

Third party response to provisional findings

After carefully reviewing your provisional findings, we believe it is necessary to provide our comments in response:

1. Considering our market position and our extensive experience with third-party motor salvage operators, we are well-informed about the available salvage suppliers in the UK market. This includes both Copart, Inc and Hills Motors.
2. While we are familiar with Hills Motors and have had multiple interactions with them, they lack the necessary capabilities to meet our motor salvage requirements. Consequently, they would not be awarded any motor salvage contract.
3. It has been widely known within the market for some time that Hills Motors supplies Ageas' motor insurance claims division. The public announcement of this supply contract did not alter our assessment mentioned in point 2, nor did it result in us awarding any contracts to Hills Motors.
4. Drawing from our extensive experience and insights gained through private meetings and public seminars involving various market participants, we hold the view that Copart, Inc's planned acquisition of Hills Motors will have a positive impact on competition.
5. We would like to emphasise that the recent acquisition of Synetiq by IAA, which was approved by the CMA, shares several similarities with Copart, Inc's acquisition of Hills Motors, including a limited impact on market competition. This serves as an important precedent to consider.
6. Following Copart, Inc's acquisition of Hills Motors, there will still be an ample number of salvage suppliers available to invite for future tenders, ensuring effective competition in the market.
7. We can only speculate that there may be a misunderstanding in the CMA's provisional findings, and we strongly urge the CMA to reconsider their conclusions in light of the points mentioned above.

21 May 2023