

Third party response to provisional findings

I have worked in the motor claims Insurance Industry for most of my [redacted] career [redacted]. it seems implausible that you are considering Hills and Copart as direct competitors or that this sale is going to lessen competition. I feel this is just not the case.

[redacted] I would never entertain issuing a tender to Hills. They do not meet all the criteria associated with delivering a national contract.

From my knowledge They are a regional vehicle dismantler acquiring Cat B vehicles to use in the supply for green parts. They form part of a consortium with other regional players. Whilst Hills have been in the industry as a component of the e2e/NSG network for many years they are not a standalone business like Copart. This is well documented, the business they do for Ageas is not a model the majority of UK insurer would entertain as it prioritises green parts availability over salvage sale returns.

I have not seen Copart and Hills compared in this industry or mentioned together as competitors in the trade press. The acquisition is widely supported by the insurance industry. Hills business would add an additional service with Green parts to Copart's main core business.

The UK is also reliant on the US markets providing the systems and claims evolution, for example Guidewire (claims system) Solera/Audatex (estimating platform) Enterprise (car rental) Solera/HPI (vehicle valuations). In salvage services Copart and IAA/Synetiq now Ritchie Brothers are the strongest companies. They are all specialist service providers tailored for the industry. The fact that e2e and Suretrak are options in the UK is good but not essential as it keeps the market competitive. This being a niche industry specific to insurance or fleet clients with damaged vehicles to dispose of, requiring continuous investment from all parties concerned.

It is frustrating that this sale was completed back in July 2022 almost 1 year, and yet as a business we cannot support or develop our requirements with Copart in dismantling our own salvaged vehicles. We all need efficiencies, whilst working with progressive companies.

The published documents confirm insurance companies trust Copart to deliver on their requirements as they are a consistent operator. Hills are not present in this sector other than managing one or two relationship through the e2e network.

I would ask the CMA reconsider their current position, and share my view with the chair of the inquiry board. Thank you.

16 May 2023