

Anticipated acquisition by EasyPark Group AS of Mobility 1 SAS

Decision on relevant merger situation and substantial lessening of competition

ME 7091/24

The Competition and Markets Authority’s decision on relevant merger situation and substantial lessening of competition under section 33(1) of the Enterprise Act 2002 given on 1 August 2024. Full text of the decision published on 21 August 2024.

The Competition and Markets Authority (**CMA**) has excluded from this version of the decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [§]. Some numbers have been replaced by a range, which are shown in square brackets.

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SUMMARY

OVERVIEW OF THE CMA'S DECISION

1. The Competition and Markets Authority (**CMA**) has found that the acquisition by EasyPark Group AS (**EasyPark**) of Mobility 1 SAS (**Flowbird**), is a relevant merger situation that does not give rise to a realistic prospect of a substantial lessening of competition (**SLC**).
2. EasyPark has agreed to acquire Flowbird pursuant to a share purchase agreement dated 14 February 2024. The CMA refers to this acquisition as the **Merger**. EasyPark and Flowbird are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

Who are the businesses and what products/services do they provide?

3. Car parking spaces in the UK are owned by local authorities or private landlords such as private parking operators, supermarkets and individuals. Drivers can either reserve and pay for a car parking space in advance (**in-advance**) or pay and park when they arrive at the location (**on-demand**) through cash, contactless payments or mobile applications (**mobile apps**). Local authorities mostly offer on-demand parking. Most privately-owned parking spaces are reserved in-advance, although some are available on-demand. In addition, local authority-owned parking spaces are almost all on-street whereas almost all privately-owned parking spaces are off-street.
4. Both EasyPark and Flowbird provide services in the UK that allow drivers to pay for parking. In particular:
 - (a) EasyPark provides mobile parking handling services through the RingGo app. The app allows drivers to pay to use on-demand parking spaces owned by local authorities and private car park operators.
 - (b) Flowbird provides mobile parking handling services through the Flowbird app, which is predominantly used for on-demand parking in privately-owned car parks. Flowbird also provides payment terminals (kiosks where customers can print a ticket to 'pay-and-display') to local authorities and private car parks. In addition, Flowbird owns YourParkingSpace (**YPS**). YPS provides in-advance parking handling services, operates private car parks, and provides on-demand mobile parking handling services at its own and other privately-owned car parks. ParkMaven is part of the Flowbird group of companies which is involved in parking enforcement when a driver does not pay for parking or overstays a booking.

5. Currently, drivers that use mobile apps to pay for parking in different local authority locations need a variety of apps as historically each local authority has tendered for a single provider of on-demand mobile parking handling services in that specific local authority. For instance, in London, drivers parking in Wandsworth would need to pay on the RingGo app whereas drivers parking in Lambeth need to use PayByPhone and the JustPark app in Camden. This is intended to change with the upcoming National Parking Platform (**NPP**). Under the NPP, all approved providers of on-demand mobile parking handling services will be able to offer their mobile app in the local authorities that have signed up, allowing those providers to compete directly for end-customers across the UK.

Why did the CMA review this merger?

6. The CMA's primary duty is to seek to promote competition for the benefit of consumers. It has a duty to investigate mergers that could raise competition concerns in the UK, provided it has jurisdiction to do so. In this case, the CMA has concluded that the CMA has jurisdiction to review this Merger because:
 - (a) a relevant merger situation has been created as each of EasyPark and Flowbird are enterprises that have ceased to be distinct as a result of the Merger; and
 - (b) The share of supply test is met.

What evidence has the CMA looked at?

7. In assessing this Merger, the CMA considered a wide range of evidence in the round.
8. The CMA received several submissions and responses to information requests from the Parties. The CMA examined the Parties' internal documents and gathered a variety of market share and bidding data to assess the Parties respective positions and how closely they compete in the supply of on-demand mobile parking handling services.
9. The CMA spoke to, and gathered evidence from, other companies to understand better the competitive landscape, to get their views on the impact of the Merger and to understand any concerns they had with the Merger. In particular, the CMA received evidence from competitors in mobile parking handling services and some customers. The CMA engaged with the Department for Transport.

What did the evidence tell the CMA...

...about the effects on competition of the Merger?

10. The CMA looked at whether the Merger would lead to an SLC as a result of horizontal unilateral effects in the supply of on-demand mobile parking handling services.
11. Following concerns from third parties, the CMA further considered whether the Merged Entity could foreclose rivals in adjacent markets. It considered:
 - (a) Input foreclosure: whether the Merged Entity would be able to use its position in the supply of parking terminals to restrict rivals' ability to advertise their mobile apps on the Merged Entity's parking terminals; and
 - (b) Conglomerate effects: whether the Merged Entity would be able to (i) leverage its position in payment terminals to foreclose rivals in on-demand mobile parking handling services, or vice versa, and/or (ii) leverage its position in on-demand parking handling services to foreclose rivals in enforcement.

Theory of harm 1: Horizontal unilateral effects in the supply of on-demand mobile parking handling services in the UK

12. The CMA's assessment found that the Parties are not close competitors, in particular because:
 - (a) EasyPark is the largest supplier of on-demand mobile parking handling services in the UK. Flowbird is the seventh largest supplier, with a very small share of supply. In addition, most of Flowbird's on-demand mobile parking handling revenues are obtained at the car parks it operates.
 - (b) The bidding analysis shows that EasyPark and Flowbird have not competed closely with each other for on-demand mobile parking handling tenders issued by local authorities or private landlords.
 - (c) Third-party evidence indicates that the Parties do not compete closely with each other in the provision of on-demand mobile parking handling services to local authorities, and that while the Parties compete more closely for private car park customers, Flowbird is a significantly weaker supplier than EasyPark.
 - (d) The introduction of the NPP further reduces the scope for competition concerns.

13. The CMA also found that post-Merger, PayByPhone, Phone & Pay and JustPark and a tail of other suppliers will exert a strong constraint on the Merged Entity

Other theories of harm considered

14. The CMA found that the Merged Entity would not have the ability to foreclose rivals in adjacent markets, in particular because:
 - (a) In terms of input foreclosure: parking terminal suppliers cannot advertise on these terminals without the consent of the parking space owner and therefore do not have control over the input that would be required for a foreclosure strategy; and
 - (b) In terms of conglomerate effects: the contracts for on-demand mobile parking handling services and payment terminals are rarely bought together, the upcoming NPP means that on-demand mobile parking handling services will not be tendered for by participating local authorities, and the Merged Entity would not have a sufficiently important market position in the provision of on-demand parking handling services to private car parks to enable it to foreclose rivals in the supply of enforcement services.

What happens next?

15. The Merger will therefore **not be referred** for a phase 2 investigation under section 33(1) of the Enterprise Act 2002 (the **Act**).

ASSESSMENT

1. PARTIES, MERGER AND MERGER RATIONALE

1. EasyPark is active in mobility services. In the UK, EasyPark primarily operates through the RingGo brand and app, which allows customers to pay to use on-demand parking spaces owned by local authorities and private car park operators.¹ The turnover of EasyPark in 2023 was approximately £[<] million worldwide and approximately £[<] million in the UK.² EasyPark is ultimately controlled by the investment firms Verdane Group^{3,4} and Vitruvian Partners.⁵
2. Flowbird is also active in mobility services. In the UK, Flowbird primarily supplies payment terminals that allow customers to pay for their parking through a ‘pay-and-display’ system. These are used by both local authorities and private car park operators.⁶ Flowbird also provides an app which allows customers to pay for on-demand privately-owned car parks and, on a very limited scale, parking in local-authority owned parking spaces. In addition, Flowbird owns YourParkingSpace (YPS), which operates private car parks,⁷ and provides some of the parking handling services (including on-demand mobile parking handling services and hardware maintenance) required at those car parks. YPS also provides on-demand mobile parking handling services for other privately-owned car parks. In addition, YPS carries out enforcement activities in the car parks it operates under the ‘ParkMaven’ brand.⁸ YPS further has a platform that allows drivers to make in-advance bookings of privately-owned parking spaces.⁹ The turnover of Flowbird in 2023 was approximately £[<] million worldwide and approximately £[<] million in the UK.¹⁰ Flowbird is ultimately controlled by funds managed by Searchlight Capital Partners.¹¹
3. On 14 February 2024, EasyPark agreed to acquire all the shares of Flowbird.¹²
4. The Parties informed the CMA that the Merger is also the subject of ongoing review by competition authorities in France and the United States (and that the

¹ Final Merger Notice submitted to the CMA on 10 June 2024 (FMN), paragraph 24.

² FMN, paragraph 37.

³ Verdane Group also [<] Parkopedia, a UK-based provider of data and in-vehicle IT integration services which allows automotive manufacturers to incorporate parking solutions into the in-vehicle navigation systems. FMN, paragraphs 25-27.

⁴ Until recently, Verdane also [<] JustPark. FMN, paragraph 28.

⁵ FMN, paragraph 14.

⁶ FMN, paragraph 29.

⁷ FMN, paragraph 30.

⁸ Parties’ response to the CMA’s Request for Information of 27 June 2024 (Response to RFI5), question 1.

⁹ FMN, paragraph 30.

¹⁰ FMN, paragraph 37.

¹¹ FMN, paragraph 15.

¹² FMN, paragraph 34.

Merger is conditional upon approval by these authorities), having received clearances in Germany, Portugal, Spain and Sweden.¹³

5. The Parties submitted that the Merger would enable EasyPark to:
 - (a) expand its offering and capabilities, as the Parties operate in adjacent but separate markets; and
 - (b) expand its global offering, as Flowbird operates in countries that EasyPark itself is not active in.¹⁴
6. The CMA has not seen any evidence to contradict the Parties' stated rationale for the Merger.

2. PROCEDURE

7. The CMA's mergers intelligence function identified the Merger as warranting an investigation.¹⁵
8. The CMA commenced its phase 1 investigation on 13 June 2024. As part of its phase 1 investigation, the CMA gathered a range of evidence from the Parties to understand the operation of the market and the interactions between the Parties' different offerings. The CMA also gathered evidence from other market participants to verify what the Parties had put forward, to understand any concerns they had with the Merger and understand upcoming changes. The evidence the CMA has gathered has been tested rigorously, and the context in which the evidence was produced has been considered when deciding how much weight to give it.
9. Where relevant, this evidence has been referred to within this Decision.

3. JURISDICTION

10. A relevant merger situation exists where two or more enterprises have ceased to be distinct and either the turnover or the share of supply test is met.¹⁶
11. Each of EasyPark and Flowbird is an enterprise within the meaning of section 129 of the Act. As a result of the Merger, these enterprises will cease to be distinct.
12. The Parties overlap in the supply on-demand mobile parking handling services in the UK, with a combined share of supply of [50-60]% (with an increment of [0-5]%)

¹³ FMN, paragraph 17.

¹⁴ FMN, paragraph 21.

¹⁵ [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), April 2024, paragraphs 6.4–6.6.

¹⁶ [CMA2](#), chapter 4; Section 23 of the Act.

by revenue in 2023.¹⁷ The CMA therefore believes that the share of supply test in section 23 of the Act is met.

13. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.
14. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 14 June 2024 and the statutory 40 working day deadline for a decision is therefore 8 August 2024.

4. COUNTERFACTUAL

15. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).¹⁸
16. In an anticipated merger, the counterfactual may consist of the prevailing conditions of competition, or conditions of competition that involve stronger or weaker competition between the parties to a merger than under the prevailing conditions of competition.¹⁹ In determining the appropriate counterfactual, the CMA will generally focus on potential changes to the prevailing conditions of competition only where there are reasons to believe that those changes would make a material difference to its competitive assessment.²⁰
17. The Parties submitted that the appropriate counterfactual is the prevailing conditions of competition, ie that the Parties would continue to operate independently of each other absent the Merger. However, the Parties also submitted that the forthcoming NPP, which is further explained at paragraphs 34 to 37, will substantially alter the market for the supply of mobile payment handling services in the UK. The Parties submitted this should be taken into account in any competitive assessment.²¹
18. The CMA has not received submissions (or other evidence) suggesting that the Merger should be assessed against an alternative counterfactual.
19. Therefore, the CMA believes the prevailing conditions of competition to be the relevant counterfactual, and has taken into account any changes the NPP may have in the Competitive Assessment where appropriate.

¹⁷ See Table 1: Shares of supply by revenue in 2023 for on-demand mobile parking handling services.

¹⁸ [Merger Assessment Guidelines \(CMA129\)](#), March 2021, paragraph 3.1.

¹⁹ [CMA129](#), paragraph 3.2.

²⁰ [CMA129](#), paragraph 3.9.

²¹ FMN, paragraph 56.

5. COMPETITIVE ASSESSMENT

5.1 Background and nature of competition

20. This section provides an overview of the structure of supply in the parking sector in the UK. It includes a brief overview of: (i) the UK parking sector; (ii) how customers procure parking products and services in the UK; and (iii) what services and products the Parties and other suppliers provide.

5.1.1 Overview of the UK parking sector

21. Car parking spaces in the UK are owned by local authorities or private landlords (eg private parking operators, supermarkets, commercial centres, private individuals etc). Drivers can either reserve and pay for a car parking space in advance (in-advance) or pay and park when they arrive at the location (on-demand). Local authorities mostly offer on-demand parking whereas most bookings at privately-owned parking spaces are reserved in-advance.²² In addition, local authority-owned parking spaces are almost all on-street whereas almost all privately-owned parking spaces are off-street.²³
22. In-advance bookings are typically reserved through a website or booking portal.
23. For on-demand parking, drivers can pay on location through various methods. Historically, drivers could only pay by coins at payment meters located roadside but over time, these meters have been replaced by payment terminals that allow drivers to pay by cash, or by card and other contactless payment methods. In addition, drivers can pay via their mobile phone, either using mobile apps or using QR codes or interactive voice response (**IVR**) telephony. These on-demand mobile parking handling services are supplied by technology providers to parking space owners. While there is a trend for local authorities to move towards mobile payments, the CMA understands many local authorities have been encouraged to provide alternatives that incorporate a cash solution to cater for vulnerable users that cannot or do not want to pay using their mobile phones.²⁴ The CMA has considered the potential impact of these market dynamics in its competition assessment where appropriate.
24. Parking fees are set by the owner of the parking space, ie the local authority or private landlord. Third parties that operate car parks or provide parking handling services charge commissions to the parking space owners and may also charge

²² FMN, paragraph 167.

²³ FMN, paragraph 129.

²⁴ FMN, paragraph 91. [Letter from Rt Hon Michael Gove MP to council leaders in England](#), dated 2 April 2023, accessed on 1 August 2024.

convenience fees to end-consumers, for example, if drivers opt to pay through a mobile app.

25. Drivers that have not paid or overstayed their booking, may be issued fines or, in extreme circumstances, have their vehicles clamped and/or removed from the specific site. This is known as 'enforcement'.
26. Parking space owners and third parties that provide commissioned services have access to, store and exchange data between themselves. In certain jurisdictions outside the UK (eg Sweden), the information exchange takes place at centralised hubs, which allows the parking space owners to manage data about parking activities as well enforcement activities.²⁵ The use of hubs in the UK is typically limited for enforcement but some providers may also include services such as operational reporting and kerbside management.²⁶ Neither Party offers hub solutions in the UK, but the CMA understands that several suppliers offer such solutions.²⁷ The Parties, as providers of parking handling services, provide an API which enables enforcement providers to connect to the Parties' back-office software to undertake enforcement checks.²⁸
27. The Parties also submitted that under the NPP, local authorities will not need to procure such systems, as the NPP will act as the platform that collects and distributes data as necessary, becoming the national centralised 'hub' for the UK, as explained further in paragraph 36 below.²⁹

5.1.2 Procurement of parking products and services in the UK

28. In this section, the CMA considers how local authorities and private landlords procure the products and services required to manage their parking spaces. This includes the supply of:
 - (a) In-advance parking handling services;
 - (b) Manufacture, installation and maintenance of payment terminals;
 - (c) On-demand mobile parking handling services; and
 - (d) Enforcement.

²⁵ EasyPark's response to the CMA's section 109 Notice of 1 July 2024 (**Response to Second s109 Notice**), question 1.

²⁶ Response to Second s109 Notice, question 1.

²⁷ Response to Second s109 Notice, question 1.

²⁸ Response to Second s109 Notice, question 1.

²⁹ Response to Second s109 Notice, question 1.

5.1.2.1 Local authorities

29. Local authorities mostly own on-demand parking and have only limited in-advance reservations, accounting for less than 10% of all bookings at local-authority-owned spaces.³⁰ Neither of the Parties provide in-advance parking handling services to local authorities.
30. Local authorities procure the parking terminal hardware directly from manufacturers. There are a number of hardware suppliers, including Flowbird, Skidata, Metric, S&B, Hub Parking and IPS.³¹ Once supplied, the local authority owns the parking terminal hardware and is responsible for all issues related to the hardware, including its maintenance and what is advertised on those terminals.³² Local authorities, or a third party contracted by the local authority, would be responsible for ticket replenishment, cash collection, cleaning parking terminals and clearing coin jams.³³ Flowbird also told the CMA that local authorities may outsource some ancillary services to third parties such as associated back-office services,³⁴ card payment processing, maintenance and spare parts.³⁵
31. Parking terminals cost on average £[redacted]–£[redacted] for black and white display models, and £[redacted]–£[redacted] for colour display. They have a useful asset life of around 20–25 years but are often replaced after 15–20 years because of technological developments or to comply with regulations.³⁶ Given the long replacement cycle, local authorities have not historically procured hardware together with other parking services, which usually have shorter contract durations.³⁷ The supplier of hardware has no influence over the fee paid by the end-consumer.³⁸
32. As described in paragraph 23, drivers can pay for on-demand parking via mobile apps. Historically, individual local authorities have tendered separately for on-demand mobile parking handling services and usually conducted tenders every two to five years.³⁹ They have used a single-supplier model where one supplier provides the service within the local authority boundary for the duration of the contract. This has led to a patchwork of suppliers operating across the UK and has required consumers to download multiple mobile apps to park at different local

³⁰ FMN, paragraph 167.

³¹ FMN, paragraph 86.

³² Parties' response to the CMA's Request for Information of 14 June 2024 (**Response to RF14**), question 2.

³³ Response to RF15, question 1, question 1.

³⁴ Flowbird submitted that it would provide its local authority/private operator customers of its parking terminals with back-office software which would provide: (a) alerts to the operator to issues with the parking terminals (eg the coin collection if full); and (b) a ticket server that is queried by parking enforcement agencies to enable parking enforcement. The back-office software provided by Flowbird in the UK does not collect information from or aggregate data from any mobile parking handling applications such as RingGo. (Flowbird believes it is not technically possible for the RingGo app to connect to its back-office software). Response to RF15, question 1.

³⁵ This activity can be carried out by the supplier of the parking terminal (eg Flowbird), a third party or by an in-house Local Authority maintenance team. See FMN, paragraph 87(f) and Response to RF15, question 1.

³⁶ Parties' response to the CMA's Request for Information of 17 July 2024 (**Response to RF17**), question 1.

³⁷ FMN, paragraph 160.

³⁸ FMN, paragraph 57.

³⁹ FMN, paragraph 158.

authority locations (eg someone parking in Wandsworth would need to pay on the RingGo app whereas someone parking in Lambeth needs to use PayByPhone and JustPark in Camden).⁴⁰

33. Local authorities also outsource enforcement to third parties. Similar to other parking handling services, local authorities tender for these services and are bound by Public Contracts Regulations 2015.⁴¹

5.1.2.2 NPP

34. In 2023, the Department for Transport (**DfT**) announced the introduction of the NPP, which is a two-sided platform that will connect parking operators that have parking spaces to rent (eg local authorities) with service providers that can sell these parking spaces to end-consumers.⁴² This is expected to have a major impact on how parking space owners procure parking services in the UK and how suppliers compete for those services. Under the NPP, approved on-demand mobile providers will compete directly for end-consumers across local authority boundaries and participating local authorities will no longer tender for these services directly from providers.
35. As at May 2024, 235 local authorities have signed up to join the NPP and six on-demand mobile providers – RingGo, PayByPhone, JustPark, APCOA Connect, AppyWay and Caura – have been approved as NPP service providers. The DfT told the CMA that another 35 providers have registered their interest in being an NPP provider.⁴³ The NPP is expected to launch in full in October 2024.⁴⁴
36. The Parties submitted that the NPP would act as an aggregating platform that receives details of parking sessions from each mobile parking handling services provider through which an end-user has paid for a parking session and allows enforcement companies that have integrated with the NPP to validate parking sessions.⁴⁵ This would allow the enforcement companies to check if a ticket/parking fine should be issued or not.⁴⁶
37. The CMA has considered both the extant procurement processes of local authorities and the impact of the NPP in its competitive assessment.

⁴⁰ FMN, paragraph 98.

⁴¹ FMN, paragraph 77. This regime is scheduled to be changed in part in October 2024 as a result of the Procurement Act 2023; see [Transforming Public Procurement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/transforming-public-procurement), accessed on 1 August 2022.

⁴² Note of a call with the DfT, May 2024, paragraph 1.

⁴³ Email from the DfT to the CMA, dated 24 June 2024.

⁴⁴ [Parking Operators - National Parking Platform \(npp.org.uk\)](https://npp.org.uk), accessed on 1 August 2024.

⁴⁵ Response to Second s109 Notice, question 1.

⁴⁶ Response to Second s109 Notice, question 1.

5.1.2.3 *Private owners of parking spaces*

38. Private parking space owners include corporate entities as well as private individuals that may rent out a parking space in their garage or driveway.
39. Private individuals use aggregator websites that allow drivers to find and pre-book off-street parking spaces across the UK (ie, 'in-advance' parking handling services).
40. The procurement of parking handling services by off-street car park owners is more complex and may involve procuring services from suppliers at different levels of the vertical chain. Car park owners may outsource the operation of the car parks to car parking operators, such as Flowbird's subsidiary YPS, or manage it themselves. Car parks tend to offer both in-advance and on-demand parking. For those car parks that offer on-demand, car park owners or operators will also procure payment terminal hardware to offer alternative payments mechanism for the end-consumer. Similar to local authorities, car park owners or car park operators will also contract with third parties to provide enforcement services. Contracts between the owners and the suppliers at the different levels of the vertical chain are either negotiated bilaterally or secured through formal tenders.⁴⁷
41. The CMA has considered the impact of the Merger with respect to private car park owners in its competitive assessment.

5.2 Market definition

42. Where the CMA makes an SLC finding, this must be 'within any market or markets in the United Kingdom for goods or services'. An SLC can affect the whole or part of a market or markets. Within that context, the assessment of the relevant market(s) is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.⁴⁸
43. The boundaries of the relevant product market are generally determined by reference to demand-side substitution.⁴⁹ However, the CMA may widen the scope of the market where there is evidence that firms routinely use their production assets to supply a range of products and where the conditions of competition for those products are similar.⁵⁰
44. Market definition involves identifying the most significant competitive alternatives available to customers of the merger parties and includes the sources of

⁴⁷ Flowbird's response to the CMA's section 109 Notice of 25 June 2024 (**Flowbird's Response to First s109 Notice**), question 3.

⁴⁸ [CMA129](#), paragraph 9.1.

⁴⁹ [CMA129](#), paragraph 9.7.

⁵⁰ [CMA129](#), paragraph 9.8.

competition to the merger parties that are the immediate determinants of the effects of the merger.

45. While market definition can be an important part of the overall merger assessment process, the CMA's experience is that in most mergers, the evidence gathered as part of the competitive assessment, which will assess the potentially significant constraints on the merger parties' behaviour, captures the competitive dynamics more fully than formal market definition.⁵¹

5.2.1 Product market

46. The Parties overlap in the supply of on-demand mobile parking handling services, which the CMA takes as its starting point for determining the relevant product market.

5.2.1.1 On-demand and in-advance parking

47. The CMA considered whether to expand the relevant product market to include the supply of in-advance parking handling services.
48. On the demand-side, the Parties submitted that the decision-making process on whether to reserve a parking space in-advance or pay on-demand is different. Drivers that pre-book a parking space plan their journey and would need certainty over the availability of a parking space. Providers of on-demand parking handling services would not be able to provide this certainty.⁵² Drivers that park on available on-street or off-street car parking spaces do not plan to the same extent on when or where they need to park and do not require the same degree of certainty.⁵³
49. On the supply side, the evidence indicates that different suppliers compete for on-demand and in-advance parking handling services. Most of the in-advance bookings are made at airport car parks and reserved through websites such as Holiday Extras, Airport Parking and Hotels Limited and Direct Airport Bookings.⁵⁴ These suppliers do not provide on-demand mobile parking handling services. Similarly, the largest providers of on-demand mobile parking handling services such as EasyPark and PayByPhone do not offer in-advance parking handling services. The suppliers that offer both on-demand and in-advance parking handling services such as Flowbird and APCOA are relatively small providers with relatively low shares of supply in both areas.

⁵¹ [CMA129](#), paragraph 9.2.

⁵² FMN, paragraph 68.

⁵³ FMN, paragraph 66.

⁵⁴ FMN, paragraph 80.

50. Based on the above evidence, the CMA considers that in-advance and on-demand parking handling services do not fall within the same product market.

5.2.1.2 *On-demand mobile and payment using parking terminals*

51. The CMA considered whether to expand the relevant product market to include payments made via parking terminals.

52. The Parties submitted that some local authorities have removed or are in the process of removing parking terminals from their estate.⁵⁵ At these locations, paying at a parking terminal would not be an option for end-consumers and they would have to pay via mobile.

53. Where both mobile and payment terminals are available, the end-consumers could in principle switch from paying by mobile to paying at a parking terminal. While the CMA has not received direct evidence from mobile users' willingness to switch, the CMA understands that local authorities were being encouraged to offer both payment options to cater for end-consumers' different preferences (see paragraph 23). This suggests that, for some end-consumers, these two payment methods may not be direct substitutes.

54. Based on the above evidence, the CMA considers that there is insufficient evidence to broaden the market to include payments using parking terminals. In any event, while Flowbird generated some commission (approximately £[>] million) from payments made at parking terminals at the car parks it operates, EasyPark did not generate any commissions from such activities and provides only on-demand mobile parking handling services in the UK. Given there is no overlap in the operation of parking terminals, the CMA has assessed the Merger with respect to on-demand mobile parking handling services. In any case, widening the market to include payments at parking terminals would reduce the likelihood of there being a realistic prospect of an SLC.⁵⁶

5.2.1.3 *Segmentation between local authorities and private car parks*

55. The CMA considered whether the market should be segmented between local authorities and private car parks.

⁵⁵ FMN, paragraph 96.

⁵⁶ The CMA estimates the market size of on-demand mobile parking handling services to be around £[>] million (see Table 1). While there is no reliable estimate for the market size of commissions generated from parking terminals, the CMA understands that around 50% of payments for on-demand parking are made at parking terminals. Given this, it would be reasonable to expect the market size for revenues generated from parking terminals to be of a similar size to on-demand mobile (ie around £[>] million). As Flowbird's revenue from parking terminals was only £[>] million, its share (and the Parties' combined share) would be around [0-5]%, which is significantly lower than the Parties' share in on-demand mobile handling services. Widening the market to include payments at parking terminals would therefore reduce the Parties' share significantly and hence, reduce the likelihood of an SLC.

56. On the demand side, while the CMA has not been able to collect information from end-consumers during this phase 1 investigation, based on the available evidence the CMA understands that end-consumers, when choosing their parking space, would not typically distinguish between whether the parking space is local-authority-owned or a private car park. On the supply side, while suppliers' shares of supply differ between the two groups (see Table 2 and Table 3 below), most of the same suppliers are active in both segments. The Parties also submitted that there were very few technical entry barriers for a mobile app provider to move from providing services to a local authority to private car parks.⁵⁷ The CMA notes that suppliers typically have one mobile app for local authority and private car park spaces, rather than separate apps for each customer type.
57. Based on the above evidence, the CMA does not consider that the market should be segmented between local authorities and private car park owners. However, the CMA has taken account of any differentiation between the two customer segments in its competition assessment.

5.2.1.4 *Conclusion on relevant product market*

58. Based on the above evidence, the CMA has concluded that the relevant product market is the supply of on-demand mobile parking handling services to local authorities and private car park owners.

5.2.2 **Geographic market**

59. The Parties submitted that the relevant geographic market was the UK.⁵⁸
60. Most on-demand mobile providers operate nationally and compete for local authority contracts across the UK. As explained in paragraph 33, local authority tenders are governed by the same procurement rules and under the NPP, all approved providers will be able to operate across the UK. While there may be some local differences across the UK, for example, local authorities in Wales require a Welsh language-option, these differences do not suggest the conditions of competition vary significantly.⁵⁹
61. Based on the above evidence, the CMA considers that the relevant geographic market is the UK.

⁵⁷ Response to Second s109, July 2024, question 4.

⁵⁸ FMN, paragraph 79.

⁵⁹ FMN, paragraph 73.

5.2.3 Conclusion on market definition

62. For the reasons set out above, the CMA has concluded the relevant market is the supply of on-demand mobile parking handling services to local authorities and private car park owners in the UK.

5.3 Horizontal unilateral effects in the supply of on-demand mobile parking handling services

63. The Parties supply on-demand mobile parking handling services to local authorities and private car park owners in the UK. The provision of mobile parking handling services is differentiated with suppliers offering payment via mobile apps and non-app payment (eg QR code or IVR telephony). Suppliers compete on the basis of price, quality and service.⁶⁰

64. In differentiated markets such as this, horizontal unilateral effects are more likely where the merger firms are close competitors or where their products are close substitutes.⁶¹ In its assessment below, the CMA has considered how closely the Parties compete with one another and whether the removal of the constraint the Parties place on each other is likely to lead to an SLC in the supply of on-demand mobile parking handling services in the UK. As part of this assessment, the CMA has also considered the competitive constraints placed on the Parties by other providers of on-demand mobile parking handling services.

65. The remainder of this chapter is structured as follows:

- (a) Shares of supply;
- (b) Bidding analysis;
- (c) Third-party evidence;
- (d) Internal documents; and
- (e) Conclusions on horizontal unilateral effects in the supply of on-demand mobile parking handling services.

5.3.1 Shares of supply

66. Shares of supply can be useful evidence when assessing closeness of competition, particularly when there is persuasive evidence on demand- and supply-side substitution as to which potential substitutes should be included or excluded, and when, although differentiated, the degree of differentiation between

⁶⁰ FMN, paragraph 119.

⁶¹ [CMA129](#), paragraph 4.8.

firms is more limited. In such circumstances, a firm with a higher share of supply is more likely to be a close competitor to its rivals, and therefore a merger that removes the competitive constraint such a firm exerts on its rivals would be more likely to raise competition concerns. In cases such as this, shares of supply can represent a readily available source of evidence on which the CMA can base its assessment of closeness.⁶²

67. The CMA collected revenue information from the Parties and other providers of on-demand mobile parking handling services operating in the UK, distinguishing between revenues earned from local authority and private car park customers and where possible, the proportion of payments made through mobile apps, QR code and IVR telephony.⁶³ The CMA was not able to collect information from all third-party providers, which has meant that the CMA's market size estimates for each customer segment is likely understated, and Parties' shares of supply overstated.⁶⁴ Notwithstanding these issues, the CMA's shares of supply estimates provide useful information on the relative size of the Parties' activities in the supply of on-demand mobile parking handling services.

5.3.1.1 On-demand mobile parking handling services shares of supply estimates

68. Table 1 presents the shares of supply estimates for on-demand parking handling services in the UK.

Table 1: Shares of supply by revenue in 2023 for on-demand mobile parking handling services

Supplier	2023 £'000	2023 %
EasyPark	[><]	[50-60]
Flowbird	[><]	[0-5]
Parties combined	[><]	[50-60]
PayByPhone	[><]	[20-30]
Creative Car Parks (Phone & Pay)	[><]	[5-10]
JustPark	[><]	[0-5]
Chipside (Mi-Permit)	[><]	[0-5]
APCOA	[><]	[0-5]
Sagoss	[><]	[0-5]
Total	[><]	100

Source: CMA calculations using data from on-demand mobile providers operating in the UK

69. EasyPark is the largest supplier of on-demand mobile parking handling services, supplying [><] of the overall demand from local authorities and private car park customers. Flowbird is only the seventh largest on-demand mobile provider with a very low share of [0-5]%. As set out in more detail in paragraph 77, most of

⁶² [CMA129](#), 4.14.

⁶³ See paragraphs 21 to 23 for more detail.

⁶⁴ The issue is likely to be more pronounced for the private carpark segment as it is missing revenue information from NCP, which is one of the UK's large carpark operators and the CMA understands has its own mobile app offering.

Flowbird’s revenues were generated at the car parks it operates and it would not have competed with EasyPark for those contracts.

70. PayByPhone is the second largest supplier with a significant share of [20-30]%. Creative Car Parks (Phone & Pay) is the next largest with [5-10]%, followed by three suppliers of a similar size to Flowbird.
71. The shares of supply analysis does not suggest that the Parties compete closely with each other. The increment from the Merger is very low and the Merger does not add materially to EasyPark’s pre-existing strength in the supply of on-demand mobile parking handling services in the UK. Several other suppliers are active in the UK and rivals such as PayByPhone and Creative Car Parks (Phone & Pay) have higher shares and compete more closely with EasyPark than Flowbird.
72. In the next two sub-sections, the CMA assesses whether the impact of the Merger on competition would be more pronounced for either of the two customer groups.

5.3.1.1.1 Local authority shares of supply estimates

73. As explained in more detail in paragraphs 29 to 33, local authorities have typically tendered for on-demand mobile parking handling services individually, but this will change with the introduction of the NPP where participating local authorities will no longer be required to tender for these services. Approved NPP providers will also be able to compete directly for end-consumers across local authority boundaries. While the shares of supply estimates provided below in Table 2 reflect the revenues generated from past local authority tenders, they nonetheless provide insight into the suppliers that may be well-placed to compete for end consumers once the NPP is fully implemented in the UK.

Table 2: Shares of supply by revenue in 2023 for on-demand mobile parking handling services from local authorities

Supplier	2023 £'000	2023 %
EasyPark	[<]	[60-70]
Flowbird	[<]	[0-5]
Parties combined	[<]	[60-70]
PayByPhone	[<]	[20-30]
Chipside (Mi-Permit)	[<]	[5-10]
Creative Car Parks (Phone & Pay)	[<]	[0-5]
JustPark	[<]	[0-5]
Sagoss	[<]	[0-5]
APCOA	[<]	[0-5]
Total	[<]	100

Source: CMA calculations using data from on-demand mobile providers operating in the UK

Notes to table

All of EasyPark’s revenues were generated through the RingGo mobile app.

[<]% of PayByPhone’s revenues were generated through its mobile app, [<]% by website, [<]% by IVR and [<]% by SMS.

[<]% of APCOA’s revenues were generated through [<].

[<]% of JustPark’s revenues were generated through its mobile app and the remaining ([<]%) were generated from payments made via QR codes or IVR telephony.

74. EasyPark is the largest supplier of on-demand mobile parking handling services to local authorities in the UK. Flowbird is a very small provider and generated only £[less than 10,000] of revenues from its mobile app offerings in 2023.⁶⁵ Flowbird also submitted that [X], which reduces further the scope for it to generate revenues from local-authority-owned parking spaces in future.⁶⁶ Accordingly, the Parties do not compete closely for local authority contracts.
75. Other suppliers, including PayByPhone, Chipside, Phone & Pay and JustPark, have significantly higher shares of supply than Flowbird and compete more closely with EasyPark than Flowbird.

5.3.1.1.2 Private car park shares of supply estimates

76. As explained in paragraph 40, owners of car parks in the UK either outsource the operation of their car parks to third parties such as NCP, APCOA and Flowbird (through its YPS subsidiary), or operate their car parks themselves. Some car park operators, such as Flowbird, use their own in-house mobile app offerings while others procure on-demand mobile parking handling services from technology providers such as EasyPark. The CMA's shares of supply estimates presented in Table 3 below are based on the revenues earned from both business models. The CMA takes account of these differences when interpreting the evidence from the shares of supply.

Table 3: Shares of supply by revenue in 2023 for on-demand mobile parking handling services from private car parks

Supplier	2023 £'000	2023 %
EasyPark	[X]	[20-30]
Flowbird	[X]	[10-20]
Parties combined	[X]	[30-40]
PayByPhone	[X]	[20-30]
Creative Car Parks (Phone & Pay)	[X]	20-30]
APCOA	[X]	[10-20]
JustPark	[X]	[5-10]
Sagoss	[X]	[0-5]
Total	[X]	100

Source: CMA calculations using data from on-demand mobile providers operating in the UK

Notes:

All of EasyPark's revenues were generated through the RingGo mobile app.

[X]% of Flowbird's revenues were generated through the Flowbird or YPS app, [X]% through payments made via QR code and [X]% via IVR telephony.

[X]% of PayByPhone's revenues were generated through its mobile app, [X]% by website, [X]% by IVR and [X]% by SMS.

[X]% of APCOA's revenues were generated through its mobile app, [X]% through payments made via QR code, [X]% by IVR and [X]% by SMS.

[X]% of JustPark's revenues were generated through its mobile app and [X]% through payments made via QR code and [X]% via IVR telephony.

⁶⁵ Response to RF17, question 7.

⁶⁶ Flowbird's Response to First s109 Notice, question 9.

77. EasyPark is the largest supplier of on-demand mobile parking handling services to private car parks in the UK. All of this revenue was generated through its RingGo app. Flowbird is the fifth largest supplier based on revenues generated in 2023. While the Parties' combined share of supply of [30-40]% with an increment of [10-20]% is not insignificant, most of Flowbird's revenues related to self-supply at car parks it operated and would not have been subject to the same competitive process as EasyPark would have faced to win private car park contracts.⁶⁷ Further, around half of Flowbird's revenues were generated by payments by QR code or IVR telephony, rather than through a mobile app,⁶⁸ whereas all of EasyPark's revenue was generated through its app.
78. The PayByPhone and JustPark on-demand mobile parking handling service is a closer competitor to EasyPark than Flowbird in that: (i) none of these suppliers operate their own car park; and (ii) [X] of the commissions were generated from payments made via [X].⁶⁹ In any event, PayByPhone and Phone & Pay have significantly higher shares of supply than Flowbird. JustPark's revenues are [X] Flowbird's once its self-supply component is adjusted for. APCOA is more similar to Flowbird than EasyPark given it is also a third-party car park operator and generated [X].⁷⁰
79. If the shares of supply were adjusted to focus on activities where on-demand mobile providers competed directly against each other, the Parties' combined share of supply would be around [30-40]%, with a very small increment of around [0-5]%.⁷¹

5.3.1.2 Conclusion on shares of supply

80. Based on the above evidence, the Parties' combined share for on-demand mobile parking handling services is substantial but the increment is very small. EasyPark is the largest supplier of on-demand mobile parking handling services in the UK to both local authorities and private car park customers. Flowbird's share for local authority customers is negligible. While Flowbird is more active within the private car park customer segment, it is still only the fifth largest supplier by revenue. The evidence indicates that the Parties compete for and generate revenues from

⁶⁷ [X]% of Flowbird's revenues related to commissions earned through payments made at car parks operated by YPS, ie earned as a result of YPS winning the contract to operate the parking lot rather than from direct competition with other on-demand mobile app providers. The other [X]% related to commissions earned at other car parks, either from payments made using Flowbird's or YPS's mobile offering, or from its white label offering which third parties adapted to create their own branded app. Flowbird's response to the CMA's section 109 Notice of 4 July 2024 (**Flowbird's Response to Third s109 Notice**), question 6.

⁶⁸ [X]% of revenues related to commissions from either the YPS or Flowbird app while the remaining [X]% came from QR-based payments, web portal and IVR telephone payments. Flowbird's response to third s109 notice of 4 July 2024, question 6.

⁶⁹ The CMA was unable to collect information from Phone & Pay on what proportion of its revenues were generated through payments on its mobile app and what proportion of its revenues came from car parks it operates.

⁷⁰ Email from a third party to the CMA, dated 22 July 2024.

⁷¹ For this calculation, the CMA has deducted all revenues generated at car parks operated by the on-demand mobile provider, ie deducting £[X] million from Flowbird's total revenues and £[X] from APCOA's revenues. Flowbird's remaining £[X] million would therefore account for c.[0-5]% of the adjusted market size. [X].

different sources and their mobile payment offerings are differentiated. Once this differentiation is accounted for, the increment from the Merger for private car park operators is also very small. Overall, the shares of supply analysis suggests that the Merger does not strengthen the Parties' market position to any material extent.

81. PayByPhone and Phone & Pay are large suppliers for both local authority and private car park customers. JustPark, while a similar size to Flowbird, has a mobile parking handling service that is closer to EasyPark both in its offering and the customers it targets and wins contracts from. All of these suppliers compete more closely with EasyPark than Flowbird.

5.3.2 Bidding analysis

82. The Parties provided data on all on-demand mobile parking handling service tenders they competed for during the period 2020 to 2023, which was [X] in total.⁷² The data included information on the customer,⁷³ the winner of the tender and which other suppliers the Parties considered had bid in that tender.⁷⁴
83. The Parties submitted that the tender analysis showed that EasyPark and Flowbird did not compete against each other for the same tenders.⁷⁵
84. The CMA's analysis of the bid data shows that EasyPark won [X]% of the [X] tenders it competed for between 2020 and 2023.⁷⁶ Over the same period, Flowbird bid in only [X] of those tenders (ie they met each other in only [X]% of the tenders) and won only [X].
85. Of the other suppliers, the Parties identified PayByPhone as a potential bidder in [X] of the [X] ([X]%) tenders and recorded it as a winner in [X] of those [X] tenders, representing a [X]-win rate. JustPark, APCOA and Chipside were also identified as potential bidders [X], [X] and [X] times respectively. JustPark was recorded as a winner [X], APCOA and Chipside [X] each. A few other suppliers were identified as bidders on a single occasion but none of them were recorded as winners.⁷⁷

5.3.2.1 Conclusion on bidding analysis

86. The bidding analysis shows that EasyPark and Flowbird have not competed closely with each other for on-demand mobile parking handling tenders issued by

⁷² There were an additional 26 tenders that the customer did not ultimately complete. The CMA has excluded these 26 tenders from its analysis.

⁷³ Almost all of the tenders were issued by local authorities, with only five being tenders for private landlords.

⁷⁴ Parties' response to the CMA's Request for Information of 22 May 2024 (**Response to RFI3**), question 13.

⁷⁵ FMN, paragraph 144.

⁷⁶ Response to RFI3, question 13.

⁷⁷ [X]

local authorities and private landlords in the UK. The Parties' bid data indicates that PayByPhone was EasyPark's closest competitor between 2020 and 2023.

5.3.3 Third-party evidence

87. The CMA contacted public and private customers and competitors to seek their views on the Merger. Several third parties raised concerns about the potential impact of the Merger, specifically in relation to the risk that the Parties would leverage their putative market power in the adjacent markets they operate in to foreclose rivals in one or more of those markets. The CMA considers these matters in more detail in the section 'Other theories of harm considered'. In this section, the CMA sets out the third-party evidence relating to the horizontal supply of on-demand mobile parking handling services, which is the focus of this theory of harm.
88. The DfT submitted that it had no concerns about the Merger.⁷⁸
89. Two of the three private car park owners that responded to the CMA's questionnaires said that they had no concerns about the Merger. They indicated that there were many alternative car parking app providers and that this consolidation, in what they perceived as a fragmented market, would have no real impact on competition.⁷⁹ The other customer that responded submitted that there was 'more competition' for on-demand parking handling services than other areas where the Parties operate and raised non-horizontal concerns that may arise from the Merged Entity's position in the parking sector.⁸⁰ The CMA has considered these issues in the 'Other theories of harm considered' section.
90. As explained in paragraph 87, several competitors raised concerns about the Merger. Some competitors commented that EasyPark would be the strongest supplier under the NPP. None of them, however, explained how the combination of Flowbird's mobile offering with EasyPark's RingGo app would harm competition for on-demand mobile parking handling services, for either local authority or private car park owners. Competitors identified EasyPark as the strongest provider of mobile parking handling services but indicated Flowbird's offering was relatively weak. Most of the competitors that spoke to the CMA indicated that Flowbird had a limited presence in the supply to local authorities, and while it had a larger user base in private car parking spaces, its solution was not as established or popular in the UK as in other jurisdictions.⁸¹

⁷⁸ Note of a call with the DfT, May 2024, paragraph 1.

⁷⁹ Response to the CMA questionnaire from multiple third parties, June 2024, question 1.

⁸⁰ Response to the CMA questionnaire from a third party, June 2024, question 2.

⁸¹ Notes of a calls with multiple third parties, May-June 2024.

5.3.3.1 Conclusion on third-party evidence

91. Third-party evidence indicates that the Parties do not compete closely with each other in the provision of on-demand mobile parking handling services. With respect to local authorities, competitors' concerns around EasyPark's potential strength under the NPP is reflective of EasyPark's pre-existing competitive strengths, and not because of any merger effect. While the Parties compete more closely for private car park customers, third parties considered that Flowbird was still a significantly weaker supplier than EasyPark.

5.3.4 Internal documents

92. The Parties submitted several internal documents that were prepared in the context of the Merger. Most of the internal documents that the CMA reviewed showed that the Parties operated broadly in different areas of the parking sector and had different strengths, including in areas where the Parties were seen to be competing more directly. For example:

- (a) In a report prepared by [X] on behalf of Flowbird in June 2023, Flowbird was identified as a 'market leader' in the supply of hardware and competed with [X], [X] and other hardware suppliers such as [X] and [X] in the UK. [X] identified EasyPark as a clear market leader in 'mobile' but stated that it was losing some ground to [X]. While Flowbird's mobile offering was identified as a competitor in other jurisdictions, it was not referred to as a rival to EasyPark in the UK.⁸²
- (b) In a management presentation prepared in September 2023, which set out Flowbird's strategy and business plan for the year, Flowbird identified itself as a market leader in the supply of parking terminals in the UK and other jurisdictions. Flowbird, however, did not refer to the UK when it described its position in mobile but recognised its [X] in other jurisdictions such as [X], [X] and [X].⁸³
- (c) In a commercial due diligence report prepared by [X] on behalf of EasyPark in November 2023, it compared YPS's mobile app with EasyPark's RingGo app and other mobile app providers. [X] categorised YPS as a 'platform disruptor' alongside JustPark, EasyPark and PaybyPhone as '[X]', and NCP and APCOA as '[X]'. [X] categorised both EasyPark's and YPS's mobile app offering as '[X]'. It described JustPark's mobile app as '[X]', PaybyPhone as '[X]' and the mobile apps of NCP and APCOA to be '[X]'.⁸⁴

⁸² Flowbird Internal Document, Annex 9.1 to the FMN, 'VCP – Flowbird Compendium', June 2021.

⁸³ Flowbird Internal Document, Annex 7.4 to the FMN, 'Management Presentation', September 2023.

⁸⁴ Flowbird Internal Document, Annex 8.4 to the FMN, 'Project Fuji – Commercial Due Diligence', October 2023.

5.3.4.1 *Conclusion on internal documents*

93. The evidence from the internal documents shows that Flowbird's mobile app offering was not widely recognised as a strength. Where Flowbird's mobile offering, through its YPS subsidiary, was mentioned, it was seen as a disruptor to EasyPark and PayByPhone, with no evidence of Flowbird increasing its market position. EasyPark and PayByPhone were considered as established mobile app providers in the UK. Overall, the internal documents do not provide probative evidence that the Parties compete closely with each other in the supply of on-demand mobile parking handling services.

5.3.5 Conclusion on horizontal unilateral effects in the supply of on-demand mobile parking handling services

94. EasyPark is the largest supplier of on-demand mobile parking handling services in the UK for both local authorities and privately-owned car parks. Flowbird on the other hand is a very small supplier for local authorities and while it has a bigger presence in private car parks, it is only the fifth largest supplier by revenue, and it offers a differentiated service and product to EasyPark, focusing on the car parks it operates, as well as other modes of payment such as QR code and IVR telephony. The acquisition of Flowbird does not materially add to EasyPark's pre-existing market position. Evidence from bidding analysis shows that the Parties have not competed closely for local authority contracts. Third parties did not consider the Parties competed closely and did not explain how the combination of the Parties' on-demand mobile parking handling offerings would give rise to competition concerns. The CMA's review of internal documents did not provide probative evidence that the Parties competed closely with each other for on-demand mobile parking handling services.

95. Based on the above evidence, the CMA concludes that the Parties are not close competitors.

96. The evidence also shows that there are a number of other suppliers that will compete with the Merged Entity post-Merger. PayByPhone, and to a lesser extent, Phone & Pay and JustPark, exert a strong to moderate constraint on the Parties. The constraints from these suppliers and the tail of other suppliers active in the UK would offset any loss of competition between the Parties in the supply of on-demand mobile parking handling services.

97. The introduction of the NPP further reduces the scope for competition concerns, in particular given Flowbird has told the CMA that, [§<]. Competitors' concerns about EasyPark's potential strength as an NPP provider reflects EasyPark's pre-existing strength in this sector, and not because of any merger effect.

98. For the reasons set out above, the CMA believes that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of the on-demand mobile parking handling services in the UK.

6. ENTRY AND EXPANSION

99. Entry, or expansion of existing firms, can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no SLC. The CMA will consider entry and/or expansion plans of rivals who do so in direct response to the merger as a countervailing measure that could prevent an SLC. In assessing whether entry or expansion might prevent an SLC, the CMA considers whether such entry or expansion would be timely, likely and sufficient.⁸⁵
100. As the CMA believes that the Merger does not give rise to competition concerns, it is not necessary to consider countervailing factors in this decision.

7. OTHER THEORIES OF HARM CONSIDERED

101. As set out in the ‘Parties, Merger and Merger rationale’ section, the Parties operate in various segments of the parking sector in the UK. EasyPark’s primary activity is the supply of on-demand mobile parking handling services while Flowbird is active in the manufacture, installation and maintenance of parking terminals to local authorities and private landlords, in-advance and on-demand parking handling services to privately-owned parking space owners, and the provision of enforcement services.
102. While the Parties do not compete directly in any of these markets other than on-demand mobile parking handling services, which the CMA has considered as a separate theory of harm, non-horizontal concerns may arise if the Merged Entity is able to use its position in one market to harm the competitiveness of its rivals in the other.⁸⁶ This would weaken the constraints that the Merged Entity faces and as a result harm competition and therefore customers.⁸⁷
103. The CMA’s investigation elicited several concerns from rival firms operating in the UK parking sector and from one customer.⁸⁸ They submitted that the Parties had market power in the markets in which they operate and indicated that the Merged Entity would have the ability and incentive to foreclose rivals in one or more of these markets. The CMA has considered these complaints carefully and has assessed the extent to which these concerns were specific to the Merger. The

⁸⁵ [CMA129](#), paragraph 8.31.

⁸⁶ [CMA129](#), paragraph 7.2.

⁸⁷ [CMA129](#), paragraph 7.2.

⁸⁸ Response to the CMA questionnaire from multiple third parties, June 2024, questions 1 and 2.

CMA's remit in this investigation is limited to assessing the specific change brought about by the Merger and its impact on the relevant market(s).

104. In this section, the CMA sets out its analysis on the impact of the Merger in relation to two non-horizontal competition concerns:

- (a) Input foreclosure: whether the Merged Entity would be able to use its market position in the supply of parking terminals to advertise the RingGo app and restrict rivals' ability to advertise their mobile apps on the Merged Entity's parking terminals. The harm would arise if this preferential treatment would direct end-consumers to download or use the RingGo app ahead of rivals' mobile apps; and
- (b) Conglomerate effects: whether the Merged Entity would be able to use its market position in the supply of: (i) parking terminals to foreclose rivals in the supply of on-demand mobile parking handling services, or vice versa; and/or (ii) on-demand mobile parking handling services to foreclose rivals in the supply of enforcement. The Merged Entity may achieve these effects for example by bundling these services together.

105. The CMA assesses each of these concerns in turn.

7.1.1 Input foreclosure of advertising space on parking terminals

106. The CMA's approach to assessing vertical theories of harm is to analyse (a) the ability of the Merged Entity to foreclose competitors, (b) the incentive of it to do so, and (c) the overall effect of the strategy on competition.⁸⁹

107. Competitors provided possible foreclosure mechanisms by which the Merged Entity could promote the RingGo app on the Flowbird parking terminal hardware at the expense of rivals, for example by adding signage/stickers of the RingGo app on the payment terminals or promoting the app on the payment terminal user screen at the expense of its rivals.⁹⁰ In the competitors' views, this additional advertising would confer a material competitive advantage to the Merged Entity that would harm competition in the downstream market of on-demand mobile parking handling services.

7.1.1.1 Ability

108. For there to be a competition concern, a significant volume of end-consumers would have to be diverted away from using rival mobile apps to the Merged Entity's mobile app offerings because of the preferential advertisement on the parking terminal hardware. For any foreclosure mechanisms identified in

⁸⁹ [CMA129](#), paragraph 14.1

⁹⁰ Response to the CMA questionnaire from a third party, June 2024, question 2.

paragraph 107 to work, the Merged Entity would need to have control over the input, which in this case, would be the advertising space on the parking terminal hardware.

109. The Parties submitted that the Merged Entity would not have the ability to advertise on parking terminals and foreclose downstream mobile app rivals as:
- (a) The parking terminal hardware and signage was owned by the parking space owner and any decision on whether and what advertising was allowed was entirely at their discretion.⁹¹
 - (b) Under the NPP, the display of stickers and signage would be regulated and each approved provider would receive equal prominence. Under open market principles, all NPP providers would have to be treated equally with regards to commercial opportunities and signage exposure. The Parties provided examples of where multiple mobile apps were advertised on hardware where NPP signage has already been deployed (see Annex 1).⁹²
 - (c) Advertising on the user interface or changing the design of the interface to be similar to the RingGo app would similarly require consent from the parking space owners. Furthermore, aligning the interface of parking terminals to an app would face a number of technical challenges that would make it unrealistic.⁹³
110. The DfT told the CMA that it did not currently place limits on the information that an equipment provider would be able to provide but that its aspiration was to adopt a brand-neutral approach that would refer people across to the website or have an easy-to-recognise logo or sign that made clear the NPP options.⁹⁴
111. Based on the above evidence, the parking terminal supplier has no rights to advertise on the hardware without the consent of the parking space owner and therefore does not have control over the input that would be required for a foreclosure strategy. Further, the evidence that multiple NPP approved suppliers have been advertised on the parking terminals where the NPP has already been implemented is an indicator of how advertising may take place in future (see Annex 1). These examples of non-discriminatory advertising broadly support the DfT's overarching ambition for a brand-neutral approach to advertising. Overall, it appears unlikely that the Merged Entity would be able to advertise its mobile app unilaterally over rivals. Further, parking space owners and the NPP appear to have no incentive to favour the Merged Entity's apps over other approved suppliers.

⁹¹ Response to RF14, question 3.

⁹² Response to RF14.

⁹³ Response to RF14, question 3.

⁹⁴ Email from the DfT to the CMA, dated 28 June 2024.

112. With respect to the alignment of the parking terminal interface to match the app, the CMA understands that Flowbird would have no control of the input either, given that any changes would require consent from the parking space owner. In any event, the scope to influence end-consumers would be restricted, as less than [X]% of Flowbird's current infrastructure had colour display and it is expecting to install only [X]-[X] hardware units over the next three years, which would account for less than [0-5]% of all hardware units installed in the UK today.⁹⁵
113. Given the above evidence, the CMA does not consider that that the Merged Entity would have the ability to foreclose on-demand mobile app rivals as a result of acquiring Flowbird's parking terminal manufacturing business.

7.1.1.2 *Incentive and effects*

114. Given the CMA considers that the Merged Entity would not have the ability to foreclose on-demand mobile app rivals, the CMA has not considered either incentive or effects in its assessment.

7.1.2 Conglomerate effects through the supply of on-demand mobile parking handling services, parking terminals and enforcement services

115. The concern with a conglomerate theory of harm is that the Merged Entity may restrict its rivals in one 'focal' market from accessing customers using its strong position in an 'adjacent' market. The merged entity could do this through linking the sales of the two products in some way, thereby encouraging customers who want its product in the adjacent market to also purchase its product in the focal market, at the expense of rivals. For example, it may only offer the products as a bundle, or offer customers of the adjacent product a discount if they also purchase its focal product, potentially through increasing the stand-alone price of the adjacent product.⁹⁶
116. This loss of sales by competitors is not problematic in and of itself, and linked sales of related products can result in efficiencies. However, competition concerns may arise if such a strategy would result in rivals in the focal market becoming less effective competitors, which may result in higher prices or lower quality in the longer term.⁹⁷
117. The CMA will again typically use the ability, incentive and effect framework to analyse this theory of harm.⁹⁸

⁹⁵ [CMA129](#), paragraph 7.30.

⁹⁶ [CMA129](#), paragraph 7.30.

⁹⁷ [CMA129](#), paragraph 7.31.

⁹⁸ [CMA129](#), paragraph 7.32.

118. In the present case, based on several competitor complaints, the CMA has considered whether two potential conglomerate effects may arise post-Merger:
- (a) First, the Merged Entity leverages its market position in the supply of parking terminals to foreclose rivals in the market for on-demand mobile parking handling services, or vice versa, by selling these services together.⁹⁹ One competitor argued that the Merger would allow the Merged Entity to cross-sell its on-demand mobile parking handling service to the large number of customers that currently purchased Flowbird’s parking terminals. In its view, this would create considerable scope for the Merged Entity to increase the take-up of the RingGo app.¹⁰⁰
 - (b) Second, the Merged Entity could leverage its market position in on-demand mobile parking handling services to foreclose rivals that supply enforcement services by selling these services together.¹⁰¹

7.1.2.1 Ability

7.1.2.1.1 *Foreclosing rivals of on-demand mobile parking handling services and parking terminals*

119. As explained in paragraph 31, parking space owners rarely procure on-demand mobile parking handling services and the supply of parking terminals together, as they have different tender cycle durations, ie parking terminals are replaced every 15–20 years while on-demand mobile tenders have taken place every two to five years. With the introduction of the NPP, the participating local authorities will no longer tender for on-demand mobile parking handling services and more importantly, these providers will compete for end-consumers rather than for local authorities. In future, providers of on-demand mobile parking handling services will be serving different customers to manufacturers of parking terminals, ie end-consumers rather than local authorities.
120. For these reasons, the CMA does not consider that the Merged Entity would have the ability to leverage its market position in the supply of on-demand parking handling services to foreclose rivals in the supply of parking terminals, or vice-versa, by selling these services together.

⁹⁹ Response to the CMA questionnaire from a third party, June 2024, question 2.

¹⁰⁰ Note of a call with a third-party, May 2024, paragraph 12.

¹⁰¹ Response to the CMA questionnaire from a third party, June 2024, question 2.

7.1.2.1.2 *Foreclosing rivals of enforcement services*

121. In assessing whether the merged entity would have the ability to foreclose, the CMA considers whether, among other things, the Merged Entity would have market power in the adjacent market.¹⁰²
122. As set out above, the CMA did not find that the Merger would give rise to horizontal unilateral effects in the supply of on-demand mobile handling services to private car park customers. While the Parties' combined share of supply in on-demand mobile parking handling services of [30-40]% in 2023 is not insignificant, the CMA found that private car park customers had several credible alternative options available to them.¹⁰³ Given this, the CMA does not consider that the Merged Entity would occupy an important position in the supply of on-demand mobile parking handling services that would enable it to foreclose rivals in the supply of enforcement services through some form of bundling strategy.
123. With respect to local authorities, as explained in paragraph 119, local authorities participating in the NPP will no longer tender for on-demand mobile parking handling services and more importantly, these providers will compete for end-consumers rather than for local authorities. Given this, the CMA considers that Merged Entity would not be able to leverage its position in on-demand mobile parking handling services to cross-sell enforcement services to local authorities and therefore would not have the ability to foreclose rivals that supply enforcement services.
124. For these reasons, the CMA does not consider that the Merged Entity would have the ability to leverage its market position in the supply of on-demand parking handling services to foreclose rivals in the supply of enforcement services by selling these services together.

7.1.2.2 *Incentive and effects*

125. Given the CMA considers that the Merged Entity would not be able to leverage its position in on-demand parking handling services to the detriment of competition in enforcement, the CMA has not considered either incentive or effects in its assessment.

¹⁰² [CMA129](#), paragraph 7.33(a)

¹⁰³ See, for example, Table 3 and paragraph 78.

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126. Consequently, the CMA does not believe that it is or may be the case that the Merger may be expected to result in an SLC within a market or markets in the United Kingdom.

127. Therefore, the Merger will therefore not be referred under section 33(1) of the Act.

Kasia Bojarojć
Director, Merger
Competition and Markets Authority
1 August 2024

8. ANNEX 1

Figure 1: Stickers with NPP supplier alternatives advertised on a parking terminal in Peterborough



Source: Response to RFI4, Annex 1

Figure 2: Signage with NPP supplier alternatives on a car park wall in Peterborough



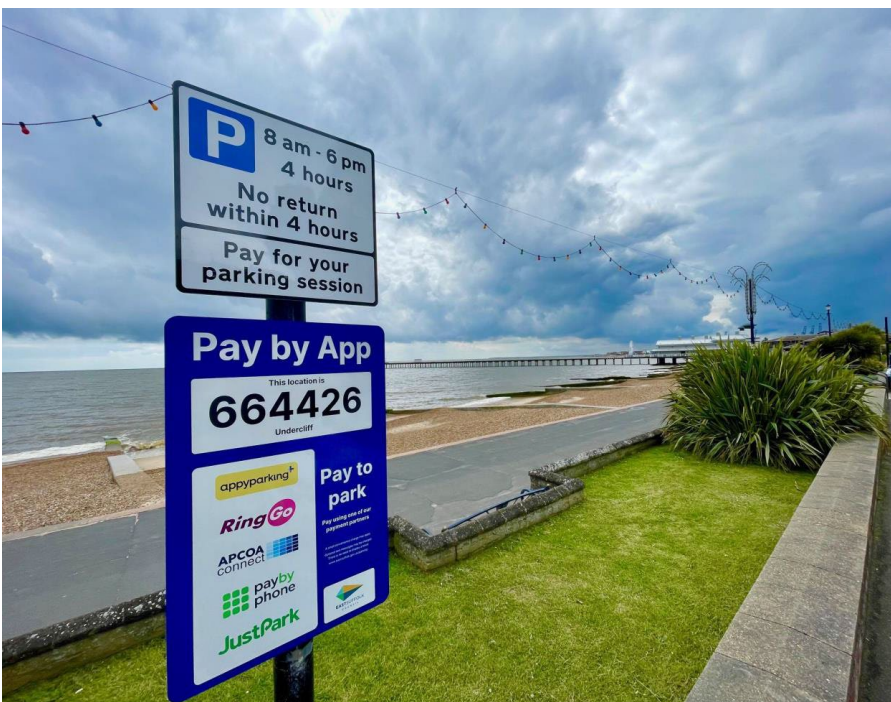
Source: Response to RFI4, Annex 1

Figure 3: Stickers with NPP supplier alternatives advertised on a parking terminal in East Suffolk



Source: Response to RFI4, Annex 1

Figure 4: Signage with NPP supplier alternatives in East Suffolk



Source: Response to RFI4, Annex 1