

Date | 29 July 2020

Our ref | 05514772

Your ref |

By Email: tom.selwynsharpe@cma.gov.uk

Mr Tom Selwyn Sharpe
The Competition and Markets Authority

Completed acquisition of a controlling interest in 247 Home Furnishings Ltd (247) by Hunter Douglas N.V. (Hunter Douglas)

Response to the Competition and Markets Authority's possible remedies.

Dear Sirs

We act on behalf of Decora Blind Systems Limited (**Decora**). We note the Competition and Markets Authority's (**CMA**) provisional finding that the above detailed acquisition has resulted, or may be expected to result, in a substantial lessening of competition (**SLC**) in online retail supply of made-to-measure (**M2M**) blinds in the UK. Our client agrees with the position the CMA has reached. We are authorised by our client to submit a response to the CMA's proposed remedies published on 16 July 2020.

In a spirit of openness and transparency, Decora wishes to make the CMA aware of corporate developments since its last interactions with the CMA in relation to this matter. As the CMA is aware Decora's principle business is in the manufacture and wholesale supply of blinds. As detailed in previous interactions with the CMA, Decora is interested in entering into the retail supply of blinds. Decora became aware of the opportunity to acquire Swift Direct Blinds (**Swift**), in furtherance of its objective to enter the retail sphere, Swift was acquired by Decora on 1 May 2020

Please find set out below Decora's response using the headings and questions set out by the CMA. Where a specific question has not been responded to, this will be as a result of it having been addressed in a subsequent section.

1 Divestiture

- 1.1 It is considered that the only viable remedy to address the provisional SLC is a 100% divestiture of the ordinary share capital of 247. Further, that any divestiture should be absent of any of the potential additional rights in 247 set out within the CMA's annex.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- 1.14 In respect of the CMA's request for views on any other factors the CMA should consider when assessing a suitable purchaser – Decora has no further representations to make other than to encourage the CMA to not consider a purchaser which will reinforce the predominance of the existing two leading market operators. Should a purchaser come forward which has an existing corporate relationship with these two entities it is suggested that this will likely stifle the development of this market.

Effective divestiture process

- 1.15 A well-documented repercussion of the COVID-19 pandemic has been the increase in online shopping within the UK. According to the latest figures provided by the Office of National Statistics the online sale of household goods (which the market subject to the CMA's investigation falls into) have continued to grow during this time². It is suggested that the main parties will have likely seen an increase in their own user traffic and sales during this time.
- 1.16 Further as Hunter Douglas is a global entity with established platforms in the manufacturing and distribution of blinds – it is placed in a stronger position compared to other competitors to weather any supply chain disruption caused by the COVID-19 pandemic.
- 1.17 For the above reasons we consider that the CMA should attempt to resolve the divestiture process in as timely a manner as possible. Until a divestiture is achieved the main parties will continue to grow at an

² Retail sale, Great Britain, May 2020, available at:
<https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/may2020#stores-selling-online>

enhanced rate due to current market conditions and their positions – as such it will become increasingly difficult for any new entrants to establish themselves in the market.

[REDACTED]

[REDACTED]

Should you wish for Decora to expand upon any aspect of this submission it requested that contact is made with Micaela Diver of this office either by email [REDACTED] or telephone [REDACTED]

Yours faithfully

A&L Goodbody Northern Ireland

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