Competition and Markets Authority – Call for input: Environmental sustainability and the competition and consumer law regimes

Response – November 2021



Barratt Developments PLC is the UK's leading national housebuilder. Our principal activities comprise acquiring developable land, obtaining planning consents, building and selling high quality homes and creating desirable places to live. We operate across a broad spectrum of the market from apartments to family homes and urban regeneration schemes, as well as a commercial developments business. Our purpose is to lead the future of housebuilding by putting customers at the heart of everything we do. We are the leading national sustainable housebuilder, with ambitious targets around carbon reduction as well as preserving and enhancing the natural world.

As the UK's biggest housebuilder our market power is significant. As we transition to net zero across the industry, and enable zero carbon homes at scale, we need to minimise barriers to collaboration, innovation and raising market standards. We also value the positive moves to protect consumers from misleading information, thus maintaining a fair competitive environment for business.

The Covid-19 pandemic showed how businesses working openly together with government towards a common goal can go further and faster when empowered to do, underpinned by a supportive regulatory framework. We acknowledge that the scale and pace of transformation requires clarity on what organisations can do in order to achieve a fair and just transition for all stakeholders.

Consultation response

We have considered the following detailed points in relation to competition and consumer protection law:

Competition law

- Definitive guidance setting out clearly what constitutes acceptable activity would provide
 the impetus for more effective collaboration. Testing and trialling sustainability innovations
 at scale and cooperation across the industry (including supply chain partners as well as
 developers) is critical for the advancement of environmental performance in housebuilding.
- Ensure higher environmental standards in planning are not restricted by competition rules that raise barriers to entry for certain supply chain partners e.g. small businesses that cannot meet standards on energy efficient technologies.
- Point 23 in relation to chapter II infringement risk is of particular relevance to Barratt as significant market players we seek to ensure that in all of our sustainability endeavours this is not misinterpreted as an abuse of market power.

Consumer protection law

- Extend provision for preventing misleading environmental claims beyond goods and services to housing. E.g. legislating for erroneous claims about post-development environmental improvements such as biodiversity net gain or building energy efficiency.
- The legal framework regulating business-to-business marketing is less comprehensive than for business-to-consumer commercial practices¹. We would welcome further consideration of the impact that misleading environmental claims can have further down the supply chain.

We support the CMA's call for inputs on 'Environmental sustainability and the competition and consumer law regimes' and see an opportunity to empower business and government to work together to deliver an effective and just transition to a net zero economy.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment data/file/1018820/Guidance for businesses on making environmental claims .pdf - p.7