.

- (c) the creation of that situation may be expected to result in a substantial lessening of competition within the market for online retail supply of made-to-measure blinds in the UK.
3. The Inquiry Group's reasons are set out in full in the provisional findings report, which is attached to this notice, and are summarized in the summary of the provisional findings report (see note below).

*The next steps*

4. Hunter Douglas and 247 and any other person wishing to comment on the provisional findings are now invited to provide the Inquiry Group with their reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
5. These reasons should be received by the Inquiry Group no later than 6 August.
6. The Inquiry Group will have regard to any such reasons in making its final decisions on the statutory questions and any consequential actions. However, the Inquiry Group shall not be obliged to take into account reasons which are provided after the deadline specified in paragraph 5 above.
7. The Inquiry Group will shortly publish a notice of possible remedies. This will set out the actions which it considers might be taken by the CMA to remedy the substantial lessening of competition and resultant adverse effects provisionally identified.

Kirstin Baker  
*Inquiry Group Chair*

16 July 2020

*Note:* A copy of this notice and the summary of the provisional findings report will be placed on the CMA website on 16 July 2020. The CMA proposes to publish the provisional findings report on its website by on the same day or shortly thereafter. The published version of the provisional findings report will not contain any information which the Inquiry Group considers should be excluded from the report,

having regard to the three considerations set out in section 244 of the Act. These omissions are indicated by [✂].

Comments should be made by email only to [joseph.cruden@cma.gov.uk](mailto:joseph.cruden@cma.gov.uk). Please note that, due to the ongoing COVID-19 outbreak the CMA is not currently accepting post or courier deliveries into any of our offices.