COMPLETED ACQUISITION BY SPREADEX LIMITED OF THE B2C BUSINESS OF SPORTING INDEX LIMITED

SUMMARY OF FINDINGS

19 SEPTEMBER 2025

OVERVIEW

1. The Competition and Markets Authority (**CMA**) has found that the completed acquisition (the **Merger**) by Spreadex Limited (**Spreadex**) of the business-to-consumer (**B2C**) business of Sporting Index Limited (**Sporting Index**) has resulted, or may be expected to result, in a substantial lessening of competition (**SLC**) in the supply of licensed online sports spread betting services in the UK.

2. Spreadex and Sporting Index are each a **Party** to the Merger; together they are referred to as the **Parties** and, for statements relating to the situation post-Merger, as the **Merged Entity**.

BACKGROUND ON THE REMITTAL

3. On 22 November 2024, the CMA announced its decision, set out in its final report (the **Phase 2 Final Report**), that the Merger had resulted, or may be expected to result, in an SLC.

4. On 20 December 2024, Spreadex filed a notice of application (the **Application**) to the Competition Appeal Tribunal (**Tribunal**) for review of the CMA's decision in relation to certain of the CMA's findings in the Phase 2 Final Report. Spreadex invited the Tribunal to quash the CMA's decision and to remit the matter to the CMA.

5. Following receipt of the Application, the CMA identified a number of errors in the Phase 2 Final Report, which included instances where the summaries of third party evidence did not accurately reflect the underlying material. In light of these errors, the CMA asked the Tribunal to quash the decisions (on an SLC and as to remedy) in the Phase 2 Final Report and refer the case back to the CMA for reconsideration and to make a new decision or decisions on those matters.

6. On 4 March 2025, the Tribunal quashed the decision on an SLC and the final decision as to remedy in the Phase 2 Final Report and referred the case back to the CMA to reconsider and make a new decision or decisions in respect of those matters (the **Remittal**).

7. This report and its appendices, which will be published shortly after this summary, constitute our **Remittal Final Report**.

THE PARTIES AND THEIR PRODUCTS AND SERVICES

The Parties

8. Spreadex provides online sports betting services, primarily to customers based in the UK. Spreadex offers both fixed odds and spread betting services, covering a range of sports including football, Formula 1 motor racing, rugby, rowing, golf and greyhound racing. It also provides financial spread betting and casino betting services. The turnover of Spreadex in FY24 was approximately £[✂] million in the UK.

9. Sporting Index provides online sports betting services primarily in the UK, with minimal sales to customers in Ireland and Gibraltar. Sporting Index offers both fixed odds and spread betting services. The turnover of Sporting Index in FY24 was around £[✂] million in the UK.

10. Spreadex acquired Sporting Index from Sporting Group Holdings Limited (**Sporting Group**), a subsidiary of La Française des Jeux (**FDJ**), on 6 November 2023. The Merger did not include the purchase of the business-to-business (**B2B**) activities of Sporting Group (namely, **Sporting Solutions**), which was retained by FDJ following a corporate restructure implemented in advance of the Merge. FDJ announced its agreement to sell Sporting Solutions to another company in August 2024.

11. The Sporting Index business acquired by Spreadex comprised a number of assets, including the Sporting Index Limited legal entity, and the Sporting Index brand, intellectual property (**IP**), domain names, regulatory licences, customer lists, and six employees.

The Parties' products and services

12. Online sports betting services involve a customer staking an amount of money (ie the initial stake) on the outcome of a sports event, or on the likelihood of an event occurring or not occurring. A customer's 'payoff' is the amount they stand to win if their bet is successful, and their 'losses' are the amount they stand to lose.

13. In fixed odds betting, the payoff is determined based on odds set in advance and the losses are capped based on the amount of the initial stake. In spread betting, the provider offers a spread (or range) of outcomes and allows customers to 'buy' (predict higher than the spread) or 'sell' (predict lower than the spread). Customers choosing to buy will win if the outcome is higher than the predicted level and lose if it is lower. Customers choosing to sell will win if the outcome is lower than the predicted spread and lose if it is higher. The payoff is determined based on 'how right' the customer is and both the payoff and the losses can be far higher than the initial amount staked. There are many different outcomes that customers can choose to bet on. By way of example, customers can bet on how many goals will be scored in a football match; how many sixes will be hit in a cricket match, or how many runs a team or individual player will score in a cricket match.

OUR ASSESSMENT

Why are we examining this Merger?

14. The CMA's primary duty is to seek to promote competition for the benefit of UK consumers, including by investigating mergers that could raise significant competition concerns in the UK where it has jurisdiction to do so.

15. In this case, the CMA has jurisdiction over the Merger because Spreadex and Sporting Index have a combined share of supply, by revenue, of 100% (with an increment of [20-30%] as a result of the Merger) in the supply of licensed online sports spread betting services in the UK, meaning that the share of supply test is met.

How have we approached the Remittal inquiry?

16. In assessing the competitive effects of a completed merger, the question we are required to answer is whether the merger has resulted in an SLC, or there is an expectation – ie a more than 50% chance – that the merger may be expected to result in an SLC, within any market or markets in the UK. This is also true for this Remittal inquiry, in which we are required to make a new decision on this matter.

17. To determine whether the Merger has resulted, or may be expected to result, in an SLC, we have gathered a substantial volume of evidence that we considered in the round to reach our findings. This includes evidence that we gathered during the course of our phase 1 and phase 2 investigations (insofar as it remains relevant), along with additional evidence that we have gathered during the Remittal inquiry. This evidence has been gathered from a wide variety of sources, including the Parties, FDJ (the seller), other providers of betting services and the Parties' customers.

18. To determine the impact of the Merger we first considered what would most likely have happened absent the Merger, to provide a comparator. We then considered the effect of the Merger on competition in the market.

19. In assessing the effect of the Merger on competition, we have focussed on whether there are sufficient remaining alternatives in the market to constrain the merged entity's ability profitable to raise prices or to degrade other aspects of its products on its own and without needing to coordinate with any rivals (that is, we investigated a horizontal unilateral effects theory of harm).

What would most likely have happened absent the Merger?

20. To determine the impact of the Merger on competition, we have considered what would most likely have happened absent the Merger, to provide a comparator. This is known as the counterfactual.

21. In this case, we have focussed on whether, absent the Merger, (a) Sporting Index was likely to have exited the market, and (b) there would not have been an alternative purchaser for Sporting Index or its assets that would have raised fewer competition concerns than Spreadex. This two-part test is known as the 'exiting firm' test.

22. In considering the counterfactual, we have reviewed internal documents, analysed financial data, and gathered evidence from the seller (FDJ), professional advisors on the sale process, alternative bidders for the Sporting Index business, and companies which may have been interested in acquiring Sporting Index assets under liquidation. We have carefully evaluated the weight that it is appropriate to place on the different evidence provided to us. In particular, we have had regard to the extent to which the party had knowledge of the situation relevant to our assessment, and the extent to which the evidence is consistent with other evidence provided to us.

23. In relation to the question of whether Sporting Index was likely to exit the market absent the Merger, our view is that although Sporting Index was not at risk of financial failure, it was a loss making business and FDJ would not have been incentivised to continue supporting these losses given it was considered to be a non-core business, and FDJ was concerned about the ongoing regulatory risks associated with owning a B2C spread betting business. We have therefore concluded that absent the Merger or sale to an alternative bidder, Sporting Index would likely have exited the market for strategic reasons.

24. We next considered whether, absent a sale to Spreadex, FDJ would have sold Sporting Index to another third party that would have operated the business as a competitor in the market.

25. We consistently received evidence from FDJ that a sale scenario was its preferred option and that, if the sale to Spreadex had not proceeded, it would have continued engaging with other interested parties, including those who had submitted bids during the sales process. In addition, the competing bidders for the Sporting Index business had put in bids to acquire the business, and in our view this would also have been the case in the absence of Spreadex's participation in the sale process.

26. Spreadex submitted that an alternative sale would not have proceeded as FDJ and the other bidders would ultimately have concluded that a sale would not make economic sense, largely as a result of the value of the bids from the alternative bidders; Spreadex's estimate of the liquidation value of the Sporting Index business; the costs and obligations that would have been required under a TSA; and the overall profitability of the business.

27. To assess the likelihood a sale would have proceeded, in addition to the submissions from FDJ and the alternative bidders, we also considered the bid values of the alternative bids, the liquidation value of the business, the requirements for a TSA, the profitability of the business, and the commitment of the alternative bidders.

28. We have concluded that FDJ would likely have completed a sale to an alternative bidder, on the basis that its bid would likely have been above the value FDJ was seeking for the target business, and the operational cost of entering into a TSA with an alternative bidder would likely have been manageable and in line with FDJ's expectations. We have also concluded that the alternative bidders were well-informed bidders and had identified ways to turn around the performance of Sporting Index, and so would likely have been committed to completing a purchase.

29. Finally, we have assessed the counterfactual over a two-year time period, based on the competitive dynamics of the market, and the time period across which future competitive dynamics are reasonably foreseeable. The assessment of a two-year time period does not imply that we have concluded that competition would cease at the end of that time period. We recognise that there would be some uncertainty about the long-term performance of the Sporting Index business given the challenges it faced. Our view, however, is that an alternative bidder would have acquired the Sporting Index business with the objective of operating it as a competitor in the long term, and it would have operated the business as a competitor for at least the next two years while pursuing a turnaround strategy to ensure that it could operate as a competitor in the longer term.

30. In view of the above, we have concluded that the appropriate counterfactual is that Sporting Index, under the ownership of an alternative bidder, would have

continued to compete in the supply of licensed online sports spread betting services, broadly in line with the pre-Merger conditions of competition.

How would the merger affect competition?

What is the relevant market?

31. Where the CMA makes an SLC finding, this must be ‘within any market or markets in the United Kingdom for goods or services’. The CMA is therefore required to identify the market or markets within which an SLC has resulted, or may be expected to result. Market definition can also be a helpful analytical tool to identify the most significant competitive alternatives available to customers of the merger firms.

32. In this case, we have considered whether sports fixed odds betting providers, financial spread betting providers or unlicensed sports spread betting providers compete in the same market as sports spread betting providers, or should instead be considered as out-of-market constraints on the Parties. We have considered a range of evidence, including third party views (including from sports fixed odds providers, financial spread providers, unlicensed sports spread betting providers, and customers of the Parties), quantitative data and the Parties’ internal documents.

33. Having reviewed the evidence provided to us, our view is that neither customers nor suppliers consider sports fixed odds betting or financial spread betting to be close alternatives to sports spread betting. Sports fixed odds betting providers told us that there were significant differences between sports fixed odds betting and sports spread betting, and that they did not compete, or only competed ‘weakly’, with the Parties.

34. With respect to unlicensed sports spread betting, customers concerned about the Merger told us that unlicensed sports spread betting providers were not credible alternatives to the Parties. Furthermore, unlicensed providers lack certain customer protections and are not permitted to solicit customers in the UK.

35. On the basis of the evidence provided to us, we have concluded that the relevant market is the supply of licensed online sports spread betting services in the UK, and that any constraint from sports fixed odds betting providers, financial spread betting providers or unlicensed sports spread betting providers should be addressed in the competitive assessment as an out-of-market constraint.

What are the Parties' positions in licensed online sports spread betting?

36. As the Parties' are the only two suppliers of licensed online sports spread betting services in the UK, they have a combined share of 100% (with an increment of [20-30%] as a result of the Merger).

37. Where there are only two providers operating in the relevant market, our starting point is that they will necessarily be each other's closest competitors. The Parties' internal documents and the evidence provided to us from third parties, including customers, show that Spreadex and Sporting Index were each other's closest competitors.

What are the competitive constraints on the Parties?

38. As noted above, the Parties are the only two firms active in the supply of licensed online sports spread betting services in the UK. We have therefore considered the strength of the competitive constraint imposed on the Parties by out-of-market competitors, namely unlicensed sports spread betting firms, financial spread betting firms and sports fixed odds betting firms.

39. We have not seen evidence in the Parties' internal documents, or other evidence provided by the Parties, that financial spread betting providers or unlicensed sports spread betting providers exert any significant competitive constraint on the Parties. Only one of the 33 customers who responded to our questionnaire told us that they would switch to a financial spread betting provider if their preferred sports spread betting provider were unavailable.

40. With respect to fixed odds sports betting, while there are some examples of Spreadex monitoring sports fixed odds betting providers, this demonstrates only a weak constraint from fixed odds betting on its spread betting business. In addition, Only two customers told us that they would switch to sports fixed odds betting if their preferred sports spread betting provider were unavailable. This is consistent with the evidence from sports fixed odds betting providers that they do not compete, or only compete weakly, with the Parties.

41. Finally, with respect to unlicensed sports spread betting, only two customers told us that they would switch to unlicensed sports spread betting providers if their preferred sports spread betting provider were unavailable. As noted above, customers concerned about the Merger told us that unlicensed sports spread betting providers were not credible alternatives to the Parties; and unlicensed sports spread betting providers lack certain customer protections and are not permitted to solicit customers in the UK.

42. Taking this evidence in the round, we have concluded that the remaining out-of-market competitive constraints on the Parties following the Merger (including

unlicensed sports spread betting firms, financial spread betting firms and sports fixed odds betting firms) are weak.

43. In view of the above, and in particular given the closeness of competition between the Parties, and the absence of sufficient alternative competitive constraints, we have concluded that that the Merger raises competition concerns in the supply of licensed online sports spread betting services in the UK, with resulting adverse effects in terms of one or more of worse range, user experience and prices than would otherwise have been, or be, the case absent the Merger.

Are there any countervailing factors that prevent or mitigate an SLC arising?

44. We have also considered whether there are any countervailing factors that would prevent or mitigate an SLC arising from the Merger, in particular, *(a)* whether a new supplier would be likely to enter the market replacing the lost competition and *(b)* whether the Merger would give rise to efficiencies that would prevent or outweigh the loss of competition.

45. To assess the likelihood of entry into the market, we have considered whether there are any barriers to entry into licensed online sports spread betting in the UK. Having considered views of the Parties and other industry participants, our conclusion is that developing or acquiring the required technology would be a significant barrier to entry, making it very difficult for any entry into the supply of licensed online sports spread betting to be timely, likely and sufficient to prevent an SLC arising from the Merger. We have also not seen evidence of any potential entrants planning to enter into the market in a way that would be timely, likely and sufficient to prevent an SLC arising from the Merger.

46. To assess merger efficiencies, we have considered whether benefits submitted by the Parties, in the form of a better product and customer experience for Sporting Index customers by using Spreadex's platform, *(a)* enhance rivalry in the relevant market, *(b)* are timely, likely and sufficient to prevent an SLC, *(c)* are merger specific, and *(d)* benefit customers in the UK. We have found that the claimed efficiencies are not merger-specific, as Sporting Index customers could have switched to the Spreadex platform had they wished to do so with or without the Merger, and do not enhance rivalry, given that the Parties are the only two providers of licensed online sports spread betting in the UK and face weak out-of-market constraints.

47. On this basis, we have concluded that there are no countervailing factors to prevent or mitigate an SLC arising from the Merger.

DECISION

48. In view of the above, we have found that:

(a) the Merger has resulted in the creation of a relevant merger situation, and

(b) the creation of that situation has resulted, or may be expected to result, in an SLC in the supply of licensed online sports spread betting services in the UK.

HOW WILL WE ADDRESS THE CONCERNS THAT WE HAVE FOUND?

49. Where we conclude that a merger has resulted, or may be expected to result, in an SLC, we are required to decide what, if any, action should be taken for the purpose of remedying, mitigating or preventing that SLC, or any adverse effect resulting from it. In assessing possible remedies, we have sought to identify remedies that will be effective in addressing the SLC and the resulting adverse effects that we have found and then select the most proportionate remedy that we consider to be effective.

50. In the Phase 2 inquiry, Spreadex submitted a divestiture remedy to address the concerns which we had provisionally found at the time, including:

(a) proposing to divest its shares in the Sporting Index legal entity, including all of the Sporting Index assets which Spreadex had acquired under the Merger (as summarised at paragraph 11);

(b) proposing that Spreadex develop a bespoke sports spread betting platform - given that Sporting Index's pre-Merger platform has not been operational since Merger completion – by re-purposing key elements of Sporting Index's existing systems, while integrating new technology and developing new components as necessary, to form part of the divestiture package; and

(c) proposing that Spreadex provide the purchaser with a TSA to operate the Sporting Index business for a transitional period, while the purchaser makes the investments required to build up the personnel and functions that it did not have, to allow it to operate the business in the manner that Sporting Index had operated it prior to the Merger.

51. Following extensive consultation (collectively in the Phase 2 inquiry and the Remittal inquiry), including with third parties, and a detailed assessment of the effectiveness of Spreadex's remedy proposal, we have found that the risks we had provisionally found (for example, in relation to Spreadex's involvement in the development of a competing betting platform, and the timescales for the development of the bespoke sports spread betting platform) could be mitigated through a number of modifications and enhancements to Spreadex's remedy proposal.

52. We have therefore concluded that the divestiture remedy proposed by Spreadex, subject to certain modifications and enhancements detailed in our final report, would be an effective remedy to address the SLC and the resulting adverse effects.

53. We have not identified any other effective remedies, and we have taken steps detailed in our final report to ensure that the divestiture remedy is not more onerous than it needs to be in order to ensure its effectiveness. We recognise that unwinding a completed transaction can increase the costs of a remedy, however, those costs can be avoided where merger parties notify a transaction prior to completion, which Spreadex did not do in this case.

54. We have therefore concluded that the divestiture remedy would be the least onerous effective remedy. The SLC and its adverse effects are not time limited and would potentially affect all UK customers in the licensed online sports spread betting market in the UK. On that basis, we have concluded that the divestiture remedy would not be disproportionate to the SLC and its adverse effects that we have found.

WHAT HAPPENS NEXT?

55. The CMA will now take steps to implement the remedy described above, and will consult publicly on the approach to be taken.

56. The CMA will implement its remedy decision by accepting final undertakings or making a final order.