

Fuels Industry UK

1 Castle Lane

London

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Via email

CMA4draft@cma.gov.uk

23th August 2024

To whom it may concern,

Re: Consultation on Administrative penalties: statement of policy

Fuels Industry UK is the country's largest trade association for fuel producers and suppliers, whose members help supply over 93% of the UK's road fuel and are committed to delivering a competitive fuel supply to the UK, day in, day out.

We have been proactively working the CMA's Road Fuel Review and subsequent Market Study as well as with central government officials regarding the Digital Markets Digital Markets, Competition and Consumers Act 2024 (DMCCA24) relating to the CMA's motor-fuel information gathering functions. As we communicated to the Secretary of State as the legislation was being passed through Parliament, we are concerned that the penalties available to the CMA under the DMCCA24 are disproportionate to the proposed obligations on companies to report.

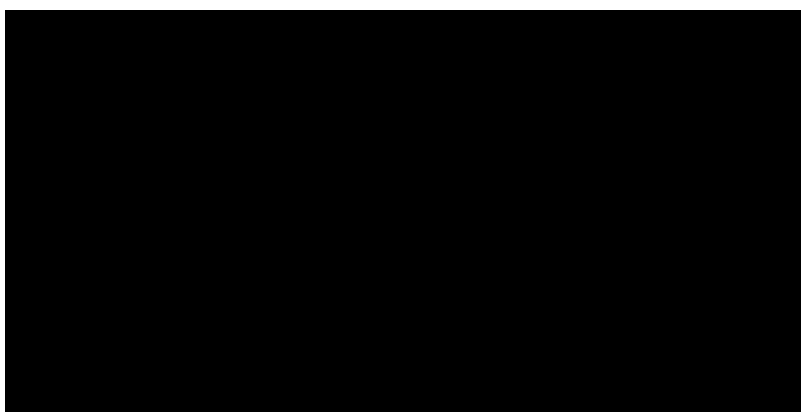
The new powers granted to the CMA as part of the DMCCA24 are focused on sharing of fuel pricing information. While fuel companies fully support and adhere to regulations designed to protect consumers and ensure fair market practices, we are concerned about the potential implications of the levels of penalties outlined in the guidance. Such penalties could potentially run into billions of pounds for some of the larger fuels suppliers in the UK in consideration of "1% of the turnover of the undertaking (both inside and outside of the United Kingdom)" and moreso for the potential 5% daily rate¹.

¹ Administrative Penalties: Statement of Policy on the CMA's Approach, p31

It is encouraging that the Administrative Penalties: Statement of Policy on the CMA's Approach (CMA4con) there is confirmation that there will be consideration that "a penalty that is reasonable, appropriate and proportionate in the circumstances"² and it is vital this is applied. There is certainly the potential that errors may occur during reporting for what will be a new requirement on the sector, applicable to potentially 8,000+ filling stations. While such mistakes would be serious, they may not necessarily cause severe harm to consumers or represent blatant breaches of the law. The fuels sector is diverse and intricate, and unintended non-compliance can sometimes occur despite the best efforts and intentions of industry participants. In such cases, punitive measures that are too severe may not only be unfair but could also hinder the ability of companies to continue operations, invest in improvements, and innovate.

We request greater reassurance that the higher levels of penalties will be reserved for only the most egregious violations—those that result in significant consumer detriment or constitute clear and deliberate breaches of the law. This approach would ensure that penalties are commensurate with the severity of the infraction and would uphold the principles of fairness and justice. Moreover, we advocate for a collaborative approach between the regulatory body and industry participants to ensure that compliance standards are clearly understood and achievable and would be happy to work with the CMA to help deliver high levels of compliance of our members' in-scope activities. Providing guidance, support, and education to companies can be more effective in preventing non-compliance than punitive measures alone.

Yours sincerely,



² Ibid., p16