

Completed Acquisition by Topps Tiles Plc of certain assets of Tildist Realisations Limited (formerly CTD Tiles Limited)

**NOTICE UNDER PARAGRAPH 2(1) OF SCHEDULE 10 TO THE
ENTERPRISE ACT 2002 (THE ACT) – CONSULTATION ON
PROPOSED UNDERTAKINGS IN LIEU OF REFERENCE
PURSUANT TO SECTION 73 OF THE ACT.**

ME/7123/24

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1. INTRODUCTION

1. On 19 August 2024, Topps Tiles Plc (**Topps**) acquired certain assets (including the right to occupy 30 stores, selected stock, fixtures and fittings, all intellectual property, and employees transferred under TUPE regulations), formerly of CTD Tiles Limited (**CTD**) (the **Merger**). Topps and CTD are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.
2. On 17 February 2025, the Competition and Markets Authority (**CMA**) decided under section 22(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger constitutes a relevant merger situation¹ that has resulted or may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**). Unless otherwise stated, all defined terms are as defined in the SLC Decision. The text of the SLC Decision is available on the CMA webpage.²
3. On 24 February 2025, Topps offered undertakings in lieu of reference (**UILs**) to the CMA for the purposes of section 73(2) of the Act.
4. On 3 March 2025, the CMA gave notice to Topps, pursuant to section 73A(2)(b) of the Act, that it considers that there are reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it is considering Topps' offer (the **UIL Provisional Acceptance Decision**).

2. THE UNDERTAKINGS OFFERED

5. As set out in the SLC Decision, the CMA found a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of Tiles to Retail customers and in the supply of Tiles to Trade customers in the local areas around six of the Parties' stores in the UK (the **SLC Areas**).
6. As set out in the UIL Provisional Acceptance Decision, to address the SLCs identified by the CMA, Topps has offered undertakings to divest a site or sites (operated by either CTD or Topps) in each of the SLC Areas, including store inventory, store-specific customer and supplier lists as well as store-level management and staff (the **Divestment Sites**), such that no areas would fail the CMA's decision rule following the divestment. The Divestment Sites offered by Topps are listed in Annex 1.

¹ Pursuant to section 25(4) of the Act the four-month period mentioned in section 24 of the Act is extended while the CMA is seeking undertakings in lieu of reference.

² See [Topps Tiles / CTD Tiles \(certain assets\) merger inquiry - GOV.UK](#).

7. Furthermore, the divestment will occur by the assignment or grant of leases to a purchaser or purchasers who would need to be approved by the CMA.
8. The text of the undertakings is available on the CMA webpages (the **Proposed Undertakings**).³

3. CMA ASSESSMENT

9. The CMA currently considers that, subject to responses to the consultation required by Schedule 10 of the Act, the Proposed Undertakings will resolve the SLC identified in the SLC Decision in a clear-cut manner, ie the CMA currently does not have material doubts about the overall effectiveness of the Proposed Undertakings or concerns about their implementation.⁴ This is because Topps proposes to divest the entire increment in each of the SLC areas, either through the divestment of the local CTD store, or through the divestment of all Topps stores that fall into the relevant catchment area.⁵
10. The CMA also considers that the Proposed Undertakings would be capable of ready implementation. This is because Topps has provided evidence that:
 - a) The Divestment Sites are viable, commercially attractive sites that could be operated on a standalone basis, which include all assets required to compete as a viable basis such as goodwill, staff, store-specific customer lists, equipment, fixtures and fittings forming part of the divestment package for each of the Divestment Sites.³
 - b) There are several potential purchasers for the Divestment Sites, whether they are divested individually or in combination. Topps submitted that it has already received expressions of interest covering all of the Divestment Sites from a range of potential purchasers, and that the UK tile market is generally dynamic with sites regularly being transferred both on a single and multi-site basis.⁴
11. The above is consistent with evidence seen by the CMA during its investigation that prior to the Merger, each of the relevant CTD Divestment Sites was subject to interest and offers from potential purchasers other than Topps. Topps has also submitted financial figures (current and forecasted) for each of the Divestment Sites. In each of the SLC Areas there is at least one store which is profitable, by a significant margin, and is forecasted to remain that way for at least the next two years.

³ See [Topps Tiles / CTD Tiles \(certain assets\) merger inquiry - GOV.UK](#).

⁴ Merger remedies guidance ([CMA87](#)), December 2018, paragraph 3.28.

⁵ Merger Remedies Form submitted on 28 February 2025 (**Merger Remedies Form**), paragraphs 1.2–1.3.

12. For these reasons, the CMA does not consider that it is necessary for the CMA to approve the identity of the purchaser or purchasers prior to final acceptance of the undertakings.⁵

4. PROPOSED DECISION AND NEXT STEPS

13. For the reasons set out above, the CMA currently considers that the Proposed Undertakings are, in the circumstances of this case, appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision and form as comprehensive a solution to these concerns as is reasonable and practicable.
14. The CMA therefore gives notice that it proposes to accept the Proposed Undertakings in lieu of a reference of the Merger for a phase 2 investigation. The text of the proposed undertaking is available on the CMA webpage.⁶
15. Before reaching a decision as to whether to accept the Proposed Undertakings, the CMA invites interested parties to make their views known to it. The CMA will have regard to any representations made in response to this consultation and may make modifications to the Proposed Undertakings as a result. If the CMA considers that any representation necessitates any material change to the Proposed Undertakings, the CMA will give notice of the proposed modifications and publish a further consultation.⁷
16. Representations should be made in writing to the CMA and be addressed to:

Philippa Allan

Assistant Director

Email: philippa.allan@cma.gov.uk

Deadline for comments: 8 April 2025

⁶ See [Topps Tiles / CTD Tiles \(certain assets\) merger inquiry - GOV.UK](#).

⁷ Under paragraph 2(4) of Schedule 10 to the Act.

ANNEX 1

Divestment Sites

SLC locality	CTD Sites	Topps Sites
Aberdeen	CTD, Aberdeen	Topps Tiles, Aberdeen Wellington
Inverness	CTD, Inverness	Topps Tiles, Inverness
Edinburgh	CTD, Edinburgh Seafield	Alternative suitable Topps site(s)
Dorking	CTD, Dorking	Topps Tiles, Redhill