

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

Remittal Final Report

ME 7085/23

19 September 2025

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The Competition and Markets Authority has excluded from this published version of the Remittal final report information which the Remittal inquiry group 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 Some numbers have been replaced by a range. These are shown in square brackets. Non-sensitive wording is also indicated in square brackets.

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- A. TERMS OF REFERENCE
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SUMMARY

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.

REMITTAL FINDINGS

1. THE REMITTAL

- 1.1 On 17 April 2024, the Competition and Markets Authority (**CMA**), in exercise of its duty under section 22(1) of the Enterprise Act 2002 (the **Act**),¹ referred the completed acquisition (the **Merger**) by Spreadex Limited (**Spreadex**) of the business-to-consumer (**B2C**) business of Sporting Index Limited (**Sporting Index**) (together, the **Parties** or the **Merged Entity**²) from Sporting Group Holdings Limited (**Sporting Group**) for further investigation and report by a group of CMA panel members (the **inquiry group**).
- 1.2 On 22 November 2024, the CMA announced its decision, set out in its final report (the **Phase 2 Final Report**³), that the Merger had 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 United Kingdom (**UK**).
- 1.3 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 advanced two grounds of review:⁴
- (a) **Ground 1:** that it was unfair of the CMA not to provide third party evidence⁵ referenced in Chapter 5 (Counterfactual) of the Phase 2 Final Report to Spreadex's advisers within the confidentiality ring which the CMA had established for the purposes of its investigation; and
 - (b) **Ground 2:** that the CMA's conclusion in Chapter 5 (Counterfactual) of the Phase 2 Final Report was not properly justified by the evidence and/or was irrational; as a result, the CMA's conclusion on the SLC, which was dependent on the conclusion on the counterfactual, was also not properly justified by the evidence and/or irrational.
- 1.4 Spreadex invited the Tribunal to quash the CMA's decision and to remit the matter to the CMA.
- 1.5 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

¹ [Section 22\(1\)](#) of the Act.

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**.

³ Completed acquisition by Spreadex Limited of the B2C business of Sporting Index Limited, [Phase 2 Final Report](#), 22 November 2024.

⁴ [Summary of Application under section 120 of the Enterprise Act 2002](#), case no. 1700/4/12/24, 9 January 2024.

⁵ Call notes, responses and transcripts.

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.

- 1.6 On 4 March 2025, the Tribunal quashed the decision on an SLC (at paragraph 8.1(b) of the Phase 2 Final Report) and the final decision as to remedy (at paragraph 9.387 of 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**).⁶ Subsequently on the same date, the members of the inquiry group were appointed by the CMA for the purposes of the Remittal inquiry (the **Remittal inquiry group**).
- 1.7 In the Remittal inquiry, we have reconsidered the statutory questions afresh,^{7,8} namely:
- (a) Whether a relevant merger situation has been created;⁹ and
 - (b) If so, whether the creation of that relevant merger situation has resulted, or may be expected to result, in an SLC within any market or markets in the UK for goods or services.
- 1.8 Our terms of reference, along with information on the conduct of the inquiry, are set out in Appendix A and Appendix B respectively.
- 1.9 This document, together with its appendices, constitutes the final report in the Remittal inquiry (the **Remittal Final Report**) published and notified to the Parties in line with the CMA's rules of procedure.¹⁰
- 1.10 In the Remittal inquiry, we have applied the Enterprise Act 2002 and CMA Guidance as they were in effect on 17 April 2024, when the Merger was referred for a phase 2 investigation. Further information relevant to this inquiry, can be found on the CMA webpage.¹¹

⁶ [Reasoned Order \(Remittal\)](#), 4 March 2025, paragraphs 1 and 2.

⁷ As explained in Appendix B (Conduct of the inquiry), in answering these questions we will take account of the evidence gathered in the inquiry leading to the Phase 2 Final Report (insofar as it remains relevant) as well as new evidence gathered as part of the Remittal process.

⁸ [Section 35\(1\)](#) of the Act.

⁹ Although the decision in the Phase 2 Final Report on this statutory question was not challenged by Spreadex and was not quashed by the Tribunal, we have nonetheless reconsidered it in the interest of maintaining the integrity of our provisional findings in the Remittal inquiry.

¹⁰ [CMA rules of procedure for merger, market and special reference groups \(CMA17\)](#), March 2014 (corrected November 2015), Rule 13.

¹¹ See: [Spreadex / Sporting Index Merger inquiry](#).

2. INDUSTRY BACKGROUND

- 2.1 In this chapter we provide an overview of the licensed online sports (including spread and fixed odds) betting services sector (**Online sports betting services**) in the UK, in which the Parties are active (see also Chapter 3, Parties, Merger and Merger Rationale).
- 2.2 We have not received any further evidence on the matters covered in this chapter during the Remittal inquiry.

Overview of the industry

- 2.3 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.¹² 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 if their bet is unsuccessful. Online sports betting services involve customers using websites and apps to place their bets.
- 2.4 In fixed odds betting, the payoff is determined based on odds set in advance. The losses are capped based on the amount of the Initial Stake. Within fixed odds betting, odds can be determined by the bookmaker (**Sportsbook Betting**) or through a betting exchange, where customers set their own odds and bet against each other (**Exchange Betting**). In this report, references to 'fixed odds' do not include exchange betting.
- 2.5 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 spread 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.¹³ 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 or the total minutes of all goals scored by headers 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.

¹² Under [section 9\(1\)](#) of the Gambling Act 2005, betting is defined as 'making or accepting a bet on: (a) the outcome of a race, competition or other event or process; (b) the likelihood of anything occurring or not occurring; or (c) whether anything is or is not true'.

¹³ Spreadex, response dated 21 December 2023 to the CMA's section 109 notice (**s109 notice**) dated 14 December 2023, question 26.

- 2.6 Using the example of customers betting on how many goals will be scored in a football match, a sports spread betting provider may provide a spread of 2.8–3. A customer choosing to buy in this scenario would be predicting that there will be more than three goals scored, while a customer choosing to sell will be predicting that fewer than 2.8 goals will be scored. The amount of money a customer wins or loses will depend on how right or wrong the customer is (ie the difference between the actual number of goals scored and the predicted number of goals scored). For instance, if seven goals are scored in the match, then a customer choosing to buy will win their Initial Stake multiplied by four (ie 7 minus 3) while a customer choosing to sell will lose their Initial Stake multiplied by 4.2 (ie 7 minus 2.8). However, if no goals are scored, then a customer choosing to buy will lose their Initial Stake multiplied by three while a customer choosing to sell will win their Initial Stake multiplied by 2.8.
- 2.7 Customers of online sports spread betting services are therefore generally individuals who are comfortable with the increased risk and complexity of spread betting.
- 2.8 In order to create a new sports spread betting account with a licensed online sports spread betting provider in the UK, customers are asked to provide certain financial information as part of the sign-up process, including information on the individual's employment status, net annual income, and total levels of savings/investments.¹⁴ FDJ and Sporting Group (the previous owner of Sporting Index) said that, pre-Merger, it required Sporting Index customers to provide proof of wealth multiple times per month.¹⁵ Further detail on compliance requirements for licensed online sports spread betting providers are provided below.

Pricing spreads

- 2.9 As set out in paragraphs 2.5 and 2.6, a sports spread betting provider will offer a spread of outcomes for customers to bet on.
- 2.10 In order to price its spreads, Spreadex told us that it first [REDACTED], which are then put into Spreadex's model. This model [REDACTED]. An example of this [REDACTED].¹⁶
- 2.11 Once the more granular [REDACTED] have been determined, these [REDACTED] may be further adjusted by Spreadex's sports traders in order to account for [REDACTED]. Following this, Spreadex then automatically generates spreads by inputting the [REDACTED]. The spreads are then displayed on Spreadex's front-end technology platform with which

¹⁴ Spreadex, Teach-in slides, 1 May 2024, slide 9.

¹⁵ FDJ and Sporting Group hearing transcript.

¹⁶ Spreadex, Teach-in slides, 1 May 2024, slides 17-20.

customers directly interact. Spreadex is also able to [REDACTED]. This is done automatically by Spreadex's model, but Spreadex sports traders may also [REDACTED].¹⁷

Providers of licensed online sports betting services

- 2.12 As set out in paragraph 2.1, the Parties are active in the licensed online sports (including spread and fixed odds) betting services sector. Spreadex estimates the sports fixed odds betting sector to be around £2.4 billion in gross gambling yield terms in FY2024.¹⁸ Other providers of fixed odds betting services include bet365 Group, Entain Group (via Ladbrokes, Coral and others), Flutter Entertainment (via Sky Bet), BetVictor and 888 Holdings (via William Hill).¹⁹
- 2.13 The Parties are the only two providers of licensed online sports spread betting services in the UK.²⁰ Based on the Parties' revenues, we estimate the licensed online sports spread betting sector in the UK to have had a size of £[REDACTED] million in 2020, £[REDACTED] million in 2021, £[REDACTED] million in 2022, £[REDACTED] million in 2023, and £[REDACTED] million in 2024 (including some binary bets which were classified as spread bets in this year),²¹ or £[REDACTED] million in 2024 (excluding those binary bets).²²
- 2.14 We note that based on these estimates, in real terms over the past four years the size of the UK licensed online sports spread betting sector has decreased by [REDACTED]% (excluding binary bets).²³ Under the Parties' preferred definition of the market which includes binary bets (see paragraph 6.52 below), the sector has decreased overall by [REDACTED]% in real terms over four years.²⁴

Regulatory framework

- 2.15 The Gambling Commission (**GC**) regulates all gambling in Great Britain, apart from spread betting which is regulated by the Financial Conduct Authority (**FCA**). We provide an overview of both regulatory frameworks below.

¹⁷ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 26.3 A-I

¹⁸ Gambling Commission (**GC**), [Industry Statistics - November 2024 - Official statistics](#), November 2024 (last accessed on 15 May 2025), as cited in Spreadex, response dated 15 May 2025 to the CMA's RFI dated 13 May 2025, question 1. Gross gambling yield is the total amount paid to a GC licensee by way of stakes and any other amounts that will otherwise accrue to the licensee directly in connection with the activities authorised by the licence, minus the total amount deducted from the licensee in respect of the provision of prizes or winnings in connection with the activities authorised by the licence (GC, [Regulatory returns guidance](#), 4 May 2021 (last updated 30 September 2024), (last accessed on 24 April 2025)).

¹⁹ See: [bet365](#); [Ladbrokes](#); [Sky Bet](#); [BetVictor](#); and [William Hill](#) (all last accessed on 24 April 2025).

²⁰ See Chapter **Error! Reference source not found.** (Horizontal Unilateral Effects).

²¹ Spreadex, response dated 2 February 2024 to the CMA's request for information (**RFI**) dated 31 January 2024, question 5. and Spreadex, response dated 15 May 2025 to the CMA's RFI dated 13 May 2025, question 1.

²² Spreadex, response dated 1 August 2025 to the CMA's RFI dated 22 July 2025, page 6.

²³ Sporting Group told us that the sector had been negatively impacted by the Coronavirus (COVID-19) pandemic, as there were fewer sporting events to bet on during this period (FDJ and Sporting Group hearing transcript).

²⁴ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), Annex 2, 4 July 2025

FCA

- 2.16 Spread betting providers (including sports spread betting providers) which carry on regulated activities within the FCA perimeter of regulation must obtain authorisation from the FCA and adhere to its regulations.²⁵
- 2.17 The application process for an FCA licence involves the FCA considering the adequacy of both the financial and non-financial resources of the applicant. This includes reviewing the feasibility of business plans and considering the potential for any consumer harm.²⁶ The FCA told us that it has a statutory deadline of six months to approve complete applications, and 12 months to determine incomplete applications.²⁷
- 2.18 In addition to obtaining the relevant regulatory authorisation from the FCA, authorised (that is, licensed) online sports spread betting firms must also comply with the FCA's regulations on an ongoing basis. This includes a requirement for firms to protect and hold customers' money segregated in a separate client money bank account under the FCA's Client Assets Sourcebook regime, and to report on this segregation on a monthly basis.²⁸
- 2.19 The FCA introduced its new Consumer Duty, which came into force on 31 July 2023. It requires firms to act to deliver good outcomes for retail customers. This includes ensuring that the price a customer pays for a product is reasonable compared to the overall benefits that the customer gets from that product.²⁹
- 2.20 The FCA Consumer Duty puts the onus on firms to conduct these assessments, however the FCA may ask to review a firm's fair value assessment together with supporting evidence, that demonstrates that a product provides fair value. In the spread betting context, the FCA would generally expect firms to consider, among other factors, the spreads offered as part of their fair value assessments.³⁰
- 2.21 The FCA has a wide range of enforcement powers, including the power to impose financial penalties, prohibit individuals from performing functions in relation to the carrying out of regulated activities, public censure, and prosecution.³¹ The FCA may also place requirements on a firm's permission and limit or suspend the carrying out of a regulated activity, until the firm resolves the matter of concern to

²⁵ [Sections 19](#) and [21](#) of the Financial Services and Markets Act 2000 (the **FSMA**).

²⁶ FCA call transcript.

²⁷ FCA response to the CMA's RFI.

²⁸ FCA call transcript, and [Client Money and Assets | FCA](#), (last accessed on 27 May 2025). During the Remittal inquiry, the FCA confirmed that [recent changes to the FCA Handbook](#) would not have any impact on its treatment of sports spread betting. FCA response to the CMA's RFI.

²⁹ FCA response to the CMA's RFI.

³⁰ FCA response to the CMA's RFI.

³¹ FCA, [Enforcement](#), 21 April 2016 (last updated 4 December 2024) (last accessed on 2 May 2025).

the FCA's satisfaction. The regulatory tools utilised by the FCA in any case will depend on a number of factors, including the severity of the breach.³²

GC

- 2.22 Sports fixed odds providers wishing to solicit UK consumers must obtain a licence from the GC and adhere to its regulations.³³ The application process involves the GC looking at information such as business plans, profit and loss projections, and bank statements.³⁴
- 2.23 Licensed online sports fixed odds betting firms must also comply with the GC's regulations on an ongoing basis. This involves, for example, putting into place policies and procedures intended to promote socially responsible gambling,³⁵ or firms providing evidence to the GC, if required, showing how they have satisfied themselves that their terms are not unfair.³⁶
- 2.24 The GC can review the manner in which licensees carry on licensed activities,³⁷ and following a review, the GC may:
- (a) give the licensee a warning;
 - (b) add, remove, or amend a condition to the licence;
 - (c) suspend a licence;
 - (d) revoke a licence, and/or
 - (e) impose a financial penalty.³⁸

³² Additional information submitted to the CMA via email in relation to FCA call transcript.

³³ [Section 5](#) of the Gambling (Licensing and Advertising) Act 2014.

³⁴ GC, [Apply for a licence to operate a gambling business](#) (last accessed on 24 April 2025).

³⁵ GC, [Licence Conditions and Codes of Practice \(LCCP\) Condition 3.1.1 - Combating problem gambling](#) (last accessed on 24 April 2025).

³⁶ GC, [LCCP Condition 4.1.1 - Fair terms](#) (last accessed on 24 April 2025).

³⁷ [Section 116\(1\)\(a\)](#) of the Gambling Act 2005.

³⁸ [Section 117\(1\)](#) of the Gambling Act 2005.

3. PARTIES, MERGER AND MERGER RATIONALE

- 3.1 In this chapter we provide an overview of the Parties, the Merger and the Merger rationale. We have not received any further evidence on the matters covered in this chapter during the Remittal inquiry.

Spreadex

- 3.2 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.³⁹
- 3.3 The turnover of Spreadex in its financial year (FY) ended 31 May 2024 was approximately £[REDACTED] million in the UK.⁴⁰

Sporting Index

- 3.4 Sporting Index⁴¹ provides Online sports betting services primarily in the UK, with minimal sales to customers in Ireland and Gibraltar. Sporting Index offers both spread and fixed odds betting services.⁴²
- 3.5 The turnover of Sporting Index in FY24 was around £[REDACTED] million in the UK.⁴³ In 2023, Sporting Index earned nearly £[REDACTED] million turnover from the spread betting part of its business and almost £[REDACTED] million from the fixed odds betting part of its business.⁴⁴

The Merger

- 3.6 Prior to the Merger, Sporting Group was the holding company of both:⁴⁵
- (a) Sporting Index, the B2C arm of Sporting Group, which comprised its spread betting and fixed odds betting activities (the **B2C Business**); and
 - (b) Sporting Solutions Services Limited (**Sporting Solutions**), the 'business-to-business' (**B2B**) arm of Sporting Group (the **B2B Business**).

³⁹ Spreadex, Briefing Paper, 13 July 2023, paragraph 2.4.

⁴⁰ Spreadex, response dated 15 May 2025 to the CMA's RFI dated 13 May 2025, question 2.

⁴¹ Sporting Index is referred to in some internal documents as '**SPIN**'.

⁴² Spreadex, Briefing Paper, 13 July 2023, paragraph 2.1.

⁴³ Spreadex, response dated 15 May 2025 to the CMA's RFI dated 13 May 2025, question 3.

⁴⁴ Spreadex, response dated 15 May 2025 to the CMA's RFI dated 13 May 2025, question 3.

⁴⁵ Sporting Group, [Sporting Group Holdings Limited Annual report and financial statements for the year ended 31 December 2022](#), page 1 (last accessed on 24 April 2025).

- 3.7 Spreadex acquired Sporting Index from Sporting Group, a subsidiary of La Française des Jeux (**FDJ**), on 6 November 2023. The Merger did not include the purchase of the B2B activities of Sporting Group, namely Sporting Solutions, which were retained by FDJ following a corporate restructure implemented in advance of the Merger,⁴⁶ and later sold to Betsson Group in August 2024.⁴⁷
- 3.8 The Sporting Index business acquired by Spreadex comprised a number of assets, including the Sporting Index legal entity, which, following the corporate restructure, owned or comprised the Sporting Index brand, intellectual property (**IP**), domain names, regulatory licences, customer lists, deferred tax losses, trade debtors and trade creditors/approvals and six employees.⁴⁸

Merger Rationale

- 3.9 Spreadex's internal documents show that the strategic rationale for the Merger was to obtain access to Sporting Index's client base, historical data and dormant accounts, as well as to remove the competitive threat of another firm buying the business, and Sporting Index becoming a stronger competitor as a result.⁴⁹
- 3.10 In response to the phase 2 provisional findings report⁵⁰ (the **Phase 2 Provisional Findings**), Spreadex submitted that the document cited by the CMA as the basis for the provisional finding that the Merger rationale was in part to remove a competitive threat, had been prepared after Spreadex had been approached by Sporting Group/FDJ as part of the sales process.⁵¹ Spreadex therefore submitted that it did not have a specific rationale for the Merger before being approached, that it had responded to an opportunistic approach, and that the 'rationale' identified by the CMA was no more than a statement of the possible advantages of an acquisition.⁵²
- 3.11 While the timing and circumstances of Spreadex's bid for Sporting Index are relevant to the CMA's assessment, and are discussed in more detail in Chapter 5 (Counterfactual), the fact that Spreadex's reasons for the Merger were only discussed or recorded after an approach had been made by the sellers, does not mean that such reasons can be discounted. Further discussion of the document in

⁴⁶ Spreadex gained control over Sporting Index which, following the corporate restructure, owned a number of assets relating to the Sporting Index business, as described in paragraph 3.8. The assets, technology and employees comprising Sporting Solutions were carved out and moved to Sporting Solutions Limited. Spreadex, Briefing paper, 13 July 2023, paragraph 1.1.

⁴⁷ FDJ, Press release, 1 August 2024 (see: [FDJ sells its Sporting Solutions Services subsidiary to the Betsson group - FDJ \(groupefdj.com\)](https://www.fdj.com/fr/actualites/2024/08/01/fdj-vend-son-filiale-sporting-solutions-a-betsson)). (last accessed on 24 April 2025).

⁴⁸ Spreadex, Teach-in slides, 1 May 2024, slide 38. remaining employees of the pre-Merger Sporting Index business were not acquired by Spreadex [§]. [§] call transcript as subsequently confirmed by [§] email.

⁴⁹ Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103

⁵⁰ CMA, [Provisional Findings Report](#), 25 July 2024.

⁵¹ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraphs 2.1-2.2. Further discussion of the timeline of the sales process can be found in Chapter 5 (Counterfactual).

⁵² Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 2.3.

question, and the weight that we have attached to it, can be found in Chapter 6 (Horizontal Unilateral Effects).

4. RELEVANT MERGER SITUATION

Introduction

- 4.1 This chapter addresses the first of the two statutory questions which we are required to answer under section 35 of the Act and pursuant to our Terms of Reference, namely: whether a relevant merger situation (**RMS**) has been created.⁵³
- 4.2 The concept of an RMS has two principal elements:
- (a) two or more enterprises have ceased to be distinct enterprises within the statutory period for reference;⁵⁴ and
 - (b) the turnover test and/or the share of supply test is satisfied.⁵⁵
- 4.3 We address each of these elements in turn below.
- 4.4 We have not received any further evidence on the matters covered in this chapter during the Remittal inquiry.

Enterprises ceasing to be distinct

Enterprises

- 4.5 The Act defines an 'enterprise' as 'the activities, or part of the activities, of a business'.⁵⁶ A 'business' is defined as including 'a professional practice and includes any other undertaking which is carried on for gain or reward or which is an undertaking in the course of which goods or services are supplied otherwise than free of charge'.⁵⁷
- 4.6 Each of Spreadex and Sporting Index is active in the supply of Online sports betting services, predominantly in the UK, and generates turnover from these services (see Chapter 3, Parties, Merger and Merger Rationale). Sporting Index comprises the Sporting Index legal entity and the core components of the B2C Business.⁵⁸

⁵³ [Section 35](#) of the Act and Appendix A, Terms of Reference.

⁵⁴ [Sections 23](#) and [24](#) of the Act.

⁵⁵ [Section 23](#) of the Act.

⁵⁶ [Section 129\(1\)](#) of the Act.

⁵⁷ [Section 129\(1\)](#) of the Act.

⁵⁸ As explained in Chapter 3 (Parties, Merger and Merger Rationale), Spreadex acquired Sporting Index which, following the corporate restructure, owned or comprised the Sporting Index brand, IP, domain names, regulatory licences, customer lists, deferred tax losses, trade debtors and trade creditors/approvals and six employees. Sporting Index does not include the B2B assets formerly held by Sporting Index, which were retained by FDJ following a corporate restructure implemented in advance of the Merger, and which were later sold to Betsson Group in August 2024.

- 4.7 We conclude that the Sporting Index entity, assets and components acquired by Spreadex on the one hand, and Spreadex itself on the other hand, each constitute a ‘business’ within the meaning of the Act. Consequently, we are satisfied that the activities of each of Spreadex and Sporting Index constitute an ‘enterprise’ for the purposes of the Act.

Ceasing to be distinct

- 4.8 The Act provides that any two enterprises cease to be distinct if they are brought under common ownership or common control.⁵⁹ The Merger concerns the acquisition by Spreadex of the B2C Business, and the entire issued share capital, of Sporting Index. Therefore, as a result of the Merger, the enterprise of Sporting Index is now wholly under the ownership and control of Spreadex.
- 4.9 Accordingly, we conclude that the Merger has resulted in two or more enterprises (namely, the enterprises of Spreadex and Sporting Index) ceasing to be distinct.

The applicable statutory period

- 4.10 The Act requires that the enterprises must have ceased to be distinct within either:
- (a) not more than four months before the day on which the reference is made, or
 - (b) where the merger took place without having been made public and without the CMA being informed of it, four months from the earlier of the time that material facts are made public or the time the CMA is told of material facts.⁶⁰
- The four-month period may be extended under section 25 of the Act.⁶¹
- 4.11 The CMA was informed about the Merger on 25 August 2023 and the Merger completed on 6 November 2023. The four-month period for a reference decision under section 24 of the Act therefore commenced upon completion of the Merger. It was extended under section 25(1) of the Act to 5 April 2024. On 4 April 2024, the CMA decided that the Merger gave rise to a realistic prospect of an SLC and further extended the four-month period to 11 April 2024 to allow Spreadex the opportunity to offer undertakings in lieu of a reference (**UILs**).⁶² On 10 April 2024, Spreadex informed the CMA that it would not offer UILs. Accordingly, pursuant to section 25(5)(b) of the Act, the extension to the four-month period ended on 24 April 2024. The reference was made on 17 April 2024.⁶³

⁵⁹ [Section 26](#) of the Act.

⁶⁰ [Section 24](#) of the Act.

⁶¹ [Section 25](#) of the Act.

⁶² [Sections 25\(4\)](#) and [73A\(1\)](#) of the Act.

⁶³ See Chapter 1 (The Remittal) and Appendix A (Terms of Reference).

- 4.12 We therefore conclude that the enterprises of Spreadex and Sporting Index ceased to be distinct within the applicable statutory period for reference, and therefore the first limb of the RMS test is met.

Turnover test or share of supply test

- 4.13 The turnover test is met where the value of the turnover in the UK of the enterprise being taken over exceeds £70 million.⁶⁴ As the turnover of Sporting Index in its last financial year prior to the Merger agreement was around £9.8 million worldwide, almost all of which was earned in the UK,⁶⁵ the turnover test is not met.
- 4.14 The share of supply test is met where, as a result of enterprises ceasing to be distinct, the following condition prevails or prevails to a greater extent: at least one quarter of goods or services of any description⁶⁶ which are supplied in the UK, or in a substantial part of the UK, are supplied either by or to one and the same person.⁶⁷ The requirement that the condition prevails or prevails to a greater extent means that the merger must result in the creation or increase in a share of supply of goods or services of a particular description and the resulting share must be 25% or more.
- 4.15 Spreadex and Sporting Index have a combined share of supply by revenue of 100% in the supply of licensed online sports spread betting services in the UK (with an increment of [20-30]% arising from the Merger). Accordingly, we conclude that the share of supply test in section 23 of the Act is met,⁶⁸ and therefore the second limb of the RMS test is met.

Conclusion on the relevant merger situation

- 4.16 In view of the above, we conclude that the Merger has resulted in the creation of an RMS.

⁶⁴ [Section 23\(1\)\(b\)](#) of the Act.

⁶⁵ Spreadex, Briefing Paper, 13 July 2023, paragraph 4.1 and Table.

⁶⁶ The concept of goods or services of 'any description' is very broad. The CMA is required by the Act to measure shares of supply by reference to such criterion, or such combination of criteria as the CMA considers appropriate (see [section 23\(5\)](#) of the Act).

⁶⁷ [Sections 23\(2\), \(3\) and \(4\)](#) of the Act.

⁶⁸ [Section 23](#) of the Act.

5. COUNTERFACTUAL

5.1 This chapter sets out our assessment of, and conclusion on, the appropriate counterfactual for the Merger. It is structured as follows:

- (a) Framework for assessing the counterfactual.
- (b) Events leading up to the Merger.
- (c) Assessment of the appropriate counterfactual.
- (d) Conclusion on the counterfactual.

Framework for assessing the counterfactual

The nature of the counterfactual

- 5.2 Applying the SLC test involves a comparison of the prospects of competition with the merger against the counterfactual (ie the most likely competitive situation without the merger).⁶⁹ The counterfactual is not a statutory test. Rather it is an analytical tool used in answering the statutory question on the SLC test:⁷⁰ in the case of a completed merger, the test is whether the merger has resulted, or may be expected to result, in an SLC.⁷¹
- 5.3 The counterfactual may consist of the prevailing, or pre-merger, conditions of competition, or conditions of competition that involve stronger or weaker competition between the merger firms than under the prevailing, or pre-merger, conditions of competition.⁷²

A broad, not detailed, description of the most likely conditions of competition

- 5.4 The counterfactual is not intended to be a detailed description of the conditions of competition that would prevail absent the merger. Those conditions are better considered in the competitive assessment.⁷³ The CMA will generally conclude on the counterfactual conditions of competition broadly – that is, prevailing or pre-merger conditions of competition, conditions of stronger competition or conditions of weaker competition.⁷⁴ The CMA also seeks to avoid predicting the precise

⁶⁹ [MAGs](#), paragraph 3.1 read together with paragraph 3.13, which provides that, at phase 2, the CMA will select the most likely conditions of competition as its counterfactual.

⁷⁰ [MAGs](#), paragraph 3.1.

⁷¹ [Section 35\(1\)\(b\)](#) of the Act.

⁷² [MAGs](#), paragraph 3.2. The conditions of competition before a merger in anticipated acquisitions are generally referred to as the 'prevailing conditions of competition' and in completed acquisitions as 'pre-merger conditions of competition'. The terms 'pre-merger' and 'prevailing' are interchangeable (*Ibid.*).

⁷³ [MAGs](#), paragraph 3.7; see also paragraphs 3.6 and 3.32.

⁷⁴ [MAGs](#), paragraph 3.9.

details or circumstances that would have arisen absent the merger⁷⁵ and will often focus on significant changes affecting competition between the merger firms, such as exit by one of the merger firms.⁷⁶

- 5.5 If two or more possible counterfactual scenarios lead to broadly the same conditions of competition, the CMA may not find it necessary to select the particular scenario that leads to its counterfactual.⁷⁷

Uncertainty

- 5.6 Establishing the appropriate counterfactual is an inherently uncertain exercise and evidence relating to future developments absent the merger may be difficult to obtain. Uncertainty about the future will not in itself lead the CMA to assume the pre-merger situation to be the appropriate counterfactual. As part of its assessment, the CMA may consider the ability and incentive (including but not limited to, evidence of intention) of the merger firms to pursue alternatives to the merger, which may include reviewing evidence of specific plans where available.⁷⁸

Time horizon

- 5.7 The time horizon that the CMA considers when describing the counterfactual will depend on the context and will be consistent with the time horizon used in the CMA's competitive assessment.⁷⁹

The exiting firm scenario

- 5.8 An example of a situation in which the CMA may use a different counterfactual is the so-called 'exiting firm' scenario:⁸⁰ that is, whether, absent the merger, one of the merger firms is likely to have exited the market. In forming a view on an exiting firm scenario, the CMA will use the following framework of cumulative conditions, that is whether:⁸¹

- (a) the firm is likely to have exited (through failure or otherwise) (**Limb 1**); and, if so

⁷⁵ [MAGs](#), paragraph 3.11.

⁷⁶ [MAGs](#), paragraph 3.8.

⁷⁷ [MAGs](#), paragraph 3.9. In some instances, the CMA may need to consider multiple possible scenarios before identifying the relevant counterfactual (eg a merger firm being purchased by alternative acquirers). In doing this, the CMA will consider whether any of the possible scenarios make a significant difference to the conditions of competition and, if any do, the CMA will find the most likely conditions of competition absent the merger as the counterfactual (paragraph 3.13).

⁷⁸ [MAGs](#), paragraph 3.14.

⁷⁹ [MAGs](#), paragraph 3.15.

⁸⁰ [MAGs](#), paragraph 3.16.

⁸¹ [MAGs](#), paragraph 3.21.

(b) there would not have been an alternative, less anti-competitive purchaser for the firm or its assets to the acquirer in question (**Limb 2**).

- 5.9 The exiting firm scenario is most commonly considered when one of the firms is said to be failing financially. However, exit may also be for other reasons, for example because the target firm's corporate strategy has changed.⁸²
- 5.10 When considering any exiting firm argument, the CMA will usually attach greater weight to evidence that has not been prepared in contemplation of the merger⁸³ (while still attaching appropriate weight to all of the other evidence that it has). It may be particularly important in the context of an exiting firm scenario for the CMA to understand the rationale for the transaction under review (ie to consider why the purchaser is acquiring a firm or its assets in the context of claims that it would have exited from the market).⁸⁴
- 5.11 If the CMA finds that the merger firm would not be likely to exit absent the merger, it does not follow that it may instead decide that the firm would be a weaker competitor in the counterfactual. The CMA is likely to assess the strength of competition between the merger firms in its competitive assessment.⁸⁵

Events leading up to the Merger

- 5.12 We set out below the key events leading up to the Merger, which, in our view, are relevant to our consideration of the appropriate counterfactual.
- 5.13 In 2019, FDJ paid Magnus Hedman (later the founder of 10star) £[REDACTED] million for the combined B2B Business and B2C Business (Sporting Group).⁸⁶
- 5.14 In early 2022, having decided that ownership of the B2C Business did not fit with its group business strategy, FDJ decided to prepare a detailed financial analysis for the carve-out of the B2C Business from the B2B Business.⁸⁷ It engaged AlixPartners in June 2022 to conduct a [REDACTED],⁸⁸ before deciding to commence the sales process for the B2C Business on 15 December 2022.⁸⁹ The process itself commenced in early January 2023 (the **2023 B2C Sale Process**).⁹⁰
- 5.15 FDJ received three preliminary bids for the B2C Business from:

⁸² [MAGs](#), paragraph 3.22.

⁸³ [MAGs](#), paragraph 3.24.

⁸⁴ [MAGs](#), paragraph 3.24.

⁸⁵ [MAGs](#), paragraph 3.25.

⁸⁶ [REDACTED] call transcript, and FDJ and Sporting Group hearing transcript.

⁸⁷ FDJ response to the CMA's RFI and FDJ and Sporting Group hearing transcript.

⁸⁸ AlixPartners call transcript.

⁸⁹ Sporting Group response to the CMA's RFI.

⁹⁰ FDJ response to the CMA's RFI.

- (a) [X] [X], with a bid value of £[X] million (an increase on its initial intended bid of £[X] million) subject to Sporting Group's supply of operational support for the first year;^{91,92}
- (b) [X] [X], with a bid value of £[X] million (which was later confirmed on 24 March 2023) subject to agreement of a Transitional Services Agreement (TSA);⁹³ and
- (c) Spreadex on 23 February 2023, with a bid value between £[X] million and £[X] million (later increased to £[X] million on 22 March 2023).⁹⁴ The Spreadex preliminary bid included caveats that its consideration was subject to CMA approval or a lack of interest from the CMA,⁹⁵ however on 30 June 2023 the Spreadex board approved the Merger without CMA approval being a condition to completion.⁹⁶ Given that Spreadex was already operating as a UK licensed spread betting provider with its own IT systems it required only a minimal and short-term TSA of up to eight weeks of assistance post completion.⁹⁷

5.16 We refer to [X] and [X] collectively in this chapter as the **Alternative Bidders**.

5.17 The sale of the B2B Business was considered as early as January 2023, once again because the B2B Business did not fit with FDJ's overall group strategy.⁹⁸

5.18 At the end of March 2023, recommendations were made to select Spreadex as the preferred purchaser of the B2C Business.⁹⁹

5.19 External advisors were appointed to assist with the sale of Sporting Solutions, ie, the B2B Business, during mid to late April 2023, and the B2B sale process formally started on 27 April 2023.¹⁰⁰

5.20 The sale of the B2C Business to Spreadex completed on 6 November 2023.¹⁰¹

⁹¹ Sporting Group response to the CMA's RFI and Former [X] MD call transcript

⁹² In the course of the phase 2 inquiry and the Remittal inquiry, we have predominantly engaged with [X] in the context of their involvement as an Alternative Bidder for Sporting Index. On this basis, the individuals that we have spoken to have worked (or previously worked) for [X] rather than its [X].

⁹³ Sporting Group response to the CMA's RFI.

⁹⁴ FDJ response to the CMA's RFI.

⁹⁵ FDJ response to the CMA's RFI.

⁹⁶ Spreadex, response dated 18 December 2024 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, Annex 8, paragraph 5.1

⁹⁷ FDJ response to the CMA's RFI.

⁹⁸ FDJ and Sporting Group submitted that this strategy was to focus on the B2C side of the business ie lottery and traditional sports book. FDJ and Sporting Group hearing transcript

⁹⁹ Sporting Group response to the CMA's RFI.

¹⁰⁰ FDJ response to the CMA's RFI.

¹⁰¹ Spreadex, Letter to the CMA's Merger Intelligence Committee, 6 December 2023, page 1.

- 5.21 An agreement to sell the B2B Business to Betsson Group for £[REDACTED] million was announced on 1 August 2024,¹⁰² and the transaction completed on 2 December 2024.¹⁰³

Assessment of the appropriate counterfactual

- 5.22 Spreadex submitted that the appropriate counterfactual in this case is that FDJ would have wound down Sporting Index on the basis that there were no other viable purchasers. We have therefore considered whether the two cumulative conditions have been met (that is, Limb 1 and Limb 2) for an exiting firm scenario to be taken as the appropriate counterfactual in this case.
- 5.23 In considering Spreadex's submissions that both Limb 1 and Limb 2 have been met, we have also considered evidence from the seller (FDJ and Sporting Group) and each of the Alternative Bidders. We have carefully evaluated the weight that it is appropriate to place on the different evidence provided to us. 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. In this regard, we have placed greatest weight on the evidence from FDJ given that it can speak to its own commercial thinking at the time and based on its direct involvement in the B2C Sale Process. The decision of whether or not to sell to an alternative purchaser or to exit the market would have been a decision for FDJ to make.

Limb 1 - Likelihood of exit

Introduction

- 5.24 Where a firm may be exiting because of financial failure, consideration is given both to whether the firm is unable to meet its financial obligations in the near future and to whether it is unable to restructure itself successfully. In practice, the CMA will carefully examine the firm's profitability over time, its cash flows and its balance sheet in order to determine the profile of assets and liabilities. If the firm is part of a larger corporate group, the CMA will also consider the parent company's ability and incentive to provide continued financial support.¹⁰⁴
- 5.25 A merger firm may exit for strategic rather than financial reasons absent the merger. The CMA would need to be satisfied that the business would have ultimately exited for strategic reasons unrelated to the transaction in question.¹⁰⁵

¹⁰² FDJ response to the CMA's RFI and [Betsson Group Announces Strategic Acquisition of Sporting Solutions - Betsson Group](#), (last accessed on 14 May 2025).

¹⁰³ FDJ response to the CMA's RFI

¹⁰⁴ [MAGs](#), paragraph 3.28.

¹⁰⁵ [MAGs](#), paragraph 3.29.

- 5.26 We note that when considering an exiting firm argument, it can be particularly important to understand the rationale for the sale.¹⁰⁶ As such, we set out below FDJ's submissions on the rationale for the sale of the B2C Business, before setting out Spreadex's submissions and our assessment of Limb 1.

FDJ's submissions on the rationale for the sale of the B2C Business

- 5.27 FDJ submitted that it had initially acquired Sporting Group for its B2B activity, in particular Sporting Group's platform and technologies, and its complementary trading capabilities (that FDJ lacked), and not specifically for its B2C activity. The B2C Business came with this package as the buyer sold all Sporting Group's activities together. It further submitted that following its acquisition of Sporting Group, the regulatory framework in the UK evolved significantly in relation to improving the safeguarding of consumers. It explained that the subsequent compliance requirements led to a significant loss in premium customers, who were very hard to renew given their specific 'VIP' profiles. It submitted that the B2C Business relied on [redacted] that were [redacted]. Moreover, it submitted that spread betting was a very regulated activity that was allowed only in a few countries (the UK being the first) and that attracted a niche of very high-value customers (with high affordability to bet) but which represented an ageing demographic. As a result of all the reasons mentioned above, combined with the fact that this activity became too highly loss-making for FDJ, FDJ decided to sell.¹⁰⁷
- 5.28 FDJ and Sporting Group told us that [redacted]. They told us that [redacted], so that the GC rules were also applied to spread betting customers, and similarly, the FCA rules were also applied to fixed odds customers. FDJ and Sporting Group told us that it was regularly requesting that spread betting customers disclose personal information, which a lot of high net worth clients were not prepared to do, resulting in reduced customer numbers and customer activity, eg either from customers not sharing the requested documentation or only part sharing the requested information resulting in Sporting Index suspending customers until they completed the request. Sporting Group told us that if it were to remove the fixed odds business and the combined compliance policy, such that Sporting Index were only governed by FCA regulation, it could relax some of the customers' disclosure requirements that were seen by customers as punitive, although there would still be a high level of compliance management. Sporting Group told us that FDJ, being partly state-owned, could not countenance any regulatory fines or accept being under investigation for failure to comply with regulations.¹⁰⁸

¹⁰⁶ [MAGs](#), paragraph 3.24.

¹⁰⁷ FDJ response to the CMA's RFI

¹⁰⁸ FDJ and Sporting Group hearing transcript.

Spreadex's submissions on Limb 1

- 5.29 Spreadex submitted that absent the Merger, FDJ would have closed Sporting Index due to:
- (a) the ongoing and increasingly significant losses of Sporting Index¹⁰⁹ since its acquisition by FDJ in 2019, where its last profit was recorded in FY18.¹¹⁰ It submitted that it understood that this financial situation had not improved under FDJ's ownership and therefore, FDJ had decided to either sell or close the business;¹¹¹
 - (b) FDJ's commentary in its annual report and public domain on the steps it had taken to improve the profitability of the UK business.¹¹² For example, Spreadex told us that FDJ's FY22 financial statements had reclassified Sporting Index as assets held for disposal;¹¹³
 - (c) the comments made by FDJ during a shareholder meeting in February 2023, in response to analyst questions at FDJ's year-end results announcement, when FDJ stated that Sporting Index did not align with its wider strategy, and that it had therefore launched a process to divest the business;¹¹⁴
 - (d) an increasingly rigorous regulatory environment in the UK, which would have limited Sporting Index's ability to improve its profitability;¹¹⁵ and
 - (e) FDJ's subsequent strategic decision to divest Sporting Group's B2B arm, ie Sporting Solutions.¹¹⁶
- 5.30 During the Remittal inquiry, Spreadex added that:¹¹⁷
- (a) FDJ was clear that it would have closed the B2C Business in statements made to the CMA;
 - (b) Sporting Index was loss-making and FDJ had no incentive to continue to support it;
 - (c) Sporting Index's losses were expected to worsen over time;

¹⁰⁹ Spreadex, Letter to the Inquiry Group, 25 April 2024, page 2 and Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.4

¹¹⁰ Sporting Index's financial year ended 31 December 2018.

¹¹¹ Spreadex, Briefing Paper, 13 July 2023, paragraph 2.

¹¹² Spreadex, Letter to the Inquiry Group, 25 April 2024, page 2.

¹¹³ Spreadex, CMA Issues Meeting, 11 March 2024, slide 6.

¹¹⁴ Spreadex, CMA Issues Meeting, 11 March 2024, slide 7 (FDJ, [Webcast of FDJ Annual Results 2022](#), 16 February 2023 (last accessed on 12 May 2025).

¹¹⁵ Spreadex, CMA Issues Meeting, 11 March 2024, slide 6 and Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.3.

¹¹⁶ See: SBC News, [FDJ to sell Sporting Solutions as future lies in B2C growth](#), 19 February 2024 (last accessed on 12 May 2025).

¹¹⁷ Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 1.14.

- (d) FDJ had explored and rejected cost-cutting and restructuring options, as well as further investment;
- (e) FDJ had reputational concerns with continuing to operate the B2C Business;
- (f) The lack of internal documentary evidence regarding FDJ's plans should it fail to sell the B2C Business was not probative given the successful sale to Spreadex; and
- (g) There was no likelihood of any other bidder coming forward to acquire the B2C Business.

Our assessment of Limb 1

- 5.31 The evidence shows that FDJ was concerned about the wider reputational risks if Sporting Index, a non-core business, were to breach FCA or GC regulations, which had become more stringent since it acquired Sporting Index, and the potentially significant negative repercussions for FDJ's broader strategy and wider business. FDJ's concerns about the risks to its reputation and its wider strategic objectives for its group business arising from any regulatory breach in the UK (see paragraphs 5.27 and 5.28 above) were also broadly corroborated by third party evidence: the former Managing Director of [REDACTED] who led [REDACTED] bid during the 2023 B2C Sale Process (the **Former [REDACTED] MD**) submitted that FDJ had ambitions to enter the US market, and given that the UK regulatory environment was becoming more stringent and FDJ was becoming more risk averse, he believed that FDJ considered Sporting Index to be a weak link and did not want to risk the FCA or the GC finding any failings in Sporting Index, and thus, devaluing FDJ and undermining its expansion plans.¹¹⁸
- 5.32 Based on Sporting Index's annual accounts for FY21 and FY22, Sporting Index generated an operating loss (before recurring items) of -£2.4 million in FY21 and -£6.7 million in FY22.¹¹⁹ Although Sporting Index was a loss-making division within FDJ, its annual accounts show that Sporting Index had received financial support from FDJ to enable it to continue its operations. In this regard, in Sporting Index's FY21 and FY22 accounts, no material concerns were raised about its ability to meet its liabilities and remain as a going concern, and as at the end of FY22, Sporting Index had positive net current assets (ie current assets less current liabilities) of £22.1 million (prior year: £28.1 million) and positive net assets (ie total

¹¹⁸ Former [REDACTED] MD call transcript

¹¹⁹ Sporting Index, Annual report and financial statements for the year ended 31 December 2021; Sporting Index, Annual report and financial statements for the year ended 31 December 2022 [SPORTING INDEX LIMITED filing history - Find and update company information - GOV.UK](#) (last accessed on 14 May 2025).

assets less total liabilities) of £18.7 million (prior year: £27.0 million), and continued to receive financial support from FDJ.¹²⁰

- 5.33 The MAGs provide that if a firm that is claimed to be exiting is part of a larger corporate group, as is the case here, the CMA will also consider the parent company's ability and incentive to provide continued financial support.¹²¹ In the present case, although Sporting Index was a loss-making division within FDJ,¹²² Sporting Index had received financial support from FDJ, and FDJ was able to continue to support it given the group's financial resources.¹²³ However, the evidence shows that FDJ was incentivised to complete a sale of the B2C Business, given FDJ's concerns about the ongoing regulatory risks associated with owning Sporting Index, which was seen as a non-core business from FDJ's perspective.
- 5.34 Sporting Group told us that it was unable to provide documents that contained discussions of what FDJ or Sporting Group would have done if Spreadex, or the Alternative Bidders had not submitted a [REDACTED], given that such discussions were not recorded. However, it told us that there were other potential purchasers it had approached. It also told us that there were multiple scenarios to this sale, based on numerous factors, and therefore, it was likely that if it had not received a bid deemed satisfactory, Sporting Group would have entered into discussions with some other potential purchasers to realise a sale.¹²⁴ FDJ also submitted during the Remittal inquiry that had Spreadex not submitted a bid during the 2023 B2C Sales Process, FDJ would have continued engaging with other interested third parties (including the Alternative Bidders) and explored alternative transaction opportunities.¹²⁵
- 5.35 We note that when FDJ announced its intention to sell the B2C Business on 15 February 2023, during its investor presentation, it did not commit to a deadline to complete this sale, stating only that FDJ would do what it could to make it last 'not very long'.¹²⁶ At its hearing, FDJ and Sporting Group also told us that it did not

¹²⁰ Sporting Index, Sporting Index Limited Annual report and financial statements for the year ended 31 December 2021 and Sporting Index, Sporting Index Limited Annual report and financial statements for the year ended 31 December 2022 [SPORTING INDEX LIMITED filing history - Find and update company information - GOV.UK](#) (last accessed on 14 May 2025).

¹²¹ [MAGs](#), paragraph 3.28.

¹²² While Sporting Index had been loss-making at an EBITDA-level since FY21, no material doubts were raised about its ability to meet its liabilities and remain as a going concern in its FY21 and FY22 accounts, and as at the end of FY22, Sporting Index had positive net current assets (ie current assets less current liabilities) of £22.1 million (prior year: £28.1 million) and positive net assets (ie total assets less total liabilities) of £18.7 million (prior year: £27.0 million), and continued to receive financial support from FDJ (Sporting Index, Sporting Index Limited Annual report and financial statements for the year ended 31 December 2021 and Sporting Index Limited Annual report and financial statements for the year ended 31 December 2022, [SPORTING INDEX LIMITED filing history - Find and update company information - GOV.UK](#) (last accessed on 14 May 2025).

¹²³ FDJ Consolidated financial statements for the year ended 31 December 2022, [Publications and results - FDJ](#), (last accessed on 14 May 2025).

¹²⁴ Sporting Group response to the CMA's RFI.

¹²⁵ FDJ response to the CMA's RFI.

¹²⁶ FDJ, [Webcast of FDJ Annual Results 2022](#), 16 February 2023 (from 1:17:40 to 1:19:19) (last accessed on 14 May 2025).

have an internal deadline to complete the sale of Sporting Index.¹²⁷ FDJ and Sporting Group told us that under a hypothetical scenario where Spreadex's bid did not exist, [REDACTED].¹²⁸

- 5.36 FDJ told us that [REDACTED].¹²⁹ FDJ told us that [REDACTED].¹³⁰ FDJ and Sporting Group also told us that in the event Spreadex had not bid or had dropped out of the process, it would have looked to close the deal with one of the Alternative Bidders (although this would be subject to agreeing on a TSA), and that it was committed to disposing of the B2C Business, because Sporting Index was [REDACTED] and the situation was [REDACTED]. It added that if a TSA with the Alternative Bidders could not be agreed, then [REDACTED] would have been an option.¹³¹
- 5.37 We have reviewed internal documents from FDJ and Sporting Group which discussed future plans for the B2C Business. These documents do not set out the actions FDJ would likely have taken in the event it failed to find a purchaser for the B2C Business and do not show that FDJ had committed to exiting the market.¹³²
- 5.38 Based on the above, our view is that if FDJ were not able to agree to a sale of the B2C Business with an Alternative Bidder, it would most likely have reached out to other potential purchasers or considered a differently configured transaction perimeter for the sale of the B2C Business. However, noting FDJ's comments that [REDACTED],¹³³ our view is that it would likely only have done so for a very short period of time.
- 5.39 We also consider it unlikely that FDJ would have concluded a sale of B2C Business if it could not have done so with an Alternative Bidder. Although FDJ would likely have reached out to other potential purchasers, there was very limited interest for the B2C Business under the 2023 B2C Sale Process. We note that FDJ had considered multiple scenarios for the B2C Business, but our view is that it was unlikely that it would have decided to pursue a separate sales process under a differently configured transaction perimeter, given (i) its incentives to quickly dispose of the B2C Business, and (ii) its willingness to engage in this would likely have been impacted by the limited interest in the B2C Business during the 2023 B2C Sale Process.

Conclusion

- 5.40 On the basis of our assessment above, our view is that although Sporting Index was not at risk of financial failure, FDJ would likely not have been incentivised to

¹²⁷ FDJ and Sporting Group hearing transcript.

¹²⁸ FDJ and Sporting Group hearing transcript.

¹²⁹ FDJ response to the CMA's RFI.

¹³⁰ FDJ response to the CMA's RFI.

¹³¹ FDJ and Sporting Group call transcript as subsequently confirmed by FDJ email.

¹³² Sporting Group response 2024 to the CMA's RFI and FDJ response to the CMA's RFI.

¹³³ FDJ response to the CMA's RFI.

continue supporting a loss-making business, particularly on the basis that: (a) FDJ considered Sporting Index to be a non-core business; and (b) FDJ was concerned about the wider reputational risks if Sporting Index were to breach FCA or GC regulations. Our view is therefore that absent the Merger or sale to an Alternative Bidder, Sporting Index would likely have exited the market for strategic reasons, and we conclude that Limb 1 is met on this basis.

Limb 2 – Alternative purchasers

Introduction

- 5.41 In broad terms, the second part of the exiting firm test is to assess whether, absent the merger, the target business would most likely have been sold to an alternative purchaser that raised fewer competition concerns. Importantly, for limb 2 to be met, in the context of the assessment of the most likely counterfactual, the CMA must be satisfied that there would not have been such a purchaser.¹³⁴
- 5.42 If the CMA considers that the most likely counterfactual would have involved an alternative purchaser for the firm or its assets, it will conduct its analysis of the impact on competition of the merger on the basis of that counterfactual.¹³⁵

Our assessment of Limb 2

- 5.43 In practice, when assessing the likelihood of a sale to an alternative purchaser we consider both whether there were alternative potential purchasers, and the economic impact on the seller of a sale to an alternative purchaser relative to the economic impact of closing or liquidating the business. Our starting point, as set out in our guidance, is typically to compare the liquidation value of the business to the price at which it could have been sold to alternative purchasers. We recognise, however, that there may be other considerations that affect how a seller would have assessed its exit options.
- 5.44 At the point when FDJ decided to accept Spreadex's offer, it had also received offers from the Alternative Bidders: (i) [X] (which submitted a non-binding offer of £[X] million on [X]), and (ii) [X] (which submitted a non-binding offer of £[X] million on [X]). As set out in more detail in paragraph 5.39 above, we conclude that the sale of the B2C Business to an alternative buyer other than [X] or [X] would have been unlikely. We have therefore focussed our assessment of Limb 2 on the Alternative Bidders.
- 5.45 FDJ consistently told the CMA that if the sale to Spreadex had not proceeded, it would have continued engaging with other interested parties, including the

¹³⁴ [MAGs](#), paragraphs 3.21(b) and 3.23.

¹³⁵ [MAGs](#), paragraph 3.31.

Alternative Bidders.¹³⁶ In addition, the Alternative Bidders had put in bids to acquire the B2C Business, and we consider this would also have been the case in the absence of Spreadex's participation in the B2C Sale Process.

- 5.46 As set out in the MAGs, the CMA will not restrict its analysis to alternative purchasers who were willing to pay the same or similar price that was agreed in the merger under investigation, but rather will consider if there was an alternative purchaser who would have been willing to acquire the firm at any price above liquidation value.¹³⁷ On this basis, we have not ruled out the Alternative Bidders' bids on the sole basis that they were lower than Spreadex's bid. We note also FDJ's submission that absent the Merger it would have continued discussions with the Alternative Bidders.¹³⁸
- 5.47 FDJ submitted during the Remittal inquiry that its objective with a sale of the B2C Business would have been to preserve and recover as much value as possible from a sale transaction, with a view to at least covering the associated redundancy and closure costs, and, to the extent possible, recovering the consolidated net asset value.¹³⁹ FDJ also submitted during the Remittal inquiry that it did not estimate or calculate a liquidation value for the B2C Business at the time of the 2023 B2C Sale Process, and that the liquidation value would likely only have been considered if, absent a bid from Spreadex during the 2023 B2C Sale Process, no viable sale options had materialised through the process of continuing to engage with interested third parties (including the Alternative Bidders) and exploring alternative transaction opportunities.¹⁴⁰
- 5.48 Spreadex submitted that (as set out in more detail below), an alternative sale would not have proceeded as FDJ and the Alternative Bidders would ultimately have concluded that a sale would not make economic sense, largely as a result of the following: 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 B2C Business.¹⁴¹
- 5.49 In response to Spreadex's submission, in assessing Limb 2, we have considered:
- (a) Whether FDJ would have been willing to complete a sale of the B2C Business to the Alternative Bidders.

¹³⁶ FDJ response to the CMA's RFI, and FDJ response to the CMA's RFI

¹³⁷ MAGs, paragraph 3.30.

¹³⁸ During the Remittal inquiry, FDJ told us that had Spreadex not submitted a bid during the B2C Sales Process, FDJ would have continued engaging with other interested third parties (including [X] and [X]) and explored alternative transaction opportunities (FDJ response to the CMA's RFI).

¹³⁹ FDJ response to the CMA's RFI.

¹⁴⁰ FDJ response to the CMA's RFI.

¹⁴¹ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraphs 3.6, 3.14-3.19, and 3.28-3.32.

- (b) Whether the Alternative Bidders would have been committed to completing a purchase of the B2C Business.
- (c) Whether the Alternative Bidders would have operated the B2C Business as a competitor.

Would FDJ have been willing to complete a sale to the Alternative Bidders?

5.50 In this section, we assess (from FDJ's perspective) whether it would have been willing to complete a sale to the Alternative Bidders. We have considered the following:

- (a) The recovery of closure costs to FDJ in a sale to an Alternative Bidder.
- (b) The liquidation value of the B2C Business, and whether the value of a sale to an Alternative Bidder would have exceeded the liquidation value of the business.
- (c) The feasibility of FDJ entering into a TSA with an Alternative Bidder.
- (d) Any non-financial considerations that FDJ would have taken into account.

Recovery of closure costs

5.51 As explained above, FDJ submitted during the Remittal inquiry that its objective in a sales process would have been to recover the redundancy and other closure costs of the business, and that it would have recovered the consolidated net asset value of the business to the extent possible. We understand this to mean that FDJ would have assessed the viability of the Alternative Bidders' bids against the closure costs associated with a sale to the Alternative Bidders, and at least some of the net asset value of the B2C Business.

5.52 We also understand this to mean that FDJ was not seeking or necessarily expecting to recover the full net asset value of the business. FDJ also submitted that it would only have considered the liquidation value of the B2C Business if it had concluded that the Alternative Bidders' bids were unviable.

5.53 For the purpose of assessing how the Alternative Bidders' bids would likely have been assessed by FDJ, we have estimated below (a) what the likely closure costs associated with a sale to the Alternative Bidders would have been, and (b) what the net asset value of the B2C Business would likely have been around the time of the 2023 B2C Sale Process. We have then considered whether these estimates are likely to have rendered the Alternative Bidders' bid values unviable to FDJ.

Closure costs associated with a sale to the Alternative Bidders

- 5.54 As we have set out in paragraph 5.113 below, we have estimated closure costs under a liquidation scenario of the B2C Business to be approximately £[X] million. This is broken down into approximately £[X] million in redundancy costs, and £[X] million in other closure costs (ie closure costs outside of redundancy costs) that were incurred under the Merger.
- 5.55 A sale to either Alternative Bidder would have resulted in certain redundancy costs to FDJ as neither bidder was seeking to acquire all of the [X] [X] Sporting Index staff included within the scope of the transaction perimeter. [X] told us that it only planned to acquire [X] of the staff on offer,¹⁴² whereas [X] preliminary bid sent to Oakvale Capital on [X] stated that it only would take the necessary staff (number to be decided) to manage the day-to-day operations of the business.¹⁴³ The Former [X] MD submitted during the Remittal inquiry that, from recollection, [X] would have focused its staffing requirements on [X] staff from the list of Sporting Index staff included within the scope of the transaction perimeter.¹⁴⁴
- 5.56 We estimate redundancy costs in relation to [X] bid to be approximately £[X],[X]. This estimate reflects our estimate of approximately £[X] million of redundancy costs under a potential liquidation scenario, and [X] submission from which we have inferred that it would have looked to acquire approximately [X] of the B2C Business employees on offer.
- 5.57 We estimate redundancy costs in relation to [X] bid using the Former [X] MD's submission that [X] would have acquired around a [X] of the staff on offer. We recognise that this submission was based on their recollection over two years after [X] had submitted its preliminary bid, but in the absence of contemporaneous evidence we have relied on this submission to estimate redundancy numbers. On that basis, we estimate the redundancy costs relating to [X] bid to be approximately £[X],[X].
- 5.58 We note that any redundancy costs could have been lower in practice. For example, FDJ could have retained some of the staff that [X] did not acquire, as it did following the sale to Spreadex.¹⁴⁵ [X] could also have acquired more than [X] to [X] staff. In this regard, [X] preliminary bid as confirmed in March 2023 stated that it would definitely require at least [X] staff, and would also require some or all of [X] further staff, subject to further clarity on their roles.¹⁴⁶

¹⁴² [X] call transcript as subsequently updated by [X] email

¹⁴³ [X] response to the CMA's s109 notice.

¹⁴⁴ [X] response to the CMA's RFI.

¹⁴⁵ Spreadex acquired six employees under the Merger, and FDJ made [X] of the remaining 27 – 32 employees redundant. Sources: [Derogation 15 January 2024](#), page 2, and FDJ response to the CMA's RFI.

¹⁴⁶ 10star response to the CMA's s109 notice.

- 5.59 A sale to either Alternative Bidder would also have resulted in certain closure costs to FDJ. FDJ incurred approximately £[X] million in other closure costs under the Merger with Spreadex. On this basis, we have assumed that total closure costs that would likely have been incurred in a sale to either of the Alternative Bidders would also have been approximately £[X] million. We therefore estimate total closure costs relating to [X] bid to be approximately £[X] million (i.e. approximately £[X] million in redundancy costs, and £[X] million in other closure costs) and we estimate total closure costs relating to [X] bid to be approximately £[X] million (i.e. approximately £[X] million in redundancy costs, and £[X] million in other closure costs).
- 5.60 By netting these estimated closure costs against [X] bid of £[X] million and [X] bid of £[X] million, we estimate [X] net bid and its overall bid value to FDJ to be approximately £[X] million (with the possibility that this would have increased if required, subject to engagement on the TSA)¹⁴⁷ and we estimate [X] net bid and its overall bid value to FDJ to be approximately £[X] million.

Net asset value of the B2C Business

- 5.61 As noted above, our view is that FDJ was not seeking or necessarily expecting to recover the full net asset value of the business, and so we place relatively less weight on this compared to our estimate of the closure costs associated with the Alternative Bidders' bids.
- 5.62 We note that at the time of the Merger, there were approximately £[X] million of net assets on the Sporting Index completion balance sheet (as acquired by Spreadex under the Merger).¹⁴⁸

Our assessment

- 5.63 Our estimates of the Alternative Bidders' net bids are both positive, and given that these estimates have (in each case) netted off the approximate closure costs associated with the Alternative Bidders' bids, our view is that if FDJ were to have sold the B2C Business to either of the Alternative Bidders, it would likely have more than fully recovered the closure costs associated with such a sale.
- 5.64 We also estimate that in a sale to [X], FDJ would likely have recovered approximately £[X] million of the net asset value of the B2C Business at the time

¹⁴⁷ During the Remittal inquiry, we also asked [X] whether there was any scope for increasing their bid beyond the submitted figure, if an increase was deemed necessary to close the deal; [X] submitted that whilst it was possible (maybe even likely) that it would have raised the 'headline bid' from £[X] million given the opportunity, this was dependent on FDJ engaging on the TSA properly in order for it to be able to value the overall deal (something that it had not been able to do to date). On this basis, our view is that it is possible that [X] would have increased its bid beyond £[X] million if needed, although this would be subject to its engagement with FDJ on a TSA. Source: [X] response dated to the CMA's RFI.

¹⁴⁸ FDJ response to the CMA's RFI.

of the Merger, whereas in a sale to [X], FDJ would likely have recovered approximately £[X] million of the net asset value of the B2C Business at the time of the Merger.

Conclusion on the bid values of the Alternative Bidders

- 5.65 Having regard to FDJ's submissions that (i) absent the Merger it would have continued discussions with the Alternative Bidders,¹⁴⁹ and (ii) its objective with a sale of the B2C Business would have been to at least cover the associated redundancy and closure costs, and, to the extent possible, recover the consolidated net asset value,¹⁵⁰ we conclude that the Alternative Bidders' bid values would not have rendered their bids to be unviable to FDJ on these grounds.

Liquidation value of the B2C Business

- 5.66 As set out in paragraphs 5.51 and 5.52 above, our view, which is based on direct evidence from FDJ, is that FDJ would have assessed the viability of the Alternative Bidders' bids against the closure costs associated with a sale to the Alternative Bidders and (to the extent possible) the net asset value of the B2C Business. We therefore consider that the closure costs associated with a sale to the Alternative Bidders are the relevant comparator when assessing whether FDJ would likely have proceeded with a sale or closed the business in the counterfactual.
- 5.67 Spreadex has argued that the relevant comparator for this assessment is the liquidation value of the Sporting Index business. In our view, this is not correct, given the direct evidence provided by FDJ above on how it would have considered liquidation value, closure costs, and the net asset value of the B2C Business. We recognise that our guidance implies that our starting point is typically to compare the liquidation value of the business to the price at which it could have been sold to alternative purchasers. The guidance reflects how we would anticipate many businesses would make decisions about proceeding with a sale or a closure, and in our view that theoretical approach should not be given greater weight than an assessment of the factors FDJ has indicated it would have considered in practice in the current case.
- 5.68 Nonetheless, given the language in our guidance, Spreadex's submissions, and to test whether any conclusion to be made would change if the reference point were to be taken as the liquidation value rather than closure costs, we have calculated a liquidation value for the B2C Business. We have then considered whether the

¹⁴⁹ During the Remittal inquiry, FDJ told us that had Spreadex not submitted a bid during the B2C Sales Process, FDJ would have continued engaging with other interested third parties (including [X] and [X]) and explored alternative transaction opportunities (FDJ response to the CMA's RFI).

¹⁵⁰ FDJ response to the CMA's RFI.

Alternative Bidders' bids would likely have been above the liquidation value of the B2C Business.

5.69 We note the following:

- (a) Sporting Group told us that it did not think a liquidation value for Sporting Index had been prepared or estimated,¹⁵¹ and FDJ also confirmed during the Remittal inquiry that it did not estimate or calculate a liquidation value for the B2C Business at the time of the 2023 B2C Sale Process;¹⁵² and
- (b) FDJ also submitted during the Remittal inquiry that as the sale process was the preferred and pursued option, no methodology, inputs, or assumptions for estimating a liquidation value were developed or considered by FDJ at the time of the 2023 B2C Sale Process, as such an exercise was not necessary.¹⁵³ FDJ added (as also noted in paragraph 5.47 above) that a liquidation value would likely only have been considered if, absent a bid from Spreadex during the 2023 B2C Sale Process, no viable sale options had materialised through the process of continuing to engage with interested third parties (including the Alternative Bidders) and exploring alternative transaction opportunities.¹⁵⁴ This did not happen due to the existence of the bid from Spreadex (which was higher and required only a limited TSA).

5.70 In the particular circumstances of the present case, we are therefore limited to using our own judgement to calculate an approximate liquidation value to inform this assessment rather than being in the position of taking into consideration a liquidation value that the seller had in mind.

5.71 In these circumstances, any estimation by us will be inherently imprecise and uncertain. Nonetheless, we have calculated what we consider to be the best estimate of Sporting Index's potential liquidation value based on the evidence available to us.

5.72 We have gathered information from a number of third parties, including FDJ, the Alternative Bidders, advisors involved in the 2023 B2C Sale Process, and out-of-market providers who we consider may have seen some value in Sporting Index's assets had they been sold on a standalone basis (in particular, fixed odds betting providers, financial spread betting providers and exchange betting providers). We have also carefully considered the estimated liquidation value for the B2C Business prepared by Spreadex for the purpose of its submissions in the course of our investigation.

¹⁵¹ FDJ and Sporting Group hearing transcript.

¹⁵² FDJ response to the CMA's RFI.

¹⁵³ FDJ response to the CMA's RFI.

¹⁵⁴ FDJ response to the CMA's RFI.

5.73 Having regard to Spreadex's estimate of a likely liquidation value, and the evidence from third parties,¹⁵⁵ our view is that the value of the following items under a potential liquidation scenario need to be estimated in order to estimate a liquidation value for the B2C Business:

- (a) The Sporting Index customer list and brand;
- (b) The net assets on the Sporting Index completion balance sheet (as acquired by Spreadex);
- (c) The Sporting Index IT platform included within the B2C Business; and
- (d) The redundancy costs associated with a potential liquidation.

Sporting Index customer list and brand

5.74 We have considered below the value of the Sporting Index customer list on a standalone basis under a potential liquidation scenario. FDJ and Spreadex both made submissions on the likely value of the customer list:

- (a) FDJ submitted during the Remittal inquiry that the customer list would not have had any liquidation value. FDJ submitted that the sale of the customer list on a standalone basis would have been unlikely, given the extremely limited number of operators lawfully offering spread betting services in the UK at the time of the sale, and its consideration that a potential purchaser of the customer list on a standalone basis would also have needed (and likely required) the relevant infrastructure and regulatory permissions to operate the service.¹⁵⁶
- (b) Spreadex submitted that a prudent valuation of the Sporting Index brand and the customer list would be around £[REDACTED] million.¹⁵⁷ Spreadex submitted that the valuation of the customer list could be assessed based on comparator transactions, such as Betfred acquiring MoPlay's customer list in 2020 for c. £[REDACTED] million (for 45,000 customer details) or a rate of around £[REDACTED] per customer. Spreadex submitted that the cost per acquisition for a new sportsbook account would average c. £100 in the industry, and that there were [REDACTED] customers on the Sporting Index customer lists (all of whom were eligible to place fixed odds bets), [REDACTED] times larger than the MoPlay customer list that Betfred acquired. Spreadex further submitted that, on a cautious basis, assuming that 15% (ie [REDACTED]) of these customers were contactable, at a

¹⁵⁵ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraphs 3.28-3.30. Third party responses to the CMA RFI: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED] and [REDACTED]. Third party responses to the CMA's RFI: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED] and [REDACTED]. [REDACTED] response to the CMA's RFI. Third party responses to the CMA's RFI: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED] and [REDACTED].

¹⁵⁶ FDJ response to the CMA's RFI.

¹⁵⁷ Spreadex, Response to the CMA's Annotated Issues Statement and accompanying Working Papers, 1 July 2024, paragraph 3.14.

value of £[redacted] per customer, the customer list would be valued at £[redacted] million.¹⁵⁸ Spreadex also submitted that the portion of the customer list that included fixed odds only customers would have had a value of over £[redacted] million.¹⁵⁹

5.75 We also asked third party sports fixed odds betting providers, financial spread betting providers, and exchange betting providers during the Remittal inquiry about the value of the customer list under a potential liquidation scenario. In summary:

- (a) Third party sports fixed odds betting providers generally told us that they would not place much value in the customer list. For example:
 - (i) Betfair submitted that the Sporting Index customer list would have been unlikely to hold any residual monetary value on a standalone basis to a fixed odds betting provider, as fixed odds betting and sports spreads betting are different products aimed at different types of customers. Betfair also submitted that the customer list may have had some residual value to an exchange betting provider, but noted that it expected this value to have been very limited as customers seeking to exchange bet would likely already have had an account with an existing provider of exchange betting.¹⁶⁰
 - (ii) bet365 submitted that the customer list would have had a negligible residual value to a large, established fixed odds betting provider such as bet365 or one of the Flutter brands, as these firms would more than likely already have had the business of most of the customers on this list, but that it was possible that this list could have been of some value to the smaller fixed odds firms or operators that would have just entered the market, as it would be more than likely that these particular firms would not have been able/have had the opportunity to attract these customers yet.¹⁶¹
 - (iii) Betfred submitted that although it would be difficult to value the customer list without seeing it, its view on the basis of the information available was that the Sporting Index business was predominantly a spread betting product offering with only a small fixed odds element, and based on its general expectation that the conversion to fixed odds and other non-spread betting was low, its view was that the customer list would have been of little value to it.¹⁶²

¹⁵⁸ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.29.

¹⁵⁹ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.30.

¹⁶⁰ Betfair response to the CMA's RFI.

¹⁶¹ bet365 response to the CMA's RFI.

¹⁶² Betfred response to the CMA's RFI.

- (b) Third party financial spread providers also generally submitted that the Sporting Index customer list would not have held much value to them. For example:
 - (i) Plus500 submitted that it would not have seen any immediate monetary value in acquiring a customer list from a sports spread betting firm, primarily because the FCA considers sports spread betting and financial CFDs/spread betting as two very different sectors.¹⁶³
 - (ii) Spreadco submitted that as Sporting Index only offered sports spread betting services it was very unlikely that there would have been any residual monetary value to a solely financial spread betting entity.¹⁶⁴
- (c) A third party exchange betting provider, BETDAQ, submitted that under a hypothetical scenario in which Sporting Index was to liquidated and the appropriate General Data Protection Regulation (**GDPR**) consents were in place, the customer list could have had some residual value (though it was not able to say how much), primarily dependent on the extent to which those customers are were active bettors, their betting profiles, and their propensity to engage with an exchange model.¹⁶⁵

5.76 We also note that one sports fixed odds provider [X], who had expressed interest in the Sporting Index fixed odds business, had looked at this business and told us that it did not consider it to have been very exciting. It told us that having looked at the Sporting Index fixed odds business, it believed that, while occasionally a spread better would place a fixed odds bet, the spread betting customers and fixed odds betting customers were likely very different.¹⁶⁶ Spreadex submitted in response to the Remittal Provisional Findings that this evidence is not directly relevant to potential interest in a customer list, given that [X] was referring to the wider fixed odds business.¹⁶⁷ However, we disagree on the basis that [X] submission above refers to Sporting Index customers specifically,¹⁶⁸ and taking into account [X] submission that the customer base would be the most important element of a potential Sporting Index transaction.¹⁶⁹

5.77 On the basis of the evidence provided, our view is that the value of the customer list on a standalone basis would likely have been low or even zero. In particular, we note that (a) FDJ did not consider the customer list would have held any liquidation value, (b) the third party evidence also shows that the customer list did

¹⁶³ Plus500 response to the CMA's RFI.

¹⁶⁴ Spreadco response to the CMA's RFI.

¹⁶⁵ BETDAQ response to the CMA's RFI.

¹⁶⁶ [X] call transcript.

¹⁶⁷ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.13.

¹⁶⁸ In response to a question on why it did not consider the Sporting Index fixed odds business to be exciting, [X] told us that it assumed Sporting Index was full of amazing customers, but it reached a view that Sporting Index was much, much smaller than it was, from which we infer that it was mistaken in its assumption. [X] call transcript

¹⁶⁹ [X] call transcript.

not carry material value for them and that for fixed odds providers any value would have been limited to the fixed odds customers. We note Spreadex's £[REDACTED] million valuation of the customer list, but we place more weight on the evidence from FDJ given its familiarity with the Sporting Index business and relevant customer list, and its lack of incentives at this point in time to under- or over-estimate a liquidation value. We note also that FDJ's submission was consistent with the input we received from other third parties on the likely value of the customer list.

- 5.78 Spreadex submitted in response to the Remittal Provisional Findings that a number of third parties had submitted that there might be interest in and value to the customer list or that they would need more information on the customers to make such an assessment, and that third party potential purchasers for such a list lack the necessary information about the customers to meaningfully engage with the question. Spreadex also submitted that the list would primarily be of interest to smaller sports betting providers and/or entrants, which do not currently benefit from strong brand recognition, whereas many of the parties from which the CMA had requested information are large, well-established brands.¹⁷⁰
- 5.79 We acknowledge that there is some limited third party evidence implying that the customer list could have had some value to some third parties, particularly smaller sports betting providers and/or entrants. However, none of the third parties which had stated that there would be value in the customer list told us that this value would be significant. We recognise that it is difficult for these third parties to extensively engage with the question or place a specific number on the value of the customer list without having access to granular information regarding the customer list. However, such information could not be provided to third parties given the sensitivity of the information. We have placed weight on the fact that the evidence from these third parties is consistent with the evidence from FDJ, which did have granular information regarding the list. For this reason, we have not engaged with these third parties further, and we have instead estimated a value for the customer list on a conservative basis below, largely using a methodology provided by Spreadex.
- 5.80 We are assessing the liquidation value of the B2C Business (and the value of the customer list) in order to determine whether FDJ would likely have sold the B2C Business to an Alternative Bidder. In this context, FDJ's view of the value of the customer list is particularly relevant to an assessment as to how FDJ would have assessed the liquidation value of the business, if it were to have considered such an assessment to be relevant. Nonetheless, taking account of Spreadex's submissions, and in order to estimate the highest reasonable liquidation value for the B2C Business, we have calculated a liquidation value for the customer list below. However, our view remains that, even in a scenario where FDJ were to

¹⁷⁰ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.13.

have considered the liquidation value of the business, given FDJ's submission that it would not have assigned any liquidation value to the customers list, the value we have calculated below is unlikely to have been taken into consideration by FDJ as part of its assessment of the Alternative Bidders' bids.

- 5.81 In relation to the example cited by Spreadex in which Betfred acquired MoPlay's customer list in 2020 at a rate of around £[REDACTED] per customer, and its submission that the cost per acquisition for a new sportsbook account would average c. £[REDACTED] in the industry, we note that only 2 out of 33 spread betting customers who responded to our customer questionnaire told us that they would have bet with a sports fixed odds betting provider when asked who they would switch to if their preferred provider was unavailable (as set out in more detail in Chapter 6, Horizontal Unilateral Effects), and as set out above, third party betting providers indicated they would not attach material value to the customer list. Given that there are no other sports spread betting providers active in the UK, we infer from the questionnaire responses, and the third party evidence set out above, that only Sporting Index's fixed odds customer list would be of any material value to sports fixed odds providers.
- 5.82 Valuing each contactable customer on the customer list using the £[REDACTED] cost per acquisition submitted by Spreadex would conflate the cost of acquiring a customer with the cost of acquiring a customer's contact details, which would attribute the entire cost of customer acquisition to the cost of acquiring the customer's contact details. While Spreadex did not provide a breakdown of customer acquisition costs in its submission, we understand from its prior submissions that in order to acquire a customer, a provider will contact customers and offer incentives or discounts, such as betting promotions.¹⁷¹ Both Spreadex and Sporting Index currently offer free betting promotions to customers.¹⁷² On that basis, our view is that it is not appropriate to use Spreadex's cost per customer acquisition, which includes the cost of incentives and discounts, as a proxy for the value of a customer's contact details.
- 5.83 To the extent the customer list had value in a liquidation process, our view is that the value would have been in the active fixed odds customer list, which could have been acquired by a smaller sports fixed odds betting provider, or a party looking to enter sports fixed odds betting, as some third parties have submitted. Our view is that inactive fixed odds customers and spread betting only customers would have had no material value to such a purchaser. This is largely consistent the methodology provided by Spreadex for its £[REDACTED] million valuation of the customer list, given that Spreadex's valuation was calculated via a methodology of £[REDACTED] per contactable customer, and it did not assign any value to uncontactable customers.

¹⁷¹ Spreadex, Teach-in slides, 1 May 2024, slide 31.

¹⁷² Spreadex [Spread Free Bets | Sports Spread Betting Promotions | Spreadex](#) (last accessed on 4 September 2025) and Sporting Index [Offers](#) (last accessed on 4 September 2025).

It submitted that some customers on the list would not be contactable for reasons such as customers not gambling anymore, or changes in their contact details.¹⁷³

- 5.84 Spreadex told us that there were [X] active fixed odds Sporting Index customers at the time of the Merger (ie on 6 November 2023), using Spreadex's classification of who is an active and inactive customer (namely, an inactive account is one which has not bet within the previous 30 days).¹⁷⁴ However, an internal FDJ document titled 'Retention December 2022' provided numbers for Sporting Index fixed odds users from December 2021 to December 2022 on a monthly basis, at a monthly average of [X] fixed odds users.¹⁷⁵ There is a significant difference between these two figures which is not explained by the documents, although we note the difference in timeframes, and Spreadex submitted that the differences between Spreadex's and FDJ's figures are highly likely to be driven by the timeframe used.¹⁷⁶ Given these two figures, our view is that on the basis of the evidence provided to us, the upper limit of the portion of the customer list that would be of value to a sports fixed odds provider is [X] but that there is uncertainty about this figure and the portion could be very considerably lower.
- 5.85 While we consider that Spreadex's valuation of £[X] per customer is inaccurate for the reasons set out above, we note that even if we were to apply a £[X] per customer valuation for the [X] active Sporting Index fixed odds customers, the estimated value of the customer list would be £[X].
- 5.86 Our view is that the liquidation value of the customer list is likely to have been lower (and likely much lower), than this £[X] estimate, on the basis that (a) this estimate includes customers that may not be contactable for reasons such as changes in their contact details, which would have decreased the number of contactable customers, (b) Spreadex identified a significantly lower number of active Sporting Index fixed odds customers at the time of the Merger ([X] customers) than the figure we use to calculate the £[X] estimated figure, (c) as explained above, we consider that the £[X] per customer valuation is a significant overstatement as it attributes the entire cost of customer acquisition to the cost of acquiring the customer's contact details (other benchmarks, such as the MoPlay transaction figure of £[X] are substantially lower), (d) FDJ itself told us that it did not place any value on the customer list, and (e) third party evidence (discussed at paragraphs 5.75 to 5.76 above) consistently implies that the liquidation value for the customer list would likely have been low or very low. On a cautious basis, we estimate the upper limit for the liquidation value of the customer list to be £[X]. We estimate the lower limit for the liquidation value of the customer limit to be zero.

¹⁷³ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.30.

¹⁷⁴ Spreadex, response dated 29 May 2025 to the CMA's RFI dated 29 May 2025.

¹⁷⁵ FDJ response to the CMA's RFI.

¹⁷⁶ Spreadex, response dated 1 August 2025 to the CMA's RFI dated 22 July 2025, question 2.

- 5.87 Spreadex submitted in response to the Remittal Provisional Findings that this value is understated, on the basis that it is based only on active fixed odds customer details. Spreadex submitted that (a) while greatest value would be placed on the active customers, there would be some value associated with the remainder of the list, (b) different potential purchasers will have different metrics for whether they assess customers to be active or high value depending on how they operate their own businesses, and (c) in a liquidation scenario, the options available to Sporting Index's customers would not have been those available to them pre-Merger, and in that scenario where Sporting Index is no longer available to customers as an alternative brand, there may be more interest from customers in switching to fixed odds, as well as more interest from fixed odds providers in acquiring spread betting customers.¹⁷⁷
- 5.88 Spreadex also submitted that it is inappropriate to include a number for active customers based on a single fixed time frame, as there is a high level of variance in active customers that is observed across different time frames, due to factors such as seasonal variability in sporting events. It submitted that potential revenues generated from any customer over [X] years would be an appropriate lens through which to assess the liquidation value of the customer base.¹⁷⁸
- 5.89 We address each of Spreadex's submissions below:
- (a) In relation to the value of the inactive Sporting Index customer base, we acknowledge that there may be some value in this. However our view is that this is unlikely to be material, noting also (a) Spreadex's submission that the greatest value in the list would be in the active customers,¹⁷⁹ and (b) as explained above, Spreadex's own £[X] million liquidation value estimate for the customer list, which was calculated on the basis of its submission that some customers on the list would not be contactable, given that for example some customers may not gamble anymore. Spreadex did not assign any value to those uncontactable customers. Therefore, our view is that to the extent there is any value in the customer list, this would be most appropriately estimated by reference to the active customer base, and any value in the inactive customer base would not be material.
 - (b) We agree with Spreadex that different purchasers will have different metrics for how they assess customer activity. In this regard, the metrics used by FDJ in the internal document referred to above appear to have captured a significantly higher number of Sporting Index fixed odds customers than the metrics used by Spreadex. We note that even if customer activity were to be defined by customers who had placed at least one fixed odds bet in the

¹⁷⁷ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.12 and 3.15.

¹⁷⁸ Spreadex, response dated 1 August 2025 to the CMA's RFI dated 22 July 2025, question 2.

¹⁷⁹ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.15.

previous [X] days, this would provide a number of [X] active customers at the time of the Merger,¹⁸⁰ which is still significantly lower than the number provided by FDJ's internal document. We have used the number provided by FDJ in our estimate, and so on this basis, our view is that it is much more likely that the metric used in FDJ's internal document significantly overstates the value of the customer list.

- (c) In relation to Spreadex's submission on the increased value of sports spread betting customers to fixed odds providers under a scenario where Sporting Index is no longer available, our view is that this is highly speculative, given that it has not been supported by any evidence from Spreadex. On the contrary, as set out above, only 2 out of 33 respondents to our customer questionnaire told us that they would have bet with a sports fixed odds betting provider when asked who they would switch to if their preferred provider was unavailable; and the third party evidence implies that the customer list would not have material value in a liquidation scenario (i.e. a scenario where Sporting Index is no longer available to customers). Our view is therefore that there is unlikely to be any value in Sporting Index's sports spread betting only customers.
- (d) Valuing active customers via revenue spent by these customers assumes that a purchaser of the customer list would not need to incur any additional customer acquisition costs to realise these revenues, which would be inaccurate for the reasons set out in paragraph 5.825.82 above. Our view is therefore that it is not appropriate to calculate the value of the customer list on this basis.
- (e) We acknowledge Spreadex's submission that customer activity may change based on different timeframes, and in particular the seasonal variability of sporting events. Our view is that this has been reflected in the [X] figure, given that this is based on a 13-month average from December 2021 to December 2022, and it is substantially higher than the number of customers active in the 180 days prior to the Merger.

5.90 In view of the above, we do not agree with Spreadex that the £[X] number is understated, and for the reasons set out in paragraph 5.865.865.86 above, our view is that this is much more likely to be significantly overstated. We acknowledge that we do not have sufficient evidence to calculate the precise value that would have been attributed to the customer list in a liquidation scenario. However, we have used (a) Spreadex's £[X] per customer valuation, although this is likely to have been a significant overstatement, and (b) FDJ's figure for the number of active fixed odds customers, although this is significantly higher than

¹⁸⁰ Spreadex, response dated 1 August 2025 to the CMA's RFI dated 22 July 2025, question 2

the number submitted by Spreadex. We have also calculated our estimate largely based on a methodology provided by Spreadex. We therefore consider that, to the extent the customer list had any value in a liquidation scenario, our £[X] valuation is a conservative estimate for what this value would likely have been.

- 5.91 We also note that Spreadex has now submitted two different methodologies to value the customer list in order to support its arguments, and while Spreadex's liquidation value estimate of £[X] million implies that this estimate is linked to Spreadex bid of £[X] million for Sporting Index, there is no evidence in any documents provided by Spreadex from the time of the 2023 B2C Sale Process that its bid value was based on its assessment of the liquidation value of the business, or the risk that FDJ would have decided to close the business rather than sell to Spreadex. On the contrary, some internal documents show that part of the rationale for the Merger was to diminish the competitive threat of an acquirer improving the Sporting Index business (see paragraph 5.189(e) below), which implies that this consideration could have influenced the value offered for the business. Spreadex's liquidation value estimate for the B2C Business therefore does not appear to be an estimate that was prepared or considered by Spreadex around the time of the 2023 B2C Sale Process.
- 5.92 In relation to the potential sale of the customer list to an unregulated sports spread betting provider, our view is that FDJ was very unlikely to have sold the Sporting Index customer list to such a provider, given (a) it stated during the Remittal inquiry that its primary objective was to ensure compliance with applicable UK regulatory requirements and to uphold the duty of care owed to Sporting Index's customers,¹⁸¹ and (b) in the context of the 2023 B2C Sale Process, it submitted that any entity acquiring a regulated gambling business without holding the appropriate regulatory permissions could have faced legal barriers and posed reputational risk for FDJ.¹⁸² On this basis, our view is that FDJ was very unlikely to sell the Sporting Index brand or customer list on a standalone basis to an unregulated sports spread betting provider without FCA approval being a condition precedent to such a transaction.
- 5.93 Spreadex submitted in response to the Remittal Provisional Findings that an unlicensed purchaser can still be a legitimate one, for example a purchaser registered in another jurisdiction.¹⁸³ However as noted above, this is not consistent with submissions from FDJ itself, and in particular FDJ's stated objective to ensure compliance with applicable UK regulatory requirements. While an unlicensed provider may comply with regulatory requirements in other jurisdictions, this would not ensure compliance with applicable UK regulatory requirements.

¹⁸¹ FDJ response to the CMA's RFI.

¹⁸² FDJ response to the CMA's RFI.

¹⁸³ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.17.

- 5.94 Our view is also that an unlicensed sports spread betting provider is unlikely to have been willing to buy the Sporting Index customer list on a standalone basis for any material value, given the Financial Services and Markets Act 2000, which underpins the FCA regulations, prohibits unlicensed sports spread betting providers from actively soliciting customers in the UK,¹⁸⁴ and so an unlicensed provider would not have been able to solicit customers on the Sporting Index customer list even if it had their contact details. Spreadex submitted that solicitation from unlicensed providers takes place regardless, and it provided the CMA with an example of this taking place.¹⁸⁵ We acknowledge that on the basis the example provided by Spreadex, customer solicitation from unlicensed providers may take place to a degree, however the example provided by Spreadex relates to [REDACTED]¹⁸⁶ and we have not been provided with evidence from Spreadex of such solicitation happening repeatedly or systematically, or evidence that the FCA would not take action to stop customer solicitation from unlicensed providers if this were to occur. Our view is therefore that the customer list is unlikely to have material value to an unlicensed sports spread betting provider.
- 5.95 In relation to the Sporting Index brand, we consider that this could have had value to another licensed sports spread betting provider, but in the absence of any such provider currently operating, aside from Spreadex and Sporting Index itself, we consider its value to be very limited. Spreadex submitted that the Sporting Index brand and technology would still have value to unregulated providers of online sports spread betting and to companies in the wider fixed odds market place,¹⁸⁷ but on the basis of the evidence above, our view is that the value of the Sporting Index fixed odds customer base was low, and therefore the Sporting Index brand would not have held material value to a sports fixed odds provider. We also take account of FDJ's submission that it [REDACTED] to the Sporting Index brand,¹⁸⁸ and that none of the third parties we contacted that are active in the betting industry considered the Sporting Index brand to have any value on a standalone basis in a potential liquidation scenario.¹⁸⁹ Our view is also that the brand is unlikely to have been sold by FDJ to an unlicensed sports spread betting provider, on the basis of its regulatory concerns set out in paragraph 5.92 above.
- 5.96 Spreadex submitted in response to the Remittal Provisional Findings that it is irrational to argue that there would have been no interest in the Sporting Index brand, and that while it may not be of interest to established household names

¹⁸⁴ [Sections 19](#) and [21](#) of the Financial Services and Markets Act 2000. A third party explained that UK customers can legally use the services of a company licenced in another jurisdiction if they were overseas tax residents in that jurisdiction ([REDACTED] call transcript).

¹⁸⁵ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.17.

¹⁸⁶ Spreadex, Supplemental Submission, 28 April 2025.

¹⁸⁷ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.30.

¹⁸⁸ FDJ response dated to the CMA's RFI

¹⁸⁹ Third party responses to the CMA RFI: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED] and [REDACTED]. Third party responses to the CMA's RFI: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED] and [REDACTED]. [REDACTED] response to the CMA's RFI. Third party responses to the CMA's RFI: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED] and [REDACTED].

with their own brands, it would have had value to a startup or an international entrant.¹⁹⁰ We acknowledge that the brand could have some limited interest in the context of sports fixed odds betting. However, on the basis of the evidence provided to us, our view is that any value in the brand would not have been material, and as explained in paragraph 5.80 above, FDJ's view of the value of the brand is particularly relevant to an assessment as to how FDJ would have assessed the liquidation value of the B2C Business.

- 5.97 For the purpose of calculating a liquidation value for the Sporting Index business, we have included a value of approximately £[X] for the customer list and brand. This £[X] valuation reflects a conservative approach in which we assigned the maximum value we could reasonably calculate to these assets. On a more balanced view, we consider that the liquidation value for the Sporting Index customer list and brand would be estimated as materially closer to £0 given, in particular, the evidence of third parties and FDJ itself, set out in paragraphs 5.74 – 5.76 above.

The net assets on the Sporting Index completion balance sheet (as acquired by Spreadex)

- 5.98 The net assets on the Sporting Index completion balance sheet of around £[X] million can be broken down into:¹⁹¹

- (a) Assets: £[X] for fixed assets + £[X] million for debtors (including Trade Debtors, Prepayments, and Accrued Income) + £[X] in cash.
- (b) Liabilities: £[X] for creditors (including Accruals and Other Creditors).

- 5.99 During the Remittal inquiry, FDJ submitted that the value of the assets on the completion balance sheet (that Spreadex acquired) would have been [X] under a liquidation scenario.¹⁹² FDJ clarified that it would expect the working capital items on the balance sheet (eg trade debtors) to be cash settled prior to liquidation, as part of the normal course of business.¹⁹³ FDJ further clarified that it would expect the debts to be fully recovered, on the basis of Sporting Index's bad debt policy, such that the debt of the debtors listed at the time of completion should have been 100% recoverable.¹⁹⁴

- 5.100 FDJ also submitted that the fixed assets on the balance sheet were intangible assets in the form of net capitalised project costs, and that these capitalised costs were internal workload costs that had been capitalised for IT development for

¹⁹⁰ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.22.

¹⁹¹ FDJ response to the CMA's RFI.

¹⁹² FDJ response to the CMA's RFI.

¹⁹³ FDJ response to the CMA's RFI.

¹⁹⁴ FDJ response to the CMA's RFI.

business purposes (ie projects on web & mobile development). It submitted that, by definition, these assets were not subject to recovery, and it confirmed that there were no other fixed assets accounted for within the fixed assets line of the balance sheet.¹⁹⁵

- 5.101 Spreadex submitted that, based on the balance sheet Spreadex ultimately acquired (with net assets of around £[X] million), and applying a prudent valuation to the Sporting Index brand and the value of the customer list of around £[X] million, it would estimate a total liquidation value of around £[X] million.¹⁹⁶
- 5.102 On the basis of the evidence provided to us, we have considered the appropriate recovery rate of each of the balance sheet assets:
- (a) In relation to the fixed assets, we have applied a recovery rate of 0%, on the basis of FDJ's submission that these are solely intangible assets that would not be recoverable (amounting to £0);
 - (b) In relation to the debtors, we have applied a recovery rate of 100%, on the basis of FDJ's submission that this would be fully recoverable (amounting to £[X] million); and
 - (c) We have assumed a 100% recovery rate for cash (amounting to £[X]).
- 5.103 We have also assumed a 100% payment rate to creditors (amounting to £[X]).
- 5.104 On the basis of the above, we estimate a value of approximately £[X] million (fixed assets + debtors + cash, less creditors) for the net assets on the balance sheet that could be realised on a potential liquidation.

The source code for the Sporting Index IT platform included within the B2C Business

- 5.105 As set out in paragraph 5.95 above, Spreadex submitted that the Sporting Index technology would have value to unregulated providers of online sports spread betting and to companies in the wider fixed odds market place.¹⁹⁷ Two third parties ([X] and [X]) also told us that they would have been interested in purchasing the Sporting Index IT platform under a liquidation scenario.^{198,199}
- 5.106 We note however, Spreadex's submission that the technological assets it acquired from Sporting Group under the 2023 B2C Sale Process were not capable of being operated in their own right, given their dependency on technology that remained

¹⁹⁵ FDJ response to the CMA's RFI.

¹⁹⁶ Spreadex, Response to the CMA's Annotated Issues Statement and accompanying Working Papers, 1 July 2024.

¹⁹⁷ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.30.

¹⁹⁸ [X] response to the CMA's RFI.

¹⁹⁹ [X] response to the CMA's RFI.

with Sporting Group,²⁰⁰ and we note that the AlixPartners December 2022 Project Silver report sets out a TSA scope for the purpose of an IT carve-out,²⁰¹ from which we infer that a TSA was planned to enable the continued operation of the carved out IT platform available for sale under the B2C Business transaction perimeter. We also note FDJ's submission that not all the components necessary to generate tradable spreads were [REDACTED], and that [REDACTED].²⁰² We understand from this that a TSA would likely have been required to enable the Sporting Index IT platform to continue generating tradeable spread prices.

- 5.107 Our view is therefore that in order for the pre-Merger Sporting Index IT platform to remain operational, this would likely have been contingent on a TSA with FDJ, in particular to provide spread pricing services. We note Spreadex's submission that such a TSA would not be available in a liquidation scenario as the B2C Business would not have been operational in such a scenario,²⁰³ which we agree with, and in any event, our view is that such a TSA would not have been attractive to FDJ on a standalone basis (as we set out in more detail in paragraph 5.130 below). Our view is therefore that there would not be an operational IT platform available under a liquidation scenario.
- 5.108 Spreadex submitted in response to the Remittal Provisional Findings that while it is correct that the platform would not have been operational on a standalone basis, it could have been restored, incorporated into a purchaser's existing systems or otherwise developed.²⁰⁴ Spreadex also submitted that it would be the source code for the pre-Merger Sporting Index IT platform that would be available for sale under a liquidation scenario.²⁰⁵
- 5.109 The Former [REDACTED] MD submitted that it would be virtually impossible to value or put a price on the technology without seeing it.²⁰⁶ [REDACTED] submitted that the price it would have paid for the pre-Merger platform in a liquidation scenario would have been [REDACTED] and was unlikely to be [REDACTED] around £[REDACTED].²⁰⁷
- 5.110 FDJ submitted that it [REDACTED] to the pre-Merger IT platform, as FDJ considered this to be an intangible asset which would not be subject to recovery under a liquidation scenario.²⁰⁸ For the reasons set out in paragraph 5.80 above, FDJ's view is particularly relevant to an assessment as to how FDJ would have assessed the liquidation value of the B2C Business. However, in order to estimate the highest reasonable liquidation value for the B2C Business, we estimate a liquidation value of approximately £[REDACTED] for the source code of the Sporting Index IT platform

²⁰⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, paragraph 3

²⁰¹ FDJ response to the CMA's RFI.

²⁰² FDJ response to the CMA's RFI.

²⁰³ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.16 and 3.20.

²⁰⁴ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.20.

²⁰⁵ Spreadex Remittal Response Hearing transcript, 14 July 2025, page 34, lines 7-10.

²⁰⁶ Former [REDACTED] MD response to the CMA's RFI

²⁰⁷ 10star response to the CMA's RFI

²⁰⁸ FDJ responses to the CMA's RFIs

included within the B2C Business, on the basis of the evidence provided by [X], which we place weight on [X].

Closure costs associated with a potential liquidation

- 5.111 FDJ submitted that restructuring costs related to the disposal of Sporting Index amounted to £[X] million in the FDJ Group accounts, and that this was mostly redundancy costs.²⁰⁹ FDJ submitted during the Remittal inquiry that [X] Sporting Index employees had been made redundant with a total redundancy cost of £[X].²¹⁰ We therefore estimate closure costs outside of redundancy costs to be approximately £[X] million (i.e. total restructuring costs of £[X] million less redundancy costs of approximately £[X]) and redundancy costs per person to be approximately £[X] (i.e. £[X] divided by [X]).
- 5.112 Spreadex acquired six Sporting Index employees as part of the Merger.²¹¹ We have assumed that (a) these individuals would have been made redundant in a liquidation scenario, and so we estimate additional redundancy costs in a liquidation scenario to be approximately £[X] (i.e. £[X] multiplied by 6), and (b) the closure costs outside of redundancy costs incurred under the Merger would also have been incurred in a liquidation scenario. We tested the robustness of this approach with FDJ, and FDJ submitted that this reasoning appeared theoretically plausible.²¹²
- 5.113 We therefore estimate redundancy costs under a liquidation scenario to be approximately £[X] million, and total closure costs to be approximately £[X] million.
- 5.114 We note that there would also likely have been closure costs associated with the Alternative Bidders' bids, which we have addressed at paragraphs 5.54 to 5.60 above.

Our assessment

- 5.115 The Table below shows our ranged estimates for (a) the liquidation values of the customer list and brand, net assets on the Sporting Index completion balance sheet, Sporting Index IT platform, and (b) the closure costs that likely would have been incurred by FDJ under a potential liquidation scenario.

²⁰⁹ FDJ response to the CMA's RFI

²¹⁰ FDJ response to the CMA's

²¹¹ [Derogation 15 January 2024](#), page 2.

²¹² FDJ response dated to the CMA's RFI

Table 5.1: CMA estimate of Sporting Index liquidation value

	£
Customer list and brand	~0 - [£X]
Net assets on the Sporting Index completion balance sheet	~[£X]
Sporting Index IT platform included within the B2C Business	~[£X]
Closure costs	(~[£X])
Total	~[£X]

Source: CMA analysis

- 5.116 Based on our estimates above, we estimate a total liquidation value of approximately £[£X]– £[£X] million (the variation reflects the range of estimates for the value of the customer list and brand), which has been calculated by adding our estimates for the customer list and brand, net assets on the Sporting Index completion balance sheet, and Sporting Index IT platform, net of the estimated closure costs that would likely have been incurred by FDJ under a potential liquidation scenario.
- 5.117 We have considered whether the bids submitted by the Alternative Bidders exceeded this estimated liquidation value.

Our view

- 5.118 As noted above, the evidence from FDJ was that it would have focused on completing a sale that covered the redundancy and closure costs for the business, and on recovering the net asset value only to the extent possible. We note that the redundancy and closure costs of the business would have been lower than the liquidation value, which includes values for the assets.
- 5.119 We recognise that there is an inherent margin for error in each component of our liquidation value estimate (and in the resulting overall valuation). However, there are varying degrees of uncertainty across our different estimates. In particular:
- (a) The Alternative Bidders' net bids have a high degree of certainty, although we recognise that there is some uncertainty over redundancy costs and whether the bid values would have changed had the Alternative Bidders been taken to a later stage of the process.
 - (b) Our estimate for the liquidation value of the B2C Business, and in particular the customer list, has a lower degree of certainty, which is why we have estimated this as a range. However:
 - (i) Our estimate for closure costs is based on closure costs incurred by FDJ as part of the Merger, the net assets on the Sporting Index completion balance sheet were based on FDJ's submissions on what would be recoverable, and our liquidation value estimate for the source code of the Sporting Index IT platform included within the B2C Business is based on a submission from a third party familiar with the IT Platform.

- (ii) As set out in paragraph 5.77 above, our view is that the liquidation value of the customer list is likely to have been very low or even zero, based on the evidence provided to us by FDJ and third parties on the liquidation value of the customer list. Our view is therefore that the liquidation value of the B2C Business and customer list is more likely to be closer to the lower end of our range (i.e. approximately £[REDACTED] million for the B2C Business as a whole, and £0 for the customer list). A liquidation value closer to the higher end of our range (i.e. approximately £[REDACTED] million for the B2C Business, and £[REDACTED] for the customer list) is less consistent with the evidence from FDJ and third parties but represents our highest reasonable estimate for each.

5.120 On the basis of these estimates, and recognising the inherent margin for error in our estimates, our view is that [REDACTED] bid would likely have been above the liquidation value of the B2C Business, whereas [REDACTED] bid would likely have been below the liquidation value of the B2C Business.

TSA

FDJ and Sporting Group submissions

- 5.121 Sporting Group submitted that the need to maintain TSAs with the Alternative Bidders [REDACTED], as such, an in-depth analysis would have been required to inform the decision on whether to pursue a sale with the Alternative Bidders.²¹³ FDJ and Sporting Group also told us that a TSA would have needed to be only in the short term to facilitate a sale, as FDJ was not interested in remaining as a spreads B2B provider given the small market, and that the only benefit of the TSA would be to ease the sale of the B2C Business.²¹⁴ FDJ and Sporting Group told us that while the TSA fees would have been an additional income stream for Sporting Solutions, this did not take into account the fact that the TSA would divert management resources and attention away from its core B2B Business.²¹⁵
- 5.122 During the Remittal inquiry, FDJ submitted that a TSA would not have constituted a revenue-generating or profitable business line, but rather a time-limited and non-scalable support service, unlikely to justify the effort and internal resource commitment required.²¹⁶
- 5.123 FDJ also submitted that, while speculative, it was reasonable to assume that a TSA with a B2C buyer could have materially impacted the perceived simplicity and focus of the B2B Business from a buyer's perspective, given that very few

²¹³ Sporting Group response to the CMA's RFI.

²¹⁴ FDJ and Sporting Group call transcript, as subsequently confirmed by FDJ email

²¹⁵ FDJ and Sporting Group hearing transcript

²¹⁶ FDJ response to the CMA's RFI

gambling operators managed both B2B and B2C operations in parallel (due to the complexities and potential conflicts this could create), and that maintaining B2C-related infrastructure to support a TSA could have reduced the attractiveness of the B2B Business to prospective acquirers and limited the pool of potential buyers.²¹⁷

- 5.124 However, FDJ further submitted that a TSA would not have prevented a sale with an alternative buyer if the overall economics of the deal remained compelling, and it was fully aware from the outset that any sale of the B2C Business, other than to a buyer already equipped to operate the platform, would likely involve the provision of a TSA. It submitted that it was understood that transitional support would be part of the discussions and that the FDJ Group would accept such an arrangement, provided its duration remained limited and its operational impact was therefore manageable.²¹⁸

Spreadex submissions

- 5.125 In response to the Phase 2 Provisional Findings, Spreadex submitted that maintaining the TSA over the longer term would have resulted in costs to the Sporting Group business including the diversion of resources and attention away from the core B2B Business. Spreadex submitted that these costs would [X] have pushed them towards rather than away from liquidation (absent the Merger).²¹⁹ Spreadex submitted that one of the reasons why Sporting Group would have been reluctant to proceed with the Alternative Bidders was the fact that, in Spreadex's view, they would both be reliant on a long-term TSA.²²⁰
- 5.126 During the Remittal inquiry, Spreadex submitted that there was clear evidence from Sporting Group that a TSA was a material concern to FDJ and posed a real threat to FDJ's willingness to sell as a going concern.²²¹ Spreadex added that while FDJ and the Alternative Bidders had not fixed a scope or cost for the TSAs required, there was evidence to suggest that the TSAs would have been extensive and an ongoing concern to FDJ. Spreadex also submitted that there was evidence that a TSA would have been intrinsically inefficient and required either the supplier or the buyer to operate uneconomically.²²²

Our assessment

- 5.127 We note that both Alternative Bidders would have required a TSA if they were to acquire the B2C Business, and at the time of the Merger, neither FDJ nor either of

²¹⁷ FDJ response to the CMA's RFI

²¹⁸ FDJ response to the CMA's RFI.

²¹⁹ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.25.3.

²²⁰ Spreadex, Response to the CMA's Annotated Issues Statement and accompanying Working Papers, 1 July 2024, paragraph 3.7.

²²¹ Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 4.49.

²²² Spreadex, Initial Remittal Submission, 28 March 2025, paragraphs 4.53 – 4.56.

the Alternative Bidders fully assessed the extent of the TSA that would have been required. In this section we consider whether FDJ and Sporting Group would likely have been incentivised to agree to a TSA with the Alternative Bidders. We address the TSA from the perspective of the Alternative Bidders at paragraphs 5.183(f) to 5.185 below.

- 5.128 We note that on the basis of FDJ and Sporting Group's submissions, they would have needed to conduct an economic evaluation of the TSAs offered had they entered into advanced discussions with the Alternative Bidders. Given that this evaluation did not take place, there is no contemporaneous evidence of what the likely outcome of this evaluation would have been. We have therefore formed our own judgment, based on the limited evidence provided to us, as to the likely outcome of this evaluation exercise if it had been carried this out.
- 5.129 We first note that FDJ had entered into the 2023 B2C Sale Process with the expectation that it would enter into a TSA. In particular, we note that AlixPartners' December 2022 report set out the potential for an extensive TSA pursuant to the carve-out proposed for the 2023 B2C Sale Process, with estimated service terms going up to 12 months,²²³ and FDJ also submitted during the Remittal inquiry (as set out in more detail in paragraph 5.124 above) that it understood that transitional support would be part of the discussions and that FDJ would have accepted such an arrangement, provided its duration remained limited and its operational impact was therefore manageable.²²⁴ As explained above at paragraph 5.45, FDJ advised the CMA that had a sale to Spreadex not proceeded, it would have sought to pursue a sale to an alternative purchaser and we note that FDJ was aware that both the Alternative Bidders would have required a TSA.
- 5.130 We note FDJ's submissions that a TSA would not have been a profit generating activity and it would have diverted resources away from the B2B Business. This implies that entering into a TSA on a standalone basis would have been unattractive from FDJ's perspective, due to the opportunity cost on the B2B Business from having to provide these transitional services. However, in the context of a sale of the B2C Business, our view is that FDJ would likely have been willing to enter into a TSA as long as (a) the scope, duration and overall operational impact of the TSA was manageable from FDJ's perspective, and (b) the overall economics of the deal made sense. We first consider the likely the scope, duration and overall operational impact of a TSA from FDJ's perspective, before considering this in the context of the overall economics of a sale in paragraphs 5.148 to 5.156 below.

²²³ FDJ response to the CMA's RFI.

²²⁴ FDJ response to the CMA's RFI.

- 5.131 Based on a document provided by Sporting Group to [REDACTED] broadly outlining the proposed scope of the TSA, we note that the duration for the TSA services proposed by Sporting Group had been split into two phases:²²⁵
- (a) Phase one covered services to be provided from day one, and this was expected to last 12 months, with the B2B Data and Trading Services and Technology Services TSA elements setting out a minimum 12-month duration.
 - (b) Phase two covered services that were to be provided after phase one, and this was also expected to last 12 months, but would be provided on a monthly basis until the acquirer was willing to end those services.
- 5.132 We recognise that this document reflects FDJ's thinking at an early stage of the process, and this would likely have changed to some extent had FDJ and Sporting Group engaged in detailed discussions with the Alternative Bidders about the scope and duration of the TSA. For example, on the basis of FDJ's submissions in paragraph 5.122 above, we would have expected any TSA to have had a clear endpoint. However, in addition to the evidence from AlixPartners' December 2022 report on the scope of a potential TSA (as set out in paragraph 5.129 above), and in the absence of any other contemporaneous evidence on what TSA scope and duration FDJ would likely have been prepared to offer, our view is that FDJ would likely have been willing to offer an extensive TSA for at least 12 months, and potentially longer if required.
- 5.133 We next consider whether the Alternative Bidders would likely have required a TSA that was more extensive than what FDJ and Sporting Group would likely have been prepared to offer:
- (a) [REDACTED] told us that there were elements of the outlined TSA services that it would not necessarily have required given its existing resources.²²⁶ [REDACTED] also told us that it already had some [REDACTED]. For example, in relation to the TSA service category, '[REDACTED]', [REDACTED] told us that there were three types of services that combined to form the Sporting Index offering:²²⁷
 - (i) Those sports which Sporting Index was able to offer independently, including horse and greyhound racing for example. [REDACTED] would have acquired the capability for offering these sports.
 - (ii) Those sports which Sporting Index consumed from Sporting Solutions, which were also available from [REDACTED]. These included most major, global sports – football, tennis, basketball, etc. [REDACTED] told us that it would have

²²⁵ [REDACTED] response to the CMA's s109 notice

²²⁶ [REDACTED] call transcript.

²²⁷ [REDACTED] email.

replaced Sporting Solutions as the supplier of these sports for Sporting Index. However, for business continuity, [REDACTED] told us that until [REDACTED] could supply these sports to Sporting Index technology through a technical integration, these sports would have initially been supplied by Sporting Solutions post-completion.

- (iii) Those sports which Sporting Index consumed from Sporting Solutions, but which were not yet available from [REDACTED]. These included sports such as [REDACTED]. [REDACTED] told us that these sports would have formed the main sports required under the ongoing pricing services of the TSA, until [REDACTED] could supply them. [REDACTED] told us that these sports accounted for roughly 20% of Sporting Index events.²²⁸
- (b) [REDACTED] told us during the phase 2 remedies process that it would take a while to build pricing models and that this would be a significant investment prior to generating revenue from the models, although this also depended on whether it would need to build models from scratch. It added that for the major sports where it was already skilled in fixed odds, there would be a period required to amend the model such that it could also offer spreads, but this period would be quicker compared to building models for sports where it did not offer fixed odds pricing, such as [REDACTED]. [REDACTED] also told us that building these models from scratch, and recruiting traders to run these models, would potentially take two to three years.²²⁹
- (c) In relation to [REDACTED]:
 - (i) The Former [REDACTED] MD told us that he did not have a strong opinion on how significant an issue the TSA was, and that [REDACTED] was not provided with details of the scope or costs of potential TSA services. He also told us that there was never a discussion of key management personnel or quantity numbers of staff in specific areas, such as trading, finance, compliance, customer service under the TSA, but he never felt that they were showstopper elements of [REDACTED] valuation of the business or it not being able to complete the deal should they not be included.²³⁰
 - (ii) [REDACTED] told us that [REDACTED] used feed providers to create pricing and employees from its team in [REDACTED] to price and create spreads manually for some sports markets. It also told us that [REDACTED] and [REDACTED] used different

²²⁸ [REDACTED] call transcript.

²²⁹ [REDACTED] call transcript, as subsequently updated by [REDACTED] email.

²³⁰ Former [REDACTED] MD call transcript.

tech houses to develop their respective platforms, with [REDACTED] using [REDACTED], and [REDACTED] using [REDACTED].^{231, 232} [REDACTED] holds an [REDACTED]% stake in [REDACTED].²³³

- (iii) The Former [REDACTED] MD told us that it could have used its in-house capabilities, the staff transferring from Sporting Index, and/or worked with third parties to transition away from the TSA, and considered a possible [REDACTED] commercial relationship with Sporting Solutions [REDACTED].²³⁴

- 5.134 Spreadex submitted that the above evidence is not contemporaneous, nor is it informed by having had the opportunity to engage in detailed transaction due diligence.²³⁵ We acknowledge that this evidence is not contemporaneous, however given the limited contemporaneous evidence provided to us on the TSA, we place weight on this evidence. We also note that the limited contemporaneous evidence from the time of the 2023 B2C Sales Process implies that [REDACTED] was looking to reduce the scope of the TSA provided to it by FDJ.²³⁶
- 5.135 We note that Sporting Group appeared to have specific concerns regarding the scope and duration of a potential TSA with [REDACTED], which to some extent contradicts the evidence provided by [REDACTED] above. In particular, Sporting Group told us during its hearing that (a) deliverability would have been ‘very problematic’ for [REDACTED], and (b) a TSA with [REDACTED] would have been in place for a long time and for an indefinite period, given [REDACTED] did not have a trading function or risk management or supported functions.²³⁷
- 5.136 However, as noted above, FDJ and Sporting Group did not engage with [REDACTED] on the extent of a TSA that would have been required, and when assessing what [REDACTED] needs would likely have been under a TSA, we consider that [REDACTED] has a better understanding of its requirements and capabilities. For example, while Sporting Group had concerns regarding [REDACTED] trading functions, [REDACTED] did not raise trading or staffing in general as significant concern in the context of remedies (see also paragraph 9.248(a) of Chapter 9, Remedies), and as noted above, [REDACTED] told us that there were elements of the outlined TSA services that it would not necessarily have required given its existing resources.
- 5.137 In light of the above, our view is that both Alternative Bidders would likely have had the capability to transition away from particular aspects of the TSA relatively quickly. For certain other aspects, such as any pricing models that would be required to be built from scratch, the Alternative Bidders would likely have required

²³¹ See also [REDACTED]

²³² [REDACTED] call transcript

²³³ [REDACTED] response to the CMA’s RFI.

²³⁴ Former [REDACTED] MD call transcript

²³⁵ Spreadex, [Response to the CMA’s Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.34.

²³⁶ [REDACTED] discussed data feeds that it may not require under a TSA, and it stated in its March 2023 bid that it would require a substantial portion of the TSA, rather than the full scope of the TSA, and that it would need to discuss how it can ‘onboard’ with its own resources. Source: [REDACTED] response to the CMA’s s109 notice

²³⁷ FDJ and Sporting Group hearing transcript

a TSA for a longer period - perhaps two to three years. Given [REDACTED] submissions in paragraph 5.133(b) 5.133(b) above on the time it takes to build pricing models, and also Spreadex's submission that [REDACTED]% of Sporting Index's pricing models could have been developed by a potential remedy taker within [REDACTED] months,²³⁸ our view is that an Alternative Bidder would likely have transitioned away from an extensive TSA (that covered pricing for most sports for example) in 12 months, although we do not rule out the possibility that it would have required a TSA that was much smaller in scope for another one to two years.

5.138 Spreadex submitted that in the context of remedies, the CMA did not accept its submission that [REDACTED]% of Sporting Index's pricing models could be developed by a potential remedy taker within [REDACTED] months, on the basis that the CMA did not accept that submission and the associated submission that the TSAs should be tiered to reflect this.²³⁹ For the avoidance of doubt, we have not dismissed Spreadex's evidence on the time required to build pricing models, and we still place weight on this. As set out in more detail in Chapter 9, our view is that Spreadex's proposal for a tiered pricing TSA is not appropriate on the basis that it is not for the CMA to stipulate the order in which the purchaser should develop its own pricing models for different sports, and given [REDACTED] submission on the time required to build pricing models from scratch, it would not be appropriate to take a tiered approach and timings based only on Spreadex's own estimates. We note also that we have been considering the design of a divestiture remedy that would be suitable for a purchaser that has yet to be determined (see paragraph 9.202), whereas in the context of this counterfactual assessment we are focused on the specific needs of the Alternative Bidders in the circumstances of that which was offered for sale in the 2023 B2C Sale Process.

5.139 In the context of [REDACTED] needs under a possible TSA, we place more weight on the submission from [REDACTED]. However, given [REDACTED] submitted that 2-3 years would only be required to build pricing models from scratch for a minority of sports, which it told us accounted for roughly 20% of Sporting Index's events,²⁴⁰ and that less time would be required for the majority of sports, our view is that this is broadly consistent with Spreadex's submission that [REDACTED]% of Sporting Index's pricing models could have been developed by a potential remedy taker within [REDACTED] months.

5.140 Our view is therefore that the operational cost of a TSA with the Alternative Bidders to FDJ (noting both its likely scope and duration) would likely have been

²³⁸ Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 14.

²³⁹ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.35.

²⁴⁰ We also note that while [REDACTED] appear to be major spread betting sports, they accounted for a minority of Sporting Index's spread betting revenues and bets placed from November 2022 - October 2023, whereas [REDACTED] had already existing capabilities for sports such as football (see paragraph 5.133 above), which accounted for a majority of Sporting Index's spread betting revenues and bets placed from November 2022 - October 2023. Source: CMA analysis of Sporting Index, response dated 31 May 2024 to the CMA's s109 notice dated 21 May 2024, question 3 and Annex 3, and [REDACTED] email

manageable from FDJ's perspective, and a TSA with one of the Alternative Bidders would likely have been in line with its expectations of a TSA when it had initiated the 2023 B2C Sale Process. Spreadex submitted that a possible tiered TSA approach with a wide scope for one year and a narrower scope for the next one to two years (as set out in paragraph 5.137 above) would have still placed a significant burden on Sporting Group, given the need to retain traders to generate spread prices for sports where [§] would need to build trading models from scratch.²⁴¹ However, our view is that maintaining pricing models for a minority of sports would naturally have significantly reduced the burden on Sporting Group relative to an extensive TSA, and noting our view that FDJ would likely have been willing to offer an extensive TSA for at least 12 months and potentially longer if required, our view is that the overall operational cost of a possible tiered TSA would have been in line with FDJ's expectations.

- 5.141 We recognise this operational cost would likely have been assessed by FDJ in the wider context of the Alternative Bidders' bids. We discuss this in paragraphs 5.1485.148 to 5.156 below.
- 5.142 We also note that FDJ and Sporting Group may also have had reservations about a TSA on the basis of the potential impact this may have had on the sale process for the B2B Business (as submitted by FDJ in paragraph 5.123 above). However, although FDJ submitted during the Remittal inquiry that it was reasonable to assume that a TSA with a B2C buyer could have materially impacted the perceived simplicity and focus of the B2B Business from a buyer's perspective, it also noted that this was speculative; FDJ did not say that it would not have entered into a TSA with an Alternative Bidder in view of this. We also note FDJ's submission in paragraph 5.124 above that a TSA would not have prevented a sale with an alternative buyer if the overall economics of the deal remained compelling.
- 5.143 Spreadex submitted in response to the Remittal Provisional Findings that this is an unjust framing of the response, since by asking FDJ to answer these questions, the CMA was inviting FDJ to speculate, and FDJ did not have to consider these issues at the relevant time because it had an unproblematic buyer for the B2C Business in Spreadex. Spreadex also submitted that in order for the overall economics of the deal to remain compelling, necessarily the TSA cannot represent a material burden on the business being sold, and in this regard, Sporting Group told the CMA that decommissioning spread pricing models had improved latency [§] for the remaining B2B Business; and that maintaining the B2C Business resulted in the diversion of management attention and activity outside the strategic focus of the company.²⁴²

²⁴¹ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.35 and 3.37.

²⁴² Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.43.

- 5.144 We acknowledge that there was no need for FDJ to consider the potential impact on the sale process for the B2B Business in the 2023 B2C Sale Process, and in this regard, we have asked FDJ a hypothetical question. However, on multiple occasions we have asked FDJ and Sporting Group what its concerns would have been regarding a TSA, and it has at no time told us that the impact on the B2B sale process would have been a material concern.²⁴³ We also note that FDJ's submission above only refers to a potential material impact on the perceived simplicity and focus of the B2B Business from a buyer's perspective.
- 5.145 Our view is therefore that although the impact of a TSA on the sale of the B2B Business would have been considered by FDJ, particularly given that the timing of FDJ's consideration for selling the B2B Business broadly coincided with the 2023 B2C Sale Process, the evidence does not support the view that the impact would have been such as to dissuade FDJ from entering into a TSA with an Alternative Bidder. In reaching this view, we have placed weight on FDJ's initial expectations regarding the need for transitional support and FDJ's submission that a sale scenario was always preferred to liquidation.²⁴⁴
- 5.146 With regard to Spreadex's submission on the broader impact on the B2B Business and the overall economics of a deal with the Alternative Bidders, we note that the improved latency for the remaining B2B Business following the decommissioning of its spread pricing models had only been realised by Sporting Group subsequent to the Merger, and we have not been provided with evidence from FDJ that it would have taken this into consideration as part of its evaluation of a TSA. We also note that FDJ had not raised this as a concern in response to our broader questions on FDJ's potential concerns regarding a TSA,²⁴⁵ and so on this basis, our view is that this is unlikely to have been taken into account, or to a material extent,²⁴⁶ in FDJ's assessment of a potential TSA with the Alternative Bidders. However, as set out above, we acknowledge that a TSA would result in an opportunity cost on the B2B Business from having to provide these transitional services, which is the basis for our view that entering into a TSA on a standalone basis would have been unattractive from FDJ's perspective.

Our view

- 5.147 On the basis of our assessment above, our view is that the operational cost to FDJ of entering into a TSA with an Alternative Bidder would likely have been

²⁴³ FDJ and Sporting Group call transcript as subsequently confirmed by FDJ email, and FDJ and Sporting Group hearing transcript

²⁴⁴ FDJ response to the CMA's RFI.

²⁴⁵ FDJ and Sporting Group call transcript as subsequently confirmed by FDJ email and FDJ and Sporting Group hearing transcript

²⁴⁶ FDJ submitted that the spread pricing models were decommissioned internally to improve trading system performance of the retained fixed odds B2B business, as there was no commercial B2B need for spread pricing, which implies that FDJ were aware to some extent of the latency benefits that could be realised from decommissioning its spread pricing models. Source: FDJ response to the CMA's RFI.

manageable, on the basis that (a) FDJ initiated the 2023 B2C Sale Process with the expectation that a TSA would be required, and (b) a TSA with the Alternative Bidders would likely have been in line with its expectations of a TSA when it had initiated the 2023 B2C Sale Process.

- 5.148 We note that FDJ's willingness to incur this operational cost of entering into a TSA would have been considered in the wider context of the Alternative Bidders' bids, and therefore our view is that the benefits of completing a deal with an Alternative Bidder would have needed to outweigh the operational cost of a standalone TSA in order for FDJ to have entered into a TSA with an Alternative Bidder. We have had regard both to Sporting Group's submission that the need to maintain TSAs would have caused FDJ to question the overall economics of the deal, and FDJ's submission that a TSA would not have prevented a sale with an alternative buyer if the overall economics of the deal remained compelling.
- 5.149 We asked FDJ whether it would have completed a sale to [X] on the basis of an effective £[X] million bid, in the context of £[X] million and £[X] million liquidation value estimates (at the same time setting out our estimates for each liquidation value component). FDJ was aware that a TSA would have been required in connection with a sale to [X]. As set out in paragraph 5.47 above, FDJ submitted in response to our query that its objective with a sale of the B2C Business would have been to preserve and recover as much value as possible from a sale transaction, with a view to at least covering the associated redundancy and closure costs, and, to the extent possible, recovering the consolidated net asset value.²⁴⁷
- 5.150 FDJ further submitted that whether it would have ultimately completed a sale to [X] would have depended on the overall economic balance of the transaction, in particular on whether the negotiation of the TSA terms rendered the offer financially viable in light of the anticipated burden and transitional risks (which it had explained earlier during the Remittal inquiry). FDJ added that considering the progress of negotiations with [X] throughout the process, a potential sale to [X] in the context of both the £[X] million and £[X] million liquidation value estimates could have reasonably been viewed as being aligned with FDJ's expectations.²⁴⁸
- 5.151 Spreadex submitted in response to the Remittal Provisional Findings that FDJ's response was ambivalent,²⁴⁹ and we agree that there is still a degree of uncertainty. In particular, FDJ have acknowledged that the negotiation of TSA terms with [X] may have rendered its bid unviable, and as noted above, FDJ did not enter into these negotiations with [X]. However, we infer from FDJ's response

²⁴⁷ We initially asked the question in relation to a liquidation value estimate of £[X] million to £[X] million, and a [X] net bid of £[X] million. We followed up with FDJ with our updated liquidation value estimate and net [X] bid value, and FDJ told us that it stands by its previous response. FDJ response to the CMA's RFI and FDJ response to the CMA's RFI.

²⁴⁸ FDJ response to the CMA's RFI and FDJ response to the CMA's RFI.

²⁴⁹ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.26.

that based on the early discussions and negotiations it had with [X], including on the TSA (and in particular the £[X] million TSA quote that had been provided to [X] prior to [X] confirming its preliminary bid), [X] bid could have reasonably been viewed as being aligned with FDJ's expectations. As set out above, our view is that a TSA required by [X] would likely have been in line with FDJ's expectations of a TSA when it had initiated the 2023 B2C Sale Process. Therefore, on this basis, our view is that negotiations over a TSA were unlikely to have rendered [X] bid to be unviable from FDJ's perspective.

- 5.152 Spreadex also submitted that the CMA should have asked FDJ what the financial impact would have been to Sporting Group, if it had been effectively required to offer a £[X] million TSA at, for example, £[X] or £[X] to agree the sale of the B2C Business and what impact that would have had on their assessment of the Alternative Bidders' bids, on the basis that the B2C Business was loss making and lower TSA costs would be the most likely way of closing the profitability gap, and [X] also explored ways of reducing the TSA cost.²⁵⁰
- 5.153 We agree that [X] would likely have looked to negotiate a lower TSA price with FDJ, however we have not been provided with evidence that [X] would not have ultimately agreed to the TSA quote of £[X] million in the context of its £[X] million bid if this was considered necessary by FDJ, while [X] confirmed its preliminary bid of £[X] million having been provided with a TSA quote of £[X] million. [X] also noted that it was very aware that it was taking the risk that it could not reduce the cost of the TSA by transitioning earlier, and that any shortfall in the performance of Sporting Index would need to be funded from [X], which it was willing and able to do.²⁵¹ In these circumstances, our view is that even if FDJ would not have been willing to offer the TSA which [X] required at a price lower than £[X] million, this would not materially impact our assessment of the counterfactual.
- 5.154 Spreadex also submitted in response to the Remittal Provisional Findings that it is very clear that a transaction with [X], from FDJ's perspective would have been very challenging.²⁵² For the avoidance of doubt, our view is that a transaction with [X] would likely have presented challenges from FDJ's perspective. However, taking the evidence in the round, our view is that FDJ would most likely have been willing to enter into a TSA with [X] in order to complete a sale of the B2C Business, on the basis that: (a) FDJ's objective in the sale process was to recover closure costs associated with a sale, and FDJ would likely have recovered approximately £[X] million more than the closure costs that it would have incurred if it were to have sold the B2C Business to [X]; (b) [X] bid would in any case have likely been above the liquidation value of the B2C Business; (c) FDJ

²⁵⁰ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.48 and 3.49.

²⁵¹ [X] response to the CMA's RFI

²⁵² Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.28.

submitted that [X] bid could have reasonably been viewed as being aligned with FDJ's expectations, subject to negotiations over the TSA; (d) a TSA with [X] would likely have been in line with FDJ's expectations of a TSA when it had initiated the 2023 B2C Sale Process; (e) the perceived disadvantages in relation to the B2B Business from a buyer's perspective would not likely have dissuaded FDJ from entering into a TSA; and (f) FDJ submitted that a sale scenario was always preferred to liquidation.

- 5.155 In relation to [X], we note our view set out above (see paragraph 5.120) that its bid would likely have been below the liquidation value of the B2C Business (if it had been estimated or calculated by FDJ at the time), but we also note that its bid value was higher than the likely closure costs associated with its bid. Spreadex submitted in response to the Remittal Provisional Findings that an offer from [X] would not have been accepted by FDJ on the basis that its bid was lower than the CMA's liquidation value estimate for the B2C Business.²⁵³ However, as noted above, our view is that this is not consistent with FDJ's stated objective in the sales process.
- 5.156 Nonetheless, for the reasons given above in relation to [X], and in particular given [X] higher net bid value relative to that of [X], we do not consider it necessary to reach a view on whether FDJ would likely have been willing to enter into a TSA with [X].

Non-financial considerations

- 5.157 In addition to the price offered and the extent of any TSA, we have also examined other considerations which may have impacted FDJ's willingness to complete a sale of the B2C Business to one of the Alternative Bidders when compared to the alternative option of liquidation.

FDJ submissions

- 5.158 During the Remittal inquiry, FDJ submitted that no formal assessment was conducted in relation to non-financial or reputational risks associated with a potential closure or liquidation of the B2C Business, as the strategic focus remained on executing a sale. FDJ submitted a liquidation value would likely only have been considered if no viable sale options had materialised through this process, and in the event that no viable acquirer had been identified, a wind-down or liquidation of the business would have been considered as a potential course of action.²⁵⁴

²⁵³ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.23.

²⁵⁴ FDJ response to the CMA's RFI

- 5.159 FDJ and Sporting Group told us that [REDACTED] was [REDACTED], and therefore, with [REDACTED].²⁵⁵ FDJ also submitted during the Remittal inquiry that there might have been additional difficulties about proceeding with a sale to the [REDACTED],²⁵⁶ which we infer also relates the issue of [REDACTED].
- 5.160 FDJ and Sporting Group told us that its primary concern in relation to the Alternative Bidders was that neither of the Alternative Bidders were currently FCA-regulated.²⁵⁷ FDJ submitted during the Remittal inquiry that its primary objective was to ensure compliance with applicable UK regulatory requirements and to uphold the duty of care owed to Sporting Index's customers, and in this context the Alternative Bidders were not licensed by the FCA, which raised concerns for FDJ regarding regulatory compliance. However, FDJ submitted that these concerns could have been resolved if the Alternative Bidders had chosen to be FCA-approved and regulated.²⁵⁸
- 5.161 FDJ further submitted during the Remittal inquiry that its willingness to engage in a sales and purchase agreement (**SPA**) was contingent upon the buyer both intending to seek authorisation and being reasonably capable of securing it, but that as long as a buyer demonstrated a serious and credible commitment to securing the necessary authorisations, FDJ would have pursued a sale with that buyer. FDJ submitted that had it decided to pursue the sale of Sporting Index to one of the Alternative Bidders, both prospective purchasers would have been required to engage in the FCA approval process during the 2023 B2C Sale Process, in parallel with the negotiation of the SPA.²⁵⁹

Spreadex submissions

- 5.162 Spreadex submitted that there would have been an embarrassment factor associated with any sale to [REDACTED] since [REDACTED] (presumably compared to what [REDACTED]). In the context of what Spreadex considered to be effectively a [REDACTED], Spreadex's view was that Sporting Group and FDJ would have had very little incentive to enter into a transaction with [REDACTED].²⁶⁰
- 5.163 In relation to Sporting Group's concern that both Alternative Bidders were not FCA-regulated, Spreadex submitted that that there were real concerns relating to any possible future FCA approval of both Alternative Bidders. In particular:²⁶¹
- (a) Spreadex submitted that [REDACTED] had a lack of experience with FCA regulation as it is currently only regulated by the GC, and that it believes that [REDACTED] would

²⁵⁵ FDJ and Sporting Group hearing transcript.

²⁵⁶ FDJ response to the CMA's RFI.

²⁵⁷ FDJ and Sporting Group hearing transcript.

²⁵⁸ FDJ response to the CMA's RFI

²⁵⁹ FDJ response to the CMA's RFI

²⁶⁰ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.12.2.

²⁶¹ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.21.

have found it challenging to meet the FCA's approval test including whether the senior personnel were fit and proper. Spreadex referred to [REDACTED].

- (b) Spreadex submitted that while it recognised [REDACTED] previous FCA regulatory experience, as a current [REDACTED] only operator, [REDACTED] would still have faced significant scrutiny from the FCA on any regulatory approvals and material changes would likely need to be made in advance of FCA regulatory approval being granted. Spreadex also submitted the regulatory environment has changed significantly since [REDACTED], such as with the introduction of the FCA's Consumer Duty.

Our assessment

- 5.164 We note that FDJ did not conduct a formal assessment of the non-financial risks associated with a potential liquidation, and so there is limited contemporaneous evidence of how it would have evaluated any non-financial risks associated with the Alternative Bidders' bids against the option of liquidation. However, we note that FDJ's strategic focus was to execute a sale, and that it would have only considered the option of liquidation in the event that no viable bidder acquiring on terms acceptable to FDJ could be found, and it submitted that its objective in the sale process was to recover the closure costs associated with a sale, rather than the liquidation value of the B2C Business. We infer from this that, subject to the identity of the purchaser, FDJ preferred in principle to sell the B2C Business as a going concern, as long as this was at least as financially viable as the option of liquidation.
- 5.165 We recognise that FDJ and Sporting Group had non-financial concerns regarding a sale to the Alternative Bidders. Specifically, they had concerns about (a) the fact that the Alternative Bidders were both unregulated by the FCA, and (b) FDJ would be selling the business [REDACTED].
- 5.166 In relation to FDJ and Sporting Group's regulatory concerns, we note FDJ's submission that as long as a buyer demonstrated a serious and credible commitment to securing the necessary authorisations, FDJ would have pursued a sale process regardless. In this regard, we note that FDJ and Sporting Group did not raise any concerns about the Alternative Bidders' ability and commitment to obtain a licence, and we note also that the Alternative Bidders both had experience with regulatory compliance in the context of sports betting. In particular, [REDACTED] was regulated by the GC as part of its provision of sports fixed odds betting services, and [REDACTED] had direct experience in complying with FCA regulations from when it [REDACTED].
- 5.167 We considered Spreadex's submissions that (a) [REDACTED] does not have any experience in complying with the FCA's regulations, and (b) there have been significant changes to FCA regulation since [REDACTED]. We also note that, however, the

B2C Business transaction perimeter included [redacted] employees working in regulation and compliance,²⁶² and it is likely that having appropriate personnel in place would have been helpful in facilitating FCA approval. We have also considered Spreadex's submission that [redacted] received a [redacted]. We note, that however, (a) Spreadex was [redacted] fined £1.36 million by the GC in 2022,²⁶³ which did not appear to impact FDJ's willingness to sell the B2C Business to it, and (b) since [redacted], [redacted] has been through another GC compliance assessment in November 2023, which was passed successfully.²⁶⁴ Finally, we note FDJ's submission that its concerns could have been resolved if the Alternative Bidders had chosen to be FCA-approved and regulated,²⁶⁵ and the fact that both Alternative Bidders had submitted that they intended to go through the FCA-licensing process.^{266,267} In view of the above, our view is that FDJ is not likely to have had any sufficiently serious regulatory concerns to cause it to reject the Alternative Bidders' bids, and the Alternative Bidders would likely have proceeded to obtain FCA approval.

- 5.168 In relation to FDJ and Sporting Group's specific concerns about selling the business [redacted], we note that (a) they engaged with [redacted] multiple times on the basis of their bid during the 2023 B2C Sale Process, and (b) FDJ's submission to us was that, under a scenario where Spreadex had not bid, they would have continued to engage in discussions with [redacted]. Our view is therefore that, although FDJ had non-financial concerns about selling the business [redacted], this would likely have been balanced against the alternative, and in FDJ's view less-preferable, option of liquidation. On balance, our view is that this would not have been a sufficient reason to cause FDJ to reject the [redacted] bid.

Our view

- 5.169 FDJ and Sporting Group preferred in principle the option of a sale compared to a potential liquidation, but they also had specific non-financial concerns with a potential sale to the Alternative Bidders. There is limited contemporaneous evidence on how FDJ would likely have evaluated these non-financial factors. On balance, having careful regard to all of the evidence set out above, our view is that the non-financial considerations would not likely have dissuaded FDJ from a sale to one of the Alternative Bidders.

²⁶² Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, attachment 4.1.2 phase 2a 1.4.
²⁶³ [Online gambling business Spreadex Limited to pay £1.36 million](#) (last accessed on 12 May 2025). We note also that Spreadex was fined £2 million by the GC in 2025 ([£2m fine for online operator Spreadex Limited](#), last accessed on 16 May 2025).

²⁶⁴ [redacted] response dated to the CMA's RFI.

²⁶⁵ FDJ response to the CMA's RFI.

²⁶⁶ [redacted] told us that one of the reasons it wanted to purchase Sporting Index was the FCA licence, and that it was aware that there would have been due diligence on this around [redacted] directors and key personnel if it were the preferred bidders. [redacted] call transcript.

²⁶⁷ [redacted] preliminary bid said that the transaction would be subject to the negotiation and execution of mutually acceptable definitive transaction documents, including required regulatory and third party approvals. Sporting Group response to the CMA's RFI.

Conclusion

- 5.170 Based on our assessment above of all of the evidence in the round, we conclude that, in the absence of the Merger, FDJ would likely have been willing to complete a sale of the B2C Business to an Alternative Bidder, most probably [X], noting in particular that (a) FDJ's objective in the sale process was to recover closure costs associated with a sale, and [X] bid would likely have been £[X] million higher than the closure costs that would have been incurred by FDJ if it were to have sold to [X], (b) [X] bid would in any case have likely been above the liquidation value of the B2C Business, (c) FDJ submitted that [X] bid could have reasonably been viewed as being aligned with FDJ's expectations, subject to negotiations over the TSA, (d) a TSA with [X] would likely have been in line with FDJ's expectations of a TSA when it had initiated the 2023 B2C Sale Process, (e) the perceived disadvantages in relation to the B2B Business from a buyer's perspective would not likely have dissuaded FDJ from entering into a TSA, (f) FDJ submitted a sale scenario was always preferred to liquidation, and (g) non-financial considerations would not likely have dissuaded FDJ from a sale of the B2C Business to one of the Alternative Bidders.

Would the Alternative Bidders have been committed to completing a purchase of the B2C Business?

- 5.171 In this section, we have considered the Alternative Bidders' commitment to completing a purchase of the B2C Business.

Spreadex's submissions

- 5.172 Spreadex submitted that neither Alternative Bidder had the chance to take an informed view on the potential transaction or assess the viability of operating subject to a TSA or negotiating an acceptable TSA, including in relation to price.²⁶⁸ Spreadex also submitted that greater due diligence would have revealed the extent of the potential issues facing the bidders. Spreadex further submitted that the opportunity was financially viable for Spreadex, but not for others, because of the nature of the target assets available for sale (which it submitted could not be operated on a standalone basis), and the significant technological, regulatory, and operational requirements involved (and their associated costs).²⁶⁹
- 5.173 During the Remittal inquiry, Spreadex added that detailed financial information on Sporting Index's position, such as Sporting Index's customer churn, was only made clear to Spreadex when it undertook in-depth due diligence after it was selected as the preferred bidder, and that this challenging financial position was

²⁶⁸ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.13.

²⁶⁹ Spreadex, Letter to the CMA's Mergers Intelligence Committee, 6 December 2023, page 1 and Spreadex, Letter to the inquiry group, 25 April 2024, page 2.

not an issue for Spreadex to the same extent as it would have been for the Alternative Bidders, since it already had the structures in place to handle the additional customers from Sporting Index without needing to incur additional costs.²⁷⁰

- 5.174 Spreadex further submitted during the Remittal inquiry that there were four challenges related to Sporting Index's financial position that the Alternative Bidders would have needed to address in order to operate as a competitor, including:
- (a) The underlying cost base of a sports spread betting and fixed odds business, which Spreadex estimated (assuming minimal marketing spend and technological investment) to be around £18 million, based on the costs recorded in Sporting Index's accounts for the final year pre-Merger.²⁷¹
 - (b) The need for additional investment in the Sporting Index platform, which Spreadex submitted would be required if Sporting Index were to be run as an effective competitor to Spreadex. Spreadex cited evidence such as AlixPartners' September 2022 report, which stated that the '[redacted]', '[redacted] underinvestment in technology platform leading to significant customer attrition'; and that there had been a '[redacted] loss of HVC spread customers due to loss of appeal of spread platform, few updates since started in 2019'.²⁷²
 - (c) The need for marketing spend to tackle customer churn in particular, which Spreadex submitted would need to be substantial. Spreadex submitted that that during the period that Spreadex [redacted] its marketing spending [redacted], Sporting Index's own marketing spend [redacted] whilst its revenues shrank by [redacted]%. Spreadex submitted that it could therefore reasonably be surmised from contemporaneous evidence that an increase in marketing expenditure would have been required by the Alternative Bidders.²⁷³
 - (d) Spreadex submitted that a TSA would not have been sustainable commercially if its cost was priced at close to £[redacted]. Spreadex submitted that the £[redacted] quote contemplated in its initial Remittal submission represents a more credible starting point than the £[redacted] million quote given to [redacted], given that (i) Spreadex had all of the business functions that Sporting Index already had, and so Spreadex was likely to require the least support and for the shortest period of time, (ii) Spreadex was also the only party that was involved in firm negotiations with Sporting Group to negotiate the scope and terms of the TSA, and (iii) the value of the 'preliminary task listing and cost

²⁷⁰ Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 4.76.

²⁷¹ Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 4.65.

²⁷² Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 4.65.

²⁷³ Spreadex, Initial Remittal Submission, 28 March 2025, paragraphs 4.74 and 4.75.

assessment' quoted to [X] had already increased during the initial exchanges, and so would more likely than not have increased again.²⁷⁴

- 5.175 In response to the Phase 2 Provisional Findings, Spreadex submitted that: (i) the CMA's position in the Phase 2 Remedies Notice was that the divestiture of solely the Sporting Index assets acquired by Spreadex as part of the Merger was unlikely to be sufficient to address the SLC that the CMA had provisionally found; (ii) the Sporting Index assets it acquired as part of the Merger were the same as those that would have been on offer to the Alternative Bidders minus some of the potential employees from Sporting Group (which would have included [X]), yet neither of the Alternative Bidders appeared to have been minded to take all of the employees that were on offer in any event; (iii) the proposition that the Sporting Index assets acquired would not constitute a viable business if divested now (ie as a result of the CMA's investigation), fundamentally contradicted and undermined the basis of the CMA's provisional finding on the counterfactual and, hence, its SLC finding; and (iv) if it was the CMA's view that Spreadex would not now (ie as a result of the CMA's investigation) be able sell the Sporting Index assets it acquired to establish a viable independent business, then on the basis of those same assets the Alternative Bidders could never have been credible purchasers of the B2C Business.²⁷⁵ Spreadex also submitted in the Remittal inquiry that [X] (see paragraph 5.196 below) called into question [X], and the overall rationality and proportionality of any decision to find an SLC and require a divestiture of the Sporting Index business.²⁷⁶

Our assessment

- 5.176 We first note that the Alternative Bidders each operate in adjacent markets and would have been well-informed bidders based on their current business and past experience, and [X]. In particular:
- (a) [X], registered in the UK and regulated by the GC, operates primarily a sports fixed odds betting business in the UK,²⁷⁷ and based on its latest published statutory accounts at the time of its bid, generated total annual revenues of around £[X] million and gross profit of around £[X] million for its financial year ended [X].²⁷⁸ [X], [X] operates in [X] sports spread betting.²⁷⁹

²⁷⁴ Spreadex, Initial Remittal Submission, 28 March 2025, paragraphs 4.80-4.82.

²⁷⁵ Spreadex, [Response to the Phase 2 Provisional Findings](#), 30 August 2024, paragraph 3.5.

²⁷⁶ Spreadex, submission of 9 September 2025, paragraphs 4.1 and 4.4.

²⁷⁷ [X] (last accessed on 14 May 2025); [X] call transcript; and [X] response to the CMA's competitor questionnaire dated 6 February 2024.

²⁷⁸ [X] (last accessed on 12 May 2024).

²⁷⁹ [X] and [X] are not part of the same corporate group (ie there is no common ultimate holding company), but they both have common shareholders. [X] call transcript and [X] (last accessed on 12 May 2025).

- (b) [REDACTED], registered in [REDACTED], is a [REDACTED] sports betting operator and [REDACTED],²⁸⁰ with annual revenues of around £[REDACTED] million in 2023.²⁸¹ [REDACTED] told us that it operated a similar business to [REDACTED].²⁸² [REDACTED].²⁸³ [REDACTED] also told us that it provided similar [REDACTED] services [REDACTED].²⁸⁴

- 5.177 We note however that neither Alternative Bidder had submitted a binding bid, nor had they been given a chance to complete their due diligence on the B2C Business. We therefore consider below whether the Alternative Bidders would likely have remained committed to completing a transaction had they been able to complete their due diligence on Sporting Index's financial position.
- 5.178 In considering the costs of operating the Sporting Index business, we have considered (a) the operating costs associated with the business that was being offered for sale by FDJ; and (b) the operating costs associated with a TSA for that business. In December 2022, AlixPartners prepared a report for the B2C Business carve out that included an assessment of the cost base for that business. Spreadex has contested the cost estimate prepared by AlixPartners and argued that the actual cost of running the business would have been considerably higher. In our assessment below, we consider the cost estimate prepared by AlixPartners, Spreadex's submissions, and evidence from FDJ and Sporting Group.
- 5.179 In AlixPartners' December 2022 report for the B2C Business carve-out,²⁸⁵ it estimated a cost base (including TSA costs) for Sporting Index of £[REDACTED] million.²⁸⁶ Spreadex submitted that the cost base for Sporting Index would in fact be around £18 million based on the actual costs recorded in Sporting Index's accounts for the final year pre-Merger.²⁸⁷
- 5.180 We note that Sporting Index's accounts pre-Merger do not reflect the business that was on sale to the Alternative Bidders. FDJ and Sporting Group's submitted that there would be no historic accounts that were [REDACTED] given that the two businesses had historically become very entwined and so contracts for the B2B business were under the B2C entity and vice versa.²⁸⁸ In our view, the cost base for the B2C Business available for sale, adjusted for what would have been required to turn this into a standalone business, is a more appropriate starting point than the accounts that reflected costs of both the B2B Business and the B2C Business.
- 5.181 Spreadex submitted that the £[REDACTED] million AlixPartners cost estimate is flawed, on the basis that this assumes Sporting Index could have been run [REDACTED] and a TSA,

²⁸⁰ See: [REDACTED].

²⁸¹ [REDACTED] call transcript

²⁸² [REDACTED] call transcript

²⁸³ [REDACTED] call transcript

²⁸⁴ [REDACTED] call transcript.

²⁸⁵ [REDACTED] response to the CMA's RFI.

²⁸⁶ [REDACTED] response to the CMA's RFI.

²⁸⁷ Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 4.65.

²⁸⁸ FDJ and Sporting Group hearing transcript

and that this would not be possible in practice. Spreadex submitted that this figure does not include, for example, senior management costs (beyond one [X]), or align with Sporting Group's submission during the phase 2 remedies process that a fully standalone Sporting Index business would require around [X] additional regulatory and compliance staff, and around [X] additional traders.²⁸⁹

- 5.182 During the Remittal inquiry, AlixPartners submitted that the TSA, combined with the carve-out business, was designed to deliver an 'up and running business' from completion of the sale, and so the combined TSA and carve out business costs figures from the Project Silver Report set out AlixPartners' assessment of the minimum viable cost base for the proposed carve out business. AlixPartners' also submitted that while different purchasers might require more or less support under the TSA, any resource reductions under the TSA would be expected to be offset for the most part by additional resource costs within the acquirer's business such that the impact on the overall cost figure would be broadly neutral (subject to any efficiencies realised by the purchaser from combining the carve-out business with its existing operations).²⁹⁰
- 5.183 Our view is therefore that the underlying cost base for a standalone B2C Business pre-Merger would likely be at least equivalent to the combination of the cost of a TSA and carve out business costs figures produced by AlixPartners. We consider below whether these figures require any adjustment, as Spreadex has submitted.
- (a) We first note that AlixPartners includes a value for cost of goods sold (**COGS**) of £[X], based on revenue projections for November 2022 and December 2022,²⁹¹ while the actual FY22 COGS were £1.7 million.²⁹² We consider that this should therefore be adjusted for by a decrease of £[X] million, noting that the Alternative Bidders would likely have been provided with actual 2022 figures as part of their due diligence.
- (b) We note FDJ and Sporting Group's submission that a standalone B2C Business would require between [X] traders, and at least [X] additional compliance staff in addition to the staff already included in the B2C Business transaction perimeter.²⁹³ Based on the £[X] total base salaries for [X] traders included within the transaction perimeter,²⁹⁴ and given AlixPartners' costs assumes the inclusion of [X] traders in the B2C Business,²⁹⁵ we estimate the staff costs for an additional [X] traders to be approximately

²⁸⁹ Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 4.68.1.

²⁹⁰ [X] response to the CMA's RFI

²⁹¹ [X] response to the CMA's RFI.

²⁹² Sporting Index, [Sporting Index Limited Annual report and financial statements for the year ended 31 December 2022](#), page 13 (last accessed on 21 October 2024).

²⁹³ FDJ and Sporting Group call transcript, as subsequently confirmed by FDJ email

²⁹⁴ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, attachment 4.1.2 phase 2a 1.4.

²⁹⁵ [X] response to the CMA's RFI.

£[X] million to £[X] million. Given the £[X] TSA quote given to [X] for B2B Data & Trading Services,²⁹⁶ we consider this to be captured in the TSA.

- (c) We note that there would also be a cost for acquiring B2B data feeds, but given that (i) Spreadex had estimated costs for data feeds to be £[X],²⁹⁷ and (ii) AlixPartners had already allocated data costs assuming full sports coverage to its £[X] million technical support costing,²⁹⁸ we consider that this has also been captured in the TSA.
- (d) In relation to the [X] compliance staff, we note that this does not appear to have been captured by the TSA costs quoted to [X]. Based on the £[X] base salaries for the [X] compliance staff included within the transaction perimeter,²⁹⁹ we estimate the staff costs for an additional [X] compliance staff members to be approximately £[X]. We also agree with Spreadex that senior management costs have not been incorporated, and so on the basis of Spreadex's submission that the cost for directors would amount to £[X],³⁰⁰ we consider that staff costs should be adjusted for an increase of approximately £1.1 million.
- (e) We note that AlixPartners assumes a marketing spend reduction of [X]% (£[X]) on the basis of more targeted marketing spend.³⁰¹ It is not clear to us to what extent this would likely have been a viable strategy, noting also a potential need to maintain marketing spend to address any customer churn issue. Further, given we are looking to establish what the underlying cost base for a standalone B2C Business would likely have been pre-Merger, we consider, on a conservative basis, that marketing spend should also be adjusted by an increase of no more than £[X] million, in order to align it with marketing spend prior to the Merger.
- (f) Lastly, we note that AlixPartners assumes a TSA cost of £[X] million, whereas [X] was quoted with a TSA cost of £[X] million and Spreadex was quoted a TSA cost of £[X] million. We note Spreadex's submissions that its £[X] million TSA quote represents a more credible starting point than the £[X] million quote given to [X],³⁰² and we also note FDJ's submissions during the Remittal inquiry that:³⁰³
 - (i) the Spreadex TSA quote represents an annualised estimate of the costs that would have been incurred under the TSAs over a 12-month

²⁹⁶ [X] response to the CMA's s109 notice

²⁹⁷ Spreadex, Main Party Hearing, Follow-up response, 9 July 2024, Annex 1.

²⁹⁸ [X] response to the CMA's RFI.

²⁹⁹ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, attachment 4.1.2 phase 2a 1.4.

³⁰⁰ Spreadex, Main Party Hearing, Follow-up response, 9 July 2024, Annex 1

³⁰¹ [X] response to the CMA's RFI.

³⁰² Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 4.80.

³⁰³ FDJ response to the CMA's RFI

period, but Spreadex never intended to rely on the TSAs for more than a few weeks;

- (ii) Spreadex did not take on the majority of the employees required to operate the B2C Business, and so Sporting Group remained responsible for retaining and covering the employment costs of those staff members following the Merger;
 - (iii) £[REDACTED] million of Spreadex's approximately £[REDACTED] million TSA quote related to the employment costs of staff who were not transferred to Spreadex as part of the Merger, and these costs were only to be charged to Spreadex for a very short transitional period, until Spreadex's own employees were in a position to assume full operational responsibility for the B2C Business; and
 - (iv) the principal basis for the difference in TSA cost estimates lies in the differing approaches to staffing, since Spreadex did not take on the operational employees necessary to run the B2C Business, which meant that Sporting Group would have had to continue employing and funding those resources under the TSA, whereas [REDACTED].
- (g) On the basis of the above, our view is that the £ million TSA quote given to [REDACTED] represents a far more appropriate starting point than Spreadex's TSA quote of £[REDACTED] million. We infer from FDJ's submission that Spreadex's TSA quote is based on annualised estimated costs to FDJ from maintaining the B2C Business in the form that it had operated pre-Merger for a very short transitional period. These costs would therefore likely have been largely captured by AlixPartners' carve out business costs figures. In contrast, [REDACTED] TSA quote relates to services that a purchaser would likely require on a relatively longer-term basis, as this had not been included within the scope of the carve-out business available for sale in the 2023 B2C Sale Process.
- (h) We note that the £[REDACTED] million TSA quote given to [REDACTED] included a £[REDACTED] million one-off cost for 'Readiness to transition to acquirer end-state', which we infer relates to a one-off migration cost to transfer the B2C Business to a purchaser, while the other £[REDACTED] million in costs were specified to be 'annual run-rate' costs.³⁰⁴ Given that a standalone B2C Business would not incur one-off migration costs in the ordinary course of business, our view is that it is not appropriate to include this cost in an estimate for the underlying cost base of a standalone B2C Business pre-Merger. AlixPartners stated (see paragraph 5.182 above) that the combined TSA and carve out business costs figures from the Project Silver Report set out AlixPartners' assessment of the minimum viable cost base for the proposed carve out business,

³⁰⁴ [REDACTED] response to the CMA's s109 notice

however the AlixPartners TSA cost did not include a one-off migration cost and so our view is that AlixPartners' submission is not relevant to the £[X] million one-off migration cost.³⁰⁵

- (i) In view of the above, our view is that AlixPartners' £[X] million TSA figure should be adjusted to the £[X] million TSA run rate costs quoted to [X].

- 5.184 Spreadex submitted in response to the Remittal Provisional Findings that the ultimate cost of the TSA to the Alternative Bidders would likely have been significantly higher than the £[X] million quoted to [X], noting FDJ's explanation that the difference between the TSA costs quoted to Spreadex (£[X] million including VAT) and [X] (£[X] million) related to £[X] of staff costs who were not to be transferred to Spreadex but would be required to operate the business. Spreadex submitted that since neither of the Alternative Bidders had the staff to operate the business, it stood to reason that this £[X] cost (or a similar cost) would have been faced by the Alternative Bidders either in the form of TSA costs or in the form of salary costs for the staff they each would have needed.³⁰⁶
- 5.185 As set out above, our view is that Spreadex's TSA quote is based on annualised estimated costs to FDJ for maintaining the B2C Business in the form that it had operated pre-Merger for a very short transitional period. We estimate staff costs for our adjusted B2C Business cost base to be no more than £[X] million, on the basis that (a) AlixPartners' cost base included a value of approximately £2.3 million in staff costs, (b) we have increased this by approximately £1.1 million, primarily to account for senior management costs, and (c) there are £[X] million in run rate TSA costs that likely largely relate to staff costs. On this basis, our view is that the £[X] million of staff costs included within Spreadex's TSA quote are broadly aligned with our adjusted estimated cost base for staff in a standalone B2C Business, and so while we agree that there are likely to have been approximately £[X] million of staff costs for a pre-Merger standalone B2C Business, we do not agree that this £[X] million figure implies that there are staff costs not accounted for in our estimated cost base for a standalone B2C Business.
- 5.186 We also disagree that the £[X] million figure suggests that the Alternative Bidders' TSA costs may have increased, given that this £[X] million figure is largely aligned with the overall staff costs already presented to [X] (taking into account both TSA costs, and staff costs directly included in the transaction perimeter); and although the staff costs presented to [X] did not account for senior management costs, our view is that this is unlikely to have been required by [X] under a TSA. We agree that [X] would have needed to incur these senior management costs, which had not been accounted for in the staff costs presented to [X], however our

³⁰⁵ [X] response to the CMA's RFI.

³⁰⁶ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.51 and 3.52.

view is that [X] would likely have been aware of its own senior management costings.

- 5.187 Our view is therefore that no further adjustments are required, and so AlixPartners' estimate for the B2C Business cost base should be adjusted to £12.5 million (an increase of £[X] million), as set out in the below Table.

Table 5.2: Estimated cost base for standalone B2C Business (adjustments to AlixPartners' estimate)

	£m
AlixPartners' cost estimate	[X]
Reduction in COGS	([X])
Additional staff costs	1.10
Additional marketing spend	[X]
Additional TSA spend	[X]
Total	12.49

Source: CMA analysis

- 5.188 Having established an approximate cost base for a standalone B2C Business, noting that we have not made any adjustments to reflect any cost synergies which an Alternative Bidder may have expected to generate from the integration of Sporting Index with its own operations, we now consider whether the Alternative Bidders would likely have been committed to completing a transaction had they proceeded to undertake due diligence on the financial position of the B2C Business.
- 5.189 We note that an underlying cost base of around £12.5 million is substantial in the context of Sporting Index's FY22 revenues of £9.8 million,³⁰⁷ and we consider that in order for the Alternative Bidders to have been committed to a transaction, they would have needed to consider that they could improve the performance of the business, by reducing its cost base and/or increasing its revenues. In this regard, we note that:
- As set out in paragraph 5.176 above, the Alternative Bidders are both experienced bidders, who operate in adjacent markets and have experience with sports spread betting specifically, and so we consider that they are bidders who we expect would have been well-informed about the underlying cost base required to operate a sports spread betting business, and the need for any additional investment;
 - The £12.5 million cost estimate reflects the cost structure for a standalone B2C Business pre-Merger, and the Alternative Bidders had identified ways to improve the performance of the B2C Business by reducing these costs, as well as increasing revenues (as we set out in more detail in paragraphs 5.204 and 5.205 below);

³⁰⁷ Sporting Index, [Sporting Index Limited Annual report and financial statements for the year ended 31 December 2022](#), page 13 (last accessed on 22 May 2025).

- (c) 10star had previously owned Sporting Index from 2015 – 2019,³⁰⁸ and in this time period, Sporting Index’s revenues were on average approximately double compared to its revenues from FY22. We also note that from April 2016 to December 2018, 10star appeared to have significantly reduced the cost base of the business compared to prior years.³⁰⁹
- (d) During the Remittal inquiry, the evidence from the Alternative Bidders was effectively that they were prepared to accept the cost of a TSA (potentially resulting in losses) in the short to medium term:
 - (i) [X] noted that it was very aware that it was taking the risk that it could not reduce the cost of the TSA by transitioning earlier, and that any shortfall in the performance of Sporting Index would need to be funded from [X]. [X] noted that it was willing and able to do that.³¹⁰
 - (ii) [X] noted that the business could have dealt with the cost of a TSA period, though caveated this by stating that the current management team had not been involved in the 2023 B2C Sale Process.³¹¹ The Former [X] MD added during the Remittal inquiry that he would not have struck a deal if he did not think it was financially viable to do so, and that what [X] would have taken from FDJ would have been discussed in the final negotiation discussions.³¹²
- (e) Spreadex’s internal documents show that part of the rationale for the Merger was to diminish the competitive threat of an acquirer improving the Sporting Index business, which suggest that Spreadex thought some improvement in performance was feasible – for example:
 - (i) In Spreadex’s proposed initial bid document from February 2023, a sports trading manager stated that after acquiring Sporting Index, Spreadex ‘would not have [X]’.³¹³
 - (ii) In February 2023, the Spreadex CEO circulated an email discussing the benefits and costs of acquiring Sporting Index. One of the stated benefits was that ‘[X]’.³¹⁴

5.190 Spreadex submitted in response to the Remittal Provisional Findings that it was also clear that, at that point in time, [X] had understood that the B2C Business

³⁰⁸ [Sporting Index sale given regulatory go ahead - EGR Intel](#) (last accessed 2 September 2025) and [Française des Jeux acquires Sporting Group - iGB](#) (last accessed 2 September 2025)

³⁰⁹ Spreadex, [Response to the CMA’s Phase 2 Provisional Findings](#), 30 August 2024, Table 1.

³¹⁰ [X] response to the CMA’s RFI

³¹¹ [X] response to the CMA’s RFI

³¹² Former [X] MD response to the CMA’s

³¹³ Spreadex, response dated 21 December 2024 to the CMA’s s109 notice (Enquiry Letter), dated 14 December 2023, question 22, Annex 103

³¹⁴ Spreadex, response dated 21 December 2024 to the CMA’s s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103

was profitable,³¹⁵ based on [X] email to Oakvale Capital on 24 March 2023 stating that '[TSA] price has increased (from the original detail provided) from £[X] to £[X], and the way the detail is provided, we will need to explore this further with you to understand more clearly how these modules fit and how we can onboard with our own resources etc. A price of [X] would be what we would expect SSLN to charge a Tier 1 client who generates huge profits, SPIN b2C however will be a very small business which you tell us only broke even last year'.³¹⁶

- 5.191 We note that the [X] email Spreadex has cited above does not indicate [X] views on the profitability of the B2C Business, but rather what it had been told previously by Oakvale Capital regarding the profitability of the business. In an email dated 24 March 2023, Oakvale Capital had told [X] that the 'current run rate is £[X]',³¹⁷ and we also note Spreadex's prior submission in the Remittal inquiry that [X] had been provided with a £[X] million plus cost figure.³¹⁸ [X] was also provided with a 2022 revenue figure of £[X] million,³¹⁹ and so on this basis, and noting that the £[X] million plus cost figure is broadly consistent with our estimated cost base for a standalone B2C Business, our view is that [X] submitted its bid on the basis of loss-making figures provided by Oakvale Capital for a standalone B2C Business.
- 5.192 We acknowledge that Oakvale Capital had previously told [X] that the B2C Business was not loss making, which [X] had referred to in its preliminary bid (after being provided with a £[X] million plus cost figure). We infer from Oakvale Capital's email that the increase in cost figures was a result of increases to the TSA price, and the factoring in of the fixed odds business, which previously had not been accounted for. Therefore, our view is that it is likely that the lower cost base figure referred to by [X] is smaller in scope and does not represent the cost base for a standalone B2C Business. However, as noted above, our view is that this email from [X] did not indicate [X] views on the profitability of the B2C Business, and our view is also that the cost base for a standalone B2C Business had likely already been provided to [X].
- 5.193 We recognise that during the Phase 2 Remedies Process, [X] told us that that having thought about it more, [X] did not consider it necessary to have a secondary sports spread betting brand in the UK, on the basis that it is a niche product that has declined over the past ten years, and Sporting Index's financials showed diminishing returns, [X].³²⁰ However, this statement was made with hindsight, over 18 months after [X], and what is relevant for the purposes of the counterfactual is what [X] would likely have done at the time of the 2023 B2C

³¹⁵ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 3.50.

³¹⁶ 10star response to the CMA's s109 Notice.

³¹⁷ 10star response to the CMA's s109 notice.

³¹⁸ Spreadex, Initial Remittal Submission, 28 March 2025, paragraphs 4.67.1.

³¹⁹ FDJ sent a teaser document with revenue figures to potential bidders, including [X]. Source: Sporting Group response to the CMA's RFI, and Spreadex, response dated 21 December 2023 to the CMA's s109 notice dated 14 December 2023, Question 23, Annex 31

³²⁰ [X] call transcript.

Sale Process. In this regard, we have not been provided with evidence that [X] would have reached a similar view at the time of the 2023 B2C Sale Process, and we note that [X].

- 5.194 We note Spreadex's submissions that the B2C Business would require increased investment in its technology and marketing in order to improve the performance of the B2C Business and in particular tackle its high customer churn. We also note Spreadex's submission that the B2C Business' challenging financial position, such as the extent of its customer churn, was only made clear to Spreadex after it undertook detailed due diligence and so this would not have been accounted for by the Alternative Bidders. However, we have not been provided with any contemporaneous evidence from Spreadex that that was the case and we note that Spreadex's final bid of £[X] million was an increase on its initial bid of £[X] to [X] million.³²¹
- 5.195 We note Spreadex's submission that Sporting Index's financial position was not an issue for Spreadex to the same extent as it would have been for the Alternative Bidders. However, to the extent that Spreadex reached a view late in its due diligence that it would need to incur additional marketing expense in order to tackle Sporting Index's customer churn, we would have expected this to be reflected in its valuation of the B2C Business, but this does not appear to have been the case. On this basis, and noting also our view that both Alternative Bidders were experienced operators, our view is that any need to significantly increase investment or marketing spend to address customer churn (as Spreadex have submitted would be required) would have been considered by the Alternative Bidders as part of their preliminary bid.³²²
- 5.196 We also address below Spreadex's submission on the relationship between our counterfactual assessment and our assessment of an effective remedy, noting also that [X].³²³
- 5.197 We first note that [X] submission was provided over two years after [X] submitted its bid in the 2023 B2C Sale Process, and it was provided in the context of [X]. In order for this evidence to be relevant to our counterfactual assessment, it would need to relate to [X] commitment to purchasing the transaction perimeter included in the 2023 B2C Sale Process at the time of that sale process. Spreadex submitted that [X].³²⁴ However, our view is that this is not what [X] has stated. [X] stated that for the reasons outlined in its submission above, [X].

³²¹ FDJ response to the CMA's RFI

³²² The Alternative Bidder's response to customer churn is also discussed in paragraphs 5.204 and 5.205 below.

³²³ 10star response to the CMA's RFI

³²⁴ Spreadex, submission of 9 September 2025, paragraph 4.2

- 5.198 We note also that that the opportunity available to potential purchasers of a divestiture package is materially different to the opportunity available under the 2023 B2C Sale Process. For example:
- (a) As set out in more detail in paragraphs 9.74 – 9.77 of Chapter 9 (Remedies), the transaction perimeter in the 2023 B2C Sale Process included a live and operational platform (with a TSA for its ongoing operation) and up to [X] staff, including traders and compliance staff,³²⁵ whereas Spreadex chose not to keep Sporting Index’s platform operational and there are currently only four SPIN Employees: [X] in Customer Services, [X] in Marketing and [X] in Customer Relations.
 - (b) Both Alternative Bidders would have required an extensive TSA with FDJ in the counterfactual, however, in the counterfactual the Alternative Bidders would not be competing with FDJ. A TSA with Spreadex in connection with a divestiture package would be a TSA with a direct competitor.
- 5.199 We therefore disagree with Spreadex’s submission that the assets acquired by Spreadex as part of the Merger are the same as (nor in our view are they materially equivalent to) the transaction perimeter offered to potential purchasers during the 2023 B2C Sale Process. Our view is that [X] is not relevant to the question whether in the counterfactual (i.e. the most likely situation absent the Merger) it would have acquired the B2C Business in the 2023 B2C Sale Process. We address the relevance of this evidence to the proportionality of imposing a divestiture remedy in paragraph 9.374 of the remedies chapter.

Conclusion

- 5.200 Based on our assessment above, and noting in particular our views that the Alternative Bidders would have been well-informed bidders and had identified ways to improve the performance of the B2C Business, we conclude that the Alternative Bidders would likely have been committed to completing a purchase of the B2C Business.

Would the Alternative Bidders have operated the B2C Business as a competitor?

Spreadex’s submissions

- 5.201 Spreadex submitted that at the time of the sale, Sporting Index was a heavily loss-making company and that these losses were increasing over time. Spreadex submitted that in order to offer a less anti-competitive alternative to ownership by Spreadex, the successful Alternative Bidder would have had to significantly

³²⁵ Spreadex, response dated 3 May 2024 to the CMA’s section 109 notice (**s109 notice**) dated 24 April 2024, Annex 4.1.2 phase 2a 1.4.

improve performance of the B2C Business to ensure the business continued to operate, and that the Alternative Bidders' ability to actually achieve this in practice was not proven to the requisite standard. Spreadex submitted that the CMA must show that, on the balance of probabilities, the Alternative Bidders would have been able to address the significant challenges they were facing, including:³²⁶

- (a) the underlying cost base of a sports spread betting and fixed odds betting business;
- (b) the need for additional investment in the Sporting Index platform;
- (c) the need for marketing spend in particular to tackle customer churn;
- (d) the cost of a TSA and operating under a TSA in practice; and
- (e) the need to obtain FCA approval.

5.202 We set out in more detail Spreadex's submissions on (a) to (d) in paragraph 5.174 above, and Spreadex's submissions on (e) in paragraph 5.163 above.

Our assessment

5.203 For the purpose of assessing the counterfactual, the MAGs provide that the CMA will consider alternative purchasers that would have operated the business as a competitor.³²⁷ We consider this below.

5.204 We note that both Alternative Bidders: (a) had bid for the B2C Business primarily for its sports spread betting business; (b) planned to continue to compete by supplying sports spread betting services in the UK; and (c) outlined their respective plans for the B2C Business. More specifically:

- (a) [X] told us that while Sporting Index was loss-making, it believed that if it had been successful in purchasing Sporting Index, it would have begun to make a profit within six to 12 months.³²⁸ In this regard, [X] told us that:
 - (i) Sporting Index's value lay in its database of historical, inactive customers. It told us that it was confident that, with the correct marketing, it would have been able to reactivate a large portion of these dormant accounts;³²⁹

³²⁶ Spreadex, Initial Remittal Submission, 28 March 2025, paragraph 4.62.

³²⁷ MAGs, paragraph 3.30.

³²⁸ [X] call transcript

³²⁹ We note that [X] were referring Sporting Index in the context of a purchase of the B2C Business as a going concern, and so we consider this to be consistent with our low liquidation value estimates for the customer list on a standalone basis. [X] call transcript

- (ii) there was scope to reduce Sporting Index's operating costs. It told us that Sporting Index had a staff count in excess of what was required to manage a business with such a small active customer base. It added that its planning did not progress as far as considering which individual Sporting Index employees would be retained in the event of a purchase;³³⁰ and
- (iii) if it had acquired Sporting Index, it would have been able to compete with Spreadex given [REDACTED] risk appetite and its confidence in offering spreads for grade A events (ie televised football, rugby, tennis, snooker, cricket and horse racing) based on the large volume of information available to [REDACTED].³³¹
- (b) [REDACTED] told us that it had submitted a bid to purchase Sporting Index as it believed that it could combine its current [REDACTED] expertise with Sporting Index's strong brand to develop a product to compete in the UK B2C sports spread betting segment.³³² [REDACTED] explained that as the industry shifted from price differentiation to pricing as content over the past five to 10 years, skills and knowledge in price setting had disappeared from bookmaking, and that sports betting was now an homogenous market. [REDACTED] told us that market prices rarely differed as neither sportsbooks nor the existing supply chain possessed the knowledge to differentiate on price, nor react in real time to the risk generated on their book. [REDACTED] told us that [REDACTED] had a lot of expertise in this area of understanding risk and setting strong prices.³³³

5.205 We further noted evidence setting out the potential upside opportunities for the B2C Business, including that the B2C Business could have been a competitor, under different ownership:

- (a) [REDACTED] told us that it believed that Sporting Index's profitability had been negatively impacted by [REDACTED] regulatory compliance. It explained that the GC's rules on consumer due diligence (which applied to sports fixed odds betting), eg consumer affordability, were more stringent than those enforced by the FCA (which applied to spread betting). It told us that it believed that [REDACTED].³³⁴ As also noted above, Sporting Index's revenues under 10star's ownership were approximately double compared to its revenues in FY22.
- (b) Similarly, the Former [REDACTED] MD told us that given FDJ's ambitions to enter the US market, FDJ did not want to risk the FCA or the GC finding failings within

³³⁰ [REDACTED] call transcript

³³¹ [REDACTED] call transcript

³³² [REDACTED] call transcript

³³³ [REDACTED] call transcript

³³⁴ [REDACTED] call transcript.

the Sporting Index business that could devalue FDJ and undermine its US entry plans.³³⁵

- (c) [REDACTED] told us that it believed that FDJ might have limited its investment in Sporting Index, as it had focused on developing Sporting Solutions internationally, noting that FDJ's primary aim in purchasing Sporting Group was the acquisition of the B2B arm of the business (Sporting Solutions).³³⁶
- (d) As set out in paragraph 5.189(e) 5.189(e) above, Spreadex's internal documents also suggested that the B2C Business could have been run more effectively as a competitor under different ownership.

5.206 During the Remittal inquiry, Spreadex submitted that the Alternative Bidders would never have been in a position to operate Sporting Index on an ongoing basis as an effective competitor to Spreadex due to the challenges summarised in paragraph 5.201 5.201 above.³³⁷ Spreadex added that it would have been difficult for the Alternative Bidders to even replicate the diminishing competitive constraint of Sporting Index given its continuing decline³³⁸ and that, in order to offer a less anti-competitive alternative to ownership by Spreadex, the successful Alternative Bidder would have had to significantly improve the performance of the B2C Business.³³⁹ Spreadex concluded that the Alternative Bidders would not have been able to turn Sporting Index around and operate it profitably and therefore as a competitor.³⁴⁰

5.207 A potential purchaser of a business of this type would have been a commercially rational actor, and the evidence provided to us in relation to the Alternative Bidders is consistent with that proposition. We have concluded above that an alternative purchaser would likely have acquired the B2C Business, taking account of the costs of operating that business. While the future performance of the business was uncertain, the evidence also shows that both Alternative Bidders, both of whom operate in adjacent markets and have experience with spread betting specifically, were seeking to acquire the B2C Business with a view to turning it around and operating it as a competitor in the market in the long term. We have considered above whether there is evidence provided to us that was unavailable to the Alternative Bidders that would lead to the conclusion that the Alternative Bidders would not have been committed to completing a purchase of the B2C Business, and we have concluded that we do not have evidence that would support such a conclusion. We have also concluded on the basis of the evidence provided to us

³³⁵ Former [REDACTED] MD call transcript

³³⁶ [REDACTED] call transcript.

³³⁷ Spreadex, Initial Remittal Submission, 28 March 2025, paragraphs 1.15.6 and 4.58.

³³⁸ Spreadex also put this point in terms of the Alternative Bidders not being able to operate Sporting Index in such a way as to restore the pre-Merger competitive constraint (Spreadex Initial Remittal Submission, 28 March 2025, paragraph 5.8).

³³⁹ Spreadex Initial Remittal Submission, 28 March 2025, paragraphs 4.59 and 4.62.

³⁴⁰ Spreadex Initial Remittal Submission, 28 March 2025, paragraph 4.64.

that the Alternative Bidders would likely have been committed to completing a purchase of the B2C Business.

- 5.208 In the Remittal Provisional Findings, we took the applicable time horizon for the assessment of the counterfactual as the same period over which we assessed the Merger's impact on competition, namely two years.³⁴¹ Spreadex submitted in response to the Remittal Provisional Findings that it was irrational for the CMA to adopt such a short period for this assessment, and that the CMA's reasoning for adopting a two year period was not clear, although it appeared to be linked to the duration of the Merger inquiry to date. Spreadex submitted that if one of the Alternative Bidders had acquired Sporting Index, it was almost certainly the case that Sporting Index would still have been operating under a TSA now and would not have recruited all of the staff it needed to run the business. Spreadex submitted that such a TSA would more likely than not also have needed to be subsidised to enable Sporting Index to stem the losses faced by the business, and that in those circumstances, it was irrational to consider such a short period. Spreadex further submitted that, as a minimum, the period should extend beyond the point at which Sporting Index no longer would have needed a TSA, at which point they would have been operating independently without subsidy from the seller, and that if this period was extended to three years, Spreadex was strongly of the view that Sporting Index's survival would have been unlikely.³⁴²
- 5.209 In assessing a merger, the CMA will consider the relevant time period during which to assess the competitive effects of the merger, taking account of the competitive dynamics of the affected market(s), and the time period across which future competitive dynamics are reasonably foreseeable. In the present case, we have assessed the Merger's impact on competition in the relevant time period, namely two years (as explained at paragraph 6.102). We have assessed the counterfactual over the same time period. For the avoidance of doubt, our assessment of the effects of the Merger over a 2-year period does not mean that we expect competition or market conditions to change significantly at the end of that period. Rather our analysis reflects how, based on the evidence, we have found the Merger would affect competition throughout that period. That effect is part of an ongoing competitive process that would be continuing at the end of those 2 years. For the avoidance of doubt, this time horizon is unrelated to the duration of the Merger inquiry to date.
- 5.210 Our view is that, contrary to Spreadex's submission, it is not irrational to consider a time period in which the Alternative Bidders would have been operating under a TSA (for all or a part of that period), as regardless of the extent to which particular services would be provided to customers directly by an Alternative Bidder or via

³⁴¹ CMA, [Remittal Provisional Findings Report](#), 5 June 2025, paragraph 5.153.

³⁴² Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.54-3.56.

transitional services from FDJ, the Alternative Bidders would still have been independent competitors to Spreadex in this period.

- 5.211 As set out in paragraph 5.189 above, we have found that the B2C Business was not profitable under FDJ's ownership and would likely have been unprofitable on a standalone basis under different ownership at the time of acquisition and for some period thereafter. Nonetheless, as noted in paragraph 5.189(d) above, the evidence from the Alternative Bidders is effectively that they were prepared to accept the cost of a TSA (potentially resulting in losses) in the short to medium term, and given each of the Alternative Bidder's experience and plans for the B2C Business set out in paragraphs 5.204 and 5.205 above, and their expectations of profits in the longer term if they were successful, our view is that the Alternative Bidders would have been sufficiently resourced and committed to endeavour to implement these plans and effect a turnaround following an acquisition of the B2C Business. Our view is therefore that in the following two years absent the Merger, the Alternative Bidders would have operated the B2C Business as a competitor.
- 5.212 For the avoidance of doubt, our view is not that the Alternative Bidders would have operated the B2C Business as a competitor for only two years, or that they would have been unsuccessful in effecting their turnaround plans. The two-year period simply reflects a reasonably foreseeable future time period in the market; and we have not sought to predict how the market or efforts to turnaround the business would have developed beyond that point.
- 5.213 As regards any FCA approval required by the Alternative Bidders to operate the B2C Business as a competitor, as set out in more detail in paragraph 5.167 above, our view is that the Alternative Bidders would likely have proceeded to obtain FCA approval.

Conclusion

- 5.214 Based on our assessment above, we conclude that in the counterfactual an Alternative Bidder would have operated the B2C Business as a competitor.
- 5.215 As regards the conditions of competition, our view is that an Alternative Bidder would have looked to supply licensed online sports spread betting services broadly in line with the services provided by Sporting Index pre-Merger, based on the Alternative Bidder's plans for the business set out in paragraph 5.204 above. We also note that while an Alternative Bidder would have faced challenges if they were to acquire and operate the B2C Business (as set out in paragraph 5.211 above), the performance of the B2C Business had the potential to improve under different ownership (see paragraph 5.205 above) and both Alternative Bidders were interested in acquiring the business with a view to improving its performance. In view of the above, we conclude that an Alternative Bidder acquiring the

business would likely have operated the B2C Business broadly in line with the pre-Merger conditions of competition.

Conclusion on Limb 2

- 5.216 Based on our assessment of the Alternative Bidders' bids and the other considerations above and taking the evidence in the round, we are not persuaded that, in the absence of the Merger, there would not have been an alternative, less anti-competitive purchaser for the B2C Business, noting in particular our views that:
- (a) FDJ would likely have been willing to complete a sale of the B2C Business to [X];
 - (b) The Alternative Bidders would likely have been committed to completing a transaction of the B2C Business; and
 - (c) The Alternative Bidders would have operated the B2C Business as a competitor.
- 5.217 We therefore conclude that Limb 2 is not met.

Conclusion on the Counterfactual

- 5.218 Based on our assessment above, we conclude that the appropriate counterfactual is where the B2C Business, under the ownership of [X], would continue to compete in the supply of licensed online sports spread betting services, broadly in line with the pre-Merger conditions of competition.

6. HORIZONTAL UNILATERAL EFFECTS

Introduction

- 6.1 This chapter sets out our conclusions on market definition, the nature of competition, and the competitive assessment.
- 6.2 This chapter incorporates evidence from:
- (a) Spreadex's internal documents, including those which set out its rationale for the Merger;
 - (b) Data provided by Spreadex;
 - (c) Internal documents from FDJ (the seller);
 - (d) Views from the Parties' highest spending customers; and
 - (e) Views from sports fixed odds betting providers, financial spread betting providers and other potential entrants to spread betting in the UK.³⁴³
- 6.3 By way of introduction, and as set out in Chapter 3 (Parties, Merger and Merger Rationale), the Parties overlap in the supply of sports fixed odds betting products and sports spread betting products.³⁴⁴ The Parties are the only two licensed providers of sports spread betting in the UK, and they provide their services online. Our investigation, including during the Remittal inquiry, has focused on sports spread betting, since (as explained at paragraph 6.107 below) given the Parties' relatively minor share of supply of sports fixed odds betting and the number of alternative (and in some cases larger) providers remaining, our view is that the Merger does not give rise to competition concerns in relation to the supply of sports fixed odds betting products.

Market definition

- 6.4 This section sets out our assessment of the relevant market for the purpose of our analysis of the competitive effects of the Merger. The determination of whether an SLC has resulted, or may be expected to result, from the merger must be in terms of any SLC 'within any market or markets in the United Kingdom for goods or

³⁴³ Spreadex submitted that a number of the third parties that the CMA gathered views from had an interest in the outcome of the CMA's review, and that it was not clear that the CMA had taken into account the more supportive feedback provided nor the motivation of the respondents when weighing up evidence (Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 4.12. The CMA weighs the evidence it receives in the round and will not normally consider specific pieces of evidence in isolation ([MAGs](#), paragraph 2.23); moreover, the CMA is experienced in assessing the incentives of parties (both third parties and merger parties) when considering the weight to attach to their evidence.

³⁴⁴ In this Final Report, we refer to sports spread betting **services** to refer to the Parties' offering in general, and sports spread betting **products** to refer to the different outcomes on which customers can place a bet.

services'.³⁴⁵ The definition of the relevant market involves identifying the most significant competitive alternatives available to customers of the merging parties.³⁴⁶ An SLC can affect the whole or part of a market or markets.³⁴⁷

- 6.5 Whilst market definition can sometimes be a useful tool for identifying in a systematic manner the immediate constraints facing the merged entity, it is not an end in itself. The outcome of any market definition exercise does not determine the outcome of the competitive assessment in any mechanistic way, and the CMA may take into account constraints on the merged entity from outside the relevant market, segmentation within the relevant market, or other ways in which some constraints are more important than others.³⁴⁸

Product market

- 6.6 In assessing product market definition, we start by identifying the relevant focal products which, in the first instance, consists of identifying those products for which both Parties overlap, considering the nature of the products and their functionalities. Our assessment then goes on to identify competitive alternatives to the focal products.
- 6.7 We decide whether to widen the product market primarily by considering the degree of demand-side and, to a lesser degree, supply-side, substitution. One way of doing this is using the hypothetical monopolist test. This test delineates a market as a set of substitute products over which a hypothetical monopolist would find it profitable to impose a small but significant non-transitory increase in price (**SSNIP**), or an equivalent reduction in quality (which might be profitable if it lowered costs for the hypothetical monopolist).
- 6.8 In this case, our starting point is the supply of licensed online sports spread betting. We consider below whether it is appropriate to extend the definition of the product market to include each of:
- (a) Online sports fixed odds betting products;
 - (b) Online sports binary betting products;
 - (c) Licensed online financial spread betting products; and/or
 - (d) Unlicensed online sports spread betting products.

³⁴⁵ [Section 35\(1\)\(b\)](#) of the Act.

³⁴⁶ [MAGs](#), paragraph 9.2.

³⁴⁷ [MAGs](#), paragraph 9.1.

³⁴⁸ [MAGs](#), paragraph 9.4.

Online sports fixed odds betting

6.9 We set out below:

- (a) the Parties' views;
- (b) a natural experiment submitted by Spreadex, based on [REDACTED];
- (c) evidence from internal documents;
- (d) third party views; and
- (e) our assessment of whether online sports fixed odds betting products should be included in the product market.

Parties' views

- 6.10 Spreadex submitted that it disagrees with the exclusion of sports fixed odds betting providers from the relevant market definition.³⁴⁹ Spreadex added that there were important factors which effectively constrained Spreadex pre- and post-Merger including the constraint imposed by the wider sports fixed odds betting market.³⁵⁰
- 6.11 Spreadex submitted that it will continue to face fierce competition from sports fixed odds betting providers as sports spread betting customers are sophisticated, price sensitive and frequently use several providers. Spreadex submitted that these customers would not hesitate to switch to large, sports fixed odds betting providers if, for example, Spreadex attempted to worsen its offering by increasing spread widths or reducing innovation.³⁵¹
- 6.12 In particular, Spreadex submitted the following:³⁵²
- (a) customers can achieve the same payout from spreads as they can from sports fixed odds betting, whether with Spreadex or another provider;
 - (b) 90% of Spreadex's spread betting customers use both spread betting and fixed odds betting products and of these customers, [REDACTED] [under half] of the total business value (ie revenue to Spreadex after payouts) comes from fixed odds and [REDACTED] [over half] from spreads, indicating (in its view) that spread betting and fixed odds betting are alternatives;³⁵³

³⁴⁹ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.1.

³⁵⁰ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.19.

³⁵¹ Spreadex Letter to the Inquiry Group, 25 April 2024, page 3.

³⁵² Spreadex Letter to the Inquiry Group, 25 April 2024, page 3.

³⁵³ During the Remittal inquiry, Spreadex added that an overlap in the customer base between fixed odds and online spreads also supports the view that sports spread betting customers view sports fixed odds betting as a close alternative and may substitute between the two products. Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.12.

- (c) Spreadex has not [⌘] for fear of losing customers to fixed odds betting;³⁵⁴
- (d) Spreadex sets the midpoint of its spreads and spread widths in reference to fixed odds providers.³⁵⁵ During the Remittal inquiry, Spreadex added that traders are instructed to check prices against the fixed odds betting market to ensure they were competitive and to avoid arbitrage opportunities for customers;³⁵⁶ and
- (e) Spreadex benchmarks and adjusts its product offering and website with reference to fixed odds providers.

- 6.13 During the Remittal inquiry, Spreadex submitted that, historically, innovations that are now commonplace within fixed odds betting (for example, bet in-play) began in the spread betting sector, but that now the trend has been reversed.³⁵⁷ Spreadex added that this points to a level of competitive interaction between sports fixed odds betting and sports spread betting.³⁵⁸ Spreadex further submitted an example of a new fixed odds Bet365 product for horse racing, Position Payouts, which (like spread betting) rewards customers more, the more correct the customer is with their prediction.³⁵⁹
- 6.14 Spreadex also submitted that it continues to face constraints post-Merger, and that both evidence of customer churn and Spreadex's behaviour post-Merger, demonstrate that it faces competition from fixed odds providers (see the competitive constraints section below).
- 6.15 Spreadex also submitted that there were differences between fixed odds betting and sports spread betting including their respective regulatory frameworks and the structure of the relevant bets.³⁶⁰ With regards to the regulatory frameworks, Spreadex submitted that sports spread betting customers face greater transaction costs³⁶¹ during the sign-up process, for example, due to the requirement to provide financial information, when compared to the equivalent process on a fixed odds platform.³⁶²

³⁵⁴ Spreadex submitted specifically that, on performing a search on all spread prices it has offered on its most popular horse racing spread market (the 50-25-10 index) since 2018, only [⌘] ([0-5%]) have not aligned with the [⌘] spread width pricing structure that it has [⌘] (Spreadex, response dated 3 May 2024 to the CMA's s109 notice, dated 24 April 2024, question 14).

³⁵⁵ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.14.

³⁵⁶ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.15.

³⁵⁷ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.14.1.

³⁵⁸ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.14.

³⁵⁹ Spreadex, Submission on Market Developments, 19 August 2025, paragraphs 2.2-2.3.

³⁶⁰ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.1.

³⁶¹ Transaction costs are referred to in this Remittal Final Report to mean the inconvenience to the customer in terms of time spent providing relevant information to the sports spread betting provider, and the loss of privacy involved in disclosure.

³⁶² Spreadex, Main party hearing transcript, 4 July 2024, page 34 line 23 to page 35 line 7. Spreadex submitted that, with regards to ongoing monitoring of customers, the FCA regulation focuses on ensuring customers can make informed choices, whereas the GC requires more restrictive measures, such as prohibiting betting (Spreadex, Main party hearing transcript, 4 July 2024, page 35 line 18 to page 36 line 1).

6.16 Where relevant, we discuss these points below in our assessment of online sports fixed odds betting.

[redacted] as a natural experiment

6.17 Spreadex submitted that a natural experiment based on [redacted] demonstrated that its customers substitute between sports spread betting and sports fixed odds betting.³⁶³

6.18 [redacted].³⁶⁴ [redacted]. During the Remittal inquiry, Spreadex further submitted that the key question was not about the exact level of switching, but whether the level of switching was sufficiently material for Spreadex to be constrained from worsening the terms of its offer.³⁶⁵

6.19 [redacted].³⁶⁶ [redacted].³⁶⁷ [redacted].³⁶⁸

6.20 Spreadex submitted that this was strong evidence of substitution between sports fixed odds betting and sports spread betting, and that [redacted].³⁶⁹

6.21 We recognise that this experiment provides some evidence of substitution between sports fixed odds betting and sports spread betting. One strength of the natural experiment is its basis in actual rather than hypothetical customer behaviour. However, several other considerations are relevant to the proper interpretation of this evidence:

- (a) The natural experiment demonstrated substitution from sports fixed odds betting to sports spread betting. Substitution from sports spread betting to sports fixed odds betting is not necessarily symmetrical. We note that [redacted] fell by only [redacted].
- (b) [redacted] prevent a customer from using their preferred service, and therefore lead to higher switching levels than would be expected from a small but significant non-transitory change in price or quality.³⁷⁰ In this context, the shift in

³⁶³ Spreadex, [Response to the CMA's Phase 2 Provisional Findings, Annex 1](#), 30 August 2024, Annex 1, page 1.

³⁶⁴ Spreadex, [Response to the CMA's Phase 2 Provisional Findings, Annex 1](#), 30 August 2024, Annex 1, page 1.

³⁶⁵ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.18.

³⁶⁶ Spreadex, [Response to the CMA's Phase 2 Provisional Findings, Annex 1](#), 30 August 2024, page 6.

³⁶⁷ In our view, this figure is a better measure of the impact on Spreadex's incentives than the increase in spread betting by [redacted] customers, which only measures the behaviour of customers who had carried out both spread betting and fixed odds betting in the 30 days prior to [redacted]. CMA analysis of Spreadex, response dated 20 September 2024 to the CMA's draft s109 notice dated 13 September 2024

³⁶⁸ In our view, this figure is a better measure of the impact on Spreadex's incentives than the increase in spread betting by [redacted] customers, which only measures the behaviour of customers who had carried out both spread betting and fixed odds betting in the 30 days prior to [redacted]. CMA analysis of Spreadex, response dated 20 September 2024 to the CMA's draft s109 notice dated 13 September 2024

³⁶⁹ Spreadex, [Response to the CMA's Phase 2 Provisional Findings, Annex 1](#), 30 August 2024, page 6-7. Specifically, Spreadex submitted that (i) not all clients who [redacted] had already activated spread betting, and these clients will have faced friction, (ii) natural churn will have meant some clients left during their restriction period, (iii) some clients will have [redacted], limiting their ability to switch to spread betting, and (iv) in roughly a quarter of cases clients' [redacted] reducing their activity.

³⁷⁰ [MAGs](#), paragraph 9.7.

demand from sports fixed odds betting to sports spread betting which has been demonstrated by the experiment is not particularly large.

- (c) Customers who have already signed up to Spreadex for sports fixed odds betting can face lower friction in switching to a Spreadex sports spread betting product than to alternative providers (and vice versa, the customers of alternative providers can face more friction in switching to a Spreadex product).³⁷¹ Therefore this measure of short-term diversion is likely to be lower than long-term diversion would be to different sports fixed odds betting providers. Although, we recognise, as submitted by Spreadex during the Remittal inquiry, that some customers multi-home and as a result those customers will face lower friction in switching to alternative providers.³⁷²
- (d) Customers facing [X] will not necessarily behave in the same way as those not facing [X], as they have been identified as being [X]. In response to this, during the Remittal inquiry Spreadex submitted that customers facing [X] are likely to represent higher spending and be more frequent customers.³⁷³

6.22 Taking the evidence in the round, our view is that the natural experiment does not demonstrate that there is a strong constraint from sports fixed odds betting on sports spread betting.

Internal documents

- 6.23 We have reviewed over 300 internal documents from Spreadex and 45 internal documents from FDJ for evidence of substitutability between sports spread betting and sports fixed odds betting.
- 6.24 Spreadex submitted that it does not produce many internal documents in its day-to-day business.³⁷⁴ Despite this, Spreadex's internal documents show that Spreadex expected that Sporting Index's customers would divert to Spreadex, if quality worsened, rather than to a fixed odds competitor, which is evidence that competition from sports fixed odds betting competitors is not strong. Specifically, Spreadex's 'proposed initial bid offer to buy the company' document, attached to an email of 21 February 2023, which collected the views of Spreadex's senior management and sports trading managers on the appropriate price to offer for

³⁷¹ For example, when switching to another Spreadex sports spread betting product, they may not need to set up a new account, provide again their personal data etc.

³⁷² Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.17.1.

³⁷³ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.17.2.

³⁷⁴ Spreadex, Response to the CMA's Annotated Issues Statement and accompanying Working Papers, 1 July 2024, paragraph 4.2

Sporting Index, stated repeatedly that a reduction in quality on the Sporting Index platform could incentivise customers to switch to Spreadex.³⁷⁵

- (a) One of Spreadex's sports trading managers stated '[redacted]'.³⁷⁵
- (b) Spreadex's CEO stated 'if we have to pay up twice for tennis data etc. this becomes more difficult to justify ([redacted])'. He also stated that, after the Merger, '[redacted]'.³⁷⁵
- (c) Spreadex's CFO stated '[redacted]'.³⁷⁵

6.25 Spreadex submitted that this 'proposed initial bid offer to buy the company' was an initial brainstorming document, which did not record a final decision by Spreadex's senior management.³⁷⁶ Spreadex further submitted during the Remittal inquiry that this document was not a realistic reflection of Spreadex's views of the closeness of competition with Sporting Index pre-Merger or with sports fixed odds betting providers.³⁷⁷ Spreadex also submitted that the CMA had disregarded the context of this document (namely, a possible purchase of Sporting Index rather than day-to-day business) and had unreasonably discounted other Spreadex internal documents, which show Spreadex assessing and responding to the behaviours of fixed odds providers in relation to its strategic decision making relating to sports spread betting specifically.³⁷⁸ We nevertheless consider that this document represents relevant evidence of the preliminary views (albeit for discussion purposes) of important members of Spreadex's team, including in some cases its senior management, on the competitive processes in spread betting and the impact of the Merger.

6.26 Spreadex's internal documents also show that Spreadex monitors sports fixed odds betting competitors. For example, in September 2023, Spreadex reviewed fixed odds competitors' user interface and user experience.³⁷⁹ Similarly, in March 2023 a presentation to Spreadex's board compared its payment options to fixed odds competitors.³⁸⁰ During the Remittal inquiry, Spreadex submitted that it monitors fixed odds betting providers closely for both their pricing and innovations and added that the purpose of this monitoring was to ensure that Spreadex's pricing was competitive and that it offered a competitive level of user

³⁷⁵ Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103. Given the small size of Sporting Index's fixed odds business, we consider it likely that these comments refer to migration from Sporting Index's spread betting business to Spreadex's spread betting business.

³⁷⁶ Spreadex, Response to the CMA's Annotated Issues Statement and accompanying Working Papers, 1 July 2024, paragraph 4.3.2.

³⁷⁷ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.2.

³⁷⁸ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraphs 4.7-4.11. Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.3.

³⁷⁹ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated, 2 April 2024, question 24, Annexes 24.4, 24.5 and 24.7. See paragraph 6.152 for further discussion of Annex 24.4.

³⁸⁰ Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, Annex 29, slide 13.

experience.³⁸¹ Spreadex further submitted that it was predominantly a spread betting business and that these documents (as well as others comparing its offering to fixed odds betting providers) were not limited to comparing Spreadex's fixed odds capabilities to its competitors. In support of this point it provided examples of documents which directly referenced its spread betting business.³⁸² In our view, while Spreadex monitors its fixed odds rivals, its motivations for doing so are not clear. Spreadex could have the incentive to monitor and adopt innovations in fixed odds betting to improve its spread betting offering even in the absence of competition, for example, to increase customer engagement. Our view is therefore that these internal documents provide only ambiguous evidence of competition between spread betting and fixed odds betting providers, and that it is difficult to draw conclusions about competition from this evidence.

- 6.27 We also take account of the fact that Spreadex's internal documents describe ways in which spread betting is distinct from fixed odds betting. For example, board meeting minutes describe that a '[X]'.³⁸³
- 6.28 Taking the evidence in the round, we conclude that the Parties' internal documents show that:
- (a) On the demand-side, sports spread betting is not strongly constrained by sports fixed odds betting; and
 - (b) On the supply-side, some production assets are used to supply both sports fixed odds betting and sports spread betting markets. However, the Parties' internal documents do not show that sports fixed odds betting providers in practice use their existing capacity to supply sports spread betting products, or that the conditions of competition are the same for both sports fixed odds betting and sports spread betting customers.

Customers

- 6.29 We sent a questionnaire to the Parties' customers who collectively accounted for around half of their sports spread betting revenue. It is our view that the views of the Parties' highest spending customers are particularly relevant to the Parties' incentives to compete, and that the responses are useful evidence. Given the concentration of the Parties' revenue in their highest spending customers, we did not carry out a customer survey in this case and instead sent a questionnaire directly to the Parties' highest spending sports spread betting customers. The questionnaire was sent to a total of [X] customers, who collectively accounted for around 50% of the Parties' sports spread betting revenue. During the Remittal,

³⁸¹ Spreadex, Further Remittal Submission, 14 April 2025, paragraphs 3.22 and 3.23.

³⁸² Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.7.

³⁸³ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 43.5

Spreadex submitted that the survey sample was so small as to be unreliable given that the responses may be within the margin of error.³⁸⁴ We note that we received 33 responses (amounting to a [20-30]% response rate). While we do not have particular reason to suspect bias, we recognise that the responses we received may not be representative of the Parties' overall customer base. Accordingly, we interpret these results qualitatively and only place weight on the overall direction rather than precise quantifications.

- 6.30 Spreadex submitted that the low response rate could be indicative of a lack of concern about the impact of the Merger on competition.³⁸⁵ However our view is that the response rate ([20-30]%) is not low in this context, and we note also the relatively high level of concerns raised from those customer responses we did receive (15 out of 33, or 45%), and the relatively small number of customers who identified an alternative to the Parties who they would switch to if their current provider was unavailable (5 out of 33, or 15%). Contrary to Spreadex's submission,³⁸⁶ our view is that it was not irrational for the CMA to have chosen not to conduct a customer survey, given our assessment of the likely costs and benefits of such a survey in this case. As set out in the MAGs, there is no set hierarchy between quantitative evidence, such as consumer surveys or statistical or econometric analysis, and qualitative evidence, such as internal documents or the statements or conduct of market participants³⁸⁷ and the CMA 'may' review firms' internal documents and 'might' gather evidence from customer surveys.³⁸⁸
- 6.31 Of the 33 respondents, when asked who they would switch to if their preferred provider was unavailable, 16 said they would bet with an alternative sports spread betting provider, 14 said they would have not placed a bet, two said they would have bet with a sports fixed odds betting provider and one said they would switch to a financial spread betting provider. Among the 16 who said they would have chosen an alternative sports spread betting provider, 11 said they would have switched to Spreadex or Sporting Index, two said they would switch to Sports Spreads (a spread betting provider that is not licensed to supply UK customers) and the remainder did not specify who they would have switched to.³⁸⁹
- 6.32 When asked to compare the advantages and disadvantages of sports fixed odds betting and sports spread betting, customers told us that 'excitement levels' and 'risk' are higher for sports spread betting, that it provides 'greater rewards but greater risks', that it allows customers 'to wager on events such as headers', that it allows customers 'to close and take an early profit', that it permits a 'bigger range

³⁸⁴ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 2.4.

³⁸⁵ Spreadex, Response to the CMA's Annotated Issues Statement and accompanying Working Papers, 1 July 2024, paragraph 4.4

³⁸⁶ Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, page 13

³⁸⁷ [MAGs](#), paragraph 2.25

³⁸⁸ [MAGs](#), paragraph 4.13

³⁸⁹ Responses to the CMA's customer questionnaire, dated 21 May 2024.

of markets' and that it permits greater leverage.³⁹⁰ Some customers simply indicated that they prefer spread betting.

- 6.33 Of the 33 customers who responded to our questionnaire, 25 said that there were types of spread bets which they could not replicate using fixed odds bets, five of the 25 added that this amounted to 'many' or 'lots' of types of bets. Two customers said that there were no types of spread bets which could not be replicated by fixed odds bets.³⁹¹
- 6.34 Our view is that customers' comments on closeness of competition and the effect of the Merger (see paragraphs 6.128(c) to 6.131 and 6.155 to 6.158 below) support the conclusion that fixed odds betting providers should not be included in the relevant product market. For instance, where customers indicated they were concerned by the reduction in competition as a result of the Merger, this can also indicate that online sports fixed odds betting providers do not provide a sufficient constraint, and therefore should not be included in the same product market.

Betting providers

Demand-side

- 6.35 We also asked other betting providers about substitutability between sports spread betting and sports fixed odds betting. When asked whether customers would switch from sports spread betting to other forms of online betting, if spreads widened by 5% (which is equivalent to an increase in the price of the spread bet offered to customers), six betting providers gave ambiguous or uncertain responses,³⁹² two said that customers would not switch³⁹³ and one said that customers would switch to sports fixed odds betting.³⁹⁴
- 6.36 When asked to compare sports fixed odds betting and sports spread betting products:
- (a) One fixed odds betting provider submitted that sports spread betting products were different to sports fixed odds betting products.³⁹⁵ The provider explained that sports spread betting was riskier as, unlike fixed odds betting, customers could lose more than is in their account.³⁹⁶ Moreover, it noted that spread betting customers were rewarded for 'how right' they were and that one would need to put a very high stake to profit to a similar level using fixed

³⁹⁰ Responses to the CMA's customer questionnaire dated 21 May 2024.

³⁹¹ Responses to the CMA's customer questionnaire dated 21 May 2024.

³⁹² Third party responses to the CMA's competitor questionnaire dated 6 February 2024: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED].

³⁹³ Third party responses to the CMA's competitor questionnaire dated 6 February 2024: [REDACTED] and [REDACTED]

³⁹⁴ [REDACTED] response to the CMA's competitor questionnaire dated 6 February 2024.

³⁹⁵ [REDACTED] call transcript.

³⁹⁶ [REDACTED] call transcript.

odds products.³⁹⁷ It said that customer needs were different for the two types of products and ‘customers’ approach to risk was different’.³⁹⁸

- (b) Another fixed odds betting provider submitted that the profile of a spread better is quite different from the profile of a fixed odds better.³⁹⁹
- (c) Another fixed odds betting provider submitted that the complex nature of spread betting meant it attracted more sophisticated customers with a larger risk appetite.⁴⁰⁰ However, it submitted that customers can bet on the same outcomes, and that the vast majority of ‘markets’ that were offered by sports spread betting firms were also offered by sports fixed odds betting firms.⁴⁰¹ The provider further submitted that it would expect to see a migration of spread betting customers to fixed odds betting in the event that either spread betting products disappeared from the market or the merged entity increased the spread of the product.⁴⁰²
- (d) A fixed odds betting provider submitted that customers bet on spread betting markets because ‘of the inherent volatile nature of the product’, and said that the spread betting market ‘is significantly different to that of [the] fixed odds market’. The provider added that a very popular fixed odds accumulator feature was very difficult to replicate in sports spread betting. The provider estimated 50% of the sports fixed odds betting markets that it offered had a parallel sports spread betting market.⁴⁰³ The provider added that ‘the majority of customers who bet on online spreads already bet on online fixed odds’.⁴⁰⁴
- (e) Another fixed odds betting provider described sports spread betting customers as a different demographic from its target audience.⁴⁰⁵
- (f) FDJ submitted that sports spread betting attracted a niche of very high value customers.⁴⁰⁶ In Sporting Group’s 2018 strategic overview of its activities, it described sports spread betting as ‘highly differentiated’, and a ‘specialised gambling product, requiring strong pricing and trading capability’. In the same document, it added that there were high barriers to entry as the ‘financial and marketing controls set by the Financial Conduct Authority [were] alien to fixed odds operators’.⁴⁰⁷

³⁹⁷ [REDACTED] call transcript.

³⁹⁸ [REDACTED] response to the CMA’s RFI.

³⁹⁹ [REDACTED] call transcript

⁴⁰⁰ [REDACTED] call transcript

⁴⁰¹ [REDACTED] response to the CMA’s RFI. We note that in this context, a ‘market’ refers to a betting opportunity, rather than an economic market.

⁴⁰² [REDACTED] response to the CMA’s RFI and [REDACTED] call transcript

⁴⁰³ [REDACTED] response to the CMA’s competitor questionnaire dated 6 February 2024 and [REDACTED] response to the CMA’s RFI

⁴⁰⁴ [REDACTED] response to the CMA’s competitor questionnaire dated 6 February 2024

⁴⁰⁵ [REDACTED] response to the CMA’s RFI.

⁴⁰⁶ FDJ response to the CMA’s RFI.

⁴⁰⁷ FDJ response dated 17 May to the CMA’s RFI.

- (g) One sports betting B2B provider submitted that it considered that most sports spread betting customers probably also have fixed odds accounts or exchange accounts, but there were elements of spread betting which cannot be replicated by fixed odds betting. The provider added that one such element was that ‘the more right you are, the more you win’. The provider submitted further that sports spread betting customers were generally affluent, self-made, and enjoyed taking risks.⁴⁰⁸
- (h) Another betting provider submitted that fixed odds betting and sports spread betting were in two completely different markets. The provider added that there was not a lot of cross over between spread betting and fixed odds betting customers, but considered that it was more likely that a spread better would become a fixed odds better than the reverse. The provider further submitted that sports spread betting customers had different risk appetites and tended to be more ‘seasoned’ due to the complicated nature of spread betting.⁴⁰⁹
- (i) A former Sporting Index employee submitted that sports spread betting was more exciting compared to fixed odds betting as ‘you don’t necessarily know what you’re going to win or lose on any bet’ and that there were potentially huge gains from a relatively low stake. They added that sports spread betting customers were generally ‘more sophisticated’ and higher earners compared to fixed odds betting customers.⁴¹⁰
- (j) Several third parties considered that sports spread betting was a ‘niche’ market in comparison to sports fixed odds betting.⁴¹¹

Supply-side

- 6.37 Sports fixed odds betting providers (other than the Parties) told us that they have not considered (or considered materially) supplying sports spread betting products.⁴¹² Sports fixed odds betting providers submitted that even if the width of spreads increased by 5% (a SSNIP), this would not be an incentive to supply sports spread betting products.⁴¹³
- 6.38 Sports fixed odds betting providers told us that they would face a variety of challenges in attempting to offer sports spread betting. For example, providers told

⁴⁰⁸ [REDACTED] call transcript.

⁴⁰⁹ [REDACTED] call transcript.

⁴¹⁰ [REDACTED] call transcript.

⁴¹¹ Third party responses to the CMA’s competitor questionnaire dated 6 February 2024: [REDACTED]; [REDACTED]; [REDACTED] and third party call transcripts: [REDACTED] and [REDACTED].

⁴¹² Third party responses to the CMA’s RFI: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; and [REDACTED] response to the CMA’s competitor questionnaire dated 6 February 2024.

⁴¹³ Third party responses to the CMA’s RFI: [REDACTED]; [REDACTED] and [REDACTED] response to the CMA’s competitor questionnaire dated 6 February 2024.

us they would struggle to acquire or develop some combination of the following assets required to offer sports spread betting:

(a) People and expertise;⁴¹⁴

(b) Technology;⁴¹⁵ and/or

(c) Brand awareness.⁴¹⁶

6.39 Sports fixed odds betting providers also told us that they would have to obtain an FCA licence.⁴¹⁷

6.40 See Chapter 7 (Countervailing Factors), particularly the section on entry and expansion, for further detail.

Our assessment of online sports fixed odds betting

6.41 Most customers told us that they cannot replicate sports spread betting through sports fixed odds betting 'markets' and some specifically said that they valued the wider range of 'markets' available through sports spread betting.⁴¹⁸ Customers also explained a variety of other factors which they consider to be advantages of sports spread betting over sports fixed odds betting. In our view, given that customers face additional inconvenience costs when signing up for a sports spread betting account, customers must value these differences sufficiently to be prepared to incur these additional costs. This is further evidence of differentiation between sports spread betting and sports fixed odds betting.

6.42 Further, the use by customers of both sports spread betting and sports fixed odds betting does not imply that these are substitutes. Instead, customers appear to use sports fixed odds betting and sports spread betting for different reasons (such as perceived riskiness,⁴¹⁹ and the wider range of 'sports markets' available in sports spread betting). Customer responses show that some customers have demand for both products; but in our view this does not mean that they would switch from one to the other in response to a worsening of price, quality, range or service in sports

⁴¹⁴ Third party responses to the CMA's competitor questionnaire dated 6 February 2024: [redacted]; [redacted] and [redacted].

⁴¹⁵ Third party responses to the CMA's competitor questionnaire dated 6 February 2024: [redacted]; [redacted]; [redacted] and [redacted].

⁴¹⁶ Third party responses to the CMA's competitor questionnaire dated 6 February 2024: [redacted] and [redacted].

⁴¹⁷ Responses to the CMA's competitor questionnaire dated 6 February 2024: [redacted]; [redacted]; [redacted] and [redacted].

⁴¹⁸ Spreadex submitted that the extent to which fixed odds bets can replicate spread bet outcomes is not determinative as to the substitutability of the products (Spreadex, [Response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraph 4.4.). We note that it is not determinative, but consider it is relevant evidence in the context of Spreadex's submission that fixed odds bets and spread bets can achieve the same outcomes for customers.

⁴¹⁹ Spreadex submitted that the 'amount risked' per bet in sports spread betting [redacted]. It defined the 'amount risked' as the maximum amount of money a client could potentially lose when placing a bet (Spreadex, response dated 15 July 2024 to the CMA's s109 notice follow-up questions dated 11 July 2024, pages 1-2). Our view is that while this is one reasonable method for calculating risk, there are several possible approaches to risk measurement, such as volatility. The Parties' websites ([Sporting Index](#) and [Spreadex](#), last accessed on 13 May 2025) note that some spread betting 'markets' exhibit greater volatility than others. Customer feedback and third party submissions show that sports spread betting is perceived as much riskier than sports fixed odds betting.

spread betting, and we have received very limited evidence to show that they would do so.

- 6.43 In addition, a [✂] pricing policy does not imply a competitive dynamic between sports fixed odds betting and sports spread betting and could be explained by a range of factors (for example, that Spreadex has found it more profitable to flex other parameters given the salience of spread widths to customers, and/or that Spreadex has, prior to the Merger, been in competition with Sporting Index).
- 6.44 In our view, the reference to fixed odds prices by the Parties as inputs into their spread pricing models, and Spreadex's submission that its traders are instructed to check sports spread betting prices against those for fixed odds betting, do not show that sports fixed odds betting and sports spread betting are in competition. Our view is that fixed odds prices could be relevant as inputs into Spreadex's estimate of the likelihood of certain outcomes, rather than as substitutes. We further note that Spreadex uses specialist software and specialist traders to transform these inputs into sports spread betting prices, and our view is that this is evidence of differentiation from fixed odds betting.
- 6.45 While Spreadex's monitoring of sports fixed odds betting providers' non-price features in its internal documents is consistent with competition between sports fixed odds betting and sports spread betting, Spreadex has the incentive to monitor and adopt innovations from sports fixed odds providers even in the absence of competition. Our view is that these documents, when considered in the round with other evidence provided to us, demonstrate only a weak constraint from fixed odds betting. The Parties' internal documents also indicate that the conditions of competition in sports spread betting and sports fixed odds betting are different.
- 6.46 In our view, Spreadex's submission that fixed odds betting firms historically adopted innovation from sports spread betting firms (see paragraph 6.13) only weakly supports a constraint on sports spread betting providers from fixed odds betting providers. First, fixed odds providers adopting innovation from sports spread betting providers does not necessarily imply that sports spread betting providers face a constraint from fixed odds providers. Second, the respective popularities of sports fixed odds betting and sports spread betting have changed and so historic actions and views may not accurately reflect market conditions today. Lastly, customer multi-homing between sports spread betting and fixed odds betting may lead to similarities in customer preferences for certain products and services, without necessarily implying competition.
- 6.47 In our view, new fixed odds products such as Position Payout (see paragraph 6.13) remain distinguished from spread betting by their fixed potential loss and by the range of markets offered.

- 6.48 As described in paragraphs 6.1646.164 to 6.1746.174, our view is that the evidence does not support Spreadex's submission that it faces strong overall constraints, and therefore does not support its submission that it competes with sports fixed odds providers.
- 6.49 Spreadex's natural experiment based on [✂], though imperfect, provides evidence that customers substitute between sports fixed odds betting and sports spread betting under some circumstances. However, it primarily provides evidence on switching from sports fixed odds betting to sports spread betting, whereas the focus of our investigation is on constraints on sports spread betting.
- 6.50 Taking the evidence in the round, we conclude that the evidence provided to us shows that:
- (a) On the demand-side, neither customers nor sports fixed odds betting providers see sports fixed odds betting products as close alternatives to sports spread betting products; and
 - (b) On the supply-side, although some production assets are used to supply both sports fixed odds betting and sports spread betting, sports fixed odds betting providers would face significant challenges to supplying, and do not have the incentive to supply, sports spread betting products.
- 6.51 Taking the evidence in the round, we conclude that it is appropriate to exclude sports fixed odds betting providers from the product market, and to treat them as an out-of-market constraint.

Online sports binary betting products

- 6.52 In response to the Remittal Provisional Findings, Spreadex submitted for the first time that the CMA should treat online sports binary betting products (**binary bets**) as part of the same market as spread betting (together, the market for licensed online sports contracts for difference) in order to assess the overall size of the market.⁴²⁰ Spreadex and Sporting Index are the only suppliers of licensed online sports binary betting products in the UK.⁴²¹
- 6.53 Binary bets are presented to customers in the form of a spread. However, binary bets have fixed odds in that potential gains and losses are fixed at the point at which a customer places a bet. Binary bets therefore have characteristics in common with both spread bets and fixed odds bets. Binary bets are regulated by the FCA.⁴²²

⁴²⁰ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraph 2.6.1.

⁴²¹ Spreadex, response dated 5 September 2025 to the CMA's RFI dated 4 September 2025, question 2.

⁴²² Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, Annex 1, page 1.

6.54 [REDACTED].⁴²³

6.55 Spreadex submitted that [REDACTED].⁴²⁴

6.56 Given that they have fixed odds, we have treated binary bets as fixed odds bets for the purposes of market definition and excluded them from the market for licensed online sports spread betting. For the avoidance of doubt, the inclusion or exclusion of binary bets in the market definition in this case does not have a material effect on our competitive assessment. The main relevance of binary bets is to the measurement of the size of the UK licensed online sports spread betting market (see paragraphs 6.111 to 6.115).

Financial spread betting providers

6.57 We have also gathered evidence from the customers and financial spread betting providers to assess whether financial spread betting providers should be considered in the same product market as sports spread betting providers.⁴²⁵

6.58 In responding to our customer questionnaire, only one customer (out of 33) told us that they would switch to a financial spread betting provider if their existing sports spread betting provider was unavailable.⁴²⁶

6.59 We gathered evidence from three financial spread betting providers who all submitted that they did not compete with sports spread betting providers.⁴²⁷ No financial spread betting provider told us that it would consider entering into the provision of sports spread betting, even if spread widths widened.⁴²⁸

6.60 We have not been provided with any evidence in the Parties' internal documents that financial spread betting providers exert any competitive constraint on sports spread betting providers.

6.61 Finally, the Parties have not submitted that they compete with financial spread betting providers.

6.62 In view of the above, we conclude that it is appropriate to exclude financial spread betting providers from the product market, and to treat them as an out-of-market constraint.

⁴²³ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, Annex 1, pages 2 and 3.

⁴²⁴ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, Annex 1, pages 1 and 2.

⁴²⁵ Financial spread betting is a form of financial leveraged trading.

⁴²⁶ Responses to the CMA's customer questionnaire, dated 21 May 2024.

⁴²⁷ Third party responses to the CMA's RFI: [REDACTED]; [REDACTED] and [REDACTED]. One of these financial spread betting providers [REDACTED] submitted that, while it does not compete with sports spread betting providers, the profile of customers participating in sports spread betting is similar to customers participating in financial spread betting.

⁴²⁸ Third party responses to the CMA's RFI: [REDACTED]; [REDACTED]; and [REDACTED].

Unlicensed sports spread betting providers

- 6.63 In this section we consider the extent to which unlicensed sports spread betting providers, ie those providers which are not licensed to supply UK customers, should be included in the product market. We have considered evidence from:
- (a) customers;
 - (b) the Parties' internal documents, and
 - (c) the relevant regulator (the FCA).
- 6.64 Spreadex submitted that sports spread betting providers offering services into the UK without an FCA licence operate in the same product market.⁴²⁹ During the Remittal inquiry, Spreadex submitted further evidence that grey market betting is a constraint (we assess this in our competitive assessment in paragraph 6.173).
- 6.65 On the demand-side:
- (a) Customers concerned about the Merger⁴³⁰ did not regard unlicensed sports spread betting providers as credible alternatives to licensed sports spread betting providers because customers using unlicensed providers were not protected by the FCA and such providers offered a smaller range of services and inferior quality of service.⁴³¹
 - (b) Of the 33 customers who responded to our questionnaire, only two said that they would switch to an unlicensed sports spread betting provider if their existing provider was unavailable. However, we note that seven of the respondents indicated that they had accounts with unlicensed providers.⁴³²
- 6.66 On the supply-side, the Financial Services and Markets Act 2000, which underpins the FCA regulations, prohibits unlicensed sports spread betting providers from actively soliciting customers in the UK.⁴³³ Spreadex submitted that solicitation from unlicensed providers takes place regardless of the regulations, and it provided the CMA with an example of this taking place.⁴³⁴ We acknowledge that on the basis the example provided by Spreadex, customer solicitation from unlicensed

⁴²⁹ Spreadex, response dated 15 January 2024 to the CMA's RFI dated 10 January 2024, question 2(a).

⁴³⁰ A number of individuals sent unsolicited emails to the CMA expressing their concern about the Merger. In this chapter, we refer to these individuals as customers concerned about the Merger.

⁴³¹ Concerned customer emails [§] noted: 'The merger of the two largest players in the market without any checks can only lead to a worse experience for customers as there is not competitive pressure to keep market pricing competitive, no impetus to maintain less profitable markets for consumers and less reason to innovate as there is no competitor to keep up with.'; [§] noted: 'Bettors in the UK have access to just these 2 firms for the purpose of Sports spread betting if they want to bet with someone covered under the FCA. Two small firms exist in Ireland, Sports spread and Stars spread offering a far inferior product to bettors without the protection of the FCA, and nowhere near the range of markets.'

⁴³² Responses to the CMA's customer questionnaire, dated 21 May 2024.

⁴³³ Sections 19 and 21 of the FSMA. A third party explained that UK customers can legally use the services of a company licenced in another jurisdiction if they were overseas tax residents in that jurisdiction ([§] call transcript).

⁴³⁴ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 3.17.

providers may take place to a degree. However, the example provided by Spreadex relates to [redacted]⁴³⁵ and we have not been provided with evidence from Spreadex of such solicitation happening repeatedly or systematically, or evidence that the FCA would not take action to stop customer solicitation from unlicensed providers if this were to occur.

- 6.67 Taking the evidence in the round, we conclude that it is appropriate to exclude unlicensed sports spread betting providers from the product market, and to treat them as an out-of-market constraint.

Geographic market

- 6.68 Spreadex submitted that the narrowest relevant geographic market was the UK, noting that suppliers of online gambling within the UK were subject to regulatory conditions on a national basis, and that this was consistent with previous CMA decisions.⁴³⁶ Spreadex also submitted that the market may be wider since the Parties had international customers, where the regulatory regimes of those countries allowed (eg Denmark and Ireland).⁴³⁷ However, the majority of the Parties' customers are located in the UK⁴³⁸ and the regulation of sports spread betting differs across jurisdictions.
- 6.69 The CMA has previously considered that the relevant geographic market in relation to various segments within online gambling is the UK, given that providers need to hold a GC licence to serve customers in the UK.⁴³⁹ There are similar national regulations in relation to sports spread betting, which requires a licence from the FCA to serve customers in the UK (see Chapter 2 **Error! Reference source not found.** (Industry Background), for further detail on the regulatory landscape).
- 6.70 A UK wide geographic market is also consistent with the evidence received from third parties and seen in internal documents, which does not appear to show a strong competitive constraint from providers based outside of the UK (see paragraph 6.23 onwards).

⁴³⁵ Spreadex, Supplemental Submission, 28 April 2025.

⁴³⁶ Spreadex, Briefing Paper, 13 July 2023, paragraph 3.4 and Spreadex, response dated 21 December to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 18.

⁴³⁷ Spreadex, response dated 15 January 2024 to the CMA's RFI dated 10 January 2024, question 1.

⁴³⁸ Spreadex, Briefing Paper, 13 July 2023, paragraphs 2.1 and 2.4.

⁴³⁹ CMA, Flutter Entertainment plc / The Stars Group Inc merger inquiry, [Decision on relevant merger situation and substantial lessening of competition](#), 31 March 2020, paragraph 72; CMA, The Stars Group Inc / Sky Betting & Gaming group merger inquiry, [Decision on relevant merger situation and substantial lessening of competition](#), 11 October 2018, paragraph 41; CMA, GVC Holdings plc / Ladbrokes Coral Group plc merger inquiry, [Decision on relevant merger situation and substantial lessening of competition](#), 21 March 2018, paragraph 56; and CMA, Betfair Group plc / Paddy Power plc merger inquiry, [Decision on relevant merger situation and substantial lessening of competition](#), 17 December 2015, paragraph 44.

6.71 In view of the above, we conclude that a UK-wide geographic market is appropriate.

Conclusion on market definition

6.72 In view of the above, we conclude that the relevant market is the supply of licensed online sports spread betting services in the UK.

6.73 Any constraint from sports fixed odds spread betting providers, financial spread betting providers and unlicensed sports spread betting providers will be considered as an out-of-market constraint as part of the competitive assessment.

Nature of competition

6.74 This section sets out our assessment of the nature of competition in the supply of licensed online sports spread betting products in the UK. We first discuss customer acquisition, followed by the relevant parameters of competition in the UK licensed online sports spread betting market.

Customer acquisition

6.75 As evidenced in the market definition Demand-side section above, sports spread betting comprises more complex betting products in comparison to sports fixed odds betting. To acquire sports spread betting customers, Spreadex told us that it targeted '[redacted]' and onboards [redacted] customers then explains the spread betting product, before attempting to [redacted].⁴⁴⁰ We note that Sporting Index's fixed odds business is much smaller than Spreadex's, and our view is that this approach to acquisition is therefore not necessarily one that is required or is pursued by all spread betting firms.

6.76 Due to differences in regulatory requirements, sports spread betting customers are required to submit additional personal information, such as financial information (see Chapter 2, Industry Background), which Spreadex submitted increased friction in the customer journey.⁴⁴¹ Spreadex's sign-up process therefore first signs customers up for [redacted] and then offers customers the option to [redacted].⁴⁴² Spreadex also [redacted].⁴⁴³

6.77 It is therefore our view that a licensed online sports spread betting provider would naturally acquire customers from fixed odds betting providers, as well as from other sports spread betting providers, due to their established interest in sports

⁴⁴⁰ Spreadex, Main party hearing transcript, 4 July 2024, page 16, lines 5-11

⁴⁴¹ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 2

⁴⁴² Spreadex, Main party hearing transcript, 4 July 2024, page 37, lines 14-15

⁴⁴³ For example, an email chain titled [redacted] dated December 2023 noted that [redacted] (Spreadex, response dated 11 June to the CMA's s109 notice follow-up questions dated 4 June 2024 Annex 32.4

betting. The customer base in fixed odds betting enables licensed online sports spread betting providers to easily identify customers interested in sports betting and therefore customers who are also likely to be interested in sports spread betting products. However, it does not follow that the existence of this acquisition channel means that fixed odds providers exert a competitive constraint on licensed online sports spread betting providers as it does not demonstrate product substitution, or customer switching.

- 6.78 While the significant sign-up costs, especially the inconvenience customers face, may discourage customers from opening accounts with multiple providers, the evidence shows that a significant number of customers do have accounts with more than one licensed online sports spread betting provider (ie customers multi-home). In 2022, around [X%] of Spreadex's sport spread betting customers also had sports spread betting accounts with Sporting Index.⁴⁴⁴ Furthermore, we infer that higher value sports spread betting customers are more likely to have accounts with both Parties, as 19 out of 33 (58%) customer questionnaire respondents reported that they had accounts with both Spreadex and Sporting Index.⁴⁴⁵
- 6.79 Due to the customer behaviours induced by the sign-up costs, it is our view that competition takes place in both of the following ways:
- (a) Competition at the sports spread betting platform level to convince customers to sign up and maintain an account with a provider and continue to engage with it.⁴⁴⁶
 - (b) Competition at the level of individual sports spread bets to convince customers to place a specific bet. This is particularly important to multi-homing customers who can readily choose between more than one provider's platforms when placing a bet. However, competition at the level of individual bets is also relevant to platform competition, as it can induce single-homing customers to multi-home.⁴⁴⁷

⁴⁴⁴ CMA analysis of Spreadex response dated 2 February 2024 to the CMA's RFI dated 31 January 2024, question 6 and Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 31. We note that the total number of sports spread betting customers used to calculate this figure includes a large number of customers that are not classed as active (ie customers who placed at least one spread bet over the relevant period). Sporting Index had [X%] UK online sports spread customers in 2022 (and [X%] of these customers were already customers of Spreadex, prior to the Merger).

⁴⁴⁵ Responses to the CMA's customer questionnaire dated 21 May 2024. However, we note that we do not have evidence on the level of customer engagement on each platform so it may be the case that some of these customers, whilst having multiple accounts, are in effect spending the vast majority of their time and spend on only one platform. The questionnaire was sent to customers who cumulatively accounted for around 50% of the Parties' revenues.

⁴⁴⁶ We note that the sign-up process creates customer facing costs (see paragraph 6.97(a) and footnote 499).

⁴⁴⁷ Responses to the CMA's customer questionnaire, dated 21 May 2024. 20 of the respondents to our customer questionnaire submitted that they had sports spread betting accounts with two or more providers. As noted in paragraph 6.77 above, 19 of the 20 customers multi-home between the Parties, and seven of the 20 also multi-home between at least one of the Parties and unlicensed providers. Only three of these 20 respondents submitted that they did not have a preferred provider.

Parameters of competition

- 6.80 With regards to the relevant parameters of competition, Spreadex and FDJ, the former owner of Sporting Index, made the following submissions:
- (a) Spreadex submitted that the parameters of competition in the online sports betting market, which we note is wider than our defined product market, were price, range of markets,⁴⁴⁸ service, promotions and free bets, and user experience.⁴⁴⁹
 - (b) FDJ submitted that a strong brand name, reputation, heritage, and focus on player safety and customer service made Sporting Index an attractive offering for customers.⁴⁵⁰
- 6.81 For the reasons set out below, we conclude that there are primarily three relevant parameters of competition in the supply of licensed online sports spread betting products in the UK:
- (a) price;
 - (b) range of 'spread markets', and
 - (c) user experience.
- 6.82 These parameters of competition are relevant both to static competition (both the product and platform levels) and to dynamic competition between the Parties (and any potential entrants).⁴⁵¹ In relation to dynamic competition, Spreadex's internal documents show it considered the possibility that Sporting Index would become a stronger competitor.⁴⁵²

⁴⁴⁸ We understand this to mean the sporting events and outcomes on which customers are able to place spread bets, which we refer to as 'spread markets' below.

⁴⁴⁹ Spreadex, response dated 15 January to the CMA's RFI dated 10 January 2024, question 9(b). Spreadex also told us that [REDACTED] is important. For example, Spreadex submitted that [REDACTED] (Spreadex response dated 31 May 2024 to the CMA's s109 notice dated 21 May 2024, questions 2 and 23); and Spreadex submitted that [REDACTED] (Spreadex, Main party hearing transcript, 4 July 2024, page 53 lines 13-15 and page 54, lines 1-6).

⁴⁵⁰ FDJ response to the CMA's RFI.

⁴⁵¹ Where investment and innovation efforts represent an important part of the competitive process itself, this can lead to dynamic competitive interactions between existing competitors and potential entrants that are making efforts to enter or expand (ie, dynamic competitors). Existing firms may invest in the present in order to protect future sales from dynamic competitors. Dynamic competitors making investments in the present will do so in order to win new sales in the future, including by winning sales from other suppliers ([MAGs](#), paragraph 5.18).

⁴⁵² Spreadex's internal documents show that it assessed the competitive threat of Sporting Index as a potentially stronger competitor in the future: (a) In the proposed initial bid, the CEO stated that the transaction was 'a strong defensive play [REDACTED]' (Spreadex, response dated 21 December 2023 to the CMA's s109 notice dated 14 December 2023, Annex 103); and (b) in an email the CFO stated that one of the benefits of the Merger was that it was '[REDACTED]' (Spreadex, response dated 11 June 2024 to the CMA's s109 notice follow-up questions dated 4 June 2024 Annex 4.42).

Price

- 6.83 Under this parameter of competition, we address both spread widths and promotions.

Spread widths

- 6.84 Rather than offering a single price, spread betting includes both 'buy' and 'sell' points which are set around the most likely outcome, known as the mid-point. The difference between these buy and sell points is the spread width (see Chapter 2 (Industry Background) for further detail). Spread betting providers are incentivised to estimate the mid-point correctly, as customers can exploit any inaccuracies causing the provider to make losses.⁴⁵³
- 6.85 From the customer's perspective, an attractive spread is one in which the buy or sell point, dependent on the customer's bet, differs substantially compared to the customer's expected outcome. A smaller difference between buy and sell points (ie a smaller spread width) implies a greater expected return from a bet for customers in aggregate but less margin for the provider. Consequently, narrowing the spread is analogous to lowering price in a more traditional market as it should attract customers to either buy or sell.
- 6.86 Therefore, it is our view that the closest concept to an economic price in the supply of online sports spread betting products is the width of the spread. As such, our view is that the width of the spread is a relevant parameter of competition.
- 6.87 Spreadex and FDJ submitted that there is limited competition on this parameter:
- (a) Spreadex submitted that price is a 'key differentiator for customers',⁴⁵⁴ however, it added that its spread widths pricing structure has [redacted] for a number of years.⁴⁵⁵ Spreadex told us that since 2018, only [redacted] ([0-5%]) [redacted] horse racing index prices, which is its most popular horse racing bet, had not aligned with its [redacted] spread width pricing policy.⁴⁵⁶
 - (b) FDJ submitted that the size of the spreads offered was generally not a significant factor driving customers to participate in sports spread betting.⁴⁵⁷

⁴⁵³ Spreadex submitted that if it were [redacted] (Spreadex, Product and pricing submission, 30 January 2024, page 9).

Spreadex added that [redacted] (Spreadex, Letter to the CMA's Mergers Intelligence Committee, 6 December 2023, page 3).

⁴⁵⁴ Spreadex, response dated 15 January 2024 to the CMA's RFI1 dated 10 January 2024, question 9(b)

⁴⁵⁵ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 14

⁴⁵⁶ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 14. Spreadex further submitted that due to the FCA's consumer duty regulation, it is prohibited from pricing anti-competitively (Spreadex, response dated 15 January 2024 to the CMA's RFI dated 10 January 2024, question 5). However, Spreadex was unable to provide examples where the FCA has required Spreadex to adjust spreads (Spreadex, response dated 10 May 2024 to the CMA's RFI dated 22 April 2024, question 5).

⁴⁵⁷ FDJ response to the CMA's RFI.

FDJ added that, historically, few spread sizes have been adjusted.⁴⁵⁸ FDJ further submitted that the primary reason for adjusting spread sizes would be if there was a notable change in the client base betting on a 'market' and that this change would be to manage risk or make the 'market' more appealing to bettors. FDJ added that it considered competitor spread sizes, but decisions were primarily based on internal data.⁴⁵⁹

6.88 However, the evidence provided to us also shows that customers prefer narrower spread widths as they are conscious of the potential payouts they can receive, and that spread widths can vary:

- (a) One customer gave the following rationale when considering their preferred provider or switching to another, '[my preferred provider offers] slightly tighter spreads' and '[the alternative offers] tighter spreads than [another]'.⁴⁶⁰
- (b) Another customer considered that the transaction could lead to 'an increase in the spread for each 'market' offered, making it more expensive for customers, reducing the potential returns'.⁴⁶¹
- (c) In August 2022, Sporting Index conducted a customer survey and asked customers to share feedback about its products or services. Customers noted 'your spreads on low volatility outcomes (football supremacy) are too wide', 'spreads are far too wide', and 'spreads are too large'.⁴⁶²
- (d) In Spreadex's internal document considering the pros and cons of buying Sporting Index dated 20 February 2023, the CEO stated that the transaction is 'a strong defensive play [redacted]'.⁴⁶³
- (e) In Spreadex's proposed initial bid document, it was stated that '[redacted]'.⁴⁶⁴
- (f) A former employee of Sporting Index told us that the buy/sell price, depending on whether the customer is predicting a high or low result, is important to customers, and that Sporting Index offered personalised pricing to some high value customers.⁴⁶⁵
- (g) A potential purchaser submitted that if it had acquired Sporting Index, it could have, contrary to the current industry standard, differentiated its product by

⁴⁵⁸ FDJ response to the CMA's RFI. We note that although FDJ referred to spread sizes, we consider that this term is equivalent to spread widths.

⁴⁵⁹ FDJ response to the CMA's RFI

⁴⁶⁰ Response to the CMA's customer questionnaire, dated 21 May 2024, Customer 8, questions 2 and 4.

⁴⁶¹ Response to the CMA's customer questionnaire, dated 21 May 2024, Customer 18, question 9.

⁴⁶² FDJ response to the CMA's RFI

⁴⁶³ Spreadex, response dated 21 December 2024 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103.

⁴⁶⁴ Spreadex, response dated 21 December 2024 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103

⁴⁶⁵ [redacted] call transcript.

price. It added that historically, Sporting Index was the market leader due to price differentiation.⁴⁶⁶

- 6.89 Taking the evidence in the round, our view is that a [REDACTED] spread width pricing policy could be explained by a range of factors, such as a consistent competitor set, and does not imply that spread width is not a relevant parameter of competition. We nevertheless recognise that Spreadex took significant market share from Sporting Index whilst applying a [REDACTED] spread width pricing policy,⁴⁶⁷ and our view is that the evidence on the importance of spread widths to competition in recent years is mixed.

Promotions and entertainment

- 6.90 Spreadex and FDJ submitted that they frequently offered promotions to customers, such as free bets.⁴⁶⁸ In addition, Spreadex submitted that occasionally its clients may be [REDACTED].⁴⁶⁹ Spreadex explained that this [REDACTED] of the total amount of bets placed.⁴⁷⁰
- 6.91 Internal documents show that these promotions were often run to [REDACTED].⁴⁷¹ However, for disengaged multi-homing customers, [REDACTED] if they are returning to sports spread betting.⁴⁷²
- 6.92 Spreadex told us that it provided entertainment (for example, invites to sporting events) [REDACTED].⁴⁷³
- 6.93 Third parties told us that sports spread betting companies also acquire and retain high-spending customers by offering them entertainment and personalised promotions.⁴⁷⁴ This is supported by Sporting Index's [REDACTED].⁴⁷⁵ FDJ and Sporting Group told us that [REDACTED].⁴⁷⁶

⁴⁶⁶ [REDACTED] call transcript

⁴⁶⁷ Spreadex, CMA Issues Meeting, 11 March 2024, slide 35. For further detail see paragraph 6.118 below.

⁴⁶⁸ Spreadex, response dated 10 May 2024 to the CMA's RFI dated 22 April 2024, question 3; and FDJ response dated to the CMA's RFI

⁴⁶⁹ Spreadex, Main party hearing transcript, 4 July 2024, page 23, lines 5-10

⁴⁷⁰ Spreadex, Main party hearing transcript, 4 July 2024, page 23, lines 14-16

⁴⁷¹ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 24.1. and Spreadex, response dated 11 June 2024 to the CMA's s109 notice dated 24 April 2024, Annex 44.9.

⁴⁷² A consultant to a betting provider told us that betting providers use incentives like free bets to re-engage dormant customers ([REDACTED] call transcript.

⁴⁷³ Spreadex, Main party hearing transcript, 4 July 2024, page 26, lines 4-10 to page 28, lines 13-25.

⁴⁷⁴ [REDACTED] call transcript; [REDACTED] hearing transcript; and [REDACTED] response to the CMA's RFI

⁴⁷⁵ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 4.1.2 phase 2a 1.8, page 4.

⁴⁷⁶ FDJ and Sporting Group hearing transcript.

Range of 'spread markets'

- 6.94 The evidence provided to us shows that the variety and range of 'spread markets' (ie, the sporting events and outcomes on which customers are able to place spread bets) offered is important to customers:
- (a) Spreadex's internal documents show that a reduction in the range of 'markets' offered would incentivise customers to switch platforms. In the proposed initial bid document, the CFO stated that '[redacted]'.⁴⁷⁷
 - (b) In Spreadex's client migration survey, which sought to gather the views of Sporting Index customers post-Merger, [redacted].⁴⁷⁸
 - (c) Customers gave the following rationale regarding their preferred provider: 'variety of sports', 'availability of sports and related spreads', 'interesting range of choice', 'coverage of markets', 'provide good options when it comes to cricket spread bets', 'variety and depth of its offerings', and 'variety of markets'.⁴⁷⁹
- 6.95 The range of 'spread markets' offered influences a customer's initial choice of sports spread betting provider as well as where they place individual bets. Customers will have preferences to place bets on specific sports, events, or outcomes, and consequently they select a sports spread betting provider that meets their needs.
- 6.96 The importance of the range of 'spread markets' a provider offers varies with the popularity of the event. For example, Spreadex expects its traders to offer a greater range of options for popular football games than for lesser known games.⁴⁸⁰ Sporting Group told us that over 90% of sports spread betting revenue was generated from five sports. Sporting Group added that big events, such as football world cups were key to the success of a sports spread betting business.⁴⁸¹ In addition, FDJ submitted that Sporting Index's business was largely driven by events with customers typically returning organically around major sporting events.⁴⁸²

User experience

- 6.97 Our view is that the user experience offered by sports spread betting providers covers multiple aspects of their offerings, including but not limited to, the user

⁴⁷⁷ Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103

⁴⁷⁸ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 35 and Annex 35.1.

⁴⁷⁹ Responses to the CMA's customer questionnaire, dated 21 May 2024, Customers 7, 20, 23, 26, 27, 31, and 32, question 2.

⁴⁸⁰ Spreadex, response dated 31 May 2024 to the CMA's s109 notice dated 21 May 2024, Annex 1e, page 32.

⁴⁸¹ FDJ and Sporting Group hearing transcript.

⁴⁸² FDJ response to the CMA's RFI.

interface on mobile applications and websites, the ease of the sign-up process, live streaming functionality, account management tools, and credit availability.

- 6.98 These features influence customers' decision making when selecting a preferred provider as well as when choosing where to place individual bets. For example:
- (a) With regards to joining a platform, customers face costs (in terms of inconvenience), such as providing personal and financial data, when creating and maintaining sports spread betting accounts.⁴⁸³ Spreadex and FDJ submitted that they [redacted].⁴⁸⁴ Providers are therefore incentivised to compete to reduce these costs through improvements to the sign-up process and account management systems in order to attract new customers and encourage rival customers to switch or multi-home. Providers can also decide the extent to which they comply or over-comply with regulations as providers could either choose to meet the minimum requirements or go beyond these.
 - (b) When placing individual bets, if a customer wishes to build their own bet, or bet in-play, this can only be facilitated if the sports spread betting provider offers these services. In addition, if the other parameters of competition are deemed equal by the customer, user experience features, such as the ability to watch a live stream of the event, may incentivise customers to place a bet with a certain provider.
- 6.99 Evidence from Spreadex and third parties shows that service and user experience is important for sports spread betting customers:
- (a) In Spreadex's proposed initial bid document, the CEO stated that, in order to incentivise switching to Spreadex, '[redacted]'.⁴⁸⁵
 - (b) Customers who responded to our questionnaire gave the following rationale regarding their choice of preferred provider: 'faster and better system', 'more affiliation with other customers', 'politeness', 'good service', 'best app', 'more user friendly and better customer service', 'always provided a good service', 'better customer service', 'more user friendly mobile website', 'ease of platform', 'great IT and easily navigated'.⁴⁸⁶

⁴⁸³ See Chapter 2 (Industry Background), paragraph 2.8.

⁴⁸⁴ FDJ response to the CMA's RFI; [redacted] (Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 43.8, paragraph 4); [redacted] (Spreadex, response dated 11 June 2024 to the CMA's s109 notice follow-up questions dated 4 June 2024, Annex 15.7).

⁴⁸⁵ Spreadex, response dated 21 December 2024 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103

⁴⁸⁶ Responses to the CMA's customer questionnaire, dated 21 May 2024, Customers 2, 3, 6, 7, 9, 10, 12, 13, 18, 24, and 33, question 2.

6.100 Spreadex submitted that customers can place sports spread bets using credit.⁴⁸⁷ A former employee of Sporting Index told us that some customers would choose to trade with a business depending on their credit limit.⁴⁸⁸ Our view is therefore that providers compete on the availability of credit to attract users to their platform. Spreadex submitted from November 2022 to October 2023, between [X] and [X] active customers placed bets using credit monthly.⁴⁸⁹ In comparison, in December 2022 Spreadex had [X] monthly active customers of which [X] customers placed sports spread bets using credit.⁴⁹⁰ However, Spreadex submitted that it has [X] in recent years and that, in the current regulatory environment, [X].⁴⁹¹

Conclusion on the nature of competition

6.101 In summary, in view of the above, our conclusion on the nature of competition is that the principal parameters of competition in the supply of licensed online sports spread betting in the UK are:

- (a) prices (including spread widths and promotions);
- (b) range of 'spread markets', and
- (c) user experience.

6.102 We also conclude that competition takes place both statically and dynamically. While some parameters are adjusted on a daily basis, and others (such as technology) are developed over months or even years, our view is that in the circumstances of this case 2 years is the period over which we can reasonably foresee how the market is likely to be affected by the Merger, and that the Merger would affect competition throughout that period.⁴⁹² For the avoidance of doubt, we do not foresee a cliff-edge or precipitous drop in licensed online sports spread betting at the end of this period.

6.103 If the Merger were to weaken competition in this market, this would have the adverse effect of worsening one or more of these parameters relative to what a more competitive market would deliver in the absence of the Merger. Therefore, in the Competitive Assessment below, we assess the closeness of competition and competitive constraints with reference to these parameters and processes.

⁴⁸⁷ Spreadex, Main Party Hearing transcript, 4 July 2024, page 41, line 13-17.

⁴⁸⁸ [X] call transcript.

⁴⁸⁹ Spreadex, response dated 31 May 2024 to the CMA's s109 notice dated 21 May 2024, question 10, Annex

⁴⁹⁰ Spreadex, response dated 2 February 2024 to the CMA's RFI dated 31 January 2024, question 7.

⁴⁹¹ Spreadex, Main party hearing transcript, 4 July 2024, page 41, lines 4-19.

⁴⁹² This is also consistent with the typical timeline in which we assess potential entry and expansion, considered in Chapter 7 (Countervailing Factors) in accordance with [MAGs](#), paragraph 8.33.

Competitive assessment

- 6.104 We have assessed the competitive effects of the Merger with reference to a ‘theory of harm’. A theory of harm is a hypothesis about how the process of rivalry could be harmed as a result of a merger and provides a framework for assessing the effects of a merger.⁴⁹³
- 6.105 We have focused our competitive assessment on horizontal unilateral effects in the supply of licensed online sports spread betting in the UK, assessing whether the removal of a competitor in that market would lead to a reduction in price, quality or range of services. We have considered in particular:
- (a) Market structure;
 - (b) Evidence on closeness of competition; and
 - (c) Evidence on competitive constraints.
- 6.106 In Chapter 5 (Counterfactual), we concluded that the appropriate counterfactual is one where Sporting Index, under the ownership of an Alternative Bidder, would continue to compete in the supply of licensed online sports spread betting services, broadly in line with the pre-Merger conditions of competition. Although we have assessed the competitive effects of the Merger against the pre-Merger conditions of competition, our view is that **even if** it were the case that, absent the Merger, Sporting Index would likely have been a weaker competitor under new ownership, then given that apart from Spreadex and Sporting Index there are no other providers of licensed online sports spread betting services in the UK, our assessment of the competitive effects of the Merger would not be materially different.
- 6.107 Given the Parties’ small share of supply of sports fixed odds betting and the number of alternative (and in some cases large) providers remaining, we conclude that the Merger does not give rise to competition concerns in relation to the supply of sports fixed odds betting products.⁴⁹⁴

⁴⁹³ [MAGs](#), paragraph 2.11.

⁴⁹⁴ The Parties’ combined market share in fixed odds betting was around 1% in 2022, and they would continue to face competition from fixed odds providers including BetVictor, Flutter, Entain, Betfred and bet365. CMA analysis of the Parties revenue submissions (Spreadex response dated 2 February 2024 to the CMA’s RFI dated 31 January 2024, Q5) and the GC’s FY22 Gross Gambling Yield (**GGY**) (see [Annual Report and Accounts 2022 to 2023 - Overview of the British gambling sector](#), last accessed on 1 May 2024).

Market structure

Market shares

- 6.108 Spreadex estimated that the Parties have around a 95% share in the supply of online sports spread betting in the UK in 2023 (including both licensed and unlicensed providers). This figure was based on knowledge of the market alone as financial data for sports spread betting is not reported by any regulatory bodies.⁴⁹⁵ Spreadex submitted that it was aware of at least two unlicensed overseas providers [REDACTED].⁴⁹⁶
- 6.109 Table 6.1 below sets out estimated market shares of licensed online sports spread betting in the UK, based on the Parties' revenues.⁴⁹⁷

Table 6.1: Estimated shares of licensed online sports spread betting in the UK by revenue

Provider	Revenues (£m in 2024)	Licensed online sports spread betting share (2024)
Spreadex	[REDACTED]	[70-80%]
Sporting Index	[REDACTED]	[20-30%]
Merged entity	[REDACTED]	100%
Total	[REDACTED]	100%

Source: CMA estimates based on the Parties' revenues with percentage calculations based on the fact that the Parties are the only licensed spread betting providers in the UK. (Spreadex, response dated 5 September 2025 to the CMA's RFI dated 4 September 2025, question 1)

- 6.110 We note that the inclusion of unlicensed providers would not have a material impact on the figures in Table 6.1. Even if Star Spreads' and Sports Spreads' UK business had been included in the market shares, the Parties would together still have supplied almost the entirety of online sports spread betting in the UK ([REDACTED]%).⁴⁹⁸ We further note that these unlicensed providers have not substantially increased in recent years.⁴⁹⁹

Market trends

- 6.111 During the Remittal inquiry, Spreadex submitted that the sports spread betting market has declined in size since 2013.⁵⁰⁰ In particular, Spreadex submitted that ([REDACTED]), the market (including both spread bets and binary bets) has shrunk by [REDACTED]% in real terms since 2013, while the number of betting opportunities has increased significantly, including as a result of the Merger.⁵⁰¹

⁴⁹⁵ Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 11.

⁴⁹⁶ Spreadex, response dated 15 January 2024 to the CMA's RFI dated 10 January 2024, question 2(b).

⁴⁹⁷ Spreadex, response dated 2 February 2024 to the CMA's RFI dated 31 January 2024, question 5.

⁴⁹⁸ CMA analysis of Star Spreads response to the CMA's RFI and SportsSpread response to the CMA's RFI.

⁴⁹⁹ Star Spreads response to the CMA's RFI. and SportsSpread response to the CMA's RFI.

⁵⁰⁰ Spreadex, Further Remittal Submission, 14 April 2025, paragraphs 3.1.2 and 3.2.

⁵⁰¹ Spreadex, [Response to the CMA's Remittal Provisional Findings](#) 4 July 2025, paragraph 2.7.

- 6.112 Spreadex's submissions are consistent with evidence from several third parties:
- (a) Sporting Group described to the CMA how there were once 'as many as five sports spread betting companies' in the UK, that 'regulation took hold of the market' and that Spreadex is now the 'last man standing'.⁵⁰²
 - (b) Sporting Group further explained that the spread betting customer base within the UK has contracted constantly over the last ten years, such that another operator would find it difficult to compete.⁵⁰³
 - (c) bet365 noted that the sports spread betting segment has been shrinking since the early 2000s.⁵⁰⁴
- 6.113 Spreadex submitted that there is a further possibility that tax on spread betting could be increased, which would make it more difficult for sports spread betting companies to operate.⁵⁰⁵
- 6.114 As described above in paragraph 2.14, licensed online sports spread betting has declined by [X]% (or by [X]%, if including binary bets) over the past 4 years. However, as described above in paragraph 5.218, we have concluded that the appropriate counterfactual is one in which the B2C Business would continue to compete in the supply of licensed online sports spread betting services, broadly in line with the pre-Merger conditions of competition.
- 6.115 Our view is that it is more likely than not that the spread betting market in the UK will continue to decline. However, our view is that there has not been a rapid decline, and that (absent the Merger) it is likely that competition would have continued for at least 2 years. In the present case, we are not in a position to reasonably foresee developments beyond this horizon. It is possible that more intense competition (see paragraph 6.124) would have driven an increase in market size; alternatively, it is also possible that the decline in the market would have accelerated, for example if taxes on spread betting increased. Nevertheless, we do not foresee a likely cliff-edge or precipitous decline in licensed online sports spread betting, and therefore our view is that competition in this market is not time-limited.

Closeness of competition between the Parties

- 6.116 In this section we summarise the evidence provided to us regarding closeness of competition between the Parties.

⁵⁰² FDJ and Sporting Group hearing transcript

⁵⁰³ FDJ and Sporting Group call transcript, as subsequently confirmed by FDJ email

⁵⁰⁴ bet365 call transcript

⁵⁰⁵ Spreadex, [Response to the CMA's Remittal Provisional Findings](#) 4 July 2025, paragraph 2.7.

6.117 We set out below:

- (a) the Parties' views;
- (b) evidence from internal documents;
- (c) third parties' views, and
- (d) our assessment.

Parties' views

- 6.118 As set out above, the Parties are the only two licensed sports spread betting providers in the UK and Spreadex acknowledged that they may be considered close competitors (given their focus on spread betting).⁵⁰⁶ However, during the Remittal inquiry, Spreadex submitted that it exercised an asymmetric constraint on Sporting Index as it was clear that Spreadex was not strongly constrained by Sporting Index.⁵⁰⁷
- 6.119 Spreadex submitted that it had taken significant market share from Sporting Index on an annual basis, such that the market share in the supply of sports spread betting had switched from [70-80]:[20-30] in Sporting Index's favour to [20-30]:[70-80] in Spreadex's favour.⁵⁰⁸ This is supported by FDJ's internal documents which estimated in 2018 that Sporting Index was the leader in sports spread betting with 80% market share.⁵⁰⁹
- 6.120 Spreadex submitted that Sporting Index offered fewer sports spread betting products than Spreadex (eg Spreadex traded [X] times the number of football events and [X] times the number of horse racing events⁵¹⁰), had [X]⁵¹¹ and that its promotions were [X].⁵¹²

Internal documents

- 6.121 Spreadex's internal documents demonstrate that it considered Sporting Index to be its closest competitor, prior to the Merger. For example:
- (a) A Spreadex board paper dated March 2023 noted that it was Sporting Index's 'main rival'.⁵¹³

⁵⁰⁶ Spreadex, Briefing Paper, 13 July 2023, paragraph 1.5.

⁵⁰⁷ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.4.

⁵⁰⁸ Spreadex, CMA Issues Meeting slides, 11 March 2024, slide 35.

⁵⁰⁹ FDJ response to the CMA's RFI.

⁵¹⁰ Spreadex, CMA Issues Meeting slides, 11 March 2024, slide 43.

⁵¹¹ Spreadex, response dated 15 January 2024 to the CMA's RFI dated 10 January 2024, question 9(b)

⁵¹² Spreadex, CMA Issues Meeting slides, 11 March 2024, slide 35.

⁵¹³ Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, Annex 29, page 3.

- (b) A Spreadex board meeting minute from July 2022 discussed Sporting Index's results, noting that 'the size of the sports spread betting market in the UK had [redacted]'.⁵¹⁴ This is consistent with the evidence provided to us on the Parties' shares of supply since 2017.⁵¹⁵ While this board meeting minute contained an agenda item discussing Sporting Index's results, we did not identify any similar agenda items discussing the results of any other providers.
- (c) Another Spreadex board meeting minute from April 2023 noted, when discussing the potential transaction, that Spreadex's prices '[redacted]'.⁵¹⁶

- 6.122 In August 2022, Sporting Index conducted a customer survey and asked customers to share feedback about its products or services. Many customers referred to Spreadex when considering the quality of Sporting Index's offering, such as 'I love the promotions which is why I use your site more than Spreadex', 'Spreadex offers more markets', 'range or [sic] of markets not as good as Spreadex', 'there are only 2 companies giving spread betting prices (yourselves and Spreadex)', 'Spreadex offer the lowest prices about 70% of the time', and 'I have 2 accounts Sporting and Spreadex'.⁵¹⁷
- 6.123 Some FDJ internal documents support Spreadex's submission that Sporting Index had invested less effectively in technology than Spreadex in recent years, weakening its ability to compete. For example, a September 2022 report by AlixPartners which was commissioned by FDJ stated that 'underinvestment in technology platform leading to significant customer attrition' is one of the key challenges that Sporting Index faced, and that there had been a 'loss of HVC [high value customer] spread customers due to loss of appeal of spread platform, few updates since started in 2019',⁵¹⁸ with a 31% loss in revenue per high value customer between 2019 and 2022.⁵¹⁹ FDJ's internal documents also demonstrate that it considered Spreadex a close competitor. For example, a document comparing a list of bidders described Spreadex as a 'direct competitor (#1 in UK in spread betting)'.⁵²⁰
- 6.124 Furthermore, the description of underinvestment in technology by Sporting Index implies that with greater investment it could have become a stronger competitor. Indeed, Spreadex's internal documents show that part of the rationale for the Merger was to diminish this competitive threat. For example:

⁵¹⁴ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 43.5, paragraph 4.

⁵¹⁵ Spreadex, response dated 2 February 2024 to the CMA's RFI dated 31 January 2024, question 5 and response dated 20 September 2024 to the CMA's draft s109 notice dated 13 September 2024, question 1.

⁵¹⁶ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 43.11, paragraph 4.

⁵¹⁷ FDJ response to the CMA's RFI.

⁵¹⁸ FDJ response to the CMA's RFI.

⁵¹⁹ FDJ response to the CMA's RFI.

⁵²⁰ FDJ response to the CMA's RFI.

- (a) In Spreadex's proposed initial bid document, a sports trading manager stated that after acquiring Sporting Index, Spreadex 'would not have the [REDACTED]'.⁵²¹
- (b) In February 2023, the Spreadex CEO circulated an email discussing the benefits and costs of acquiring Sporting Index. One of the stated benefits was that '[REDACTED]'.⁵²²
- (c) In an email from July 2023, prior to signing the SPA and 5 months after Spreadex first bid on the Sporting Index B2C business in February 2023,⁵²³ the CFO stated that one of the benefits of the Merger was that it was '[REDACTED]'.⁵²⁴

- 6.125 Another comment by one of Spreadex's sports trading managers in its proposed initial bid document was that it '[REDACTED]', and that the 'main issue with rev share [a revenue sharing agreement, as an alternative to the Merger] especially [REDACTED]'.⁵²⁵
- 6.126 During the Remittal inquiry, Spreadex submitted that the CMA had only been able to identify two Spreadex internal documents that discussed Sporting Index or assessed Spreadex's competition by reference to Sporting Index.⁵²⁶ Spreadex further submitted that in a scenario where Spreadex and Sporting Index were close competitors, and Sporting Index exercised a strong competitive constraint, it would be normal for there to be multiple documents about the closest competitor, however, this was not the case for Spreadex.⁵²⁷

Third party views

- 6.127 We received third party submissions on closeness of competition from FDJ, five fixed odds providers, three financial spread betting providers, a B2B provider, a former Sporting Index employee, as well as 33 responses to our customer questionnaire and emails from four customers or former employees concerned about the Merger.
- 6.128 Third parties submitted that the Merger would create a monopoly or result in no competition in the supply of sports spread betting as it removed Spreadex's only competitor.^{528, 529}

⁵²¹ Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103. See paragraph 6.25 for Spreadex's submissions on the relevance of this document.

⁵²² Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103.

⁵²³ FDJ response to the CMA's RFI

⁵²⁴ Spreadex, response dated 11 June 2024 to the CMA's s109 notice follow-up questions dated 4 June 2024, Annex 4.42.

⁵²⁵ Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 22, Annex 103.

⁵²⁶ Spreadex, Further Remittal Submission, 14 April 2025, paragraphs 3.5 and 3.6.

⁵²⁷ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.6.

⁵²⁸ Concerned customer emails [REDACTED]; [REDACTED]; [REDACTED] and concerned former employee emails [REDACTED] and [REDACTED].

⁵²⁹ [REDACTED] call transcript and third party responses to the CMA's competitor questionnaire dated 6 February 2024: [REDACTED] and [REDACTED].

- (a) One provider told us that the acquisition of Sporting Index has removed competition and harmed innovation.⁵³⁰
- (b) One industry participant commented that Spreadex wanted to corner the market by purchasing Sporting Index, given that there is no other competition in the UK.⁵³¹
- (c) The questionnaire responses about the Merger described Sporting Index and Spreadex as ‘2 main players’, ‘two dominant players in a relatively small marketplace’ and ‘the 2 market leaders’. However, customers also considered that the Merger would lead to ‘a minor competition edge lost but not big enough to worry about’ and that the Merger ‘just takes an irrelevant player out of the market place’.⁵³²

Customer questionnaire

- 6.129 Of the 16 customers who said they would switch to an alternative provider of sports spread betting services (including unlicensed providers) if their existing provider was unavailable, 11 said they would switch to another of the merging parties.⁵³³
- 6.130 When asked to compare the similarities and differences between Spreadex and Sporting Index, seven customers told us that they were very similar, while eight customers identified that the Parties offered differences in pricing with multiple customers identifying that this was valuable or increased choice, implying that it was necessary to have two sports spread betting providers to allow customers to make a comparison, even if the products or prices offered were not always identical. However, some customers told us that Spreadex was more user-friendly or had better technology.⁵³⁴
- 6.131 Customer questionnaire evidence on the range of ‘spread markets’ offered on the platforms was mixed, with two customers submitting that the overall ‘spread markets’ offered were similar with another customer noting that the parties were similar but with some differences.⁵³⁵ However, three customers submitted that the range of ‘spread markets’ offered differed, with Spreadex offering a greater range compared to Sporting Index. For example, customers submitted that ‘[the providers had] different strengths in less mainstream sports in coverage and depth

⁵³⁰ [redacted] call transcript.

⁵³¹ [redacted] call transcript.

⁵³² Responses to the CMA’s customer questionnaire, dated 21 May 2024.

⁵³³ Responses to the CMA’s customer questionnaire, dated 21 May 2024.

⁵³⁴ Responses to the CMA’s customer questionnaire, dated 21 May 2024.

⁵³⁵ Responses to the CMA’s customer questionnaire, dated 21 May 2024.

of markets’,⁵³⁶ ‘the [two] companies offered a range of individual markets that were independent of each other’,⁵³⁷ and ‘Spreadex has numerous more markets’.⁵³⁸

Sporting Group

- 6.132 Sporting Group described Spreadex as ‘the last man standing’ in the sports spread betting market.⁵³⁹
- 6.133 Sporting Group submitted that Sporting Index covered 95% of spread markets which was very similar to Spreadex and that the remaining 5% included more obscure sports and events.⁵⁴⁰
- 6.134 However, Sporting Group and a former employee of Sporting Index told us that Sporting Index had applied affordability checks which were greater than technically required by spread betting regulation.⁵⁴¹ Sporting Group told us that its single fixed odds and spread betting regulatory compliance model created an ‘over index in terms of compliance internally’. Sporting Group explained that high net worth individuals were reluctant to share information regarding proof of wealth, which was required under its dual compliance policy, and this led to a decline in the client base at Sporting Index.⁵⁴² FDJ added however, that short term plans were continually explored to automate and streamline the manual compliance requirements customers faced.⁵⁴³

Our assessment

- 6.135 As a starting point, we note that when there are only two providers operating in a particular market, as in our view is the case here, they will necessarily be each other’s closest competitor. As we set out above in the section on Market definition, our view is that fixed odds providers, financial spread providers and unlicensed sports spread betting providers do not provide a strong constraint on the Parties.
- 6.136 In terms of competition between the Parties’ products, many of the Parties’ customers told us that the Parties were very similar prior to the Merger, particularly in terms of their pricing. In addition, many of the Parties’ customers told us that they valued the ability to compare spread pricing between Spreadex and Sporting Index. This is supported by Spreadex’s internal documents (see paragraphs 6.121 to 6.1256.88(e)). It is our view that the range of ‘spread markets’ offered were likely considered similar by customers as Sporting Index offered the same high-

⁵³⁶ Responses to the CMA’s customer questionnaire, dated 21 May 2024.

⁵³⁷ Responses to the CMA’s customer questionnaire, dated 21 May 2024.

⁵³⁸ Responses to the CMA’s customer questionnaire, dated 21 May 2024.

⁵³⁹ FDJ and Sporting Group hearing transcript.

⁵⁴⁰ FDJ and Sporting Group hearing transcript.

⁵⁴¹ [REDACTED] call transcript and FDJ and Sporting Group hearing transcript.

⁵⁴² FDJ and Sporting Group hearing transcript.

⁵⁴³ FDJ response to the CMA’s RFI

profile events as Spreadex. Our view is that it is likely that the additional lesser-known events offered by Spreadex only provided a limited competitive advantage over Sporting Index. Our view is also that there is further scope for competition between the Parties to compete by using promotions personalised to high value customers' interests (see paragraph 6.906.90). The evidence that Spreadex has taken market share from Sporting Index also supports the existence of substitution between the Parties (see paragraph 6.1196.119 above).

- 6.137 In terms of competition between the Parties' platforms, the Parties compete using promotions and entertainment to engage customers (see paragraphs 6.90 to 6.93). However, some customers said that Spreadex's platform was more user friendly than that of Sporting Index (which, in our view, is consistent with a lower level of investment by Sporting Index in its technology). In addition, the evidence shows that Sporting Index's approach to regulation made it less attractive to some high value customers in recent years (see paragraph 6.134).
- 6.138 In relation to Spreadex's submission that there are limited Spreadex internal documents monitoring Sporting Index, our view is that Spreadex's limited monitoring of Sporting Index is consistent with a relatively weak competitive constraint from Sporting Index on Spreadex. There may be other factors that give rise to this, such as Sporting Index's historic underinvestment or Spreadex's perception that Sporting Index was badly run (see paragraphs 6.1246.124 and 6.1256.125), or the relatively small number of internal documents produced by Spreadex (see paragraph 6.24). In any case, this does not show that there was a limited competitive constraint from Spreadex on Sporting Index, as this constraint, to a degree, could have been asymmetric (as was submitted by Spreadex, see paragraph 6.118).
- 6.139 Our view is that many of the Parties' internal documents which are relevant to market definition (see paragraphs 6.23 to 6.28 above) are also relevant to our competitive assessment. Where the internal documents anticipate diversion to Spreadex in the event that Sporting Index's quality were to decline, they show closeness of competition.
- 6.140 In terms of the evidence of dynamic competition, although Sporting Index had performed less strongly in recent years, part of the rationale for the Merger was explicitly to remove the possibility of greater competition by Sporting Index in future, which would have placed more competitive pressure on Spreadex.
- 6.141 We note that, in our view, it is possible that Sporting Index would not have performed more effectively under alternative ownership. Nevertheless, our view is

that it would have continued to exert a competitive constraint for at least two years.⁵⁴⁴

- 6.142 On this basis, we conclude that, as the Parties were the only two providers of licensed online sports spread betting in the UK prior to the Merger, they were necessarily close competitors, and that the loss of rivalry between the Parties worsened their incentives to compete.

Competitive constraints

- 6.143 As discussed above, the Parties are the only two firms active in the licensed online sports spread betting market in the UK. In this section, we consider the strength of the competitive constraint posed on the Parties by out-of-market competitors, namely unlicensed sports spread betting firms, financial spread betting firms and fixed odds providers.

- 6.144 We set out below:

- (a) the Parties' views;
- (b) evidence from internal documents;
- (c) third parties' views; and
- (d) our assessment.

Parties' views

- 6.145 As described above in paragraph 6.11, Spreadex submitted that it is closely constrained by fixed odds betting providers. At the main party hearing, Spreadex told us that it recognised that its offering may not be perfectly substitutable for some of the fixed odds offerings, but nevertheless considered that it was strongly constrained by fixed odds providers.⁵⁴⁵ Spreadex further submitted that natural [X] customer churn of [X]% per annum places pressure on it to acquire new customers from the fixed odds market [X].⁵⁴⁶
- 6.146 Spreadex submitted that when considering the competitive dynamics, it is important to consider Spreadex's actions in the period post completion of the Merger and prior to the CMA review, which it submitted are not consistent with those of a monopolist. In particular, Spreadex submitted that it has expanded its product range and improved its user experience to match that of fixed odds

⁵⁴⁴ As set out at paragraph 6.102 above, we consider two years to be the appropriate timeframe in which to assess the impact of the Merger.

⁵⁴⁵ Spreadex, Main Party Hearing transcript, 4 July 2024, page 12, lines 20-22.

⁵⁴⁶ Spreadex, Main Party Hearing, Follow up response, 9 July 2024, page 8.

providers before and after the Merger.⁵⁴⁷ Spreadex concluded that its behaviour was consistent with the behaviour of a firm operating in a competitive environment that faced ongoing constraints from competitors.⁵⁴⁸ Furthermore, Spreadex submitted that if it considered it did not face ongoing constraints, it would not have been incentivised to make these improvements as it would still retain the customers regardless.⁵⁴⁹

- 6.147 During the Remittal inquiry, Spreadex submitted that it had been effectively constrained pre- and post-Merger in part by the shrinking nature of the sports spread betting market.⁵⁵⁰ Spreadex further submitted that in the absence of potential for growth of the customer base and increasing regulatory headwinds, any material degradation of its offer would be potentially very harmful to its sports spread betting business and that in order to retain profits it must actively market its brand to ensure that its offer was not perceived to have worsened for customers.⁵⁵¹
- 6.148 During the Remittal inquiry, Spreadex submitted that a further important constraint on its behaviour was unlicensed or non-UK licensed operators, which Spreadex also referred to as the 'grey market'.⁵⁵² Spreadex added that unlicensed operators were another key factor putting pressure on Spreadex not to worsen the terms for its customers.⁵⁵³ Spreadex further submitted that sports spread betting was particularly vulnerable to losing customers to unlicensed operators as:⁵⁵⁴
- (a) The ability to avoid the provision of documentation, to maintain anonymity, and the ease of setting up an account were important drivers of the unlicensed operator market, as identified in a September 2024 report commissioned by the Betting and Gambling Council (the **Frontier Report**).⁵⁵⁵ Spreadex submitted that these requirements for customers to provide more extensive information about themselves and their proof of funds are greater for sports spread betting compared to fixed odds betting.⁵⁵⁶
 - (b) Spread betting customers are likely to be more affluent bettors, and the Frontier Report demonstrates that the use of unlicensed operators is higher amongst the higher spenders.⁵⁵⁷

⁵⁴⁷ Spreadex, [response to the CMA's Phase 2 Provisional Findings](#), 30 August 2024, paragraphs 4.21 to 4.23.

⁵⁴⁸ Spreadex, Main Party Hearing Follow up response, 9 July 2024, page 8.

⁵⁴⁹ Spreadex, Main Party Hearing transcript, 4 July 2024, page 47, lines 20-22.

⁵⁵⁰ Spreadex, Further Remittal Submission, 14 April 2025, paragraphs 3.1.2 and 3.2.

⁵⁵¹ Spreadex, Further Remittal Submission, 14 April 2025, paragraphs 3.29 and 3.32.

⁵⁵² Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.34 and footnote 55.

⁵⁵³ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.39.

⁵⁵⁴ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.38.

⁵⁵⁵ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.37.3, 3.37.3(E) and 3.38.1.

⁵⁵⁶ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.38.1.

⁵⁵⁷ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 3.38.2.

6.149 Spreadex also submitted an example of a high-value Sporting Index customer who [REDACTED].⁵⁵⁸ In the example, the customer claimed to have [REDACTED].⁵⁵⁹ Spreadex submitted that to [REDACTED].⁵⁶⁰

6.150 We assess these submissions below at paragraphs 6.164 to 6.174.

Internal documents

6.151 It is our view that many of the Parties' internal documents which are relevant to market definition (see paragraphs 6.23 to 6.28 above) are also relevant to our competitive assessment. Where the internal documents anticipate diversion to Spreadex in the event that Sporting Index's quality were to decline, rather than to other competitors, they show an absence of competitive constraints.

6.152 Spreadex's internal documents show it was aware that it faced no other licensed sports spread betting competitors, other than Sporting Index. For example, in September 2023, Spreadex reviewed fixed odds competitors' user interface and user experience. A comment in the document stated that '[REDACTED]'.⁵⁶¹ Spreadex submitted that this was an isolated comment by a [REDACTED].⁵⁶² However, it is consistent with other internal documents, including those made by Spreadex's management (see paragraph 6.121 onwards).

6.153 Spreadex submitted multiple internal documents showing that it monitored fixed odds providers.⁵⁶³ For example, in August 2023, Spreadex conducted an analysis of competitors' phone betting services. The competitors included in the analysis were Betfair, bet365, Sky Bet, Paddy Power, William Hill, Ladbrokes, BetVictor, BoyleSports, Unibet, Betfred, Coral, Smarkets, and Bwin. The analysis considered whether the service offered was easily accessible and what the operating hours were.⁵⁶⁴ In September 2023, Spreadex reviewed competitors' user interface and user experience. The competitors included in the comparison were fixed odds providers bet365 and Sky Bet. The review compared features such as the availability of odds on the home page, bet builder technology, in-play user interface, live streaming, the level of information, edit bet features, and promotions.⁵⁶⁵

⁵⁵⁸ Spreadex supplemental submission, 28 April 2025, paragraphs 2.1, 2.2, and 2.4.

⁵⁵⁹ Spreadex supplemental submission, 28 April 2025, paragraphs 2.2 and 2.3.

⁵⁶⁰ Spreadex supplemental submission, 28 April 2025 paragraphs 2.5 and 2.8

⁵⁶¹ Spreadex, response dated 3 May to the CMA's s109 notice dated 24 April 2024, question 24, and Annex 24.4, slide 17

⁵⁶² Spreadex, response to the CMA's Annotated Issues Statement and accompanying Working Papers, 1 July 2024, paragraph 4.3.1.

⁵⁶³ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 24, and Annexes 24.1, 24.3, 24.5, 24.6 and 24.7.

⁵⁶⁴ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 24, and Annex 24.2.

⁵⁶⁵ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 24, and Annex 24.4. See paragraph 6.26.

- 6.154 We have not been provided with any internal documentary evidence of the Parties monitoring financial spread betting providers.

Third party views

Customers

- 6.155 Of the 33 respondents to our customer questionnaire, two customers told us that they would switch to sports fixed odds betting if their preferred sports spread betting provider were unavailable. Similarly, only two customers told us that they would switch to unlicensed sports spread betting providers, and only one customer told us that they would switch to a financial spread betting provider.⁵⁶⁶
- 6.156 When asked about their views on the Merger's impact on competition, 12 customers had clear concerns, three had minor or qualified concerns, five were unconcerned as they did not consider the Merger would impact them, or they considered that competition could still occur. The remaining 13 had no views or gave ambiguous responses. The customers who had clear concerns described the Merger as 'killing the competition', 'reducing competition', 'removing a key competitor' and 'fundamentally detrimental to the industry'. Customers who did not express concerns about the Merger said the Merger 'just takes an irrelevant player out of the market place' and that 'there is always space for newcomers'.⁵⁶⁷
- 6.157 Some customers expressed specific concerns that the Merger would reduce price variability as customers told us that the Merger (in the words of one customer) 'significantly reduced the choices available to the customer [...] no variability of prices offered' and (in the words of another customer) it's a 'shame now only 1 proper spread maker'.⁵⁶⁸ Some customers also expressed concerns that the Merger would prevent them from being able to compare prices as (in the words of one customer) 'pricing was very competitive between the two firms before the merger, on many occasions difference of opinion would mean little or no spread on many markets, that does not now seem to be the case' and (in the words of another customer) 'previously, one spread better has quoted a price that has made it possible to arbitrage a profit for zero risk, based on differing views. This is no longer possible'.⁵⁶⁹
- 6.158 Furthermore, in response to Spreadex's own survey of Sporting Index customers, which was focused on understanding their reaction to changes to the trading

⁵⁶⁶ Responses to the CMA's customer questionnaire dated 21 May 2024. See also paragraphs 6.17 to 6.22 above discussing Spreadex's natural experiment based on [X].

⁵⁶⁷ Responses to the CMA's customer questionnaire dated 21 May 2024.

⁵⁶⁸ Responses to the CMA's customer questionnaire dated 21 May 2024.

⁵⁶⁹ Responses to the CMA's customer questionnaire dated 21 May 2024.

platform following the Merger,⁵⁷⁰ two customers expressed concerns about the effect on competition of the Merger.⁵⁷¹

Betting providers

- 6.159 As described in paragraphs 6.35 and 6.36, most sports fixed odds betting providers submitted that they did not compete with, or only competed ‘weakly’ with the Parties (and in some cases specified that this was only in relation to the Parties’ fixed odds products not their spread betting products),⁵⁷² however, one fixed odds provider noted that there was a moderate closeness of competition in how they competed with Spreadex on fixed odds.⁵⁷³ Sports fixed odds betting providers considered there were significant differences between sports fixed odds betting and sports spread betting that distinguished them as separate products (see 6.36).
- 6.160 Evidence from third parties, including sports fixed odds betting providers, shows that there is an overlap in the pricing approach between sports fixed odds betting providers and sports spread betting providers as they use the same market information.⁵⁷⁴ As a result, some sports fixed odds betting providers submitted that they occasionally referenced sports spread betting prices when setting fixed odds prices on a small number of ‘fixed odds markets’.⁵⁷⁵ One third party explained, however, that despite this, sports spread betting prices had a minimal overall effect on its trading strategy and that no sports spread market is used to assist with its automated pricing.⁵⁷⁶
- 6.161 One betting provider submitted that the completed acquisition has now removed all competition from the UK sports spread betting segment and removed price differentiation.⁵⁷⁷
- 6.162 FDJ submitted that ‘given the niche nature of our product, there were very few competitors’.⁵⁷⁸

⁵⁷⁰ Spreadex received 19 responses to its survey. Spreadex, response dated 10 May 2024 to the CMA’s s109 notice dated 24 April 2024, question 35.

⁵⁷¹ Spreadex received 19 responses to its survey. Spreadex, response dated 10 May 2024 to the CMA’s s109 notice dated 24 April 2024, Annex 35.1.

⁵⁷² Third party responses to the CMA’s competitor questionnaire dated 6 February 2024: [redacted]; [redacted]; [redacted]; [redacted]; [redacted] and [redacted]. Fixed odds providers were asked whether prior to the Merger they competed with Spreadex and/or Sporting Index; to rate how closely they competed with them (weakly, moderately, closely) and to give an explanation for their answer.

⁵⁷³ [redacted] response to the CMA’s competitor questionnaire dated 6 February 2024

⁵⁷⁴ Spreadex and fixed odds providers told us that their prices are calculated using a model with data inputs on the likelihood of an event occurring as well as other third party data. These modelled prices are then refined by traders before being presented on websites and mobile applications (Spreadex, Teach-in slides, 1 May 2024, slides 17-20.; [redacted] call transcript; Third party responses to the CMA’s RFI: [redacted]; [redacted]; [redacted]; [redacted]; and [redacted]).

⁵⁷⁵ Third party responses to the CMA’s RFI: [redacted]; [redacted]; and [redacted]

⁵⁷⁶ [redacted] response to the CMA’s RFI

⁵⁷⁷ [redacted] call transcript

⁵⁷⁸ FDJ response to the CMA’s RFI

6.163 As described in paragraph 6.59, we gathered evidence from three financial spread betting providers who all submitted that they did not compete with sports spread betting providers.⁵⁷⁹ No financial spread betting provider told us that they can supply sports spread betting, and none of the providers told us that they would consider entering into the supply of sports spread betting, even if spread widths widened.⁵⁸⁰

Our assessment

- 6.164 Spreadex's own internal documents demonstrate it considered that if it degraded the quality of Sporting Index, it expected customers would switch to Spreadex as a result, showing that it does not face other strong competitive constraints. One internal document described Spreadex as a monopoly following the Merger (see paragraph 6.1522). Part of Spreadex's rationale for the Merger was to remove the prospect of greater competition from Sporting Index under an alternative acquirer. This shows that Spreadex considered that the removal of Sporting Index comprised a material change in its competitive constraints which other constraints would not be sufficient to replace.
- 6.165 Although certain documents provide ambiguous evidence that sports spread betting providers and sports fixed odds betting providers compete to some extent, as explained in paragraph 6.26, our view is that this evidence is also consistent with Spreadex adopting innovation from fixed odds betting providers to improve its offering even in the absence of a competitive constraint from sports fixed odds betting providers.
- 6.166 Third parties' views, including the Parties' customers' views and the views of those betting providers that Spreadex submitted it competes with (including the views of sports fixed odds betting providers), show that there are no close competitors to the Parties. Third parties considered that sports spread betting and sports fixed odds betting were very different products, and that spread bets could not be replicated using fixed odds bets. Almost half of the customers we contacted about the Merger were concerned about its impact on competition.
- 6.167 Our view is that the evidence Spreadex submitted that it uses fixed odds prices as inputs when setting its own sports spread betting prices, and that it sometimes monitors sports fixed odds betting competitors, is not persuasive evidence that its sports spread betting business competes with sports fixed odds betting competitors.
- 6.168 Although Spreadex submitted the results of a natural experiment showing substitution between sports fixed odds betting and sports spread betting under

⁵⁷⁹ Third party responses to the CMA's RFI: [REDACTED]; [REDACTED] and [REDACTED]

⁵⁸⁰ Third party responses to the CMA's RFI: [REDACTED]; [REDACTED]; and [REDACTED]

some circumstances, our view is that the results of that experiment do not demonstrate that there is a strong constraint from sports fixed odds betting on sports spread betting.

- 6.169 Our view is that, in aggregate, the evidence indicates that only a weak constraint is likely to be imposed on Spreadex by potential switching by customers to sports fixed odds betting providers, unlicensed sports spread betting providers and financial spread betting providers. Fewer than 20% of the Parties' customers who responded to our questionnaire submitted that they would switch to any alternative provider other than a licensed online sports spread betting provider, if their existing provider was unavailable. This is also consistent with Spreadex's own assessment of customer switching (see paragraph 6.24).
- 6.170 As regards the existence of customer churn, our view is that this is not material evidence of competition on the Parties in sports spread betting. This is because there can be many reasons for customers ceasing to demand a product, including as changes in personal preferences and priorities. Furthermore, the Parties are able to target aspects of their offering to new customers (for example, through promotions) so that existing customers are not protected by the Parties' need to attract new customers to counteract churn.
- 6.171 Further, in relation to Spreadex's submission that it is effectively constrained by the shrinking nature of the sports spread betting market, we observe that the decline in licensed sports spread betting has not been rapid (see paragraph 6.115).
- 6.172 Spreadex's actions post-Merger but prior to the CMA's Merger inquiry do not provide material evidence of the alternative competitive constraints the Merged Entity faces. It is our view that the period post-Merger but prior to the Merger inquiry was relatively short and, as such, Spreadex would likely not have had a sufficient transition period (for effective customer management purposes) to amend its offering or strategy to take advantage of weakened competitive constraints, and once our inquiry began this would have affected Spreadex's incentives to do so. Further, the main improvements to Sporting Index which Spreadex made post-Merger came about due to its decision to service Sporting Index customers using a 'white label' version of Spreadex's technology, which was a low cost approach which, in our view, Spreadex would follow even in the absence of strong competitive constraints.
- 6.173 Our view is that the competitive constraint from unlicensed providers is limited on the basis of the evidence considered under market definition in paragraphs 6.636.63 to 6.676.67 above. In particular, we note that unlicensed customers are prohibited from actively soliciting customers in the UK, which would limit their ability to act as a competitive constraint on Spreadex or to counteract customer churn. We further note that (as described in paragraphs 6.111 to 6.115 above)

unlicensed providers currently have a low share of supply which has not substantially increased in recent years. Our view is that the evidence submitted by Spreadex during the Remittal inquiry does not demonstrate that the constraint imposed by unlicensed providers in sports spread betting has grown materially; however, we consider the potential for entry and expansion by unlicensed providers further in Chapter 7.

- 6.174 In view of the above, we conclude 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.

Conclusion

- 6.175 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 conclude 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.
- 6.176 In Chapter 5 (Counterfactual), we concluded that the appropriate counterfactual is one where Sporting Index, under the ownership of [X], would continue to compete in the supply of licensed online sports spread betting services, broadly in line with the pre-Merger conditions of competition. For the avoidance of doubt, although we have assessed the competitive effects of the Merger against the pre-Merger conditions of competition, it is also our conclusion that even if it were the case that, absent the Merger, Sporting Index would likely have been a weaker competitor under new ownership, then given that apart from Spreadex and Sporting Index there are no other providers of licensed online sports spread betting services in the UK, the Merger would raise competition concerns in the supply of licensed online sports spread betting services in the UK with the same resulting adverse effects referred to above.
- 6.177 In view of the above, we conclude that, subject to our findings on countervailing factors, the Merger has resulted, or may be expected to result, in an SLC in the supply of licensed online sports spread betting services in the UK. We next consider whether there are any countervailing factors that prevent or mitigate an SLC arising from the Merger.

7. COUNTERVAILING FACTORS

Introduction

- 7.1 In this chapter, we consider whether there are any countervailing factors that prevent or mitigate any SLC arising from the Merger.⁵⁸¹
- 7.2 There are two main ways in which this could happen:
- (a) **Entry and/or expansion:** the effect of a merger on competition may be mitigated if effective entry and/or expansion by third parties occurs as a result of the merger and any consequent adverse effect (eg a price rise).⁵⁸²
 - (b) **Merger efficiencies:** rivalry-enhancing efficiencies – ie efficiencies that change the incentives of the merger firms and induce them to act as stronger competitors to their rivals – may prevent an SLC by offsetting any anticompetitive effects of a merger.⁵⁸³
- 7.3 This chapter therefore assesses the potential for entry and/or expansion and merger efficiencies to mitigate the loss of competitive constraint resulting from the Merger.

Entry and/or expansion

- 7.4 In this chapter, we consider the possibility of entry into the relevant market by a new market entrant, triggered by the Merger, and whether this would replace the constraint eliminated by the Merger and therefore would constitute a countervailing factor to prevent or mitigate any SLC arising from the Merger.⁵⁸⁴ This assessment is distinct from our assessment set out in Chapter 5 (Counterfactual), where we have considered the scenario, in the absence of the Merger, in which a potential purchaser may have acquired Sporting Index or its assets.

Framework of assessment

- 7.5 If effective entry and/or expansion occurs as a result of the merger and any consequent adverse effect (for example, a price rise), the effect of the merger on competition may be mitigated. In these situations, the CMA might conclude that no SLC arises as a result of the merger.⁵⁸⁵

⁵⁸¹ MAGs, paragraph 8.1.

⁵⁸² MAGs, paragraph 8.28.

⁵⁸³ MAGs, paragraphs 8.3-8.4.

⁵⁸⁴ MAGs, paragraphs 4.16(b) and 8.1.

⁵⁸⁵ MAGs, paragraph 8.28.

- 7.6 The CMA will use the following framework to determine whether entry or expansion would prevent an SLC. The entry or expansion must be:
- (a) timely;
 - (b) likely; and
 - (c) sufficient to prevent an SLC.⁵⁸⁶
- 7.7 These conditions are cumulative and must be satisfied simultaneously.⁵⁸⁷ The CMA will seek to ensure that the evidence is robust when confronted with claims of entry or expansion being timely, likely and sufficient to prevent an SLC from arising.⁵⁸⁸

Timely

- 7.8 What is considered to be timely in order to prevent or mitigate the adverse effects of a merger will depend on the industry and the characteristics and dynamics of the market, and the timeframe over which the CMA expects an SLC to result from a merger. The CMA guidance provides that typically, entry or expansion being effective within two years of an SLC arising would be considered by the CMA to be timely although, depending on the nature of the market, the CMA may consider a period of time shorter or longer than this.⁵⁸⁹

Likely

- 7.9 The CMA must be satisfied that potential rivals or existing rivals have both the ability and incentive to enter or expand. The CMA will consider the scale of any barriers to entry and/or expansion.⁵⁹⁰

Sufficient

- 7.10 Entry or expansion should be of sufficient scope and effectiveness to prevent an SLC from arising as a result of the merger.⁵⁹¹ Small-scale entry that is not comparable to the constraint eliminated by the merger is unlikely to prevent an SLC. In a differentiated market, entry into a market niche may be possible, but to the extent the niche product may not necessarily compete strongly with other products in the overall market, it may not constrain incumbents effectively.⁵⁹²

⁵⁸⁶ MAGs, paragraph 8.31.

⁵⁸⁷ MAGs, paragraph 8.32.

⁵⁸⁸ MAGs, paragraph 8.30.

⁵⁸⁹ MAGs, paragraph 8.33.

⁵⁹⁰ MAGs, paragraph 8.35.

⁵⁹¹ MAGs, paragraph 8.37.

⁵⁹² MAGs, paragraph 8.39.

Our assessment

7.11 In Chapter 6 (Horizontal Unilateral Effects), we explained the basis on which we have found competition concerns in the market for the supply of licensed online sports spread betting services in the UK. In this chapter, we consider:

- (a) potential barriers to both entry and expansion into that market; and
- (b) any evidence, and possible sources, of recent entry and/or expansion into that market.

Potential barriers to entry and expansion

7.12 In considering whether any potential rivals will enter, or existing rivals will expand in response to a merger, the CMA must be satisfied that the rivals will have both the ability and incentive to do so. The CMA will consider the scale of any barriers to entry and/or expansion when assessing rivals' ability and incentive to do so.⁵⁹³

7.13 Barriers to entry and expansion are specific features of the market that give incumbent firms advantages over potential competitors. Barriers to entry and expansion hinder the ability of potential entrants or firms looking to expand to constrain the exercise of market power by incumbents. The CMA will therefore identify barriers to entry and/or expansion in its analysis. Where barriers are low, and the costs of entry or expansion are not substantial relative to the profits that are available, entry and/or expansion might be expected to occur in order to capture sales from the merged entity if it were to increase prices and/or worsen non-price factors of competition. Conversely, this is less likely where barriers are substantial relative to available profits.⁵⁹⁴

7.14 As set out in Chapter 6 (Horizontal Unilateral Effects), our view is that there are primarily three relevant parameters of competition in the supply of licensed online sports spread betting in the UK:

- (a) price;
- (b) range of 'spread markets'; and
- (c) customer experience.

7.15 With this in mind, we have considered what features, assets or expertise a new entrant, or a company looking to expand, would need in order to enter and compete effectively with the Merged Entity on these parameters.

⁵⁹³ MAGs, paragraph 8.35.

⁵⁹⁴ MAGs, paragraph 8.40.

- 7.16 Having considered the evidence provided to us by the Parties, third parties and other industry participants,⁵⁹⁵ our view is that in order to exert an effective competitive constraint on the Merged Entity in the supply of licensed online sports spread betting services in the UK, a competitor (after its entry or expansion) would need to have the following:
- (a) the required regulatory licence to solicit customers (in this case from the FCA);
 - (b) the technology to, amongst other things, manage the underlying sports data, generate spreads, comply with FCA regulations, and engage customers; and
 - (c) staff with the necessary industry expertise, including sports traders, IT staff and compliance staff.
- 7.17 Our assessment therefore considers whether the following could amount to barriers to entry in the supply of licensed online sports spread betting services in the UK.⁵⁹⁶
- (a) the costs and timescales to obtain the required regulatory licence from the FCA;
 - (b) the costs and timescales to develop and/or acquire the required technology; and
 - (c) the costs and timescales to develop and/or acquire the required industry expertise.
- 7.18 As we have concluded that there were just two providers of licensed online sports spread betting services in the UK prior to the Merger (Spreadex and Sporting Index),⁵⁹⁷ our assessment has focused on potential entry by out-of-market providers.
- 7.19 During the phase 2 investigation, Spreadex told us that it was aware of two types of providers who could feasibly enter the licensed online sports spread betting market within the next two years, namely:
- (a) sports fixed odds betting providers; and
 - (b) financial leveraged trading providers.⁵⁹⁸

⁵⁹⁵ For example: Spreadex, response dated 3 May 2024 to the CMA's s109 notice, dated 24 April 2024, question 26; Third party responses to the CMA's competitor questionnaire dated 6 February 2024: [X]; [X] and [X].

⁵⁹⁶ See [MAGs](#), paragraph 8.41 for examples of common barriers to entry and/or expansion.

⁵⁹⁷ See Chapter 6 (Horizontal Unilateral Effects).

⁵⁹⁸ Spreadex also noted that the costs involved would likely make it challenging to enter sports spread betting in the UK in the next two years in a financially viable way given the (then) market conditions and the increasingly stringent

- 7.20 During the Remittal inquiry, Spreadex also told us that unlicensed sports spread betting providers are relatively well-positioned to enter the market for licensed online sports spread betting.⁵⁹⁹
- 7.21 We are therefore considering potential barriers to entry against hypothetical entry primarily from these three types of providers.
- 7.22 In our view, these three types of providers would likely be best placed to enter the licensed online sports spread betting market in the UK, given their industry knowledge and/or overlaps in required regulatory compliance and have focused our assessment on these providers as a result. Therefore, if we conclude that we do not expect entry from these three types of providers to be timely, likely and sufficient to prevent an SLC arising from the Merger, then, in our view, this is also likely to be the case for any other type of provider.

Costs and timescales to obtain the relevant regulatory licence from the FCA

- 7.23 Sports spread betting providers wishing to solicit UK consumers must obtain a licence from the FCA and adhere to its regulations.⁶⁰⁰ We consider the costs and timescales to obtaining this licence as a potential barrier to entry below.

Spreadex's and third parties' views

- 7.24 Spreadex told us that there were at least 15 financial leveraged trading providers with the FCA licence required to offer sports spread betting services should they wish to do so.⁶⁰¹
- 7.25 With regards to sports fixed odds betting providers, Spreadex told us that it did not see acquiring an FCA licence to be a significant barrier to entry, on the basis that:
- (a) fixed odds operators would generally be very experienced in acquiring licences given they regularly do this for expansion into new territories;
 - (b) it would likely take 6–12 months for a company to get approved by the FCA; and

regulatory requirements. (Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 25). (The CMA understands that financial leveraged trading is a form of financial trading that includes financial spread betting, eg see Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 26. where Spreadex uses the two terms interchangeably).

⁵⁹⁹ Spreadex, Further Remittal Submission, 14 April 2025, paragraph 1.4.2.

⁶⁰⁰ [Section 19](#), [Section 20](#) and [Section 21](#) of the FSMA.

⁶⁰¹ Spreadex, response dated 3 May to the CMA's s109 notice dated 24 April 2024, question 26

- (c) the costs associated with obtaining a licence were relatively minimal, primarily consisting of management time and an application fee of £10,000.⁶⁰²

- 7.26 In relation to the timescales to approve requests for FCA authorisation, the FCA told us that it had a normal statutory deadline of six months to determine complete applications, and 12 months to determine incomplete applications. It also told us that the costs borne by a firm making an application would vary based on factors such as the size of the business, its complexity, and whether it sought any external support, and that the application cost was generally approximately £10,000, depending on the various permissions applied for at each instance.⁶⁰³ During the Remittal inquiry, the FCA confirmed that recent changes to the FCA [Handbook](#) would not have any impact on its treatment of sports spread betting.⁶⁰⁴
- 7.27 One sports fixed odds betting provider told us that it saw obtaining an FCA licence to be a significant barrier to entry, as it was not set up operationally for an FCA licence, but that it was a barrier that could be overcome and that the technological barrier (referred to below in paragraphs 7.32 to 7.49) was ‘the bigger stumbling block’. This provider also told us that it believed it would take six to nine months to obtain a licence.⁶⁰⁵ One sports betting B2B provider told us that it considered obtaining an FCA licence to be a barrier to entry (especially around the money required to be held on account to satisfy regulatory capital requirements), but that it was not the major barrier.⁶⁰⁶ One unlicensed sports spread betting provider told us that it considered that regulation of sports spread betting in the UK was the main barrier to competition,⁶⁰⁷ and that the initial cost and time required was the biggest concern when obtaining an FCA licence, and that the ongoing cost required to maintain a regulated entity was also a concern for a small business.⁶⁰⁸
- 7.28 We have also been told by third parties that there are also ongoing costs to regulatory compliance with the FCA that have acted as a barrier to entry. FDJ (the former owners of Sporting Index) told us that there were higher barriers to entering the supply of sports spread betting compared to the rest of sports betting, as (it submitted) sports spread betting is regulated by the FCA as well as the GC⁶⁰⁹ and companies were required to take a different approach to risk management,

⁶⁰² Spreadex, response dated 3 May 2024 to the CMA’s s109 notice dated 24 April 2024, question 26. Spreadex also told us that certain individuals would need to be appointed under [the FCA’s] SMCR [Senior Managers and Certification Regime], however given these same individuals would likely be personal management licence holders under the GC, it did not view this as a significant barrier.

⁶⁰³ FCA response to the CMA’s RFI.

⁶⁰⁴ FCA response to the CMA’s RFI.

⁶⁰⁵ [REDACTED]. Third party call transcripts: [REDACTED] and [REDACTED]. [REDACTED] response to the CMA’s. [REDACTED] response to the CMA’s RFI.

⁶⁰⁶ [REDACTED] call transcript.

⁶⁰⁷ [REDACTED] response to the CMA’s RFI.

⁶⁰⁸ [REDACTED] response to the CMA’s RFI.

⁶⁰⁹ The CMA understands that although the activity of sports spread betting is regulated solely by the FCA, and not the GC, all licensed sports spread betting providers currently also provide sports fixed odds betting, which is regulated by the GC, meaning that such providers are subject to regulation from both the FCA and the GC.

including having more upfront cash and insurance against losses.⁶¹⁰ FDJ and Sporting Group told us that there was an FCA regulatory requirement to have £10 million cash on demand which had to be left untouched, and that this was a difficult requirement for any potential purchaser of the pre-Merger Sporting Index business given the size of the business and its potential for growth in the future.⁶¹¹

Our assessment

- 7.29 On the basis of the above submissions, we conclude that obtaining an FCA licence would not be a lengthy and/or costly process. We understand that it would take 6–12 months and that this would not be a costly process on its own, with an approximate cost of just £10,000.
- 7.30 We note the third party evidence that obtaining an FCA licence is a significant barrier to entry. However, we also note that this third party considered that this barrier could be overcome, and that it considered obtaining a licence to be less prohibitive from a cost and timing perspective than it had initially thought.⁶¹²
- 7.31 We therefore consider that the costs and timescales involved in obtaining the required regulatory licence from the FCA do not represent a significant barrier to entry on their own, and firms that already hold this licence (such as financial leveraged trading providers) would not face this barrier at all. However, we note that there are other barriers which an entrant would need to overcome, including the costs required to ensure the entrant's technology is compliant with FCA's regulatory requirements, which are considered in more detail below.

Costs and timescales to develop and/or acquire the required technology

- 7.32 As set out in more detail below, we understand that in order for a new entrant to provide licensed online sports spread betting services, it would require:
- (a) sports data feeds;
 - (b) a sports spread betting trading platform to generate prices from these data feeds;
 - (c) a back-end management platform to comply with the FCA's regulatory requirements; and

⁶¹⁰ FDJ response to the CMA's RFI.

⁶¹¹ [REDACTED] hearing transcript.

⁶¹² [REDACTED] call transcript and [REDACTED] response to the CMA's RFI.

- (d) a front-end technology platform to display sports spread betting prices and engage directly with customers, by receiving and managing customer funds for example.

7.33 Often barriers to entry or expansion are related to the nature of the market. Initial set-up costs and costs associated with investment in specific assets are an example of common barriers – they are more likely to deter entry or expansion where a significant proportion of them are sunk.⁶¹³ We therefore consider the costs and timescales involved to develop and/or acquire these assets below.

Spreadex's and third parties' views

7.34 Spreadex told us that a financial leveraged trading provider would not have the sports-specific trading technology and applications to provide sports spread betting services. Spreadex told us that it considered that a minimum upfront technical investment in excess of £20 million over three years would be required to provide an equivalent level of service to that of Sporting Index pre-Merger.⁶¹⁴

7.35 Spreadex told us that this time would be needed to recruit, train and develop an equivalently sized and skilled IT team to that of Spreadex and to build the infrastructure, applications and elements of the system required. Spreadex also told us that it was unaware of any other third party company who would be able to provide the technology needed to provide the level of service its current customers expect in a manner that would meet the FCA's regulatory requirements to sufficient standards.⁶¹⁵

7.36 Spreadex told us that sports fixed odds betting providers would not have the infrastructure in place to comply with the FCA regulated concepts or technology, and that it considered that a technical investment of over £20 million would be required to adjust the existing underlying systems of sports fixed odds betting providers so as to offer sports spread betting in a manner that was compliant with the FCA's regulations.⁶¹⁶

7.37 Spreadex told us that this investment would involve extensive changes to customer User Experience/User Interface at the front-end, and far more significantly would require redesigning a large number of back-end account management systems, which was not something a large fixed odds operator would be willing to do, given the small size of the UK sports spread betting segment of the online sports betting market. Spreadex also told us this would involve updating sports fixed odds betting pricing models such that this could offer sports spread

⁶¹³ MAGs, paragraph 8.41(a).

⁶¹⁴ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 26.

⁶¹⁵ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 26.

⁶¹⁶ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 26.

betting prices for all new spread betting markets offered.⁶¹⁷ Spreadex also told us that different and more complex calculation methodologies are required to create sports spread betting markets (than fixed odds betting markets), and sports spread betting markets would require extra investment, modelling and development work to accurately generate spread betting odds.⁶¹⁸

7.38 Third parties generally agreed that acquiring or developing the required technology would be a substantial barrier to entry:

- (a) One sports fixed odds betting provider told us that it had plans to enter the licensed online sports spread betting market in the UK, but it had put these plans on hold due to the costs that would be involved, relative to the level of demand in the market, in developing and acquiring the technology needed to provide sports spread betting services in a manner that could compete with Spreadex. It also told us that developing this technology was not the barrier to entry, but rather the cost and operational strain that would be involved from doing so, in addition to the licensing requirements and the development of software capabilities.⁶¹⁹
- (b) One sports betting B2B provider told us that developing the necessary trading technology was the most significant barrier to entry given the financial investment and the timeframes that would be required to build a system from scratch, and added that it did not consider it economically viable to enter the market organically in this way.⁶²⁰
- (c) Another sports fixed odds betting provider told us that third party spread betting software and pricing could be bought from third parties, but its view was that building successful and valuable operations in gaming required a sports spread betting provider to have its own technology and in-house trading expertise, and noted that for it this would be a highly significant barrier to entry.⁶²¹
- (d) Another sports fixed odds betting provider told us that it develops all its own trading technology in-house and therefore if it were to offer sports spread betting services, it would need to develop its own sports spread betting technology at great expense. It estimated that the development of this technology alone would run into several million pounds.⁶²²
- (e) One third party financial leveraged trading provider told us that if it were to provide sports spread betting services, this would require an enhancement to

⁶¹⁷ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 26.

⁶¹⁸ Spreadex, response dated 10 May 2024 to the CMA's RFI dated 22 April 2024, question 4.

⁶¹⁹ [REDACTED] call transcript and [REDACTED] response to the CMA's RFI.

⁶²⁰ [REDACTED] call transcript.

⁶²¹ [REDACTED] response to the CMA's competitor questionnaire dated 6 February 2024.

⁶²² [REDACTED] response to the CMA's RFI.

its bespoke in-house proprietary trading platform. It also told us that it would hazard a guess at a development timeline of two to three years and an estimated cost of around £1.4 million, with the caveat that it did not have a pre-determined methodology to estimate such an endeavour.⁶²³

- (f) A third party provider of an execution only platform including the provision of leveraged financial products told us that it would need to acquire or develop data feeds for sports odds from reliable sources in order to provide sports spread betting services in the UK, as it had no capabilities of doing so internally. It also told us that it believed that its current technology platform, which had the capability of offering financial spread betting products, would have the functionality to accommodate the general operational requirements to provide these services.⁶²⁴
- (g) One unlicensed sports spread betting provider told us that while the functionality of its [X] is likely sufficient at a base level, the FCA are likely to have additional reporting requirements relating to client funds which could be onerous. It submitted that changes to its [X] would be estimated to take [X] months, provided that it had the capacity to do so. It also submitted that there was an unknown variable, meaning that if a provider entered a process and discovered that its [X], this could result in a huge delay or the whole project being rendered unviable.⁶²⁵

Our assessment

- 7.39 As set out in paragraph 7.21, we assess below the costs and timescales to obtain the required technology with respect to financial leveraged trading providers, sports fixed odds betting providers and unlicensed sports spread betting providers specifically.
- 7.40 Our view is that in order for a competitor to exert an effective competitive constraint on the Merged Entity in the supply of licensed online sports spread betting services in the UK, it would require the technology to:
 - (a) comply with the FCA's regulated requirements; and
 - (b) offer sports spread betting prices in a manner that is sufficiently comprehensive to compete with the Merged Entity.

⁶²³ [X] response to the CMA's RFI.

⁶²⁴ [X] response to the CMA's RFI. The respondent added that it did not offer spread betting as a service, it did not wish to do so going forward, and if it were to offer spread betting it would not be on sporting indices. It clarified that its response was given on a hypothetical basis ('imagine you were interested, what would you need?') [X] email.

⁶²⁵ [X] response to the CMA's RFI.

- 7.41 A new entrant would need to offer services comparable to those of Sporting Index pre-Merger to prevent an SLC arising from the Merger.
- 7.42 In our view, a financial leveraged trading provider looking to start supplying sports spread betting in the UK would need to incur significant investment to acquire, and in addition over multiple years to develop, the technology required to provide sports specific spread betting services. This would include costs to:
- (a) either acquire third party sports data feeds or develop these sports data feeds in-house; and
 - (b) adjust the spread betting technology it has such that it can use this data feed to provide sports-specific spread betting prices.
- 7.43 While financial leveraged trading providers may be better placed than other providers to develop this technology due to the general spread betting overlaps between the platforms it already owns and the platform required to generate sports spread betting prices, the evidence is that an investment of at least several millions over multiple years would still be required in order to provide a sports spread betting service comparable to that of Sporting Index pre-Merger.⁶²⁶
- 7.44 In our view, a sports fixed odds betting provider would also need to incur significant investment over multiple years to provide licensed online sports spread betting services in the UK, in order to:
- (a) adjust its existing technology such that this is compliant with the FCA's regulatory requirements; and
 - (b) develop or acquire a platform that can generate spread betting prices.⁶²⁷
- 7.45 On the basis of the evidence, hiring the relevant IT staff to make these changes would require an investment of at least several millions of pounds over multiple years.
- 7.46 An unlicensed sports spread betting provider may have some of the technology required to generate spread betting prices, but it would also need to invest in order to ensure that its existing technology was compliant with the FCA's regulatory requirements.⁶²⁸
- 7.47 We note that sports fixed odds betting providers, financial leveraged trading providers, and unlicensed sports spread betting providers may be able to enter in a more timely manner than other entrants should it be possible to procure from a

⁶²⁶ See paragraphs 7.34, 7.35 and 7.38(e).

⁶²⁷ See paragraphs 7.36, 7.37, 7.38, 7.38(a) and 7.38(d).

⁶²⁸ See paragraphs 7.35 and 7.36. While these submissions regarding the technology required to meet the FCA's regulatory requirements were made in relation to financial leveraged trading providers, our view is that they would also apply to unlicensed sports spread betting providers.

third party the technology required to provide licensed online sports spread betting services, rather than developing this technology in-house. However, the evidence is mixed on whether there is any third party technology which can provide a similar level of service to that of Sporting Index pre-Merger (other than Spreadex); one third party told us that acquiring this technology would incur a significant cost and another told us that to be successful required in-house technology.⁶²⁹

7.48 The evidence provided to us therefore implies that most new entrants will face substantial upfront costs to developing the required technology, as well as multiple years of investment before any return on investment is realised. For example, we note Spreadex's assessment that a new entrant would require technological investment in excess of £20 million over three years to provide a service comparable to that of Sporting Index pre-Merger (we note that this may be lower in the case of sports spread betting providers operating outside the UK, ie unlicensed providers, though there is still some uncertainty about what updates they would need to make to existing technology in order to satisfy FCA regulations, eg see paragraph 7.38(g)). Our view is that this required investment is large when compared to the available revenues and profits, noting in particular that licensed online sports spread betting had a market size of £[REDACTED] million in 2022, £[REDACTED] million in 2023 and £[REDACTED] million in 2024 (including some binary bets which were classified as spread bets in this year), or £[REDACTED] million in 2024 (excluding those binary bets) (see paragraph 2.13).⁶³⁰

7.49 We therefore conclude that, relative to the size of the licensed online sports spread betting market in the UK, the costs and timescales to develop and/or acquire the required technology to provide a licensed online sports spread betting service in the UK that is compliant with the FCA's regulatory requirements and sufficiently comprehensive to exert an effective competitive constraint on the Merged Entity represents a significant barrier, making entry unlikely. If new entry were to occur as a result of the Merger, we conclude that time required to overcome the technological barriers means that it would not be timely or of sufficient scale to prevent the SLC identified in Chapter 6 (Horizontal Unilateral Effects). Although we consider that barriers to expansion are lower than barriers to entry as regards technology, they are not relevant in this case since, following the Merger, there are no other providers of licensed online sports spread betting services in the UK.

⁶²⁹ See paragraphs 7.38(a) and 7.38(c).

⁶³⁰ We note that this trade-off between the cost and risk of entry and the potential reward will likely be very different for a purchaser of an existing provider of licensed online sports spread betting, as much of the necessary investment will already have occurred. See Chapter 5 (Counterfactual) for our assessment of whether there would not have been an alternative, less anti-competitive purchaser to Spreadex for the Sporting Index business.

Costs and timescales to develop and/or acquire the required industry expertise

- 7.50 As set out in more detail below, we understand that in order for a new entrant to provide licensed online sports spread betting services in the UK, it would require:
- (a) IT staff to develop the required technology;
 - (b) sports traders to help determine sports spread betting prices;
 - (c) compliance staff to enable the competitor to comply with the FCA's regulatory requirements; and
 - (d) key HVC account managers to enable a competitor to build and manage personal relationships with HVC customers.
- 7.51 We consider the costs and timescales involved to develop and/or acquire these below.

Spreadex's and third parties' views

- 7.52 As set out in paragraph 7.35, Spreadex told us that financial leveraged providers would need to recruit, train and develop an equivalently sized and skilled IT team to that of Spreadex in order to build the infrastructure, applications and elements of the system required to provide a service comparable to that of Sporting Index pre-Merger. Spreadex stated that it believed it would take any potential entrant over three years to build the required technology to provide an equivalent level of service to Sporting Index pre-Merger (in a manner that met regulatory requirements) and between five and seven years to provide an equivalent level of service to that which Spreadex and Sporting Index customers were receiving at the time.⁶³¹ Spreadex also told us that its IT staff and trading staff have long standing experience of working on its proprietary technology that could not be replicated on the open market.⁶³²
- 7.53 Spreadex told us that trading in larger sports fixed odds betting firms had become far more operational and marketing focused, given fixed odds firms often priced primarily with reference to the prevailing market price (and their growth strategy), and so its experienced sports traders were relatively unique in the industry and would be difficult to replace directly.⁶³³
- 7.54 Spreadex told us that there was a high degree of competition in the industry for compliance staff, given the FCA's increasingly onerous regulatory requirements and a finite pool of staff to choose from. Spreadex also noted that operating under two separate regulators meant that any compliance staff joining needed to be

⁶³¹ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 26

⁶³² Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 27

⁶³³ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 27

upskilled in the rules, regulations and guidance of the other regulator. Spreadex also told us that whilst there was crossover with other regulated FCA activity, sports spread betting was a very nuanced FCA-regulated activity, and so even staff with FCA experience faced a steep learning curve that was best supported by existing staff with that nuanced experience.⁶³⁴

- 7.55 FDJ told us that there had been an increase in licensed online sports spread betting regulations with regards to source of wealth and safer gambling requirements, and because of this, most customers were unwilling to provide the required documentation for Sporting Index (under FDJ's ownership pre-Merger) to allow them to continue to trade and place bets. FDJ also told us that sports spread betting companies faced 'an additional hurdle' in comparison to wider sports betting, with regards to educating customers on how spread betting products worked and explaining how a customer could lose more than their outlay.⁶³⁵
- 7.56 Sporting Group (a subsidiary of FDJ) told us that that entertaining HVC customers and building a personal relationship with these customers was a significant part of the business. However, FDJ and Sporting Group dialled down this aspect of the Sporting Index business pre-Merger, in order to ensure that it was compliant with the rules and regulations regarding how it managed its HVC customers, which involved requiring Sporting Group to not over-incentivise any of its customers.⁶³⁶
- 7.57 A third party financial leveraged trading provider told us that sports spread betting was a very specialised activity with substantial barriers to entry, including recruiting individuals with industry knowledge.⁶³⁷
- 7.58 Another third party, a sports fixed odds betting provider, told us that the expense required to build the expertise and to obtain the relevant FCA licence to provide sports spread betting was unlikely to be recouped in what appeared to be a niche and dwindling market. It also told us that while it would have the industry expertise needed to supply licensed online sports spread betting services in the UK (because it has one of the most sophisticated trading teams in sports betting), a firm entering from a standing start would require a huge amount of time, investment and development of expertise to succeed in a very niche market and was very unlikely to it would ever see a return on its investment.⁶³⁸

⁶³⁴ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 27

⁶³⁵ FDJ response to the CMA's RFI.

⁶³⁶ [REDACTED] hearing transcript.

⁶³⁷ [REDACTED] response to the CMA's competitor questionnaire dated 6 February 2024.

⁶³⁸ [REDACTED] call transcript, and [REDACTED] response to the CMA's RFI.

Our assessment

- 7.59 As set out above, in our view, in order for a firm to offer an effective competitive constraint in the licensed online sports spread betting market, it would need to acquire or develop industry expertise in the form of:
- (a) IT staff to develop the required technology;
 - (b) sports traders to help determine sports spread betting prices;
 - (c) compliance staff to enable the competitor to comply with the FCA's regulatory requirements; and
 - (d) HVC customer account managers to enable a competitor to build and manage personal relationships with HVC customers.
- 7.60 In the Phase 2 Provisional Findings, we provisionally concluded that, relative to the size of the licensed online sports spread betting market in the UK, the costs and timescales to develop and/or acquire the required industry expertise to provide a licensed online sports spread betting service that is compliant with the FCA's regulatory requirements and is sufficiently comprehensive to exert an effective competitive constraint on the Merged Entity represents a significant barrier to entry.
- 7.61 Following the Phase 2 Provisional Findings, and in the course of our evidence gathering in relation to possible remedies for the SLC provisionally identified, we received the following further evidence relating to a firm's ability to acquire or develop industry expertise, including trading staff, compliance staff and IT staff:
- (a) 10star told us that realistically, in broad brush terms, it would take two to three years to hire people and be out of a TSA, but that this was an iterative process and that it would not take two to three years to get the first team off.⁶³⁹
 - (b) Star Sports told us that it did not see the acquisition of trading personnel being an issue given that it considered that, although not directly transferrable, sports fixed odds traders could pick up sports spread betting skills in two weeks, and it had enough contacts to fill in the gaps.⁶⁴⁰
 - (c) Betfair told us that, if it were to consider acquiring a spread betting business, it would not have the staff base to be able to compete both from a compliance and trading perspective and would be required to hire them in order to compete. It posited that, hypothetically, traders in fixed odds and spread betting had similar backgrounds, skills, and understanding of the

⁶³⁹ 10star call transcript as subsequently updated by 10star email.

⁶⁴⁰ Star Sports call transcript as subsequently confirmed by Star Sports email.

mathematical computation of risk, but did not think that employees with fixed odds expertise would be able to operate a competitive business in the spread betting space. Betfair noted that it would be possible for a potential purchaser to acquire and train new staff and that it might be easier to train traders from, for example, financial markets, due to their transferrable skills. Betfair also told us that some fixed odds providers did not want to have an in-house trading team and chose to outsource this capability, as their competitive advantage would be in their marketing and customer propositions.⁶⁴¹

- (d) bet365 told us that financial market traders might be able to use transferrable skills to move into the spread betting space as a sports trader, and that if a purchaser had an in-house team of fixed odds traders, then it could also provide services in the spread betting space. bet365 also told us that this might have cost implications as the fixed odds traders would need to be retrained to offer spread betting.⁶⁴²
- (e) In relation to compliance staff, bet365 told us that in particular, a divestment business would need some senior compliance staff who were knowledgeable about policies and procedures in the industry, and that recruiting compliance staff might be challenging given the niche nature of sports spread betting.⁶⁴³ However, bet365 told us it was likely that compliance staff with financial trading experience who have also worked under FCA regulation could potentially perform a similar role within a sports spread betting business.⁶⁴⁴
- (f) Sporting Group told us that some staff who have worked in financial services with knowledge of the FCA regime could be a potential pool of staff for recruitment (noting that Sporting Group had in the past employed a consultant from the financial industry to assist it with risk and compliance), but added that it would require such staff to be overpaid to attract them away from the financial sector where they were likely remunerated far above and beyond what was affordable in sports spread betting.⁶⁴⁵
- (g) 10star told us that recruiting IT staff who could carry out R&D on the technology in order to build the modelling would be the most difficult category of staff to recruit (eg compared to traders), and added that there was always pressure on hiring tech staff.⁶⁴⁶

⁶⁴¹ Betfair call transcript as subsequently updated by Betfair email.

⁶⁴² bet365 call transcript as subsequently updated by bet365 email.

⁶⁴³ bet365 call transcript as subsequently updated by bet365 email.

⁶⁴⁴ bet365 call transcript as subsequently updated by bet365 email.

⁶⁴⁵ Sporting Group and FDJ call transcript as subsequently confirmed by FDJ email.

⁶⁴⁶ 10star call transcript as subsequently updated by 10star email.

- (h) OddsMatrix told us that if Spreadex provided a TSA, it would not be unduly burdensome to maintain the platform whilst the systems were developed and the staff were trained.⁶⁴⁷

7.62 Having considered the evidence in the round, we conclude that, while staff and expertise are important to the operation of a successful licensed online sports spread betting business, and some investment may be required in order to ensure that a business has the required staff, the costs and timescales to develop and/or acquire the relevant industry expertise do not represent a significant barrier to entry. We also note that firms already active in the wider betting industry (including in particular, unlicensed sports spread betting providers) are likely to have existing staff with relevant transferable skills.

Conclusion on potential barriers to entry and/or expansion

7.63 Based on our assessment set out above, we conclude that while there are no absolute impediments to entry into the market for licensed online sports spread betting in the UK, the cost and timescales involved in developing and/or acquiring the required technology, relative to the modest market opportunity available, constitute a barrier to entry.

7.64 However, we conclude that the costs and timescales involved in obtaining the required regulatory licence from the FCA do not represent a significant barrier to entry on their own, and firms that already hold this licence (such as financial spread betting providers) would not face this barrier at all.

7.65 We also conclude that the costs and timescales involved in obtaining the required industry expertise do not represent a significant barrier to entry on their own, and that firms already active in the wider betting industry are likely to have existing staff with relevant transferable skills.

Previous examples of entry and/or expansion and possible sources of entry

7.66 We consider below Spreadex's submissions in relation to potential entry, previous examples of entry and/or expansion, and possible sources of entry.

7.67 As set out in paragraphs 7.19 and 7.20, Spreadex told us that it was aware of three types of providers who could feasibly enter the UK licensed online sports spread betting market within the next two years, namely:

- (a) sports fixed odds betting providers;
- (b) financial leveraged trading providers; and

⁶⁴⁷ OddsMatrix call transcript as subsequently confirmed by OddsMatrix email.

(c) unlicensed sports spread betting providers.

- 7.68 Spreadex added that it considered the costs involved would make it very challenging to enter the licensed online sports spread betting market in the UK in the next two years in a financially viable way, given current market conditions and the increasingly stringent regulatory requirements.⁶⁴⁸ Spreadex also told us that there have been no new entrants in the last ten years.⁶⁴⁹
- 7.69 Due to the factors identified above, and in particular the significant technological investment that would be required (as discussed in paragraphs 7.32 to 7.49), our view is that any entry from sports fixed odds betting providers, financial leveraged trading providers or unlicensed sports spread betting providers would not be timely, likely and sufficient to prevent an SLC arising from the Merger.
- 7.70 As we have set out in Chapter 6 (Horizontal Unilateral Effects), we note that unlicensed sports spread betting providers are relatively well positioned to enter the licensed sports spread betting market in the UK if they were to obtain an FCA licence, as they already have some of the relevant technology to provide these services (with the exception of a back-end management platform to comply with the FCA's regulatory requirements). However, there are just two current providers of unlicensed sports spread betting in the UK, [REDACTED]:
- (a) Star Sports (via its [REDACTED], [REDACTED]), who told us that [REDACTED], due to the costs associated and the licensing requirements. It also submitted that it would be a big project, and that spread betting was not as popular as fixed odds betting;⁶⁵⁰ and
 - (b) SportsSpread, who told us during the Remittal inquiry that [REDACTED]. SportsSpread told us that the biggest hurdle would be the [REDACTED]. SportsSpread also told us that it considered it [REDACTED].^{651,652}
- 7.71 We have not been provided with any other evidence that any other third parties may be looking to enter the market for licensed online sports spread betting in the UK.

Conclusion on entry and/or expansion as a countervailing factor

- 7.72 As noted above, while we do not consider there to be any absolute impediments to entry into the market for licensed online sports spread betting in the UK, our view

⁶⁴⁸ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 25

⁶⁴⁹ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 29

⁶⁵⁰ Star Sports (Star Racing), call transcript. As noted in Chapter 5 (Counterfactual), in the course of the phase 2 inquiry and the Remittal inquiry, we have predominantly engaged with [REDACTED] in the context of their involvement as an Alternative Bidder for Sporting Index. On this basis, the individuals that we have spoken to have worked (or previously worked) for [REDACTED] rather than its [REDACTED]

⁶⁵¹ SportsSpread response dated to the CMA's RFI and SportsSpread response dated to the CMA's RFI.

⁶⁵² We are not aware of any plans to [REDACTED].

is that the cost and timescales involved in developing and/or acquiring the required technology, relative to the modest market opportunity available, constitute a barrier to entry.

- 7.73 However, we do not consider that obtaining the required regulatory licence from the FCA, or obtaining the required industry expertise would be significant barriers to entry on their own.
- 7.74 We have also considered potential sources of entry, but have not been provided with any evidence that any third parties may be looking to enter the market for licensed online sports spread betting in the UK.
- 7.75 We therefore conclude that on the basis of the evidence provided to us and the entry barriers we have identified above, we would not expect any sources of entry and/or expansion to be timely, likely and sufficient to prevent an SLC arising from the Merger.

Efficiencies

- 7.76 We also consider whether there are any efficiencies arising from the Merger which could be considered a potential countervailing factor to an SLC arising from the Merger. The details of our assessment are set out below.

Framework for assessment

- 7.77 Efficiencies arising from a merger can enhance rivalry with the result that a merger does not give rise to an SLC. In order for that to be the case, the efficiencies must:
- (a) enhance rivalry in the supply of those products where an SLC may otherwise arise;
 - (b) be timely, likely and sufficient to prevent an SLC from arising;
 - (c) be merger-specific; and
 - (d) benefit customers in the UK.⁶⁵³
- 7.78 The MAGs state that merger firms who wish to make efficiency claims are encouraged to provide verifiable evidence to support their claims in line with the CMA's framework.⁶⁵⁴ The MAGs note that it is for the merger firms to demonstrate that the merger will result in efficiencies and the CMA must be satisfied that the evidence shows that the above criteria are met.⁶⁵⁵

⁶⁵³ [MAGs](#), paragraph 8.8.

⁶⁵⁴ [MAGs](#), paragraph 8.7.

⁶⁵⁵ [MAGs](#), paragraph 8.15.

Spreadex's views

- 7.79 Spreadex told us that the Merger had and would continue to bring positive changes from a customer perspective, as Sporting Index customers had and would continue to benefit from a significantly improved product, user experience and interface, with an increased number of markets, betting opportunities and payment and withdrawal options. Spreadex also told us that Sporting Index customers benefit from additional regulatory protections due to the GC's regulatory requirement to share vulnerability and safer gambling concerns across the Spreadex and Sporting Index brands.⁶⁵⁶

Our assessment

- 7.80 We consider whether each of the efficiencies submitted by the Parties would meet the cumulative criteria set out in paragraph 7.77.
- 7.81 Our view is that the efficiency arguments submitted by Spreadex to date do not meet the above criteria for the following reasons:
- (a) The claimed efficiencies are not Merger-specific, as the customer benefits described above would have been available to Sporting Index customers had they switched to Spreadex and this option would have existed with or without the Merger.
 - (b) The claimed efficiencies also do not enhance rivalry in the market for licensed online sports spread betting in the UK, given that the Merger has resulted in Spreadex acquiring the only other licensed sports spread betting provider in the UK, and the lack of any other effective competitive constraint on the Merged Entity.

Conclusion on efficiencies as a countervailing factor

- 7.82 Based on our assessment above and in light of the evidence provided to us, we conclude that the claimed efficiencies would not be Merger-specific or enhance rivalry in the UK licensed online sports spread betting market, such as to prevent an SLC arising from the Merger.

Conclusion on countervailing factors

- 7.83 Based on our assessment set out in this chapter, it is our conclusion that there are no countervailing factors to prevent or mitigate an SLC arising from the Merger.

⁶⁵⁶ Spreadex, Letter to the inquiry group, 25 April 2024, page 1.

8. CONCLUSIONS

- 8.1 As a result of our assessment set out in the preceding chapters, we have concluded that:
- (a) the completed acquisition of Sporting Index by Spreadex has resulted in the creation of an RMS; and
 - (b) the creation of that RMS has resulted, or may be expected to result, in an SLC in the supply of licensed online sports spread betting services in the UK.

9. REMEDIES

Introduction

- 9.1 This Chapter sets out our assessment of, and decision on, the appropriate remedy to address the SLC and resulting adverse effects found in Chapter 6.
- 9.2 For the reasons set out in this Chapter, we have concluded that the divestiture remedy described in the Remittal Notice of Possible Remedies (the **Remittal Remedies Notice**)⁶⁵⁷ would represent an effective and proportionate remedy. A summary of our decision on the appropriate remedy is set out in paragraphs 9.380 to 9.389.
- 9.3 This Chapter is structured under the following main headings:
- (a) CMA remedies assessment framework
 - (b) Evidence gathered
 - (c) Overview of remedy options
 - (d) Overview of the proposed divestiture remedy
 - (e) Assessment of effectiveness of a divestiture remedy
 - (f) Conclusions on effective remedy options
 - (g) Relevant customer benefits (**RCBs**)
 - (h) Proportionality assessment of effective remedy options
 - (i) Implementation issues
 - (j) Enforcement
 - (k) Decision on remedies.

CMA remedies assessment framework

- 9.4 Pursuant to [section 35\(3\)](#) of the Act, where the CMA decides that a completed merger has resulted, or may be expected to result, in an SLC, it must decide the following:
- (a) whether the CMA should itself take action under [section 41\(2\)](#) of the Act for the purpose of remedying, mitigating or preventing the SLC concerned or any

⁶⁵⁷ CMA, [Remittal Remedies Notice](#), 5 June 2025.

adverse effect which has resulted, or may be expected to result, from the SLC;

- (b) whether the CMA should recommend the taking of action by others for the purpose of remedying, mitigating or preventing the SLC concerned or any adverse effect which has resulted, or may be expected to result, from the SLC; and
- (c) in either case, if action should be taken, what action should be taken and what is to be remedied, mitigated or prevented.

9.5 The Act requires that the CMA, when deciding on remedial action, 'shall, in particular, have regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it'.⁶⁵⁸ The Act also provides that the CMA 'may, in particular, have regard to the effect of any action on any RCBs in relation to the creation of the relevant merger situation concerned'.⁶⁵⁹ RCBs are addressed in further detail at paragraphs 9.340 to 9.349 below.

9.6 To fulfil the requirement to achieve a comprehensive solution that is reasonable and practicable, the CMA will seek remedies that are effective and proportionate in addressing the SLC and any resulting adverse effects.⁶⁶⁰

Effectiveness of remedies

9.7 As explained in the Merger Remedies Guidance, the effectiveness of a remedy is assessed by reference to its:⁶⁶¹

- (a) impact on the SLC and its resulting adverse effects – the aim being to restore the dynamic process of rivalry between firms seeking to win customers' business over time;
- (b) duration and timing – remedies need to be capable of timely implementation and to address the SLC effectively throughout its expected duration;
- (c) practicality, in terms of its implementation, subsequent monitoring and potential enforcement; and
- (d) risk profile, in particular to seek a remedy that has a high degree of certainty of achieving its intended effect;⁶⁶² customers or suppliers of merger parties

⁶⁵⁸ [Section 35\(4\)](#) of the Act.

⁶⁵⁹ [Section 35\(5\)](#) of the Act.

⁶⁶⁰ CMA, [Merger remedies \(CMA87\)](#), 13 December 2018, paragraphs 3.4 and 3.6.

⁶⁶¹ [CMA87](#), paragraph 3.5.

⁶⁶² The Competition Appeal Tribunal (the **Tribunal**) held that it is reasonable for the CMA to not favour a remedy 'for which it cannot feel a high degree of confidence of success' ([Ecolab Inc. v CMA](#) [2020] CAT 12, at [83]).

should not bear significant risks that remedies will not have the requisite impact on the SLC or its adverse effects.

Proportionality of effective remedies

- 9.8 Having decided which remedy options would be effective, the CMA will then consider the costs of those remedies. In order to be reasonable and proportionate, it will seek to select the least costly remedy, or package of remedies, that it considers to be effective; and if the CMA is choosing between two remedies which it considers will be equally effective, it will select the least costly and intrusive/restrictive remedy.⁶⁶³ The CMA will seek to ensure that no remedy is disproportionate in relation to the SLC and its adverse effects.⁶⁶⁴

Evidence gathered

- 9.9 In considering potential remedies, we have taken into account the evidence gathered in the inquiry leading to the Phase 2 Final Report insofar as that evidence remains relevant,⁶⁶⁵ as well as new evidence gathered during the Remittal inquiry.⁶⁶⁶
- 9.10 Spreadex proposed a divestiture remedy to address the SLC provisionally identified in the Phase 2 Provisional Findings⁶⁶⁷. Spreadex confirmed that its previous submissions on remedies have not been superseded by those submitted during the Remittal inquiry.⁶⁶⁸ A description of Spreadex's previous remedy proposal (**Spreadex's Remedy Proposal**) and submissions on its effectiveness in addressing the SLC are set out in paragraphs 9.32 to 9.58 below.
- 9.11 During the Phase 2 inquiry, we held a Response Hearing with Spreadex on 11 September 2024 to discuss Spreadex's Remedy Proposal (**Phase 2 Response Hearing**) and gathered further information from Spreadex through requests for information.⁶⁶⁹
- 9.12 In addition, following the publication of the phase 2 Notice of Possible Remedies (the **Phase 2 Remedies Notice**),⁶⁷⁰ we held calls with a wide range of third parties to obtain their views on possible remedies (together, the **Third Party Remedy Calls**), including calls with sports fixed odds betting providers; sports betting B2B

⁶⁶³ [CMA87](#), paragraphs 3.4 and 3.6.

⁶⁶⁴ [CMA87](#), paragraphs 3.4 and 3.6.

⁶⁶⁵ On 4 March 2025, the Tribunal by way of [Reasoned Order](#) quashed the Phase 2 decision on an SLC (at paragraph 8.1(b) of the [Phase 2 Final Report](#)) and the final decision as to remedy (at paragraph 9.387 of the Phase 2 Final Report) and referred the case back to the CMA to reconsider and make a new decision or decisions in respect those matters (the **Remittal**).

⁶⁶⁶ See paragraphs 9.17 and 9.18.

⁶⁶⁷ CMA, Phase 2 [Provisional Findings Report](#), 25 July 2024.

⁶⁶⁸ Spreadex, [Response to the CMA's Remittal Remedies Notice](#), 19 June 2025, paragraph 1.4.

⁶⁶⁹ We also held a remedy call with Sporting Index's [\[redacted\]](#) ([\[redacted\]](#)).

⁶⁷⁰ CMA, [Phase 2 Notice of Possible Remedies](#), 25 July 2024.

providers; a software platform developer; the former owners of Sporting Index (namely, FDJ and Sporting Group); and 10star and Star Sports ([REDACTED]).⁶⁷¹ We also received two written responses to the Phase 2 Remedies Notice from third parties,⁶⁷² and received responses to our questionnaires from a number of third parties, including potential third party providers of sports spread pricing feeds.

- 9.13 While most of the Third Party Remedy Calls took place before Spreadex had submitted its Remedy Proposal, after we received Spreadex's written response to the Phase 2 Remedies Notice, we held supplementary calls with two third parties who had expressed a potential interest in acquiring a divestiture package.⁶⁷³
- 9.14 On 9 October 2024, we sent the Parties the Phase 2 Remedies Working Paper (**Phase 2 RWP**), which set out our provisional decision on remedies, in which we provisionally concluded (among other things) that a modified form of Spreadex's Remedy Proposal would be an effective and proportionate remedy. We received Spreadex's response to the Phase 2 RWP on 23 October 2024 (**Phase 2 RWP response**).
- 9.15 In the Phase 2 RWP response, Spreadex submitted that there were a number of elements of the CMA's provisional decision on an appropriate remedy that remain disproportionate and/or impracticable.⁶⁷⁴
- 9.16 Following the Phase 2 RWP response, we also held further calls with 10star and Star Sports to test potential remedy scenarios, including certain aspects of Spreadex's proposals in the Phase 2 RWP response, which Spreadex agreed we could disclose to 10star and Star Sports, noting 10star's and Star Sports' interest as potential remedy takers under the proposed remedy.⁶⁷⁵
- 9.17 Based on the evidence gathered during the Phase 2 inquiry and the Remittal inquiry, the Remittal Remedies Notice⁶⁷⁶ invited views on possible remedies, in particular, a possible divestiture remedy,⁶⁷⁷ as well as proposals for behavioural remedies and any other practicable remedies.⁶⁷⁸ In preparing the Remittal Remedies Notice, the Remittal inquiry group had regard to Spreadex's Remedy

⁶⁷¹ We held Third Party Remedy Calls with the following third parties: (a) Betfair; (b) 10star; (c) Star Sports ([REDACTED]); (d) Sporting Group; (e) bet365; (f) a sports fixed odds betting provider [REDACTED]; (g) AlixPartners; (h) OddsMatrix; (i) the FCA; (j) Code Factory (Software Mind); (k) FDJ (together with Sporting Group); (l) [REDACTED] (Former [REDACTED] MD); and (m) Betsson Group.

⁶⁷² We received written responses to the Phase 2 Remedies Notice from Spreadex, Star Sports and 10star. A non-confidential version of each written response was published on the CMA case page: [Spreadex / Sporting Index merger inquiry - GOV.UK](#).

⁶⁷³ We held supplementary remedy calls with Star Sports and 10star.

⁶⁷⁴ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.2.

⁶⁷⁵ Star Sports, email and 10star call transcript.

⁶⁷⁶ CMA, [Remittal Remedies Notice](#), 5 June 2025.

⁶⁷⁷ In the [Remittal Remedies Notice](#), we invited views on aspects of remedy design which might be needed to make a divestiture remedy effective and ensure that no new competition concerns would arise. These may include requirements relating to the scope of any divestiture package; the identification of suitable potential purchaser(s); and the divestiture process including the timing of divestiture (CMA, [Remittal Remedies Notice](#), 5 June 2025, paragraphs 49, 54 and 55 to 57).

⁶⁷⁸ CMA, [Remittal Remedies Notice](#), 5 June 2025, paragraphs 34 and 35.

Proposal, together with the modifications and enhancements that were previously considered by the inquiry group.⁶⁷⁹ Spreadex responded to the Remittal Remedies Notice on 19 June 2025,⁶⁸⁰ and we also held a Remittal Response Hearing with Spreadex on 14 July 2025.

- 9.18 We did not receive any third party responses to the Remittal Remedies Notice. During the Remittal inquiry, we contacted third parties to confirm whether the evidence provided during the Phase 2 inquiry, which included possible remedies, remained applicable, and whether any of it needed to be updated in light of any changes in market conditions. Some third parties confirmed that it remained applicable with no further update, and others updated certain aspects of their previous submissions.⁶⁸¹
- 9.19 A brief summary of the third party evidence we received is set out in the relevant sections of this chapter.
- 9.20 On 1 August 2025, we sent the Parties the Remittal Remedies Working Paper (the **Remittal RWP**) which set out our provisional decision on remedies, in which we provisionally concluded that the divestiture remedy described in the Remittal Remedies Notice would represent an effective and proportionate remedy. On 14 August 2025, Spreadex confirmed it did not wish to make a submission in response to the Remittal RWP.⁶⁸²
- 9.21 In reaching our decision on the appropriate remedy, we have considered the written and oral evidence from the Parties and third parties. In considering this evidence, we have carefully evaluated the weight that it is appropriate to place on the different evidence we have received, not only from the Parties, but also from third parties. As in any investigation, we have had due regard to a range of factors including the incentives of the party giving that evidence; the extent to which the party had knowledge that was relevant to the statutory questions we are required to answer; and the extent to which the evidence was consistent with other evidence available to us.

⁶⁷⁹ CMA, [Remittal Remedies Notice](#), 5 June 2025, footnote 6.

⁶⁸⁰ Spreadex, [Response to the CMA's Remittal Remedies Notice](#), 19 June 2025.

⁶⁸¹ Third party call transcripts: Betfair, as subsequently updated by Betfair email; 10star, as subsequently updated by 10star email; Star Sports, as subsequently confirmed by Star Sports email; FDJ and Sporting Group, as subsequently confirmed by FDJ email; [X] as subsequently confirmed by [X] email; bet365, as subsequently updated by bet365 email; AlixPartners, as subsequently confirmed by AlixPartners, email; OddsMatrix, as subsequently confirmed by OddsMatrix email; FCA, as subsequently updated by FCA email; Star Sports, as subsequently confirmed by Star Sports email; 10star, as subsequently updated by 10star email; Software Mind, as subsequently confirmed by Software Mind; FDJ and Sporting Group as subsequently confirmed by FDJ email; Betsson as subsequently updated by Betsson email; 10star as subsequently updated by 10star email and Star Sports as subsequently confirmed by Star Sports email.

⁶⁸² Spreadex, email of 14 August 2025.

Overview of remedy options

9.22 The choice of remedies will reflect the particular circumstances of each case. The CMA will seek to select remedies that will effectively address the SLC and its resulting adverse effects in the least costly way.⁶⁸³

Types of remedies

9.23 As set out in the Merger Remedies Guidance, remedies are conventionally classified as either structural or behavioural:⁶⁸⁴

- (a) structural remedies, such as divestiture, are generally one-off measures that seek to restore or maintain the competitive structure of the market by addressing the market participants and/or their shares of the market; and
- (b) behavioural remedies are normally ongoing measures that are designed to regulate or constrain the behaviour of merger parties with the aim of restoring or maintaining the process of rivalry absent the merger.

9.24 The choice of remedy will reflect the particular circumstances of each case, though the CMA prefers structural remedies over behavioural remedies, because.⁶⁸⁵

- (a) structural remedies are more likely to deal with an SLC and its resulting adverse effects directly and comprehensively at source by restoring rivalry;
- (b) behavioural remedies are less likely to have an effective impact on the SLC and its resulting adverse effects, and are more likely to create significant costly distortions in market outcomes; and
- (c) structural remedies rarely require monitoring and enforcement once implemented.

Remedy options in the Remittal Remedies Notice

9.25 In the Remittal Remedies Notice, we questioned whether the divestiture of solely the Sporting Index assets acquired by Spreadex as part of the Merger was likely to be sufficient to constitute the divestment of a standalone business and be an effective remedy, given the limited Sporting Index assets acquired by Spreadex as part of the Merger, and the fact that any potential purchaser was likely to have fewer (and potentially different) synergies than those between Spreadex and the acquired Sporting Index assets (noting that prior to the Merger, Spreadex and

⁶⁸³ [CMA87](#), paragraph 3.45.

⁶⁸⁴ [CMA87](#), paragraph 3.34.

⁶⁸⁵ [CMA87](#), paragraphs 3.34 and 3.46.

Sporting Index were the only two providers of licensed online sports spread betting services in the UK).⁶⁸⁶

9.26 As such, our initial view (as set out in the Remittal Remedies Notice) was that an effective divestiture remedy could require the sale of a combination of Sporting Index assets alongside other elements in order to establish a standalone business.⁶⁸⁷

9.27 We also indicated in the Remittal Remedies Notice that a behavioural remedy was very unlikely to be an effective remedy, given our initial view that there were significant risks in designing effective behavioural remedies, including the risks of specifying the form of conduct or market outcome with sufficient precision in a dynamic technological market and the consequent challenges of monitoring compliance.⁶⁸⁸ However, we indicated that we would consider behavioural remedies (or any other practicable remedy option) put forward as part of our consultation on the Remittal Remedies Notice.⁶⁸⁹

Responses to the Remittal Remedies Notice

9.28 A description of Spreadex's Remedy Proposal is provided at paragraphs 9.32 to 9.55 below.

9.29 In the Phase 2 inquiry, Spreadex submitted that on the basis of the SLC provisionally found at the time and as discussed previously with the CMA, Spreadex accepted that there was no suitable behavioural remedy available and it would not be putting forward such a remedy.⁶⁹⁰ No third party told us that we should consider a behavioural remedy as the primary remedy.

9.30 In response to the Remittal Remedies Notice, Spreadex submitted that a behavioural remedy could potentially, at least in principle, offer a better option for customers for a longer period than a structural remedy in light of the CMA's provisional finding that the Alternative Bidders may not be able to operate Sporting Index as a competitor for more than two years.⁶⁹¹ However Spreadex also submitted that it did not wish to challenge at this stage the CMA's provisional dismissal of the implementation of a behavioural remedy,⁶⁹² and we also note that no behavioural remedy proposal has been submitted by Spreadex.

⁶⁸⁶ CMA, Remittal [Remedies Notice](#), 5 June 2025, paragraph 32.

⁶⁸⁷ CMA, Remittal [Remedies Notice](#), 5 June 2025, paragraph 32.

⁶⁸⁸ CMA, Remittal [Remedies Notice](#), 5 June 2025, paragraph 34.

⁶⁸⁹ CMA, Remittal [Remedies Notice](#), 5 June 2025, paragraphs 33 and 34.

⁶⁹⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.26.

⁶⁹¹ Spreadex, [Response to the CMA's Remittal Remedies Notice](#), 19 June 2025, paragraph 2.1.

⁶⁹² Spreadex, [Response to the CMA's Remittal Remedies Notice](#), 19 June 2025, paragraph 2.1.

Remedy options considered

- 9.31 On the basis that we have received no representations inviting us to consider a behavioural remedy either during the Phase 2 inquiry or the Remittal inquiry, the Remittal RWP focuses on an assessment of a structural remedy option, namely, a divestiture remedy, as part of which we consider Spreadex's Remedy Proposal.

Overview of Spreadex's proposed divestiture remedy

- 9.32 In this section, we provide a description of Spreadex's Remedy Proposal and set out Spreadex's submissions on its effectiveness in addressing the SLC we had provisionally identified in the Phase 2 inquiry. Further details of Spreadex's Remedy Proposal and Spreadex's submissions are also provided in the relevant sections of this chapter.

Key elements of Spreadex's Remedy Proposal

- 9.33 Spreadex's Remedy Proposal has three key elements:
- (a) a proposal to divest its shares in the Sporting Index legal entity,⁶⁹³ including all of the Sporting Index assets which Spreadex had acquired under the Merger (the **Acquired Assets Element**),^{694, 695}
 - (b) a proposal for Spreadex to develop a bespoke sports spread betting platform, which would form part of the divestiture package (the **Platform Development Element**),⁶⁹⁶ and
 - (c) a proposal for Spreadex to provide a purchaser with a Transitional Services Agreement (**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 does not currently have to operate the business in the manner that Sporting Index operated it pre-Merger (the **Business Support TSA Element**).⁶⁹⁷
- 9.34 We provide further details on each element of Spreadex's Remedy Proposal below.

⁶⁹³ Sporting Index Limited has no subsidiaries. Source: Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, Q4.

⁶⁹⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.6.

⁶⁹⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 6.

⁶⁹⁶ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.5 and 2.8.

⁶⁹⁷ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.3.

Details of the Acquired Assets Element

- 9.35 Spreadex proposed to divest all of the assets it has acquired as part of the Merger (**Acquired Assets**),^{698,699,700} by divesting its shares in the Sporting Index legal entity (ie Sporting Index Limited). Spreadex stated that Sporting Index Limited contained all of the Acquired Assets,⁷⁰¹ including:⁷⁰²
- (a) the Sporting Index brand, IP and web domains;
 - (b) the source code for the applications for the spread betting platform used by Sporting Index prior to the Merger, which Spreadex acquired (the **Acquired Source Code**);
 - (c) the sports spread betting and sports fixed odds betting customer list (including all trading history) (the **SPIN Customer List**);^{703,704}
 - (d) the four current employees who transferred to Spreadex from Sporting Index ([REDACTED] Client Services [REDACTED], [REDACTED] Customer Services [REDACTED] and [REDACTED] Marketing [REDACTED])⁷⁰⁵ (the **SPIN Employees**);
 - (e) regulatory licences with the FCA and the GC, which are held by the Sporting Index legal entity; and
 - (f) unrecognised deferred tax losses and trade debtors and trade creditors/accruals.
- 9.36 Spreadex stated that it would not be required to retain any tangible assets for regulatory compliance reasons, and that it was not aware of any regulatory compliance reasons (FCA, GC, GDPR or otherwise) that would require it to retain any customer information for Sporting Index-only customers (ie customers who held an account with Sporting Index, but not with Spreadex). For 'joint customers' (ie those customers holding an account with both Spreadex and Sporting Index),

⁶⁹⁸ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.6.

⁶⁹⁹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 3.

⁷⁰⁰ With the exception of two staff members ([REDACTED]) who left Sporting Index following completion of the Merger.

⁷⁰¹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 6.

⁷⁰² Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.1.

⁷⁰³ Spreadex told us that the SPIN Customer List was a database of users, which automatically updated each time a new user opened an account. It added that if a user closed its account, that closed account would still remain on the client list given that Spreadex was required for regulatory reasons to keep records of customers for seven years following an account closure. (Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 20 line 7.)

⁷⁰⁴ Spreadex stated that as at September 2024, following Merger completion on 6 November 2023: (a) [REDACTED] new customers had been added to the SPIN Customer List; and (b) [REDACTED] customers who had closed their Sporting Index accounts before September 2017, had been removed from the SPIN Client List, in order to comply with GDPR. (Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 1.)

⁷⁰⁵ Six employees originally transferred from Sporting Index, but two left following completion of the Merger. Source: Spreadex, [Response to the CMA's Remittal Remedies Notice](#), 19 June 2025, paragraph 2.5.4, and Monitoring Trustee, email dated 30 July 2025.

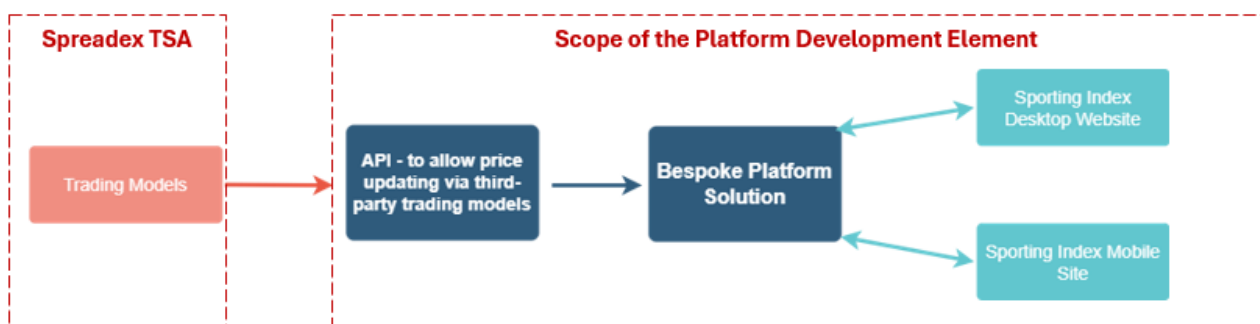
Spreadex stated that it would be required to retain the records of their Sporting Index activity only for the period during which Spreadex owned Sporting Index.⁷⁰⁶

- 9.37 Spreadex stated that all assets are included within the Sporting Index entity and the assets Spreadex would propose creating under Spreadex's Remedy Proposal are also included in the Sporting Index entity.⁷⁰⁷ It added that it did not expect any carve-out would be required as the entity is relatively clean following the carve-out that took place in advance of the sale to Spreadex.⁷⁰⁸

Details of the Platform Development Element

- 9.38 In relation to the proposed Platform Development Element, Spreadex provided a simplified diagram of its proposed IT architecture for the spread betting platform which would form part of the divestiture package. This is provided in Figure 9.1 below.

Figure 9.1 Proposed IT Architecture



Source: Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.

Notes: [X]. This is represented by the box labelled '[X]'.

- 9.39 With reference to Figure 9.1 above, the Platform Development Element involves:

- (a) Spreadex developing a 'bespoke back-end' platform for Sporting Index (the **Bespoke Platform Solution**) by repurposing key elements of Sporting Index's existing systems (ie the Acquired Source Code), whilst integrating new technology, and developing new components as necessary,⁷⁰⁹ essentially 'filling in the gaps',⁷¹⁰ to make the Bespoke Platform Solution capable of operating on a standalone basis.⁷¹¹
 - (i) Spreadex stated that the back-end platform would allow traders to: (a) create new events and selections; (b) view liabilities, based on trades

⁷⁰⁶ Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 2.

⁷⁰⁷ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 6.

⁷⁰⁸ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 6.

⁷⁰⁹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.6.

⁷¹⁰ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 25 line 10.

⁷¹¹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 7.

that have been placed by clients; and (c) manually settle selections on completion.⁷¹²

- (ii) Spreadex also stated that the Bespoke Platform Solution would retain the core client-facing elements of the original Sporting Index system, namely the ability to: (a) create an account; (b) log in to the site; (c) place bets; (d) deposit and withdraw funds; (e) view open bets; and (f) view account history data.⁷¹³
 - (iii) Spreadex told us that the databases (ie the repository where all of the data would sit) would be embedded into, and included within, the Bespoke Platform Solution.⁷¹⁴
 - (iv) Spreadex stated that the proposed Bespoke Platform Solution would be entirely cloud-based, and that the infrastructure would be fully-hosted by Amazon Web Services (**AWS**), a leading cloud-based provider, [REDACTED] and was widely used by other modern technology companies. It added that if the purchaser wanted to integrate this infrastructure into its own existing infrastructure in a different way, these requirements would need to be defined before development begins so that Spreadex can factor in any necessary changes, and therefore Spreadex stated that it would be aiming to liaise with the potential purchaser at the start of the divestment period to determine the approach.⁷¹⁵
- (b) Spreadex developing a reconstituted Sporting Index desktop website and reconstituted mobile sites (or mobile apps), ie the customer-facing elements of the platform, more commonly referred to as the ‘front-end’ platform (the **Proposed Front-End Platform**), which would then be integrated with the ‘back-end’ platform, ie the Bespoke Platform Solution^{716, 717} – Spreadex told us [REDACTED].⁷¹⁸ Spreadex also told us that the integration of the Bespoke Platform Solution with the Proposed Front-End Platform would allow customers to manage their account and place trades on their mobile or desktop devices.⁷¹⁹
- (c) Spreadex developing the ‘Application Programming Interface (**API**) integration’, which would enable third party trading models to connect to the Bespoke Platform Solution, and supply spread betting prices (the **API Integration**). Spreadex explained that this API Integration would allow third

⁷¹² Spreadex response dated 6 September 2024 to the CMA’s RFI dated 28 August 2024, question 1.

⁷¹³ Spreadex response dated 24 September 2024 to the CMA’s RFI dated 13 September 2024, question 3.

⁷¹⁴ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 22 lines 16-22.

⁷¹⁵ Spreadex response dated 24 September 2024 to the CMA’s RFI dated 13 September 2024, questions 4, 8 and 9.

⁷¹⁶ Spreadex, Response to the CMA’s Phase 2 Remedies Notice Annex 2, 20 August 2024, page 3.

⁷¹⁷ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 22, line 6.

⁷¹⁸ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 26, line 25, and page 27, lines 1-4.

⁷¹⁹ Spreadex, response dated 6 September 2025 to the CMA’s RFI dated 28 August 2024, question 1.

parties to plug in their own software for automation of: (i) event and selection creation;⁷²⁰ (ii) price updating; (iii) status changing (ie moving a selection from Live to Suspended);⁷²¹ (iv) settlement of selections at their completion;⁷²² and (v) voiding of selections (ie when built in error).⁷²³ Spreadex told us that [REDACTED].⁷²⁴

9.40 With reference to Figure 9.1 above, under Spreadex's Remedy Proposal, the spread pricing models needed to calculate spread prices (the **Trading Models**),⁷²⁵ will not form part of the divestiture package. In this regard, Spreadex submitted that Trading Models would not be provided as part of the solution, and were never part of the original Sporting Index sale package.⁷²⁶ Instead:

- (a) Spreadex will supply the purchaser with [REDACTED] and for a period of up to [REDACTED],⁷²⁷ [REDACTED];⁷²⁸ and
- (b) Spreadex will develop the API Integration needed to enable the purchaser to connect the purchaser's own Trading Models to the Bespoke Platform Solution,⁷²⁹ such that during this [REDACTED], it would [REDACTED]. It added that this [REDACTED] that were not otherwise being supplied by Spreadex.⁷³⁰

9.41 Spreadex stated that the Bespoke Platform Solution, combined with the API Integration, and Proposed Front-End Platform would, subject to the purchaser of the business plugging in its trading modules (ie the Trading Models), constitute a complete online spread betting operating system.⁷³¹

⁷²⁰ Spreadex explained that event and selection creation would allow markets to be added to the platform, to be available for customers to bet on. For example, the 'Tottenham v Arsenal' event could be added to the platform, and the various selections (betting opportunities) created within this, such as a 'Total Goals' selection (where a customer speculates on the number of goals in the match), or a 'Corners' selection (where a customer speculates on the number of corners in the match). (Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.)

⁷²¹ Spreadex explained that status changing would allow the trader to make a particular market not available to bet on temporarily. For example, if a goal has been scored in a football match, the trader may want to suspend betting on the match until they have had the opportunity to recalibrate the prices. (Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.)

⁷²² Spreadex explained that settlement of selections at their completion would, for example, on completion of a match, enable a trader to supply the final outcome of a market, and the system will apply the relevant profit or loss on each bet. (Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.)

⁷²³ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.

⁷²⁴ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.

⁷²⁵ Spreadex stated that an algorithm was normally defined as a rule, procedure or sequence of rules/procedures designed to process inputs, following a logical, predictable sequence to arrive at a conclusion or output. It added that a model on the other hand is more complex and normally defined as a structured representation or mathematical system which captures multiple relationships between a number of variables (eg time left in the event, weather, balls remaining to be bowled, players yet to bat, recent performance of batsman etc) and uses these learned relationships to make predictions or set odds. It also stated that a model was also normally built based upon large amounts of past data and was often refined using experience and algorithms (and personal experience) to improve its accuracy and predictive capacity over time. Source: Spreadex, response dated 23 September 2024 to the CMA's RFI dated 20 September 2024.

⁷²⁶ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.

⁷²⁷ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 3.

⁷²⁸ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.

⁷²⁹ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 36, lines 9-17.

⁷³⁰ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 2.

⁷³¹ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.

- 9.42 In relation to the development of the Bespoke Platform Solution and Proposed Front-End Platform:
- (a) *Bespoke Platform Solution*: Spreadex told us that the divestiture package would be configured to supply sports spread betting in the UK, and not sports fixed odds betting, and added that no new products or services are envisioned, as part of the divestiture.⁷³² Spreadex told us that the Bespoke Platform Solution would look to replicate the functionality available as part of the Sporting Index package that was available as part of the original sale process, and enable Sporting Index to offer spread betting services in the UK at the pre-Merger levels.⁷³³ In the Phase 2 RWP response, Spreadex submitted however, that it would be willing to design the Bespoke Platform Solution to allow a third party fixed odds platform to be plugged into the Bespoke Platform Solution, provided that this did not delay the overall delivery of the Bespoke Platform Solution and did not imply a requirement for Spreadex to create a fixed odds betting platform'.⁷³⁴
 - (b) *Proposed Front-End Platform*: Spreadex told us that Sporting Index's pre-Merger mobile and desktop platforms were acquired by Spreadex under the Merger, and would be reconstituted to be as close as possible to levels they were prior to the Merger.⁷³⁵ As such, Spreadex told us that the Proposed Front-End Platform would have functionality matching that of the pre-Merger position.⁷³⁶
- 9.43 Spreadex stated that it would develop a Bespoke Platform Solution based on reconstituting the Sporting Index platform using Spreadex's latest technology,⁷³⁷ and its own knowhow.⁷³⁸ It added that by doing so, the Bespoke Platform Solution would be enhancing the pre-Merger Sporting Index platform that was available for sale from FDJ, [X]. For example, Spreadex stated that the platform offered for sale by FDJ did not have any physical infrastructure, while Spreadex was proposing to create a cloud-based infrastructure as part of the Bespoke Platform Solution (see also paragraph 9.39(a)(iv) above).⁷³⁹
- 9.44 Figure 9.2 below highlights the 'core technologies', which Spreadex proposes to use for the Bespoke Platform Solution. Spreadex stated that all of these

⁷³² Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 5.

⁷³³ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.

⁷³⁴ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.38 and 2.42.

⁷³⁵ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 1.

⁷³⁶ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.3.

⁷³⁷ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.15; as explained in Spreadex, Response to the CMA's Phase 2 Remedies Notice Annex 2, 20 August 2024.

⁷³⁸ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.6.

⁷³⁹ Spreadex, response dated 24 September 2024 to CMA's RFI dated 13 September 2024, question 8.

technologies were either equivalent to those used previously by Sporting Index, or more advanced.⁷⁴⁰

Figure 9.2 ‘primary technologies’ for the Bespoke Platform Solution

[REDACTED]

Source: Spreadex, response dated 24 September 2024 to the CMA’s RFI dated 13 September 2024, question 10.

9.45 Spreadex stated that the Bespoke Platform Solution would comprise [REDACTED] modules or services:

- (a) Spreadex stated that the Bespoke Platform Solution would be built and developed from a combination of re-enabling or developing from scratch the [REDACTED] Sporting Index modules acquired by Spreadex under the Merger (the **Acquired Modules**), and four modules newly built by Spreadex (the **New Build Modules**) (see footnote for details)⁷⁴¹ to plug the gaps in what FDJ had offered for sale, and therefore ensure the viability of the divestiture business. Spreadex stated that it considered that the risk to the deliverability and timing of the development project would be reduced by developing the necessary modules from scratch, and that the lowest-risk option is to develop a substantial portion anew (and, consequently, not use some of the [REDACTED] Sporting Index modules). However, it stated that it was prepared to be flexible in its approach on the make-up of the [REDACTED] modules of the Bespoke Platform Solution to address any concerns the CMA might have, eg in relation to Spreadex’s incentives to build something less good for use by its competitor, and that it could equally start from a position of trying to use as many of the [REDACTED] Sporting Index modules as possible, and only to develop the [REDACTED] anew, together with any of the Sporting Index module(s) which cannot be made to work as part of the Bespoke Platform Solution.^{742, 743}
- (b) Spreadex also stated that there would be [REDACTED] Sporting Index modules or services, which would not form part of the Bespoke Platform Solution (the **Excluded Modules**) (see footnote for details).⁷⁴⁴ [REDACTED]. Spreadex submitted that it did not propose trying to re-enable the aged applications for [REDACTED] on the basis that: (i) they provided immaterial revenues; (ii) they did ‘not appear to be in the scope of this Phase 2 review (ie these are not related to sports

⁷⁴⁰ Spreadex, response dated 24 September 2024 to CMA’s RFI dated 13 September 2024, question 10.

⁷⁴¹ The four New Build Modules consist of: [REDACTED] Bespoke Platform Solution; [REDACTED] Bespoke Platform Solution [REDACTED]. (Spreadex, response dated 24 September 2024 to the CMA’s RFI dated 13 September 2024, question 4, Table 2.)

⁷⁴² Spreadex submitted [REDACTED] Bespoke Platform Solution [REDACTED] Bespoke Platform Solution [REDACTED] Bespoke Platform Solution. (Spreadex, response dated 24 September 2024 to CMA’s RFI dated 13 September 2024, question 4.)

⁷⁴³ Spreadex, response dated 24 September 2024 to the CMA’s RFI dated 13 September 2024, question 4.

⁷⁴⁴ [REDACTED]. Spreadex, response dated 24 September 2024 to the CMA’s RFI dated 13 September 2024, question 4.

spread betting)'; and (iii) Spreadex did not offer these services to Sporting Index customers after the Merger;⁷⁴⁵ and

- (c) Spreadex stated that no elements of the Bespoke Platform Solution would be clones of Spreadex's own platform.⁷⁴⁶

9.46 Spreadex also stated that its intent would be to design the Bespoke Platform Solution such that it includes the information required to offer temporary compliance support required by the purchaser under a TSA from Spreadex.⁷⁴⁷

9.47 In relation to the timescales for developing and delivering the Bespoke Platform Solution and the Proposed Front-End Platform:

- (a) Prior to receiving the Phase 2 RWP, Spreadex provided us with an initial plan for the technical workstreams involved and the estimated timescales for each milestone. Spreadex told us that its best estimate at this stage was that it would take between [X] and [X] to deliver the reconstituted platform (including a period of technical testing (lasting between [X] and [X]) to make sure the components all work together). However, Spreadex acknowledged that there was risk associated with this timeline as it assumed no material issues arise during the project.^{748, 749}
- (b) After receiving the Phase 2 RWP, Spreadex submitted in the Phase 2 RWP response that it had not factored into its initial estimates for the project timeline, ie between [X] and [X], the purchaser's early involvement in the development of the Bespoke Platform Solution. It added that even if the purchaser did collaborate reasonably, its involvement at an early stage was likely to extend the development time. It submitted that Spreadex could not be exposed to sanctions for delays in the development which resulted from the purchaser's conduct.⁷⁵⁰ We provide further details of Spreadex's submissions on its revised timings in the Phase 2 RWP response in paragraphs 9.308 to 9.326 when we consider the appropriate timescales for completing a divestiture.

9.48 Spreadex submitted that migrating Sporting Index customers to the reconstituted platform (once its development was completed) would be undertaken [X], at the point that the Bespoke Platform Solution goes live. It explained that it would be [X].⁷⁵¹ Spreadex told us that it would handle the client migration, and added that a significant amount of planning was needed for the client migration process – it told

⁷⁴⁵ Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 4.

⁷⁴⁶ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 5.

⁷⁴⁷ Spreadex stated that [X]. Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 19.

⁷⁴⁸ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 3.

⁷⁴⁹ Spreadex, Response to the CMA's Phase 2 Remedies Notice Annex 2, 20 August 2024, page 7.

⁷⁵⁰ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.4.

⁷⁵¹ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 3.

us that prior to completion of the Merger, the Spreadex team had been highly involved in coordinating the migration of Sporting Index customers to Spreadex over a substantial period.⁷⁵² Spreadex did not provide an estimated timescale for the process of migrating customers to the new platform, but noted that at the time of the Merger, the process of migrating clients onto the Spreadex platform took [X], as the Spreadex technical team ran multiple tests to mitigate the risks of issues at the point of migration, resulting in the migration completing without incident. Spreadex submitted that the same process would be undertaken for the migration onto the Bespoke Platform Solution with scenario planning to identify potential issues, and plans put in place to mitigate the effects of these.⁷⁵³

- 9.49 Spreadex told us that the platform would be run and maintained by the purchaser when ready,⁷⁵⁴ and would provide the purchaser with the documentation and related know how for the Bespoke Platform Solution (see also paragraph 9.225 below).⁷⁵⁵
- 9.50 Spreadex added that following completion of the divestiture transaction, while the purchaser would be responsible for the entire technology, Spreadex proposes to provide the purchaser with a TSA for temporary ongoing technical support ‘at market rate’ and for a period of up to [X] to: (a) assist the purchaser in understanding how the technology functions; (b) assist with technical queries and training on the technology; (c) from the perspective of the Sporting Index technology, support the technical integration of the purchaser's integration of their components into the Sporting Index business, and facilitate the transition and a Bespoke Platform Solution to ensure that any dependence on Spreadex is limited in time and scope (see also paragraph 9.227) (**Technical Support TSA**).^{756,757}

Details of the Business Support TSA Element

- 9.51 In relation to the Business Support TSA Element of Spreadex's Remedy Proposal, Spreadex told us that a TSA would likely be required for any purchaser of the Acquired Assets,⁷⁵⁸ and that it would negotiate a TSA in good faith on fair and reasonable terms whereby Spreadex will offer at market rate, services of no greater scope and duration than that implied is necessary by the CMA's finding on the counterfactual.⁷⁵⁹ It added that it envisaged that the TSA would be limited to what would be required to operate Sporting Index at the pre-Merger level.⁷⁶⁰

⁷⁵² Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 35, lines 3-10.

⁷⁵³ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 3.

⁷⁵⁴ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 3.

⁷⁵⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.7.

⁷⁵⁶ Spreadex, response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, questions 2 and 3.

⁷⁵⁷ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 2.

⁷⁵⁸ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.17.

⁷⁵⁹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.3.

⁷⁶⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 13.

- 9.52 Spreadex submitted that while the precise scope of any TSA would depend on the current capabilities of the bidder in question,⁷⁶¹ it would expect the following temporary and transitional services would need to be provided:⁷⁶²
- (a) back office and customer service support;⁷⁶³
 - (b) compliance support;⁷⁶⁴
 - (c) payment processing support ([REDACTED]);
 - (d) IT support, [REDACTED] Bespoke Platform Solution [REDACTED]; and
 - (e) [REDACTED] support (including [REDACTED]).⁷⁶⁵
- 9.53 The possible TSAs outlined above under Spreadex's Remedy Proposal, together with the [REDACTED] TSA and Technical Support TSA, are referred to as the **Business Support TSAs**.
- 9.54 In relation to the risk that under the Business Support TSAs, Spreadex staff would have access to confidential information relating to the Sporting Index business, Spreadex stated that it was not obvious that Spreadex would have a significant amount of Sporting Index's competitively sensitive information, [REDACTED] (see also footnote 47 above). However, it submitted that:⁷⁶⁶
- (a) in order to comply with the [Initial Enforcement Order \(Initial Order\)](#),⁷⁶⁷ Spreadex had already implemented systems and controls' to limit the Sporting Index information which Spreadex staff could access (ie limited to information required to fulfil their role) – it would propose that this structure remains in place throughout the TSA period;
 - (b) [REDACTED]; and
 - (c) [REDACTED].
- 9.55 Spreadex told us that there would be no continuing links between the business to be divested and Spreadex beyond the TSA period,⁷⁶⁸ and added that following the

⁷⁶¹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.4.

⁷⁶² Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraphs 2.3, 2.4 and 2.7.

⁷⁶³ Spreadex told us that a [REDACTED]. (Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.4.)

⁷⁶⁴ At the Phase 2 Response Hearing, Spreadex told us that in relation to compliance support, [REDACTED] Bespoke Platform Solution [REDACTED]. It added that [REDACTED]. Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 86, lines 16-19.

⁷⁶⁵ Spreadex told us that [REDACTED]. (Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.4.)

⁷⁶⁶ Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 18.

⁷⁶⁷ On 5 March 2025, the CMA made an Interim Order, which replaced the Initial Enforcement Order, and continued to ensure the CMA's interim measures remained in force during the Remittal inquiry. Unless the context states otherwise, references to the Initial Order are as applicable the Initial Enforcement Order or the Interim Order.

⁷⁶⁸ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 14.

completion of the TSA, Spreadex would ensure that all data was transferred or deleted, as appropriate,⁷⁶⁹ including committing to hand over or delete (as appropriate) all data in relation to the Sporting Index platform.⁷⁷⁰

Spreadex's submission on effectiveness of Spreadex's Remedy Proposal

- 9.56 Spreadex told us that to ensure the market is returned to the pre-Merger conditions, it proposed to divest all of the Acquired Assets.⁷⁷¹ Spreadex submitted that the divestiture of the Acquired Assets and the provision of its TSA would be sufficient to address the provisional SLC and would be a suitable and proportionate remedy, but that, notwithstanding this, it would also be prepared to provide a Bespoke Platform Solution: (a) in order to create a business that would be attractive to as many bidders as possible; and (b) to ensure that the Acquired Assets included as part of the divestiture package would be technically operational and able to operate as a standalone business within as short a period as possible.^{772, 773}
- 9.57 Spreadex submitted that the provision of the Bespoke Platform Solution (alongside the accompanying technology support and the TSA) would allow the purchaser to operate the proprietary IT software and systems included in the original transaction perimeter and would further reduce any composition risk arising from the Acquired Assets.⁷⁷⁴
- 9.58 Spreadex referred to the dimensions of a remedy's effectiveness set out in the Merger Remedies Guidance (and also set out in paragraph 9.7 above), and submitted that:⁷⁷⁵
- (a) Spreadex's Remedy Proposal would restore the pre-Merger market conditions, and therefore address the SLC the CMA provisionally identified;
 - (b) in relation to its duration and timing, Spreadex's Remedy Proposal would be permanent and therefore, address the SLC identified comprehensively. Spreadex added that it should be possible to implement this quickly subject to agreeing terms with the buyer;
 - (c) in relation to its practicality in terms of its effective implementation, monitoring and enforcement, Spreadex did not believe that any ongoing monitoring and enforcement would be required following the completion of the divestment as the divestiture package would be operable from completion; and

⁷⁶⁹ Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 18.

⁷⁷⁰ Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 10.

⁷⁷¹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 3.

⁷⁷² Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.14.

⁷⁷³ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.5.

⁷⁷⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.8.

⁷⁷⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 2.

- (d) in relation to whether Spreadex's Remedy Proposal had an acceptable risk profile, Spreadex submitted that assuming that the CMA's findings in the Provisional Findings are correct the remedy should enable a broad category of potential buyers to acquire the business to be divested. Spreadex added that the TSA should ensure continuity for Sporting Index's customers and regulatory compliance, whilst the business transitions to new ownership. Therefore, Spreadex stated that the remedy should have a very high chance of being successful and addressing the SLC.

Assessment of effectiveness of a divestiture remedy

Section overview

- 9.59 In this section, we consider the effectiveness of a divestiture remedy. We focus our assessment on Spreadex's Remedy Proposal, noting that it includes all of the Acquired Assets.
- 9.60 As set out in the Merger Remedies Guidance, the aim of a divestiture remedy is to address an SLC through the disposal of a business or assets from the merger parties to create a new source of competition (if sold to a new market entrant) or to strengthen an existing source of competition (if sold to an existing participant independent of the merger parties).⁷⁷⁶ A successful divestiture will effectively address at source the loss of rivalry resulting from the merger by changing or restoring the structure of the market.⁷⁷⁷
- 9.61 To be effective in restoring or maintaining rivalry in a market where the CMA has decided that there is an SLC, a divestiture remedy will involve the sale of an appropriate divestiture package to a suitable purchaser through an effective divestiture process.⁷⁷⁸ There are three categories of risk that may impair the effectiveness of any divestiture remedy:⁷⁷⁹
- (a) composition risk arises if the scope of the divestiture package is too constrained or not appropriately configured to attract a suitable purchaser, or does not allow a purchaser to operate as an effective competitor in the market;
 - (b) purchaser risk arises if a divestiture is made to a weak or otherwise inappropriate purchaser, or if a suitable purchaser is not available; and

⁷⁷⁶ [CMA87](#), paragraph 3.37.

⁷⁷⁷ [CMA87](#), paragraph 3.38.

⁷⁷⁸ [CMA87](#), paragraph 5.2.

⁷⁷⁹ [CMA87](#), paragraph 5.3.

- (c) asset risk arises if the competitive capability of the divestiture package will deteriorate before completion of the divestiture.

9.62 In evaluating the effectiveness of remedies, the CMA will seek remedies that have a high degree of certainty of achieving their intended effect.⁷⁸⁰ An effective remedy must therefore enable the CMA to have sufficient confidence that the risks associated with it can be properly addressed.

9.63 The remainder of this section covers our assessment of:

- (a) the scope and composition of the divestiture package;
- (b) the identification and availability of a suitable purchaser; and
- (c) the effectiveness of the divestiture process.

Scope and composition of the divestiture package

9.64 In considering the appropriate scope for a divestiture package, the CMA should ensure that it:

- (a) is sufficiently broad in scope to address the aspects of the SLC and resulting adverse effects;⁷⁸¹
- (b) would enable the eventual purchaser to operate the divested business as an effective competitor;⁷⁸² and
- (c) is sufficiently attractive to potential purchasers.⁷⁸³

9.65 In defining the scope of a divestiture package that will satisfactorily address an SLC, the CMA will normally seek to identify the smallest viable, standalone business that can compete successfully on an ongoing basis and that includes all the relevant operations pertinent to the area of competitive overlap.⁷⁸⁴

9.66 The CMA will generally prefer the divestiture of an existing business, which can compete effectively on a standalone basis independently of the merger parties, to the divestiture of part of a business or a collection of assets. This is because divestiture of a complete business is less likely to be subject to purchaser and composition risk and can generally be achieved with greater speed.⁷⁸⁵

9.67 In the Phase 2 Remedies Notice, we indicated that a divestiture package broader than the Acquired Assets may be required to ensure an effective divestiture, given

⁷⁸⁰ [CMA87](#), paragraph 3.5(d).

⁷⁸¹ [CMA87](#), paragraphs 3.4 and 5.7.

⁷⁸² [CMA87](#), paragraph 5.3(d).

⁷⁸³ [CMA87](#), paragraph 3.5(a).

⁷⁸⁴ [CMA87](#), paragraph 5.7.

⁷⁸⁵ [CMA87](#), paragraph 5.12.

that the Sporting Index assets acquired by Spreadex as part of the Merger was 'unlikely to be sufficient to constitute the divestment of a standalone business and be an effective remedy'.⁷⁸⁶

- 9.68 We note that in its response to the Phase 2 Remedies Notice and at its Phase 2 Response Hearing, Spreadex disagreed with our initial position. Spreadex submitted that there was an interplay between the counterfactual and remedies,⁷⁸⁷ and that the CMA's provisional conclusions on the counterfactual should frame the scope of any divestiture remedy and Spreadex's remedy obligations.
- 9.69 Given that Spreadex's arguments have a direct bearing on the scope of any remedies, we first set out Spreadex's arguments on the application of the counterfactual to our remedies design and our response to them, before setting out the evidence from third parties on the scope of the divestiture package, and our assessment of the appropriate scope of the divestiture package and its various key constituents.

Spreadex's views on the scope of the divestiture package

- 9.70 Spreadex told us that it was a contradiction for the CMA to consider that the Acquired Assets were not standalone – it submitted that whereas in the Phase 2 Provisional Findings, the CMA considered that 'anyone could buy' the assets which FDJ had put up for sale, and then run them as a viable business, in the Phase 2 Remedies Notice, the CMA considered that the same assets would not be sufficient for the same potential bidders. Spreadex told us that both positions cannot be true at the same time, and submitted that the Phase 2 Remedies Notice completely undermines the counterfactual.⁷⁸⁸
- 9.71 Spreadex submitted that the Acquired Assets were materially equivalent to the assets offered to potential purchasers during the 2023 B2C Sale Process:
- (a) Spreadex submitted that the proposition that the Acquired Assets were unlikely to be sufficient to constitute the divestment of a standalone business 'fundamentally contradicts and undermines the basis of the CMA's SLC finding. The CMA's SLC finding was predicated on its view that, absent Spreadex's bid, FDJ would have proceeded with one of the Alternative Bidders, each of which had the experience and means to operate the business as a going concern, or another bidder if those negotiations had not proceeded'.⁷⁸⁹

⁷⁸⁶ CMA, Phase 2 [Remedies Notice](#), 25 July 2024, paragraph 19.

⁷⁸⁷ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 4, lines 15 -18.

⁷⁸⁸ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 6, lines 12-14.

⁷⁸⁹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.10.

- (b) Spreadex submitted that it did not accept that the divestiture of solely the Acquired Assets was unlikely to be sufficient to constitute the divestment of a standalone business and be an effective remedy, and submitted that ‘the Acquired Assets were the same as those that would have been available to the Alternative Bidders (and other bidders Sporting Group approached) minus some of the staff that Sporting Group was looking to offload, citing that each of the Alternative Bidders had indicated that they would have required less staff than was offered.’⁷⁹⁰ It added that the fact that Spreadex did not take on all of the Sporting Index staff on offer, does not diminish the standalone viable nature of this business.⁷⁹¹
- (c) Spreadex submitted that there were at least two other bidders (the Alternative Bidders) whom the CMA found were both prepared and able to purchase and operate the Acquired Assets on substantially similar terms to Spreadex, and that divesting those assets on similar terms should therefore (if the CMA's assessment in the Provisional Findings is correct) allow the sale of a viable business.⁷⁹²
- (d) Spreadex submitted that since it was the CMA's view in the Phase 2 Provisional Findings that the Acquired Assets could equally have been acquired and operated by one of the Alternative Bidders (and other interested parties) with the benefit of a TSA to allow the purchaser to operate the business whilst it builds up its own capabilities and functions, it proposed to create a divestiture package that would enable a suitable purchaser to purchase and operate the same assets that FDJ made available for sale and to enhance the package by offering an appropriate and proportionate TSA to facilitate the transition and a Bespoke Platform Solution to ensure that any dependence on Spreadex is limited in time and scope.⁷⁹³
- (e) Spreadex submitted that the package of assets that Spreadex acquired had been put together by FDJ with professional assistance from AlixPartners to operate as a standalone package to appeal to the widest possible group of potential purchasers, and that there was ‘no reason to consider that this package is less viable now than it was then (assuming that the CMA's assessment on the counterfactual in the [Provisional Findings] is correct)’. It added that the inclusion of the Bespoke Platform Solution under Spreadex's

⁷⁹⁰ Spreadex submitted that [§] would only have taken 17 of the staff included in the B2C perimeter, and [§] would similarly have reduced the headcount since they commented that Sporting Index had a staff count in excess of what was required to manage a business with such a small active customer base. Source: Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.9.

⁷⁹¹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.9.

⁷⁹² Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.19.

⁷⁹³ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 2.

Remedy Proposal would offer further assurance to potential bidders regarding the ability of the business to operate on a standalone basis.⁷⁹⁴

- (f) It added that if Spreadex was required to divest Sporting Index, it would be prepared to offer a purchaser of the Acquired Assets 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 does not currently have to operate the business in the manner that Sporting Index operated it pre-Merger.⁷⁹⁵
- (g) Spreadex submitted that since restoring Sporting Index to its pre-Merger position would address the SLC that the CMA has identified, it would not be proportionate for Spreadex to be required to offer a TSA that supports Sporting Index in the manner that it has been operated under Spreadex's ownership.⁷⁹⁶

9.72 Spreadex also submitted that any divestiture package should not include any Spreadex assets:

- (a) Spreadex submitted that it was fundamentally inconsistent to suggest that divestiture of a combination of Sporting Index assets and Spreadex assets for the purpose of establishing a standalone business would be necessary to constitute an appropriate remedy, and that [REDACTED]. Spreadex submitted that requiring the inclusion of Spreadex assets will call into question the very counterfactual and SLC finding which underpins the need for a remedy in the first place, and that it would also be incompatible with the CMA's approach to identify the smallest viable, standalone business that can compete successfully on an ongoing basis.⁷⁹⁷
- (b) Spreadex submitted that any remedies the CMA issues must restore competition to the position that it was pre-Merger. Providing Spreadex staff and assets (including intellectual property and knowhow) that were not part of the Sporting Index business, would weaken Spreadex's own pre-Merger business and reduce its competitiveness.⁷⁹⁸ Spreadex told us that this would go materially beyond what was pre-Merger by reducing Spreadex's pre-Merger capability, and therefore, not achieve the aim of restoring the pre-Merger situation.⁷⁹⁹ Spreadex added that as well as artificially distorting the market, it would cause significant harm to Spreadex's legitimate business interests, and such measures would therefore be disproportionate and

⁷⁹⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.21.

⁷⁹⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraphs 2.2 and 2.3.

⁷⁹⁶ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraphs 2.2 and 2.3.

⁷⁹⁷ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.12.

⁷⁹⁸ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.24.

⁷⁹⁹ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 13, lines 4-13.

entirely inappropriate to the potential harm that the CMA is seeking to remedy.⁸⁰⁰

- (c) Spreadex told us that any remedy, which included Spreadex staff or assets would be unprecedented; represent an expropriation of Spreadex assets and employees; and cause adverse effects on staff and the UK spreads market as it would undermine the most innovative player and cause worse market outcomes.⁸⁰¹
- (d) Spreadex submitted that requiring the inclusion of any Spreadex assets in the divestiture package would also make the remedy much more complex and it would take much longer to implement.⁸⁰²

Addressing Spreadex's submissions on the scope of the remedy

9.73 Spreadex made the following key submissions which go to the scope of the remedy:

- (a) First, that the Acquired Assets and the assets offered to potential purchasers during the 2023 B2C Sale Process are materially equivalent, and therefore, the divestiture of the Acquired Assets alone or the Acquired Assets together with the provision of the Business Support TSAs would be sufficient to address the provisional SLC. As such, Spreadex submitted that if this is not the case, then this would undermine the CMA's provisional conclusions on the counterfactual and therefore, the SLC.
- (b) Second, that Spreadex should not be required to divest any Spreadex assets on the basis that [X], and on the basis that it would be both disproportionate and make a divestiture remedy more protracted and complex.

Differences between the assessment of an effective remedy and the counterfactual

- 9.74 In relation to Spreadex's first submission, we disagree that offering potential purchasers the Acquired Assets alone or the Acquired Assets together with the Business Support TSAs would be materially equivalent to the transaction perimeter offered to potential purchasers during the 2023 B2C Sale Process.
- 9.75 Although the Merger Remedies Guidance states that in 'identifying a divestiture package, the CMA will take, as its starting point, divestiture of all or part of the acquired business', that position is derived from the following principle as confirmed by the Tribunal: namely, that it is reasonable, as a starting point, to

⁸⁰⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.24.

⁸⁰¹ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 14, lines 4-12.

⁸⁰² Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.16.

consider that restoring the status quo ante would normally involve reversing the completed acquisition unless the contrary were shown.⁸⁰³ The Merger Remedies Guidance further provides that ‘restoration of the pre-merger situation in the markets subject to an SLC will generally represent a straightforward remedy’.⁸⁰⁴

9.76 In the present case our view is that the divestiture of the Acquired Assets alone would not be sufficient to restore the pre-Merger situation. This is because Spreadex acquired less than that which was offered for sale in the circumstances of the 2023 B2C Sale Process upon which our counterfactual assessment was based, where potential purchasers were offered a transaction perimeter to acquire Sporting Index, together with a live and operational platform (with a TSA for its ongoing operation) and up to [X] staff⁸⁰⁵ (see also Table 9.3) (although each of the Alternative Bidders had indicated during the 2023 B2C Sale process that they might not require all of the staff on offer, subject to further due diligence).⁸⁰⁶ In our view, the situation has materially changed since Merger completion. For example:

- (a) First, under the 2023 B2C Sale Process, potential purchasers were offered the transfer of a fully operational and proven spread betting platform, which would rely on a TSA from the seller for the applications which the seller would have retained, until the purchaser could have developed its own replacement applications. This is not the case currently given the following:
 - (i) Although Spreadex decided to acquire the source code for Sporting Index’s platform, it chose not to keep Sporting Index’s platform operational. Instead, Sporting Index’s platform has not been operational since November 2023 when the Merger completed, and Sporting Index has been operating using a ‘white-label’ version of Spreadex’s website, which is running on the same database, underlying technology stack and operational applications as Spreadex’s own website.⁸⁰⁷
 - (ii) Since Sporting Index’s platform has not been operational since Merger completion, Spreadex did not update, improve or develop that platform.
 - (iii) The CMA cannot require a third party, such as FDJ, Sporting Group (or its potential new owner, Betsson Group,⁸⁰⁸ subject to pre-completion conditions being satisfied), to provide a purchaser with a TSA or enter into a commercial agreement with a purchaser to access the Trading Models or the applications retained by Sporting Group; or receive

⁸⁰³ [CMA87](#), paragraph 5.6, footnote 103, citing *Somerfield plc v Competition Commission* [2006] CAT 4.

⁸⁰⁴ [CMA87](#), paragraph 5.6.

⁸⁰⁵ Spreadex, response dated 3 May 2024 to the CMA’s section 109 notice (**s109 notice**) dated 24 April 2024, Annex 4.1.2 phase 2a 1.4.

⁸⁰⁶ For example, see CMA, [Remittal Provisional Findings Report](#), Chapter 5 (Counterfactual), paragraph 5.88.

⁸⁰⁷ CMA, [Derogation Letter](#), 15 January 2024.

⁸⁰⁸ Betsson Group, [Betsson Group Announces Strategic Acquisition of Sporting Solutions - Betsson Group](#), 1 August 2024 (last accessed on 12 June 2025).

technical support (even if these options were still available), which may be required to reconstitute Sporting Index's platform using the Acquired Source Code.

(iv) We therefore do not consider that a sale of the Acquired Source Code in its current form to be equivalent to the operational spread betting platform and TSA which were available to the potential purchasers during the 2023 B2C Sale Process.

(b) Second, during the 2023 B2C Sale Process, potential purchasers were offered up to [REDACTED] B2C-dedicated staff working across various different functions (see Table 9.3), who were already trained and experienced, and had the 'institutional knowledge' of Sporting Index's business functions and activities, including staff in Trading, Regulatory and Compliance, Spread betting platform development support, Data Analytics and Product Management.⁸⁰⁹ Among the Acquired Assets, there are currently only four SPIN Employees: [REDACTED] in Customer Services, [REDACTED] in Marketing and [REDACTED] in Customer Relations. It is our view that potentially a great deal of knowledge of Sporting Index's operations and IT platform resided with the former employees. In our view the current SPIN Employees being offered are not materially equivalent to what was offered to potential purchasers during the 2023 B2C Sale Process.⁸¹⁰ Nor do we consider that the requirement on the purchaser to staff the business under Spreadex's Remedy Proposal to be materially equivalent to the requirements on purchasers during the 2023 B2C Sale Process.

(c) During the 2023 B2C Sale Process, [REDACTED],⁸¹¹ [REDACTED].⁸¹² We understand that neither forms part of the Acquired Assets, nor are any Trading Models included within the divestiture package under Spreadex's Remedy Proposal.

9.77 Based on the above, our view is that the above changes are sufficiently material such that a divestiture of the Acquired Assets on their own would give rise to high composition risks (and in any event materially higher composition risks compared to the Sporting Index business on offer during the 2023 B2C Sale Process).

Inclusion of Spreadex assets within the divestiture package

9.78 In relation to Spreadex's second submission (ie that Spreadex should not be required to divest any Spreadex assets under any divestiture remedy), as related above, the Merger Remedies Guidance notes that in 'defining the scope of a

⁸⁰⁹ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 4.1.2 phase 2a 1.4

⁸¹⁰ For example, we note from the evidence we received from 10star, that during the 2023 B2C Sale Process, of the [REDACTED] current SPIN Employees being offered under Spreadex's Remedy Proposal, 10star had only wanted to retain the [REDACTED]. (10star, response dated 10 July 2024 to the CMA's s109 notice dated 8 July 2024, Annex [REDACTED])

⁸¹¹ FDJ, response to the CMA's RFI.

⁸¹² Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 4.1.2 phase 2a 1.4.

divestiture package that will satisfactorily address the SLC, the CMA will normally seek to identify the smallest viable, standalone business that can compete successfully on an ongoing basis and that includes all the relevant operations pertinent to the area of competitive overlap'.⁸¹³

- 9.79 In designing an appropriate divestiture remedy, the CMA will seek to restore the competitive structure of the market. The divestiture package should be attractive to a suitable purchaser and allow the purchaser to operate as an effective competitor in the market on an ongoing basis.⁸¹⁴ Given that Spreadex acquired less than that which was offered to potential purchasers during the 2023 B2C Sale Process, a broader divestiture package than merely the Acquired Assets would now be required. Moreover, given relevant differences between the position of Spreadex now compared with its position under the ownership of FDJ during the 2023 B2C Sale Process, a potentially differently configured package would be required to that which FDJ offered potential purchasers during the 2023 B2C Sale Process, including potentially the divestiture of certain Spreadex assets or the creation or acquisition of alternative assets for disposal.⁸¹⁵
- 9.80 Therefore, in determining the appropriate scope of the divestiture remedy, we must consider, in the particular circumstances of the present case, whether it would be necessary to include Spreadex assets (or alternative assets) to ensure the remedy is effective, in particular to enable a purchaser of the divestiture package to compete successfully in the relevant market on an ongoing basis. It is not a question of limiting the scope of the divestiture package solely to what was offered during the 2023 B2C Sale Process, nor is it relevant whether there have been similar remedy precedents under different circumstances.
- 9.81 As we set out later in this section when we consider the key elements which should be included as part of any divestiture package, we have carefully explored different options in order to ensure that the remedy is both effective and the least onerous and intrusive option, including avoiding a possible remedy, which could have the unintended consequence of weakening the competitive position of Spreadex which would have prevailed absent the Merger.

Third parties' views on the scope of the divestiture package

- 9.82 In the Phase 2 Remedies Notice, we invited views on what would need to be included within the scope of the divestiture package from Spreadex and/or

⁸¹³ [CMA87](#), paragraph 5.7.

⁸¹⁴ [CMA87](#), paragraphs 5.3(a) and 5.7.

⁸¹⁵ The CMA considers the scope of the divestiture package on a case-by-case basis by reference to its particular circumstances and in relation to the SLC concerned ([CMA87](#), paragraphs 5.7 and 5.8). The principle that additional elements from the acquirer may be included in the divestiture package, in addition to the divestiture of the target, where required to ensure that the remedy is effective and sufficiently attractive to a potential purchaser, has been recognised (Completed acquisition by [Facebook, Inc \(now Meta Platforms, Inc\) of Giphy, Inc., 18 October 2022](#), upheld in [Meta Platforms, Inc. v CMA](#) [2022] CAT 26, albeit the circumstances were different in that case).

Sporting Index as part of such a combination.⁸¹⁶ We invited views on the composition of the divestiture package, whether there were additional assets or functions that would be necessary to ensure an effective remedy, and whether additional Spreadex assets should be included.

9.83 Third parties generally told us that a divestiture only involving the Acquired Assets is unlikely to constitute an effective remedy:

- (a) 10star told us that the scope of the divestiture package should not be too narrow in order to attract a wide range of parties and added that acquiring only the limited Sporting Index assets previously acquired by Spreadex would be somewhat short of being able to power the business in the short term.⁸¹⁷ It told us that the [REDACTED].⁸¹⁸ In the Remittal inquiry, 10star told us that it [REDACTED].⁸¹⁹
- (b) Star Sports told us that Spreadex's Remedy Proposal was very different compared to [REDACTED] the FDJ sales process, particularly in terms of headcount. It also told us that [REDACTED]. It also told us that it generally agreed with the CMA's initial view (as set out in the Remedies Notice) on what should be included within the scope of a divestiture package.^{820,821}
- (c) One third party sports fixed odds betting provider ([REDACTED]) told us that a divestiture package would need spread betting technology, which could not be sourced off the shelf, as well as an FCA licence in order to operate,⁸²² while another third party (bet365) told us that a divestiture remedy seemed to be a solution, but from a practical perspective, there would be a number of challenges, given that: (i) the assets acquired by Spreadex as part of the Merger were not standalone in nature; (ii) some of the employees that formed part of the pre-Merger Sporting Index might no longer be with FDJ; and (iii) the pre-Merger Sporting Index spread betting platform acquired by Spreadex would have degraded, as it had not been operational since the Merger, and added that, generally it was very difficult to reinvigorate a degraded platform.⁸²³

Our assessment of composition risks

9.84 In Chapter 7 (Countervailing Factors), we set out our view that in order for a competitor to exert an effective constraint on the Merged Entity in the supply of licensed online sports spread betting services in the UK, it would require the

⁸¹⁶ CMA, Phase 2 [Remedies Notice](#), 25 July 2024, paragraphs 30-31.

⁸¹⁷ 10star call transcript as subsequently updated by 10star email.

⁸¹⁸ 10star call transcript as subsequently updated by 10star email.

⁸¹⁹ 10star response to the CMA's RFI.

⁸²⁰ Star Sports call transcript as subsequently confirmed by Star Sports email.

⁸²¹ Star Sports call transcript as subsequently confirmed by Star Sports email.

⁸²² [REDACTED] call transcript.

⁸²³ bet365 call transcript as subsequently updated by bet365 email.

technology to: (i) comply with the FCA's regulatory requirements; and (ii) offer spread betting prices in a manner that was sufficiently comprehensive to compete with the Merged Entity, for example, it would need to offer services comparable to those of Sporting Index pre-Merger to prevent an SLC arising from the Merger.

9.85 We consider below the composition risks associated with each of the three key elements of Spreadex's Remedy Proposal, and the question of whether the divestiture package should be configured to include the capability to supply sports fixed odds betting services:

- (a) Acquired Assets Element
- (b) Sports fixed odds betting capability
- (c) Platform Development Element
- (d) Business Support TSA Element (including staff and business functions)

9.86 We end this subsection with a summary of our views on the appropriate scope of the divestiture package.

Acquired Assets Element

Spreadex's views

9.87 Spreadex's submissions on the Acquired Assets Element were set out in paragraphs 9.35 to 9.37 above.

Our assessment

9.88 Under Spreadex's Remedy Proposal, Spreadex is proposing to divest all of the Sporting Index assets (including the Sporting Index legal entity) it had acquired under the Merger transaction, ie the Acquired Assets.

9.89 We agree that if a divestiture remedy is to start with the Acquired Assets, then it should include all of the Acquired Assets to mitigate the risk of omitting a key asset from the scope of the divestiture package.

9.90 Given Spreadex has confirmed that all of the Acquired Assets sit within the Sporting Index legal entity, a share sale of this entity will transfer the Acquired Assets across to a purchaser, and mitigate any risk of omitting key assets or requiring customer consent for their transfer to the purchaser. For the avoidance of doubt, to the extent that there are any unrecognised deferred tax assets within the Sporting Index legal entity, these deferred tax assets should not be excluded from the scope of the Acquired Assets. In our view, the transfer of the Acquired Assets as part of a divestiture of Sporting Index is relatively straightforward.

- 9.91 Spreadex has proposed that all of the Acquired Assets will be divested and given its reasoning, as set out in paragraphs 9.35 to 9.37 above. We agree with Spreadex's reasoning that all of the Acquired Assets should be divested, and therefore, we do not repeat those reasons here.
- 9.92 However, in relation to the SPIN Customer List, which forms part of the Acquired Assets, [REDACTED] and the extent of integration to date of Sporting Index's business with Spreadex, in our view, further measures are required as part of a divestiture remedy to ensure its effectiveness. We consider this in paragraphs 9.93 to 9.100 below.
- 9.93 A [REDACTED] proportion of Sporting Index's revenues are generated by its HVCs (**SPIN HVCs**), [REDACTED]. [REDACTED] (see Table 9.1 below).⁸²⁴

Table 9.1 Relative significance of SPIN HVCs (2022 figures)

[REDACTED]

Source: [REDACTED] response to the CMA's RFI.

- 9.94 Recognising the importance of [REDACTED] during our investigation, under the Initial Order: (a) we required Spreadex to put in place a retention package for the [REDACTED] (one of the SPIN Employees) responsible for [REDACTED] independently from Spreadex during our investigation; and (b) we limited Spreadex's access to the SPIN Customer List to what was strictly necessary for regulatory compliance purposes, in addition to the general obligations on Spreadex under the Initial Order to preserve, hold separate and not integrate the SPIN Customer List. Spreadex's compliance with such obligations has been independently monitored by a monitoring trustee (**Monitoring Trustee**).⁸²⁵
- 9.95 In the context of a divestiture remedy, it is our view that an attempt by Spreadex to solicit even a small number of SPIN HVCs (who are not also Spreadex customers) could [REDACTED] and materially undermine the viability of any divestment package. For example, [REDACTED]. In our view, the risk of degradation of the SPIN Customer List following completion of a divestiture remedy to be potentially material, noting also that for Spreadex's regulatory compliance purposes, [REDACTED].
- 9.96 The Merger Remedies Guidance states that the CMA may 'permit or require non-solicitation clauses or other measures to protect the purchaser from the merger parties for a limited period (eg up to one year) to enable the purchaser to become established as an effective competitor in the relevant market(s)'.⁸²⁶

⁸²⁴ Oakvale Capital communicated similar figures to Spreadex during the FDJ Sale Process: 'Spreads: [REDACTED]'. (Spreadex, response dated 11 June 2024 to the CMA's s109 notice follow-up questions dated 4 June 2024, Annex 4.6.)

⁸²⁵ A monitoring trustee formally appointed on 7 May 2024 pursuant to the CMA's written directions issued on 29 April 2024 under the Initial Enforcement Order.

⁸²⁶ [CMA87](#), paragraph 5.25.

- 9.97 Third parties had mixed views on customer non-solicitation clauses: while they were generally supportive of the principle of a customer non-solicitation clause, several were sceptical in relation to whether it would be effective in practice, given the challenges of monitoring compliance and the risk that Spreadex had already migrated and integrated Sporting Index's customers:
- (a) One third party sports fixed odds betting provider ([REDACTED]) told us that if the Sporting Index customer base was transferred to a purchaser, there should be a one-year non-solicit period preventing Spreadex from approaching customers from that customer base.⁸²⁷
 - (b) 10star told us that it would question the worth of a Sporting index customer non-solicitation clause, as it would be difficult to prove that a customer had been approached by Spreadex, and that Spreadex would just state that the customer had approached them.⁸²⁸
 - (c) Star Sports told us that a non-solicitation clause was [REDACTED]. It added that the length of any non-solicitation clause would depend on the details, but it considered that two years would be respectable.⁸²⁹
- 9.98 Given the importance of [REDACTED] and noting that immediately following completion, the purchaser's leadership team will likely have multiple priorities to balance, including (but not limited to) recruiting the additional staff required and establishing and integrating new business functions with its own operations, it is our view that Spreadex should be prohibited from contacting, soliciting (whether through direct or indirect contact) and entertaining SPIN HVCs for a limited time following completion of any divestiture remedy on the basis set out in paragraph 9.100 below, to allow sufficient time for the purchaser to establish and strengthen relationships with SPIN HVCs.
- 9.99 In relation to potential concerns from third parties that Spreadex had already migrated and integrated Sporting Index's customers, we described in paragraph 9.94 above the various procedural safeguards we have put in place under the Initial Order to preserve the SPIN Client List. We consider below how this customer non-solicitation obligation should be designed, noting the potential compliance monitoring challenges cited by some third parties.
- 9.100 Based on Table 9.1 above, we note that there were over [REDACTED] customers who were classified as a [REDACTED] during 2023, and understand that around [REDACTED]% of all Sporting Index customers were already customers of Spreadex at the time of the Merger.⁸³⁰

⁸²⁷ [REDACTED] call transcript.

⁸²⁸ 10star, call transcript as subsequently updated by 10star email.

⁸²⁹ Star Sports, call transcript as subsequently confirmed by Star Sports email.

⁸³⁰ For reference, we note that Sporting Index had [REDACTED] UK online sports spread customers in 2022 (Spreadex, response dated 2 February to the CMA's RFI dated 31 January 2024, question 6) and (around [REDACTED]%) of these customers were

We also understand from the Monitoring Trustee that [REDACTED].⁸³¹ In order to ensure a targeted customer non-solicitation obligation:

- (a) It is our view that Spreadex should be prohibited from contacting, soliciting (whether through direct or indirect contact) and entertaining Sporting Index customers, who:

- (i) [REDACTED]; and

- (ii) [REDACTED].

(Sporting Index customers who meet both criteria (ie (i) and (ii)), are referred to as the **Restricted SPIN HVCs**.)

- (b) It is our view that this customer non-solicitation obligation should be in place for a maximum period of [REDACTED] from the date of completion of any divestiture (**Customer Non-Solicitation Period**). In our view, this should allow sufficient time for the purchaser to establish and strengthen relationships with SPIN HVCs.
 - (c) The Monitoring Trustee shall monitor Spreadex's compliance with its customer non-solicitation obligation during the Customer Non-Solicitation Period.
 - (d) For the avoidance of doubt, this customer non-solicitation obligation would not prevent a new customer approaching Spreadex or opening a Spreadex account of their own accord.

9.101 Separately, it is our view that it is necessary to require all of the Acquired Assets to be transferred to the purchaser. However, we recognise that a purchaser may already have its own marketing, customer support and customer relationship teams and therefore it may be able to retain fewer than the four SPIN Employees (subject to complying with applicable employment legislation).

9.102 Following completion of any divestiture period and within a period to be agreed with the CMA, Spreadex will be required to destroy all confidential information relating to Sporting Index, including in relation to the Acquired Assets and the technology platform (except confidential information which Spreadex is strictly required under law or regulation to retain (see also footnote 703 and paragraph 9.36 above) provided that such information is appropriately ring-fenced,⁸³² or

already customers of Spreadex. (Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, question 31).

⁸³¹ Monitoring Trustee, email.

⁸³² For example, Spreadex stated that its regulators require Spreadex to assess safer gambling and anti-money laundering concerns on a group-wide basis and not based on a customer's activity with an individual sub-brand, and therefore, for joint customers (ie customers holding both a Spreadex and Sporting Index account), Spreadex would need

which is strictly required for Spreadex to comply with its obligations under the divestiture remedy, eg in relation to the provision of any TSA services – in these circumstances, Sporting Index information should be destroyed as soon as reasonably practicable after these requirements no longer apply).

Conclusion on the Acquired Assets Element

9.103 Based on our assessment above, in relation to the Acquired Assets Element, we conclude that:

- (a) The transaction should be structured as a sale of 100% of Spreadex's shares in the Sporting Index legal entity to the purchaser.
- (b) The Acquired Assets should be transferred to the purchaser in full, with no elements retained by Spreadex, except in relation to the SPIN Employees, in respect of which the purchaser may opt to transfer fewer than the four SPIN Employees.
- (c) During the Customer Non-Solicitation Period, Spreadex shall be prohibited from contacting, soliciting (whether through direct or indirect contact) and entertaining the Restricted SPIN HVCs. The Monitoring Trustee will monitor Spreadex's compliance with this obligation.
- (d) Following completion of the divestiture, within a period to be agreed with the CMA, unless strictly necessary for compliance with the law and regulations or its obligations under a divestiture remedy, Spreadex shall destroy all confidential information relating to Sporting Index.

Sports fixed odds betting capability

9.104 Prior to the Merger, Sporting Index supplied both sports spread betting and sports fixed odds betting services. In the Phase 2 Remedies Notice, we invited views on whether it was necessary for the divestiture package to be configured to allow a prospective purchaser to provide sports fixed odds betting services in addition to providing sports spread betting services, either in order to operate a viable sports spread betting business (eg because sports fixed odds customers may become sports spread betting customers) and/or to attract a wider pool of prospective purchasers.⁸³³

to retain the notes of its relevant interactions with these customers in relation to their Sporting Index activity for the period during which Spreadex owned Sporting Index. (Spreadex, response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 2.)

⁸³³ CMA, Phase 2 [Remedies Notice](#), 25 July 2024, paragraph 31(e).

Spreadex's views

- 9.105 Spreadex submitted that it would not be necessary for the divestiture package to be configured to allow a prospective purchaser to provide sports fixed odds betting services in addition to providing sports spread betting services, given that:⁸³⁴
- (a) a spread betting business could operate viably on its own – Spreadex stated that it operated as a viable spread betting only business for over a decade before commencing fixed odd services, and that Sporting Index operated as a spread betting only business until 2019;
 - (b) Sporting Index's revenues for its fixed odd business had been immaterial (prior to the Merger, fixed odds revenues accounted for [X] % of Sporting Index's revenues);
 - (c) the Sporting Index fixed odds platform did not form part of the initial offering in the context of the Merger, and as such, potential purchasers of the business had the option to acquire the fixed odds platform separately;
 - (d) many of the potential purchasers for the divestiture package under Spreadex's Remedy Proposal would already have their own fixed odds offering (eg Star Sports); and
 - (e) '[X]' fixed odds betting platforms were also widely available on the open market (via companies such as FSB, SBTech, Kambi, OpenBet and BetConstruct).
- 9.106 At its Phase 2 Response Hearing, Spreadex told [X]. It also told us that prior to the Merger, Sporting Index had offered sports spread betting and sports fixed odds betting using two separate platforms, and that it offered a tab on the sports spread betting website to take the customer to the sports fixed odds betting website (which Spreadex told us was [X]) and vice versa. It therefore considered that there was no need to integrate the fixed odds and spreads betting platforms.⁸³⁵

Third parties' views

- 9.107 Third party evidence on whether it is necessary for the divestiture package to be configured to allow a prospective purchaser to provide sports fixed odds betting services was mixed.
- 9.108 The following third parties told us that it might be necessary for the divestment business to be able to offer sports fixed odds alongside sports spread betting:

⁸³⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.15.

⁸³⁵ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 81, lines 24-25.

- (a) 10star told us that if a purchaser already had its own sports fixed odds business, then it might not be necessary to include a sports fixed odds business as part of the divestiture package. However, it also told us that if the standalone divestment business did not have fixed odds capability, it would be necessary to offer sports fixed odds services alongside sports spread betting in order to be competitive with Spreadex, as the sports fixed odds business offered a customer acquisition channel for the sports spread betting business to acquire new spread betting customers.⁸³⁶
- (b) Star Sports told us that it would be necessary for a divestment business to offer sports fixed odds betting services as Spreadex also offered this and it therefore considered that a competitor would need to offer both sports fixed odds betting services and sports spread betting services in order to effectively compete with Spreadex.⁸³⁷
- (c) bet365 told us that whilst it could not say definitively, it would probably be necessary for a divestment business to offer sports fixed odds services, given that Spreadex as the main competitor also offers fixed odds and spread betting. It told us that having the element of 'everything under one roof' was important in order to ensure the 'stickiness' of a customer base and prevent them from leaving the site to place a bet elsewhere.⁸³⁸

9.109 However, the following third parties told us that it might not be necessary for the divestment business to be able to offer sports fixed odds in the UK:

- (a) Sporting Group told us that there was no 'mandatory requirement' for a spread betting provider to offer fixed odds, and noted that the spread betting business could be run separately from the fixed odds business. Sporting Group told us that while conceptually, offering both sports spread betting and fixed odds was the right decision, and customer surveys would indicate that customers would value having both, [REDACTED].⁸³⁹
- (b) A sports fixed odds betting provider ([REDACTED]) told us that when it had looked at potentially acquiring Sporting Index's fixed odds business it did not consider it to have been very exciting. It told us that both Spreadex and Sporting Index were spread betting focused and that sports fixed odds was 'not in their DNA'.⁸⁴⁰
- (c) Betfair told us that it did not consider it necessary for the divestment business to offer sports fixed odds betting alongside sports spread betting, and that including the fixed odds business could introduce additional complexity from

⁸³⁶ 10star, call transcript as subsequently updated by 10star email.

⁸³⁷ Star Sports, call transcript as subsequently confirmed by Star Sports email.

⁸³⁸ bet365, call transcript as subsequently updated by bet365 email.

⁸³⁹ FDJ and Sporting Group, call transcript as subsequently confirmed by FDJ email.

⁸⁴⁰ [REDACTED], call transcript.

a regulatory compliance perspective, as it would introduce an additional regulator (ie the GC).⁸⁴¹

Our assessment

- 9.110 Prior to the Merger, Sporting Index offered sports fixed odds betting services alongside its sports spread betting services. In 2023, Sporting Index generated around £[REDACTED] million of revenues from spread betting and almost £[REDACTED] million from fixed odds betting.⁸⁴² We also note that during the 2023 B2C Sale Process, potential purchasers were given the [REDACTED].^{843,844} Since Merger completion, Sporting Index has been offering both services.
- 9.111 In Chapter 6 (Horizontal Unilateral Effects), we did not find any SLC in the supply of sports fixed odds betting in the UK, and therefore, sports fixed odds would not be a relevant ‘area of competitive overlap’,⁸⁴⁵ which would be strictly required to form part of any divestiture package to address the SLC we have found. Similarly, in paragraph 6.135, we stated our view that fixed odds providers do not provide a strong constraint on the Parties.
- 9.112 However, as we discuss below, the evidence shows that:
- (a) sports fixed odds betting accounted for a [REDACTED] proportion of Sporting Index’s revenues prior to the Merger (and this trend has continued since Merger completion), and therefore could be important for the overall financial viability of the Sporting Index business (see paragraphs 9.113 to 9.114 below);
 - (b) there is a risk that Sporting Index could lose a significant channel for acquiring sports spread betting customers (see paragraph 9.114 below); and
 - (c) there is a risk that without the inclusion of the sports fixed odds functionality within the divestiture package, the divestiture package would be insufficient to attract a suitable purchaser (see paragraph 9.115 below).
- 9.113 [REDACTED]⁸⁴⁶
- 9.114 In our view, sports fixed odds betting accounted for a [REDACTED] proportion of Sporting Index’s revenues, which, depending on the purchaser’s decision on what the standalone cost structure for the business should be, a purchaser may consider necessary for the overall viability of the Sporting Index business. In this regard, we note that a purchaser could identify, and benefit from, similar cost synergies

⁸⁴¹ Betfair, call transcript as subsequently updated by Betfair email.

⁸⁴² Spreadex, response dated 2 February 2024 to the CMA’s RFI dated 31 January 2024, question 5.

⁸⁴³ Spreadex, [Response to the CMA’s Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.15.

⁸⁴⁴ FDJ, response to the CMA’s RFI.

⁸⁴⁵ [CMA87](#), paragraph 5.7.

⁸⁴⁶ Monitoring Trustee, Report dated 23 July 2025, figure 6.

associated with supplying both sports spread betting and sports fixed odds betting, to those which Sporting Group had informed an Alternative Bidder about during the 2023 B2C Sale Process (see footnote for details).⁸⁴⁷

- 9.115 In relation to the risk that a purchaser could lose a significant channel for acquiring sports spread betting customers if the divestment business did not also offer sports fixed odds betting, we note that in paragraph 6.77 of Chapter 6 (Horizontal Unilateral Effects), we stated that the ‘customer base in fixed odds betting enables licensed online sports spread betting providers to easily identify customers interested in sports betting and therefore customers who are also likely to be interested in sports spread betting products’. In this regard, we note that 90% of Spreadex’s spread betting customers use both spread betting and fixed odds betting products (see paragraph 6.12(b)). While we understand that this is not currently the case for Sporting Index, our view is that this could change over time, in particular under new ownership.
- 9.116 Finally, we noted the evidence from third parties that it might be necessary for the divestment business to be able to offer sports fixed odds alongside sports spread betting in order to be competitive with Spreadex (see paragraph 9.108), and therefore, the exclusion of this capability could increase the risk that the divestiture package will be insufficient to attract a suitable purchaser. We also noted that the Sporting Index [REDACTED] told us [REDACTED].⁸⁴⁸
- 9.117 The above factors show that the functionality and capability to supply sports fixed odds betting may need to form part of the divestiture package to ensure that: (a) the divestment business is viable (by ensuring that Sporting Index’s revenues associated with sports fixed odds betting are transferred to the purchaser and not diverted to Spreadex); (b) it can allow a purchaser to benefit from potential cross-selling opportunities; and (c) the divestiture package is sufficiently attractive to a purchaser. However, we also note that there may be reasons why a purchaser may not wish to acquire a divestiture package with sports fixed odds capability, for example, it would introduce a further layer of regulatory considerations, which may also have both staffing and technological implications⁸⁴⁹ to enable it to comply with both FCA (for sports spread betting) and GC (for sports fixed odds betting)

⁸⁴⁷ During the 2023 B2C Sale Process, in response to a question from an Alternative Bidder on Sporting Index’s cost base, and in relation to the cost base associated with the sports fixed odds betting side of Sporting Index’s business, Sporting Group stated that sports fixed odds betting had no dedicated staff, and its costs were mainly marketing costs. For reference, the total annual marketing costs quoted by Sporting Group for both sports spread betting and sports fixed odds betting was £[REDACTED]. (FDJ, response dated 17 May 2024 to the CMA’s RFI dated 3 May 2024, questions 20 and 21. ⁸⁴⁸ [REDACTED] call transcript.

⁸⁴⁹ For example, Spreadex submitted that ‘given we are regulated by both [the FCA and GC], there is a significant degree of additional complexity in our business where we have customers who use both our GC regulated fixed odds offering and our FCA regulated Sports Spread betting offering. To ensure these customers are provided with the appropriate protections, that we comply with our AML obligations, and that we meet the requirements of our respective regulators, we have had to not only design systems that are capable of ensuring we meet the above expectations individually, but also in aggregate. This has meant the operational and technical infrastructure required is more complex than would be the case for any firm offering these products individually, in either the GC regulated or FCA regulated sub sections of the online sports betting market.’ (Spreadex, response dated 10 May 2024 to the CMA’s RFI dated 22 April 2024, question 5.)

regulations; or the purchaser may already have the capability to supply sports fixed odds betting services and may not require a platform with this additional functionality.

9.118 In the Phase 2 RWP, we provisionally concluded that unless the purchaser wished to opt out, 'a divestiture package should be configured to enable the purchaser to supply sports fixed odds betting services to Sporting Index's sports fixed odds customers' and that 'we would expect this to be reflected in the scope of the development of any reconstituted platforms' and in the TSAs proposed under Spreadex's Remedy Proposal. We also provisionally concluded that given that we had not provisionally identified an SLC in relation to sports fixed odds betting, we would not have concerns if a purchaser decided not to require this capability.⁸⁵⁰

9.119 In the Phase 2 RWP response, Spreadex submitted that it would not object to ensuring that the purchaser's fixed odds offering or a third party fixed odds platform⁸⁵¹ could be plugged into the Bespoke Platform Solution to offer sports fixed odds betting to Sporting Index customers, provided that this did not delay the overall delivery of the Bespoke Platform Solution and did not imply a requirement for Spreadex to create a fixed odds betting platform. It explained that this would be a reasonable approach, which would still allow for both the integration of fixed odd betting services into the Bespoke Platform Solution and the ability for the purchaser to opt-out, noting in particular, that the purchaser might already have its own existing capabilities to provide fixed odd betting services. It added that the configuration of the Bespoke Platform Solution to enable sports fixed odds betting to be provided would be disproportionate if it required Spreadex to include a fixed odds betting business. In this regard, Spreadex sought clarification and confirmation that:⁸⁵²

- (a) [X]; and
- (b) Spreadex would not be expected to develop a fixed odds betting platform as part of the Bespoke Platform Solution, but instead Spreadex would only be expected to design the Bespoke Platform Solution to allow a third party fixed odds platform to be plugged into the Bespoke Platform Solution.

9.120 Spreadex further submitted in the Phase 2 RWP response that:⁸⁵³

- (a) if Spreadex was required to develop a Bespoke Platform Solution, which included both spread betting services and fixed odds betting services, then this would significantly lengthen Spreadex's envisaged timeline for the

⁸⁵⁰ CMA, Phase 2 RWP, 10 October 2024, paragraphs 1.116 and 1.117.

⁸⁵¹ Spreadex submitted that there were a number of companies which provided '[X] fixed odds platforms', eg FSB, SBTech, Kambi, OpenBet and BetConstruct. (Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.42.)

⁸⁵² Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 1.3.8, 2.38, 2.39 and 2.42.

⁸⁵³ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.40, 2.41 and 2.43.

development of the Bespoke Platform Solution and would further exacerbate the practical difficulties in meeting the CMA's proposed timescales for completing the divestiture (see paragraphs 9.308 to 9.326 below);

- (b) in relation to the factors set out in paragraph 9.118 above for why the functionality and capability to supply sports fixed odds betting may need to form part of the divestiture package, it disagreed with the analysis and added that the evidence relied on by the CMA was at best equivocal. In this regard, it submitted that:
 - (i) potential purchasers would all have an existing financially viable business, to which the spread betting services, included within the divestiture package, could be added. Spreadex therefore considered that the inclusion of fixed odds betting in the divestiture package is not required to support the financial viability of the Sporting Index business;
 - (ii) potential purchasers would all have an existing sports betting business, with the ability to cross-sell to their existing customers, which would limit any risks associated with the loss of customer channels where fixed odds betting is not included in the divestiture package. Spreadex further submitted that it was inconsistent for the CMA to disregard the evidence Spreadex provided that its customers use spread betting and fixed odds interchangeably when assessing what the relevant market is and then using the same evidence to substantiate an argument that fixed odds represents an important component of a sports spread betting product; and
 - (iii) the acquisition of a standalone sports spread betting business would be more attractive to a purchaser from a costs perspective in any event, and added that the transfer of a divestiture package which includes both sports spread betting and fixed odds betting services would result in higher regulatory costs, given the need for dual regulation by both the GC and FCA.

9.121 We first considered Spreadex's submission in paragraph 9.118 that it should not be required to divest a fixed odds business or be expected to develop a fixed odds betting platform as part of the Bespoke Platform Solution, but instead design the Bespoke Platform Solution to allow a third party fixed odds platform to be plugged into the Bespoke Platform Solution. For the reasons set out below, we conclude that this is acceptable, provided that if the purchaser wishes to offer sports fixed odds betting services to Sporting Index customers immediately upon completion of the divestiture, Spreadex will collaborate with the purchaser (eg by providing relevant information about the technical design) to enable the purchaser to 'plug in' its fixed odds betting platform and to enable the purchaser to supply both sports spread betting and sports fixed odds betting as Sporting Index had done prior to

the Merger. For the avoidance of doubt, in such a situation Spreadex would not be required to undertake the technical development of the fixed odds platform or divest such a platform. Our understanding is that prior to the Merger, Sporting Index's website included a tab, which enabled the customer to switch between the sports fixed odds betting and sports spread betting web pages, and therefore, this feature could be made available for the Proposed Front-End Platform, incorporating a tab to take the customer to a fixed odds betting website, whether developed by the purchaser or a third party provider (see also paragraph 9.105 above). We conclude that this is acceptable on the basis that:

- (a) Spreadex's proposed approach is broadly consistent with the pre-Merger situation, in which Sporting Index had operated separate sports fixed odds betting and sports spread betting platforms;
- (b) there are 'off-the-shelf' sports fixed odds betting platforms available from third party suppliers (if a purchaser wished to offer sports fixed odds betting, but did not have its own sports fixed odds betting platform), which in our view would represent a viable and effective alternative to requiring Spreadex to develop the sports fixed odds betting platform; and
- (c) the purchaser will retain the flexibility to decide whether to supply sports fixed odds betting services to Sporting Index customers, in addition to sports spread betting services, on the same Proposed Front-End Platform.

9.122 As regards Spreadex's submissions in paragraph 9.119(b) above, we respond as follows:

- (a) Spreadex submitted that the inclusion of sports fixed odds betting in the divestiture would not be required given that a potential purchaser would already have an existing financially viable business, to which the spread betting services could be added. However, our view is that a purchaser, in deciding whether to acquire Sporting Index, will likely have regard to the financial viability of the Sporting Index business itself. As we noted in paragraph 9.114 above, our view is that the purchaser's decision on what Sporting Index's cost structure should be (noting at this stage, that we cannot be certain what that structure would be, see paragraphs 9.249 and 9.250), could impact the decision on whether an additional revenue stream from sports fixed odds betting is required.
- (b) Spreadex also submitted that potential purchasers would all have an existing sports betting business, with the ability to cross-sell to their existing customers. As we set out in paragraph 9.115 above, we have only identified sports fixed odds betting customers as a potential customer acquisition channel for sports spread betting. However, at this stage, we cannot rule out

the possibility that a potential purchaser will not have its own sports fixed odds betting customer base, for example, B2B providers such as [X].

- (c) Spreadex submitted that it was inconsistent for the CMA to disregard the evidence Spreadex provided that its customers use spread betting and fixed odds interchangeably when assessing what the relevant market is and then using the same evidence to substantiate an argument that fixed odds represents an important component of a sports spread betting product. We disagree – as we explain in Chapter 6 (Horizontal Unilateral Effects) (see paragraph 6.42), the use by customers of both sports spread betting and sports fixed odds betting does not imply that these are substitutes.⁸⁵⁴ In addition, we noted in paragraph 9.115 above that while 90% of Spreadex's sports spread betting customers use both sports spread betting and sports fixed odds betting products, and while we understand that this is not the case for Sporting Index currently, our view is that this could change over time for Sporting Index, under new ownership.
- (d) Spreadex submitted that the acquisition of a standalone sports spread betting business would be more attractive to a purchaser from a costs perspective, eg obviating the costs associated with dual regulation by both the GC and the FCA. While we recognise that the inclusion of sports fixed odds betting capability could introduce a further layer of regulatory considerations, which could also have both staffing and technological implications (see also paragraph 9.117 above), our view is that it would be for the purchaser to make the commercial decision and weigh these considerations against the benefits of supplying sports fixed odds betting to Sporting Index customers.

9.123 Given that we have not found an SLC in relation to sports fixed odds betting, we would not have concerns if a purchaser decided not to supply sports fixed odds betting.

Conclusion on sports fixed odds betting capability

9.124 Based on the above, we conclude that Spreadex should design the Bespoke Platform Solution to allow a third party sports fixed odds betting platform to be plugged into the Bespoke Platform Solution. If the purchaser wishes to offer sports fixed odds betting services to Sporting Index customers immediately upon completion of the divestiture, Spreadex must collaborate with the purchaser (eg by providing relevant information about the technical design) to enable the purchaser to 'plug in' its fixed odds betting platform and to enable the purchaser to supply both sports spread betting and sports fixed odds betting as Sporting Index had done prior to the Merger. For the avoidance of doubt, Spreadex would not be

⁸⁵⁴ CMA, [Remittal Provisional Findings Report](#), 5 June 2025, Chapter 6 (Horizontal Unilateral Effects).

required to undertake the technical development of the fixed odds platform or be required to divest such a platform.

Platform Development Element

- 9.125 In paragraph 6.101 and 6.102, we concluded on the nature of competition and that ‘the principal parameters of competition in the supply of licensed online sports spread betting in the UK are: (a) prices (including spread widths and promotions), (b) range of “spread markets”, and (c) user experience’, and that ‘competition takes place both statically and dynamically’.
- 9.126 Spread betting technology underpins a competitor’s ability to compete on the parameters of competition – in particular, the ‘front-end’ platform and ‘back-end’ platform underpin the user experience, eg latency can be influenced by the design of the ‘back-end’ platform,⁸⁵⁵ while the Trading Models primarily underpin a competitor’s ability to compete on spread pricing and the range of spread betting markets offered.
- 9.127 In brief, as set out in paragraphs 9.38 to 9.40 above, under the Platform Development Element of Spreadex’s Remedy Proposal:
- (a) Spreadex will develop the Bespoke Platform Solution, the Proposed Front-End Platform and the API Integration – these three components will be integrated and form part of the divestiture package.
 - (b) The purchaser will be required to develop its own Trading Models, which can be integrated into the reconstituted integrated platform via the API Integration. Spreadex has offered to provide the purchaser with a [REDACTED] TSA to [REDACTED] for a period of [REDACTED].
- 9.128 In relation to the Platform Development Element, we set out our assessment under the following subsection headings:
- (a) Overview of Sporting Index’s pre-Merger IT architecture;
 - (b) Third parties’ views on the importance of the spread betting platform; and
 - (c) Risks in relation to the Platform Development Element.

Overview of Sporting Index’s pre-Merger IT architecture

- 9.129 By way of background, in Figure 9.3 below, we provide a simplified overview of Sporting Index’s pre-Merger IT architecture (the diagram shows that the ‘Back-End

⁸⁵⁵ For example, Spreadex told us that [REDACTED]. (Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 32, lines 9-13.)

Platform’ formed part of the transaction perimeter offered to potential purchasers during the 2023 B2C Sale Process). We have annotated this diagram with our current understanding of what constitutes ‘Trading Models’, the ‘Back-End Platform’ and the ‘Proposed Front-End Platform’.

Figure 9.3: SPIN pre-Merger IT architecture

[REDACTED]

Source: CMA analysis of FDJ response to the CMA’s RFI.

Notes:

(1) [REDACTED].

(2) [REDACTED].

(3) [REDACTED].

(4) [REDACTED].

9.130 With reference to Figure 9.3 above:

- (a) FDJ told us that the ‘essential’ applications of Sporting Index’s pre-Merger platform were Atlas (the core engine), SMM (which configured settings); and AMS (client details, wallet and betting history).⁸⁵⁶
- (b) Under the Merger, we understand that Spreadex acquired the source code (ie the Acquired Source Code) and the relevant documentation for:
 - (i) the five applications which formed part of Sporting Index’s pre-Merger ‘back-end’ platform, namely: [REDACTED]; and
 - (ii) the ‘Web UI & Mobile Apps’, ie Sporting Index’s pre-Merger ‘front-end’ platform, namely: the desktop website and mobile apps.

9.131 Since Merger completion, none of the Acquired Source Code is currently being used, and Sporting Index has been operating using a ‘white-label’ version of Spreadex’s website, which is running on the same database and underlying technology stack, as well as the same operational applications as Spreadex’s own website.⁸⁵⁷

9.132 Based on our current understanding, the Trading Models, which were connected to Sporting Index’s pre-Merger ‘back-end’ platform, were retained by Sporting Group, and did not form part of the transaction perimeter offered to potential purchasers during the 2023 B2C Sale Process (with the exception of the Trading Model for [REDACTED], which was offered to 10star).⁸⁵⁸

9.133 Spreadex submitted that under Spreadex’s Remedy Proposal, it would create the Bespoke Platform Solution to ensure that the source code it had acquired under

⁸⁵⁶ FDJ response to the CMA’s RFI.

⁸⁵⁷ CMA, [Derogation Letter](#), 15 January 2024.

⁸⁵⁸ FDJ response to the CMA’s RFI.

the Merger ([REDACTED]), was capable of operating on a standalone basis, given the assets Spreadex acquired were not.⁸⁵⁹ In this regard, Spreadex submitted that it recognises that the technological assets acquired from Sporting Group in November 2023 were not capable of being operated in their own right, given their dependency on technology that was retained by Sporting Group. As such, Spreadex proposes standing up the Bespoke Technology Platform that will be available at the acquisition date to enable any purchaser to operate independently from acquisition date.⁸⁶⁰

Third parties' views on the importance of the spread betting platform

- 9.134 All third parties told us that a spread betting platform would be key and necessary in order for a purchaser to compete in the relevant market. For example:
- (a) 10star told us that a fully standalone business would need to have (whether this was provided by the purchaser or formed part of the divestiture package): a controlling board structure; a sales and marketing component; technology operations (covering trading and risk management); legal and compliance (in particular, covering FCA compliance); back-office functions (such as finance and HR) and spreads technology and spreads models.⁸⁶¹
 - (b) Star Sports told us that a divestiture package would need to include the assets listed in the CMA's Phase 2 Remedies Notice, of which the key pieces are a sports spread betting platform, a reconstituted Sporting Index workforce, and the key Sporting Index assets acquired by Spreadex as part of the Merger,⁸⁶² although after seeing a redacted version of Spreadex's Remedy Proposal it told us that it should be left to a purchaser to recruit staff.⁸⁶³
 - (c) Sporting Group told us that in terms of the technology needed to compete in sports spread betting, a purchaser would need all of the following three elements: (i) the 'Start', for example, pricing and the ability to trade that pricing; (ii) the 'Middle', for example, in the case of Sporting Index, [REDACTED]; and (iii) the 'End', for example, what is displayed to the end-customer, such as the website and mobile apps.⁸⁶⁴

⁸⁵⁹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 7.

⁸⁶⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 1.

⁸⁶¹ 10star call transcript as subsequently updated by 10star email.

⁸⁶² Star Sports call transcript as subsequently confirmed by Star Sports email.

⁸⁶³ Star Sports call transcript as subsequently confirmed by Star Sports email.

⁸⁶⁴ FDJ and Sporting Group call transcript as subsequently confirmed by FDJ email.

Risks in relation to the Platform Development Element

9.135 In relation to the Platform Development Element of Spreadex's Remedy Proposal, we identified potential risks in the following areas:

- (a) *Spreadex's role in the development of the new platforms*: the risks associated with Spreadex setting the specifications for the reconstituted 'back-end' and 'front-end' platforms for the purchaser, also a future competitor, in particular, given Spreadex's potential incentives to degrade the specifications (for example, the architecture) of the reconstituted platforms of its future competitor to secure a competitive advantage.
- (b) *Trading Models*: Spreadex's Trading Models will not be included within the scope of the divestiture package, and therefore, the effectiveness of Spreadex's Remedy Proposal relies on a purchaser's capabilities and incentives to develop its own Trading Models during the [X] TSA period – this may also raise the risk of reducing the availability of potential purchasers as they will require the necessary capabilities, or wherewithal to obtain the necessary capabilities, to develop their own Trading Models.
- (c) *Timescales for the development of the reconstituted platforms*: the risks of material delays arising during the development process, which have a material impact on the timing of completing any divestiture remedy.
- (d) *Technical knowhow and capabilities*: the knowhow and capabilities required to successfully operate the reconstituted platforms and to innovate the reconstituted platforms, in particular the experience and expertise of the engineers who developed the Bespoke Platform Solution will not transfer to the purchaser.

9.136 We consider each of these risks in turn.

Spreadex's role in the development of the platforms to be reconstituted

Spreadex's views

9.137 Under the Platform Development Element of Spreadex's Remedy Proposal, Spreadex proposes to use its [X] to develop:⁸⁶⁵

- (a) a reconstituted Sporting Index 'back-end' platform, ie the Bespoke Platform Solution, through a combination of the Acquired Source Code for Sporting

⁸⁶⁵ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 28, lines 12-14.

Index's pre-Merger 'back-end' platform and developing 'new code' for any missing applications;⁸⁶⁶ and

- (b) a reconstituted Sporting Index desktop website and mobile apps, ie the Proposed Front-End Platform, largely based on the Acquired Source Code for Sporting Index's 'front-end' platforms.

9.138 Spreadex told us that the Proposed Front-End was [REDACTED] and that it was confident that it could create the 'back-end' platform, ie the Bespoke Platform Solution, given that something written now was likely to be better than something written 10 years ago. It also told us that all of the documentation which came with the Sporting Index pre-Merger platform it acquired was in its possession, although it could not confirm [REDACTED] was, as it had not yet gone through all of the documentation.⁸⁶⁷

9.139 As mentioned in paragraph 9.45 above, Spreadex submitted that in relation to the Bespoke Platform Solution, [REDACTED] modules would be needed in total to constitute a fully functioning spread betting platform, and that it was prepared to re-enable as many of the [REDACTED] Acquired Modules as possible and reduce the number of new modules needed, to address any concerns the CMA might have in relation to Spreadex's incentives to develop an inferior platform.⁸⁶⁸

9.140 In relation to how Spreadex would determine an appropriate target benchmark (eg for performance) based on Sporting Index's pre-Merger 'back-end' and 'front-end' platforms (given that these have not been operational since Merger completion), Spreadex told us that it would look at outcomes.⁸⁶⁹

- (a) In relation to Sporting Index's pre-Merger 'front-end' platform, Spreadex told us that [REDACTED].⁸⁷⁰ Spreadex provided a number of metrics, which could be used to measure the performance or functionality of the Proposed Front-End Platform, [REDACTED] (see footnote for details).⁸⁷¹

- (b) In relation to the Bespoke Platform Solution (the 'back-end' platform):

- (i) Spreadex told us that [REDACTED] and that it knew from its own systems and from its experience of using Sporting Index's 'back-end' platform in the lead-up to the Merger, what the Bespoke Platform Solution would need to do, for example, [REDACTED]. It told us that [REDACTED], but added that the 'back-end' platform was not where a provider's competitive advantage lay.⁸⁷² Spreadex also told us that during the divestiture process, it would

⁸⁶⁶ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 28, line 1.

⁸⁶⁷ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 58, lines 7-9.

⁸⁶⁸ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 4.

⁸⁶⁹ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 29, line 6.

⁸⁷⁰ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 48, lines 4-5.

⁸⁷¹ Spreadex listed the following [REDACTED]. (Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 12.)

⁸⁷² Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 33, line 8.

provide potential purchasers with a technical schedule for each of the reconstituted platforms.⁸⁷³

- (ii) Spreadex acknowledged that it would be challenging to know with precision how well Sporting Index's pre-Merger 'back-end' platform performed, given that the pre-Merger platform had not been operational since the Merger.⁸⁷⁴
- (iii) Spreadex also identified some qualitative and quantitative KPIs that could be monitored to assess the performance levels of the 'back-end' platform, including [REDACTED] (see the footnote for details of other KPIs for the Bespoke Platform Solution).⁸⁷⁵

9.141 Spreadex submitted that Spreadex and the purchaser would need to work together collaboratively [REDACTED] Bespoke Platform Solutions [REDACTED]. It added that it did not believe that the purchaser needed to be involved in the development process before testing, and that a purchaser's earlier involvement would increase the risk of delay to the overall project. In relation to whether Spreadex and the purchaser should first agree on the specifications of the 'back-end' platform before Spreadex commences its development, Spreadex submitted that this [REDACTED]. However, Spreadex submitted that if Spreadex and the purchaser were required to work together to agree on the specifications of the back-end platform before Spreadex commences its development, then this could add significant risks from a timing and delivery perspective, given the sequencing complexity involved in this project. It added that modifications could be made in the testing phase of the development process prior to handover.⁸⁷⁶

9.142 Spreadex stated that using an independent third party to develop the Bespoke Platform Solution would increase the risk that the platform delivered might not: (a) meet the needs of a sports spread betting system; (b) be able to handle all scenarios required in the provision of these services; (c) align with the level of service provided by Sporting Index prior to the Merger; and (d) enable potential new operators of the business to provide a platform which allows them to meet their FCA regulatory requirements. It stated that given that Spreadex knows and understands both the market and the technology, it was better placed than any third party to deliver this development project. However, it added that independent parties could be involved in the testing period to allow for independent checking and verification that the system is meeting its requirements, rather than through the involvement of a third party to develop the Bespoke Platform Solution.⁸⁷⁷

⁸⁷³ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 42, lines 10-14.

⁸⁷⁴ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 6.

⁸⁷⁵ Spreadex identified the following KPIs: [REDACTED]. (Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 7.)

⁸⁷⁶ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 10.

⁸⁷⁷ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 10.

9.143 Finally, Spreadex submitted that there was no need for a technical monitor of any kind during the divestiture process, and noted that the Monitoring Trustee would oversee any divestiture process. It added that Spreadex would engage in a good faith commercial negotiation with a purchaser [X], including securing appropriate assurance as to the functioning of the platform they will be buying. It stated that such a purchaser, [X], will no doubt be well-advised and able to secure all the contractual protections it would need to address this risk. It stated that insofar as the CMA was minded to go down this route, it was not aware of any firm who would have the technical expertise or experience to perform the role and any attempt to do so is likely to increase the risks of delay because Spreadex would have one more monitor to report to.⁸⁷⁸

Third parties' views

9.144 As set out in paragraph 9.12 above, we sought views from some third parties on Spreadex's Remedy Proposal, including Spreadex's role in the Platform Development Element of the Proposal. We have summarised these views below:

- (a) 10star told us that it would be very difficult to build a business case for a platform and approve investment into a platform developed by your main competitor, and that there was no incentive for Spreadex to build a platform that created meaningful competition, even if Spreadex had to meet certain specifications as part of developing such a platform. 10star added that it was 'easy' to have consistent technical performance during tests, but a 'real life' scenario is different to testing, for example when the platform is required to scale up during spikes of activity.⁸⁷⁹
- (b) 10star told us that any warranties for the developed spread betting platform would need to cover the need to draw on Spreadex's platform knowledge if there were any issues when the platform was operating in a live environment, given that it would be Spreadex who understood the platform.⁸⁸⁰ 10star added that the warranty should have assurances and penalties in place to ensure that Spreadex fixed a purchaser's issues with the platform as quickly as Spreadex would fix issues with its own platform, and that this warranty should also cover busy and key times, depending on when the platform went live and when those busy events were. 10star also told us that the warranty should not just be time based, but also based on metrics and quality of code.⁸⁸¹
- (c) Star Sports told us that the idea of a competitor building a platform from scratch does 'raise a few eyebrows'. It told us that it would have a much

⁸⁷⁸ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 17.

⁸⁷⁹ 10star, call transcript as subsequently updated by 10star.

⁸⁸⁰ 10star, call transcript as subsequently updated by 10star.

⁸⁸¹ 10star, call transcript as subsequently updated by 10star.

stronger preference for the reconstitution of the pre-Merger Sporting Index platform, however, it added that the Bespoke Platform Solution could be an option if it had a ‘huge amount of input’ on this, particularly from a design standpoint. Star Sports also told us that it [REDACTED].⁸⁸² Star Sports added that it would be difficult to ringfence the Bespoke Platform Solution from a cybersecurity standpoint, and that it was difficult to tell whether the platform would pass tests in the long term even if it passed tests in the short term.⁸⁸³

- (d) Star Sports told us that [REDACTED]. It added that there would need to be considerations such as financial penalties as part of any warranty to align with incentives. Star Sports also told us that if a purchaser were to change a platform built by Spreadex, there was a question of whether this would invalidate any warranties, or whether all changes would need to go through Spreadex. It added that this would make it very difficult, which was why it was leaning towards preferring a third party building the platform instead of Spreadex.⁸⁸⁴
- (e) Star Sports told us that the development of the Bespoke Platform Solution would need to run concurrently with the sales process, but that it could not commit to a technical process without knowing the commercials, and that it would need to have a basic commercial agreement in place before asking Spreadex to start developing a new platform. It added that a sale agreement would need to be signed before the development of a platform, and that a purchaser should be involved in the development of the platform as early as possible, such that the specifications of the platform would be agreed with the purchaser.⁸⁸⁵

Our assessment

- 9.145 In the absence of operational Sporting Index ‘back-end’ and ‘front-end’ platforms, it is our view that the inclusion of the relevant platforms within the divestiture package is an essential component of the divestiture remedy.
- 9.146 In principle, our view is that ‘back-end’ and ‘front-end’ platforms that replicate the pre-Merger platforms could be acceptable.
- 9.147 In our view, Spreadex’s in-house development capability and its understanding of the relevant market and the regulatory framework in which the reconstituted platforms must operate, would make Spreadex well-placed to be involved in the development of the reconstituted platforms. In this regard, we understand that Spreadex’s ‘wider IT environment’ is managed and maintained by its ‘IT Support,

⁸⁸² Star Sports, call transcript as subsequently confirmed by Star Sports.

⁸⁸³ Star Sports, call transcript as subsequently confirmed by Star Sports.

⁸⁸⁴ Star Sports, call transcript as subsequently confirmed by Star Sports.

⁸⁸⁵ Star Sports, call transcript as subsequently confirmed by Star Sports.

Platform and Development Teams’, comprising [X] people in total. This is in addition to the [X] staff in Spreadex’s ‘Business Intelligence Team’, which is responsible for the development of its Trading Models.⁸⁸⁶ Spreadex’s involvement in the development process will also provide the CMA with a direct enforcement mechanism in the event of any breaches of its platform development obligations, which can be enforced through the CMA’s usual processes.

9.148 However, in our view, there are material risks associated with Spreadex’s proposal to lead on its own the development of the ‘back-end’ and ‘front-end’ platforms, given:

- (a) Spreadex’s incentives to protect its future competitive position and impair the ongoing competitive capability of its future competitor by developing inferior platforms, combined with its ability to do so if the target specifications for the reconstituted platforms are determined by Spreadex – some of the third parties have also acknowledged this risk (see paragraph 9.144 above), with one third party suggesting that the development of the platform should be carried out by a third party selected by the purchaser, or that the specifications for the development are agreed by the purchaser;⁸⁸⁷
- (b) the technical nature of the development process and the asymmetry of information between Spreadex and the CMA, which would impair the CMA’s ability to assess the materiality of the implications of the various decisions taken by Spreadex during the development and testing process, for example, on the attractiveness of the platforms to potential purchasers, or on the timescales to complete the delivery of the reconstituted platforms;
- (c) the risk that without purchaser input into the design and specification of the reconstituted platforms, Spreadex develops platforms which are not sufficiently attractive to potential purchasers;
- (d) the absence of a clear benchmark against which to monitor the performance of the reconstituted platforms, given that no operational working version of Sporting Index’s pre-Merger ‘back-end’ and ‘front-end’ platforms exist, which would give Spreadex greater scope to develop inferior platforms; and
- (e) the fact that the CMA is not well-placed to specify what the specifications of the reconstituted platforms should be in order to mitigate the different risks associated with the specification of the ‘back-end’ and ‘front-end’ platforms – for example, in this regard, we cannot be confident on the extent to which the [X] modules, which Spreadex has identified would constitute a ‘fully functioning spread betting platform’; would be sufficiently comprehensive; or

⁸⁸⁶ Spreadex, Teach-in slides, 1 May 2024, slide 15.

⁸⁸⁷ Star Sports, call transcript as subsequently confirmed by Star Sports.

that a purchaser would consider this to be sufficiently attractive. Relatedly, we would also expect the risks in relation to Spreadex deciding on behalf of the purchaser the appropriate specification of the ‘back-end’ platform to be different to the risks associated with deciding the appropriate specification of the ‘front-end’ platform. For example, on the one hand, it would appear that while the ‘back-end’ platform may not be a key source of competitive advantage or differentiation, it would need to be reliable, and on the other hand, while the ‘front-end’ platform appears to be an important source of differentiation between competitors, for example, on the user experience, the purchaser may find it easier to fix problems and issues, or face fewer barriers to replacing a reconstituted ‘front-end’ platform with its own.

- 9.149 The evidence is also that potential purchasers have material concerns about Spreadex solely determining the specifications for the reconstituted platforms and Spreadex’s potential incentives to provide inferior platforms to secure a competitive advantage.
- 9.150 At its Phase 2 Response Hearing, Spreadex outlined the four main stages of a ‘development project’ of this nature: (a) defining the ‘outcomes’ (but not ‘technically’), which Spreadex considered was the ‘most important’ stage; (b) determining how ‘technically’ those outcomes will be achieved; (c) carrying out the actual development; and (d) testing the developed platform against the ‘specified outcomes’.⁸⁸⁸
- 9.151 While we note Spreadex’s submission that it would be prepared to re-use as many of the [§] Sporting Index modules as possible, use independent third parties during the testing period, and offer the purchaser contractual protections, this would not give us sufficient confidence that this will result in the development of reconstituted platforms which is sufficiently attractive to a purchaser. In this regard, we would expect that the purchaser may wish to be involved in the platform development process, including (but not limited to), in relation to: (a) defining outcomes and tests; (b) decisions about how to achieve those outcomes (for example, if there was a decision between several possible options for the database layer, the purchaser may prefer a choice that matches its existing database to make integration easier); and (c) seeing the results of any testing (including running tests on the reconstituted platforms in its own IT environment).
- 9.152 We considered whether we could put in place additional safeguards or measures to mitigate those risks sufficiently to enable the risks to be acceptable.
- 9.153 In this regard, in the Phase 2 RWP, we provisionally concluded (among other things) on the following:

⁸⁸⁸ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 41, lines 5-11.

- (a) the development process for the reconstituted platforms should be a collaborative exercise between Spreadex and the purchaser, where Spreadex would carry out the technical development work in accordance with the specifications agreed between Spreadex and the purchaser and set out in the SPA. We also provisionally concluded that the specifications of the platforms should have regard to Sporting Index's pre-Merger platforms, but have the capability to be modified to ensure that the platforms will enable the divestment business to compete successfully on an ongoing basis and be sufficiently attractive to a potential purchaser, and that where a reliable performance benchmark is not available (or cannot be determined) for Sporting Index's pre-Merger platforms, Spreadex's own platforms should provide these benchmarks;
- (b) Spreadex and the purchaser should agree (and finalise in the SPA) on the modules which should form part of the Bespoke Platform Solution, including [X];
- (c) a suitably resourced and qualified independent technical monitor (whose identity will need to be approved by the CMA) should be appointed around the time of signing any SPA (and prior to the commencement of any development process) to monitor Spreadex's compliance with its platform development obligations (**Independent Technical Monitor**); and
- (d) Spreadex should form a 'clean team' within its development team to work with the purchaser on the platform development on terms acceptable to the purchaser (**Spreadex Development Clean Team**).

9.154 We set out below, and consider, Spreadex's submissions on each of the points set out in paragraph 9.153 above, before setting out our overall conclusion on Spreadex's role in the development of the platforms to be reconstituted.

Purchaser involvement in the development of the reconstituted platforms

9.155 Spreadex submitted that the involvement of the purchaser in the early stages of development of the Bespoke Platform Solution would be disproportionate and entail significant risk to any timetable unless clear parameters are set for the purchaser's involvement, rather than giving it *carte blanche*.⁸⁸⁹ Spreadex submitted that while it was prepared to collaborate with the purchaser on the development of the Bespoke Platform Solution, and did not object in principle to the need to sign an SPA with a CMA-approved purchaser before key elements of the divestment business have been brought into existence or otherwise specified, it considered that the purchaser's involvement at this stage cannot be allowed to give it *carte blanche* to dictate [X] of the Bespoke Platform Solution. In this

⁸⁸⁹ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.3.

regard, Spreadex submitted that the [§] and the Bespoke Platform Solution itself must be clear and specified at the outset, and that the aim must remain to restore the platform to its pre-Merger condition and competitiveness. It added only by imposing this parameter, could the CMA ensure that the purchaser would behave reasonably, and thereby avoid the risk of Spreadex being penalised for delays to the development that result from the purchaser's involvement.⁸⁹⁰

9.156 Spreadex further submitted that in relation to the [§] and the Bespoke Platform Solution, it should be made clear at the outset that: (a) the Bespoke Platform Solution must be equipped to provide the sports spread-betting services offered by Sporting Index pre-Merger; and (b) there cannot be an obligation on Spreadex to develop a Bespoke Platform Solution with functionality that is superior to the functionality offered on Spreadex's own system ([§]).⁸⁹¹

9.157 We have considered Spreadex's submissions, as summarised above and detail our assessment below. In the Phase 2 RWP, we provisionally concluded that the specifications of the platforms should have regard to Sporting Index's pre-Merger platforms, but have the capability to be modified to ensure that the platforms will enable the divestment business to compete successfully on an ongoing basis and be sufficiently attractive to a potential purchaser. However, in order to mitigate the risk of a purchaser making unreasonable demands which represent a material enhancement on Sporting Index's pre-Merger platforms, and delaying the timely conclusion of the remedies process, our view is that:

- (a) It would be necessary to have a clear set of parameters and objectives at the outset for the development of the reconstituted platforms. In this regard, our view is that Spreadex's suggestion for the '[§]' in paragraph 9.155 represents a reasonable starting point, which we have modified below:
 - (i) in order to restore the pre-Merger conditions of competition, the reconstituted platforms should enable the purchaser to provide the sports spread betting services offered by Sporting Index prior to the Merger. To achieve this, the base line for the specification and performance of the reconstituted platforms should be based on Sporting Index's pre-Merger platforms, and where a reliable benchmark is not available (or cannot be determined) for Sporting Index's pre-Merger platforms, Spreadex's own platforms should provide this benchmark;
 - (ii) Spreadex should not be required to develop the reconstituted platforms with functionality that is superior to Sporting Index's pre-Merger platforms, except to reflect technological updates and enhancements, which Sporting Index would reasonably have been expected to have

⁸⁹⁰ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.3 and 2.4.

⁸⁹¹ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.4.

carried out in the ordinary course of business in the context of changing market and regulatory conditions, or where they already form part of Spreadex's Remedy Proposal (eg in relation to infrastructure hosting on AWS); and

- (iii) Spreadex should not be required to develop the reconstituted platforms with functionality that is superior to Spreadex's platforms ([REDACTED]), except where that functionality was already provided by Sporting Index's pre-Merger platforms; and
- (b) Spreadex will not be required to implement the purchaser's request if the CMA considers that the purchaser's request is unreasonable. The CMA will also consider whether it will be necessary and appropriate in the circumstances to grant Spreadex an extension to the timescales to complete the divestiture remedy, if the CMA considers that the purchaser, having acted unreasonably, has delayed the process.

On the need for '[REDACTED]' and '[REDACTED]' functionality

9.158 In relation to the provisional conclusion in the Phase 2 RWP that Spreadex and the purchaser should agree on whether the Bespoke Platform Solution should include '[REDACTED]' and '[REDACTED]' functionality, noting that this had formed part of Sporting Index's pre-Merger offering, Spreadex submitted in the Phase 2 RWP response that:⁸⁹²

- (a) these games did not represent a material part of the Sporting Index business, eg the revenues associated with these games pre-Merger accounted for less than [REDACTED]% of Sporting Index's total FY22 revenues; and could not be considered in any way a core part of (or even a related component to) a sports spread betting business, and added that it was Spreadex's understanding that Sporting Index itself had not actively maintained or updated the technology for a number of years. It therefore submitted that it would not be proportionate for Spreadex to be required to reconstitute these games as part of the Bespoke Platform Solution;
- (b) it would also not be practicable for Spreadex to reconstitute these games given that: (i) Spreadex had never operated these games, and therefore it did not have the knowledge to reconstitute them nor would it be able to readily acquire that knowledge from a third party; (ii) the coding is old and work would be required to update that (work that Sporting Index itself did not undertake pre-Merger); (iii) incorporating these games into the Bespoke Platform Solution would significantly delay the development timetable (likely

⁸⁹² Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.5.

by [REDACTED]; and (iv) any amendments to the games (eg to update them) would need to be approved by the FCA (delaying the timetable further); and

- (c) a scenario in which a purchaser could demand the inclusion of such essentially defunct elements with no connection to the market in which an SLC has been found, would perfectly demonstrate the risks of giving a purchaser '*carte blanche*' in specifying and developing the Bespoke Platform Solution.

9.159 We have considered Spreadex's submissions, including by reference to the following: first, in our view, '[REDACTED]' and '[REDACTED]' accounted for a non-material proportion of Sporting Index's pre-Merger revenues, and therefore, are unlikely to make a material contribution to Sporting Index's overall financial viability; second, in our view, the absence of this functionality would not have a material impact on Sporting Index's ability to compete effectively in the relevant market. Therefore, our view is that it would not be necessary for Spreadex to develop the Bespoke Platform Solution to include this functionality.

Involvement of an Independent Technical Monitor

9.160 In the Phase 2 RWP response, Spreadex submitted that while it did not object to the appointment of an Independent Technical Monitor to monitor and assist the CMA with its assessment of the development project in principle, the involvement of an Independent Technical Monitor was unlikely to be practicable and the costs involved will be disproportionate.⁸⁹³

9.161 In this regard, Spreadex submitted that:⁸⁹⁴

- (a) an Independent Technical Monitor was very unlikely to have specific experience of the technology and the nuances of the sector, and that it would expect that, in line with its experience of hiring its own employees, there would be a significant time investment required to bring the monitor 'up to speed' that would adversely impact the delivery timeframes;
- (b) if Spreadex or the purchaser had concerns with aspects of the process, they would 'be able to raise these with the Monitoring Trustee and if needs be the CMA (with each party able to explain the technical points they may be concerned about); and
- (c) the costs of engaging an Independent Technical Monitor, both the financial costs (which Spreadex anticipates will be substantial) and the costs in terms of management time related to a further set of regular reporting are also not likely be reasonable or proportionate to any benefit they may bring, eg

⁸⁹³ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.28.

⁸⁹⁴ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.28 and 2.29.

Spreadex submitted that the actual costs involved in developing the Bespoke Platform Solution will themselves be extensive, whilst devoting Spreadex's IT resources to this project, will also limit the innovations and improvements it can make to its own services whilst the Bespoke Platform Solution is being developed. It submitted that in these circumstances, it would not be reasonable to require Spreadex to incur the additional costs of paying for a further monitor to oversee the process, and that it was a matter for the CMA that the CMA does not consider itself technically equipped to oversee the remedies process.

- 9.162 We have considered Spreadex's submissions, as summarised above and detail our assessment below.
- 9.163 In relation to Spreadex's submission that it was a matter for the CMA if it did not consider itself technically equipped to oversee the remedies process, we disagree. As set out in the Merger Remedies Guidance, monitoring trustees help ensure the CMA better understands the progress being made in a divestiture by reporting on the merger parties' compliance with the agreed timetable, and the need for a monitoring trustee will depend, among other things, upon the nature of the divestiture package and the risk profile of the remedy.⁸⁹⁵ Our view is that, in principle, in order to ensure the effective monitoring of the remedies process, the capabilities of the monitoring trustee should be tailored to the particular circumstances of the case.
- 9.164 In the Phase 2 RWP, and in the particular circumstances of this case, we provisionally concluded that given the highly technical nature of the remedy package, an Independent Technical Monitor should be appointed around the time of signing any SPA and prior to the commencement of any development process, to monitor Spreadex's compliance with its platform development obligations, including (among other things) having the powers to act as an adjudicator to resolve any disputes arising between Spreadex and the purchaser in relation to the development and delivery of the new platforms as agreed in the SPA, subject to seeking the CMA's views and approval prior to taking any action or decision.
- 9.165 While we continue to hold the view that the technical nature of the development process and the asymmetry of information between Spreadex and the CMA, would impair the CMA's ability to assess the materiality of the implications of the various decisions taken by Spreadex during the development and testing process (see paragraph 9.148(b) above), our view is that this risk would largely be limited to issues of a highly-specialist technical nature where neither the CMA nor the Monitoring Trustee has the expertise to make an informed determination. In this regard, we are also mindful of the possibility that no material disputes will arise during the development process, which would otherwise necessitate the technical

⁸⁹⁵ [CMA87](#), paragraphs 4.43 and 4.44.

expertise of an Independent Technical Monitor, and the additional cost implications for Spreadex of appointing an Independent Technical Monitor for the entire duration of the development process.

- 9.166 On balance, our view is that it would be sufficient for the CMA to reserve the right to appoint an Independent Technical Monitor at any time during the divestiture process (and that this will be reflected in any final undertakings or final order), provided that:
- (a) the Monitoring Trustee confirms that it does not have the requisite expertise to enable the CMA to make an informed decision; and
 - (b) the appointment of an Independent Technical Monitor would be solely for the purpose of resolving disputes of a technical nature (between Spreadex and the purchaser or the CMA), subject to the Independent Technical Monitor seeking the CMA's views and approval prior to taking any action or decision.⁸⁹⁶
- 9.167 Our view is also that, under the SPA, the Monitoring Trustee should have the powers to act as an adjudicator to resolve any disputes arising between Spreadex and the purchaser in relation to the development and delivery of the new platforms as agreed in the SPA, subject to seeking the CMA's views and approval prior to taking any action or decision, but that the Monitoring Trustee may request the appointment of an Independent Technical Monitor to the extent reasonably required to assist it in carrying out its adjudication duties.

Spreadex Development Clean Team

- 9.168 In the Phase 2 RWP response, Spreadex submitted that while it did not object to forming a Spreadex Development Clean Team to work with the purchaser on the development of the Bespoke Platform Solution, any clean team arrangements would be disproportionate if they [REDACTED]. It added that a proportionate clean team in the circumstances would comprise:⁸⁹⁷
- (a) a defined group of people in the clean team, [REDACTED];
 - (b) clear restrictions on the use that the clean team members can make of information relating to Sporting Index and the Bespoke Platform Solution that the clean team is developing;

⁸⁹⁶ For the avoidance of doubt, the Independent Technical Monitor would not be engaged on an ongoing basis; rather, the engagement letter should reflect that the appointment would be for the purpose and duration of resolving disputes of a technical nature as and when required. Spreadex will be responsible for the remuneration of the Independent Technical Monitor.

⁸⁹⁷ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.34 and 2.36.

- (c) restrictions on who can access the [REDACTED] Bespoke Platform Solution [REDACTED], with access being granted to the clean team on a need to know basis; and
- (d) a requirement to destroy or handover to the purchaser [REDACTED] (other than any information that needs to be retained for regulatory compliance purposes);
but
- (e) [REDACTED] Bespoke Platform Solution [REDACTED].

9.169 Spreadex submitted that its internal IT development team is not large enough to allocate certain staff to work solely on the development of the Bespoke Platform Solution, and that while it had [REDACTED] staff in IT, only [REDACTED] of these had the skill set and experience required for this project. It added that of these [REDACTED] staff, there were certain key roles, for example, [REDACTED], where Spreadex only had [REDACTED] employees, and therefore allocating [REDACTED]% of these staff to a single project would put business as usual work (such as [REDACTED]), and operational work (such as [REDACTED]) at significant risk and would impact both the Spreadex and Sporting Index businesses (given they are run off the same proprietary technology). It added that the absence of such staff would therefore cause an unacceptable regulatory risk to Spreadex.⁸⁹⁸

9.170 In considering Spreadex's submissions we have noted that the Phase 2 RWP did not mention that any members of the Spreadex Development Clean Team should be [REDACTED]. Provided that Spreadex forms a Spreadex Development Clean Team within its development team to work with the purchaser on the platform development on reasonable terms (including safeguards) acceptable to the purchaser, we would have no material concerns if this arrangement involved members of the Spreadex Development Team [REDACTED].

Overall views on Spreadex's role in the development process

9.171 Based on our assessment above, we considered that in order to mitigate all of the risks outlined in paragraph 9.1489.148 above:

- (a) With reference to the different stages of the development process for the reconstituted platforms outlined in paragraphs 9.141, 9.150 and 9.151 above, namely, *stage 1*: defining outcomes and tests; *stage 2*: decisions about how to achieve those outcomes; *stage 3*: the technical development of the reconstituted platforms; *stage 4*: testing; and *stage 5*: handover:
 - (i) We would require the process for specifying the relevant outcomes (including KPIs) for the platforms; decisions about how to achieve those

⁸⁹⁸ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.35.

outcomes; testing; and handover and customer migration to be a collaborative exercise between Spreadex and the purchaser.

- (ii) It is our view that Spreadex should be fully responsible for carrying out the technical development work (ie stage 3 above) needed to develop the Bespoke Platform Solution, the Proposed Front-End Platform and API Integration in accordance with the specifications agreed between Spreadex and the purchaser.
- (b) We recognise that purchaser involvement may necessarily delay the commencement of the development process until a purchaser has been identified. In the circumstances of this case, our view is that it is necessary that Spreadex should coordinate its platform development and divestiture processes to ensure that the eventual purchaser can be involved at the early stages of the platform development process. We would therefore expect this collaborative process to commence formally as soon as a suitable purchaser (ie a purchaser approved by the CMA) has been identified, and has signed an SPA with Spreadex.
- (c) In our view, this approach would obviate the need for us to:
 - (i) consider an option to transfer Spreadex development staff to transfer the knowhow relating to the platforms, as the purchaser will have been closely involved in their specification and testing (see also paragraphs 9.223 to 9.235 below); and
 - (ii) be too prescriptive on the specification of the reconstituted platforms and the extent to which the purchaser should be involved in the technical development process – as these would be matters for Spreadex and the purchaser to agree and finalise in the SPA, including (but not limited to) agreeing on matters in relation to (see paragraph 9.45 above): (a) the modules which should form part of the Bespoke Platform Solution ([X] Bespoke Platform Solution – see also paragraph 9.159 above); (b) the extent to which these modules should be based on re-enabling the Acquired Modules and the extent to which they should be New-Build Modules; and (c) the appropriate infrastructure for the Bespoke Platform Solution (see paragraph 9.39(a)(iv) above), having regard both to the Bespoke Platform Solution's ability to integrate with the purchaser's systems, and the need for the reconstituted platforms to achieve the KPIs against which their performance will be assessed; and comply with any regulations.
- (d) For the purpose of this collaborative development process, it is our view that Spreadex should form a Spreadex Development Clean Team within its development team to work with the purchaser on the platform development

on terms acceptable to the purchaser. Provided that Spreadex forms a Spreadex Development Clean Team on reasonable terms (including safeguards) acceptable to the purchaser, we would have no material concerns if this arrangement involved members of the Spreadex Development Team [REDACTED].

- (e) While, in our view, it sufficient and proportionate for the reconstituted platforms to reference Sporting Index's pre-Merger 'back-end' and 'front-end' platforms, we consider that a rigid and static view of what the specifications of the 'back-end' and 'front-end' platforms should be based on Sporting Index's pre-Merger platforms (where this is possible) increases the risk profile of the remedy. As we mentioned in paragraph 9.76(a) above, since Merger completion, Sporting Index's pre-Merger platforms have not been operational and have therefore not been updated or developed further. However, markets continue to evolve and new applications are developed and platforms are enhanced over time. In our view, the parameters and objectives of the reconstituted platforms should be as follows:
 - (i) the base line for the specification and performance of the reconstituted platforms should be based on Sporting Index's pre-Merger platforms, and where a reliable benchmark is not available (or cannot be determined) for Sporting Index's pre-Merger platforms, Spreadex's own platforms should provide this benchmark;
 - (ii) Spreadex should not be required to develop the reconstituted platforms with functionality that is superior to Sporting Index's pre-Merger platforms, except to reflect technological updates and enhancements, which Sporting Index would reasonably have been expected to have carried out in the ordinary course of business in the context of changing market and regulatory conditions, or where they already form part of Spreadex's Remedy Proposal (for example, in relation to infrastructure hosting on AWS); and
 - (iii) Spreadex should not be required to develop the reconstituted platforms with functionality that is superior to Spreadex's platforms (beyond [REDACTED]), except where that functionality was already provided by Sporting Index's pre-Merger platforms.
- (f) Spreadex will not be required to implement the purchaser's request if the CMA considers that the purchaser's request is unreasonable. The CMA will also consider whether it will be necessary and appropriate in the circumstances to grant Spreadex an extension to the timescales to complete the divestiture remedy, if the CMA considers that the purchaser, having acted unreasonably, has delayed the process.

- (g) The specifications of the reconstituted platforms, once agreed between Spreadex and the potential purchaser, will need to be sufficiently clear in the SPA to avoid the risk of any circumvention and to enable monitoring. As set out in paragraphs 9.166 and 9.167 above, the CMA will reserve the right to appoint an Independent Technical Monitor at any time during the divestiture process (and this will be reflected in any final undertakings or final order), provided that:
 - (i) the Monitoring Trustee confirms that it does not have the required expertise to enable the CMA to make an informed decision; and
 - (ii) the appointment of an Independent Technical Monitor would be solely for the purpose of resolving disputes of a technical nature (between Spreadex and the purchaser or the CMA), subject to the Independent Technical Monitor seeking the CMA's views and approval prior to taking any action or decision.⁸⁹⁹
- (h) The Monitoring Trustee should have the powers to act as an adjudicator to resolve any disputes arising between Spreadex and the purchaser in relation to the development and delivery of the new platforms as agreed in the SPA, subject to seeking the CMA's views and approval prior to taking any action or decision, but that the Monitoring Trustee may request the appointment of an Independent Technical Monitor to assist it in carrying out its adjudication duties.
- (i) We acknowledge that the Spreadex development staff involved in the development of the reconstituted platforms may have some knowledge of the strengths and weaknesses of the reconstituted platforms. However, in our view, the involvement of a Spreadex Development Clean Team (on terms acceptable to the purchaser), would materially contribute to mitigating these risks. In addition, it is our view that the value of this knowledge will depreciate over time, eg with reference to the parameters of competition set out in paragraph 6.101 of Chapter 6 (Horizontal Unilateral Effects), ie spread pricing, range and user experience, at the end of the [X] TSA period, the purchaser would have the ability to independently determine spread pricing and the range of spread markets offered, and make changes to support user experience (eg adding other attractive features to the 'front-end' and developing further the 'back-end' platform).

9.172 In our view, the collaborative arrangement between Spreadex and the purchaser, which we have described above in paragraph 9.171(a) above, together with the

⁸⁹⁹ For the avoidance of doubt, the Independent Technical Monitor would not be engaged on an ongoing basis; rather, the engagement letter should reflect that the appointment would be for the purpose and duration of resolving disputes of a technical nature as and when required.

involvement of an Independent Technical Monitor, would sufficiently mitigate the risks arising from Spreadex's proposal to develop the reconstituted platforms.

Conclusion on Spreadex's role in the development of the platforms

9.173 In summary, our conclusion in relation to Spreadex's role in developing the platforms is that:

- (a) while Spreadex should be fully responsible for the technical development of the reconstituted platforms, Spreadex and the purchaser should collaborate in relation to the other aspects of the development process, namely: specifying the relevant outcomes (including KPIs) for the platforms; decisions about how to achieve those outcomes; testing; and handover and customer migration. For these purposes, Spreadex should form a Spreadex Development Clean Team, on terms acceptable to the purchaser;
- (b) the parameters and objectives for the development of the Bespoke Platform Solution should be as follows:
 - (i) the base line for the specification and performance of the reconstituted platforms should be based on Sporting Index's pre-Merger platforms, and where a reliable benchmark is not available (or cannot be determined) for Sporting Index's pre-Merger platforms, Spreadex's own platforms should provide this benchmark;
 - (ii) Spreadex should not be required to develop the reconstituted platforms with functionality that is superior to Sporting Index's pre-Merger platforms, except to reflect technological updates and enhancements, which Sporting Index would reasonably have been expected to have carried out in the ordinary course of business in the context of changing market and regulatory conditions, or where they already form part of Spreadex's Remedy Proposal; and
 - (iii) Spreadex should not be required to develop the reconstituted platforms with functionality that is superior to Spreadex's platforms ([X]), except where that functionality was already provided by Sporting Index's pre-Merger platforms.
 - (iv) Spreadex will not be required to implement the purchaser's request if the CMA considers that the purchaser's request is unreasonable. The CMA will also consider whether it will be necessary and appropriate in the circumstances to grant Spreadex an extension to the timescales to complete the divestiture remedy, if the CMA considers that the purchaser, having acted unreasonably, has delayed the process; and

- (c) the CMA will reserve the right to appoint an Independent Technical Monitor at any time during the divestiture process to resolve technical disputes where necessary (see also paragraph 9.171(g) above for the circumstances where the CMA will consider appointing an Independent Technical Monitor), and the Monitoring Trustee should act as an adjudicator to resolve disputes (having sought the CMA's views and approval prior to taking any action or decision), and may request the appointment of an Independent Technical Monitor (to the extent reasonably required).

Trading Models

Spreadex's views

- 9.174 Spreadex submitted that [REDACTED], it would provide the ability for the purchaser to feed in its own prices via the API Integration [REDACTED].⁹⁰⁰
- 9.175 Spreadex also submitted that it was likely that a third party would want to use their own pricing models or third party feeds to generate prices, and that this would be possible through the API Integration, which would allow third party systems to connect to the Bespoke Platform Solution, and produce spread betting prices that could be displayed to customers via the front-end platforms.⁹⁰¹
- 9.176 Spreadex submitted that its expectation was that the third party would be able and willing to supply the prices themselves within a short period of time, given the Provisional Findings, which demonstrates that 10star would already have in place the significant majority of the capabilities, and that Star Spreads already operate a spread betting platform, and as such would have the capability of generating spread prices.⁹⁰²
- 9.177 Spreadex submitted that the timescales needed by a purchaser [REDACTED]. [REDACTED], Spreadex estimated that the time it would take [REDACTED]. It added that [REDACTED].⁹⁰³
- 9.178 At its Phase 2 Response Hearing, Spreadex explained [REDACTED], would depend on: (a) [REDACTED]; and (b) [REDACTED]. It added that if a purchaser had its own pricing systems which create pricing, then the API Integration would enable it to use its own Trading Models.⁹⁰⁴
- 9.179 Spreadex stated that Sporting Solutions now own and still operate all the pricing technology that was used to provide the full range of spread markets offered by Sporting Index prior to the Merger, and that it was its understanding that, [REDACTED].

⁹⁰⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 3.

⁹⁰¹ Spreadex response dated 6 September 2024 to the CMA's RFI dated 28 September 2024, question 1.

⁹⁰² Spreadex response dated 6 September 2024 to the CMA's RFI dated 28 September 2024, question 1.

⁹⁰³ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 14.

⁹⁰⁴ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 51, lines 2-9.

Spreadex stated that [REDACTED].⁹⁰⁵ However, it added that should the purchaser not wish to use Sporting Solutions,⁹⁰⁶ it was also possible to get spread pricing feeds from third parties for some markets,⁹⁰⁷ and identified Sportradar, Decimal Data Services and Genius Sports as possible third party spread pricing feed providers.⁹⁰⁸

- 9.180 Spreadex submitted that [REDACTED], the above options would enable an alternative purchaser to provide a full level of pricing needed to meet the pre-Merger business levels [REDACTED], and that this would mitigate any concerns the CMA has raised around the alternative purchaser being dependent on a competitor in the short term, although Spreadex does not consider that any such risk would arise in practice during such a transitional period.⁹⁰⁹
- 9.181 Spreadex submitted that there was also a very large number of third party providers of odds feed data (separate from spread pricing feed data),⁹¹⁰ and that given many spread and fixed odds markets are very similar, if not the same, it is likely that if asked to supply odds feeds for given markets (including [REDACTED]) in a spread betting format ([REDACTED]), a number of these companies would be able to do so.⁹¹¹
- 9.182 Spreadex told us that Trading Models would also need sports market data feeds, eg if a team scores, the pricing model will need to know that, and that there were sports data providers who provided these feeds. Spreadex added that it used [REDACTED].⁹¹²

Third parties' views

- 9.183 In relation to the evidence from third parties:
- (a) All third parties told us that Trading Models would be required for a purchaser to compete in the relevant market, although the evidence was mixed in relation to whether price differentiation with Spreadex would be required. For example:
 - (i) Sporting Group told us that there would be a need for pricing models and staff to trade the pricing – it explained that while these models were required to create pricing, there was still a lot of manual effort needed to ensure the figures are correct. It added that the extent to which different pricing models could be developed from a common initial model

⁹⁰⁵ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 15.

⁹⁰⁶ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 15.

⁹⁰⁷ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 52, lines 9-10.

⁹⁰⁸ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 15.

⁹⁰⁹ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 15.

⁹¹⁰ Spreadex provided a list of. (Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 15.)

⁹¹¹ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 15.

⁹¹² Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 53, lines 1-23.

depended on an operator's appetite for risk, but added that while it was feasible to create different spreads, this was not advised, as spread prices in the market should be very similar – it explained that increased price differentiation (in terms of the size of the spread) would imply an increase in the risk being taken by the operator. In this regard, Sporting Group told us that differentiation between sports spread betting competitors did not necessarily relate to price differentiation and that prior to the Merger, Sporting Index's and Spreadex's 'prices were similar'.⁹¹³

- (ii) 10star told us that in order for there to be competition between Spreadex and the divestment business, it was important to ensure that there was control over price differentiation by enabling the divestment business to change prices and risk manage on its own, independently of Spreadex.⁹¹⁴ It told us that if the divestiture package did not include the spread pricing models (ie the 'algorithm' which produced prices), then this could require a TSA for a period of a 'lot longer than [X]', as the purchaser would need to build its own pricing models.⁹¹⁵ 10star told us that it considered [X], unlike a TSA with Sporting Solutions which would have had price differentiation and competition from the outset.⁹¹⁶
- (iii) Star Sports told us that [X] would be 'doable' from a technical perspective, and from a commercial perspective, this could also work in the context of a TSA,⁹¹⁷ but added that in the long term, it would want to be as independent as possible. It added that if [X], it would make it harder to differentiate on pricing, but this would depend on the capabilities of the platform to differentiate and adjust pricing.⁹¹⁸

(b) In relation to the time and costs required to build Trading Models:

- (i) 10star told us that it would take a while to build pricing models⁹¹⁹ and that this would be a significant investment, although this also depended on whether it would need to build models from scratch.⁹²⁰ It added that for the major sports where it was already skilled in fixed odds, there would be a period required to amend the model such that it could also offer spreads, but this period would be quicker compared to building models for sports where it did not offer fixed odds pricing, such as [X]. 10star also told us that building these models from scratch, and

⁹¹³ FDJ and Sporting Group as subsequently confirmed by FDJ email.

⁹¹⁴ 10star, call transcript as subsequently updated by 10star email.

⁹¹⁵ 10star, call transcript as subsequently updated by 10star email.

⁹¹⁶ 10star, call transcript as subsequently updated by 10star email.

⁹¹⁷ Star Sports call transcript as subsequently confirmed by Star Sports email.

⁹¹⁸ Star Sports call transcript as subsequently confirmed by Star Sports email.

⁹¹⁹ 10star call transcript as subsequently updated by 10star email.

⁹²⁰ 10star call transcript as subsequently updated by 10star email.

recruiting traders to run these models, would potentially take two to three years.⁹²¹

- (ii) Star Sports told us that it did not have an estimate of the costs required to develop pricing models without knowing the details, such as the range of markets. It told us that [REDACTED].⁹²²

Our assessment

- 9.184 In paragraph 6.94 and 6.95 of Chapter 6 (Horizontal Unilateral Effects), we stated that ‘the variety and range of “spread markets” (ie the sporting events and outcomes on which customers are able to place spread bets) offered is important to customers’, and that the ‘range of “spread markets” offered influences a customer’s initial choice of sports spread betting provider as well as where they place individual bets. Customers will have preferences to place bets on specific sports, events, or outcomes, and consequently they select a sports spread betting provider that meets their needs’.
- 9.185 The availability of spread markets is determined by the availability of the underlying Trading Models which generate spread pricing for the various sports and spread markets offered by a sports spread betting provider.
- 9.186 Below, we consider:
- (a) the range of sports spread markets which should be provided under the [REDACTED] TSA in paragraphs 9.187 to 9.192 below;
 - (b) Spreadex’s obligations under the [REDACTED] TSA, eg in terms of duration and parity of service in paragraphs 9.193 to 9.200 below; and
 - (c) the risk that the [REDACTED] TSA may be insufficient to attract a suitable purchaser in paragraphs 9.201 to 9.214 below.
- 9.187 First, in relation to the range of sports spread markets which should be provided under the [REDACTED] TSA, in paragraph 7.40, we stated our view was that in order for a competitor to exert an effective constraint on the Merged Entity in the supply of licensed online sports spread betting services in the UK, it would need (among others) the technology to ‘offer spread betting prices in a manner that is sufficiently comprehensive to compete with the Merged Entity, eg it would need to offer services comparable to those of Sporting Index pre-Merger to prevent an SLC arising from the Merger’.

⁹²¹ 10star call transcript as subsequently updated by 10star email.

⁹²² Star Sports call transcript as subsequently confirmed by Star Sports email.

- 9.188 While in principle, we consider it would be sufficient for the [REDACTED] TSA to enable the purchaser to provide the range of spread markets Sporting Index had provided prior to the Merger, given that since Merger completion, Sporting Index customers may have become accustomed to Spreadex's broader sports spread markets offering since November 2023, we first considered whether there would be any risks of customer disruption or customer attrition associated with reverting them to Sporting Index's pre-Merger offering.
- 9.189 Figure 9.4 below shows the monthly sports events covered by each of Spreadex and Sporting Index between April 2022 and April 2023, which cover both the pre-Merger and post-Merger periods.

Figure 9.4: Comparison of monthly sport events covered by the Parties

[REDACTED]

Source: Spreadex, Teach-in slides, 1 May 2024 slide 12.

- 9.190 Figure 9.4 above shows that the number of monthly 'sports events' covered by Sporting Index has [REDACTED] since November 2023 when the Merger completed. However, the Monitoring Trustee told us that feedback from [REDACTED] that Sporting Index's [REDACTED] since Merger completion was [REDACTED].⁹²³ We also note that while Spreadex [REDACTED], in paragraph 6.131 and 6.133, we stated that the evidence from our customer questionnaire for whether customers perceived a material difference between the range of 'spread markets' offered by each of the Parties was 'mixed', and cited evidence from Sporting Group, who told us that Sporting Index covered 95% of spread markets which was very similar to Spreadex and that the remaining 5% included more obscure sports and events.⁹²⁴
- 9.191 In our view, being able to offer the same range of spread markets Sporting Index had offered prior to the Merger immediately following completion of the divestiture, would provide us with greater confidence that Sporting Index's revenues under new ownership would be maintained at least at pre-Merger levels. In this regard, we note that since Merger completion, the Sporting Index business has generated annual revenues of around £[REDACTED] million and performed ahead of pre-Merger levels (for example, Sporting Index generated revenues of around £[REDACTED] million in 2022).⁹²⁵ Provided that Sporting Index is able to offer the range of services it had offered prior to the Merger, this would imply that the revenues of the divested business once reconstituted would be broadly similar in the short- to medium-term to that which would be expected under the counterfactual. We also consider that if

⁹²³ Monitoring Trustee, email dated 17 July 2025.

⁹²⁴ FDJ and Sporting Group hearing transcript.

⁹²⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, questions 4 and 11.

we required Spreadex to provide a [redacted] TSA that [redacted], this increases the risk that the costs associated with [redacted] could render the divestment business unviable.

- 9.192 Given that Figure 9.4 shows that the number of monthly events offered by Sporting Index has remained broadly stable during the 12 months preceding the Merger, it is our view that the [redacted] TSA [redacted], which Sporting Index offered immediately prior to the completion of the Merger.
- 9.193 Second, in relation to Spreadex's obligations under the [redacted] TSA, for example, in terms of its duration, and the quality and parity of service the purchaser will receive under it, we first consider its duration. In doing so, we sought to balance the benefit to competition of the purchaser competing on pricing with its own Trading Models [redacted] having regard to the complexities of this divestiture process (which could support a longer TSA duration depending on the [redacted]).
- 9.194 In the Phase 2 RWP, we provisionally concluded that the [redacted] TSA should have a maximum duration of [redacted] from completion of the divestiture remedy, on the basis that this would strike an appropriate balance between the competing considerations set out in paragraph 9.193 above.
- 9.195 In the Phase 2 RWP response, Spreadex submitted that based on its previous submission (set out in paragraph 9.177 above), while it might take the purchaser up to [redacted] to develop Trading Models for all sports, the purchaser would be able to develop the main sporting events accounting for the largest number of bets in a significantly shorter period. It added that for [redacted], the Trading Models could be completed in a [redacted]. It submitted that the [redacted] TSA should be tiered to incentivise the purchaser to prioritise the sports that account for the highest volume of bets first, and proposed the following:⁹²⁶
- (a) [redacted];
 - (b) [redacted];
 - (c) [redacted]; and
 - (d) [redacted].
- 9.196 Spreadex submitted that a 'tiered' approach to the [redacted] TSA would result in better outcomes for the purchaser and Sporting Index customers, and added that it would also not be proportionate for Spreadex to be obliged to [redacted] when a reasonably efficient new operator could reasonably be expected to have developed its own pricing [redacted].⁹²⁷

⁹²⁶ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.23 and 2.24.

⁹²⁷ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.25.

9.197 As mentioned in paragraph 9.16, after receiving the Phase 2 RWP response, we held further discussions with each of 10star and Star Sports, including on some of Spreadex's counter-proposals in the Phase 2 RWP response:

- (a) In relation to whether there should be a 'tiered' approach to the [REDACTED] TSA along the lines outlined by Spreadex in paragraph 9.195 above:
 - (i) 10star told us that in relation to the order in which the various pricing models should be developed, it should be up to the purchaser to decide which pricing models were prioritised first. It noted that it was difficult to decide this upfront because markets were dynamic and subject to change as new products became available. It believed that it was important for the purchaser to have the autonomy to decide where to prioritise its resources, and that these strategic commercial decisions should be taken by the purchaser.⁹²⁸
 - (ii) Star Sports told us that while it would make sense for the purchaser to develop pricing models for sports with the most revenues first, it did not consider there to be a need for a tiered approach for the TSA from Spreadex.⁹²⁹
- (b) In relation to a possible [REDACTED] TSA under which Spreadex would [REDACTED] during a transitional period of up to [REDACTED], 10star questioned whether it would be desirable to have [REDACTED] and queried how the divestment business could differentiate its pricing from Spreadex's prices, as the [REDACTED] under a TSA (reiterating its view set out in paragraph 9.183(a)(ii) above). It also told us that this situation was [REDACTED].⁹³⁰

9.198 We have considered Spreadex's submissions as well as the further evidence from 10star and Star Sports that we received after the Phase 2 RWP response, and our view is that it is not appropriate to adopt a 'tiered' approach to the [REDACTED] TSA as proposed by Spreadex for the following reasons:

- (a) It is not appropriate for the CMA to stipulate the order in which the purchaser should develop its own Trading Models for different sports. Rather, this should be determined by the purchaser's own commercial priorities and objectives for the Sporting Index business.
- (b) We note that Spreadex's estimate of the time it would take to develop the relevant Trading Models was significantly shorter than the estimate provided by 10star to build pricing models from scratch (see paragraph 9.183(b)(i)

⁹²⁸ 10star call transcript as subsequently updated by 10star.

⁹²⁹ Star Sports call transcript as subsequently confirmed by Star Sports.

⁹³⁰ 10star call transcript as subsequently updated by 10star.

above). In those circumstances, it is not appropriate to take a tiered approach and timings based only on Spreadex's own estimates.

- (c) Based on the evidence from 10star and Star Sports, our view is that a purchaser will likely be incentivised to develop its own Trading Models and compete with Spreadex using its own Trading Models as soon as possible (see paragraphs 9.183(a) and 9.197(a) above), and therefore, the risk of a purchaser [REDACTED] TSA beyond what is necessary [REDACTED] is low.

9.199 On the basis set out above, we maintain our view that the [REDACTED] TSA should have a maximum duration of [REDACTED] from completion of the divestiture remedy, and that this would strike an appropriate balance between the competing considerations set out in paragraph 9.193 above. In this regard, a purchaser will have the ability to commence its own technical development of its own Trading Models prior to completion, eg at the same time as Spreadex is undertaking the technical development of the reconstituted platforms, thereby reducing the need for a longer [REDACTED] TSA.

9.200 We also consider that the terms and conditions of the [REDACTED] TSA should reflect the individual needs and circumstances of the purchaser, and that there should be parity of service and quality levels between [REDACTED] Spreadex [REDACTED] TSA to a purchaser and the services provided to its own business, eg [REDACTED] than for Spreadex's own business.⁹³¹ We consider that this will be an area for the Monitoring Trustee and if appointed, the Independent Technical Monitor, to monitor closely post completion.

9.201 Finally, we consider the risk that the [REDACTED] TSA may be insufficient to attract a suitable purchaser. In this regard, while we consider that the availability of a [REDACTED] TSA may be sufficient to attract some potential purchasers, who have the capability to develop their own Trading Models (for example, 10star and Star Sports), in our view, there is a risk that this would necessarily restrict the pool of potential purchasers. Furthermore, we also cannot predict what impact the changes in circumstances since the Merger (see paragraph 9.76 above) may have had on [REDACTED]. [REDACTED].^{932,933}

9.202 In our view, designing a divestiture remedy that may potentially be suitable for only two potential purchasers represents a material transaction execution risk, noting at

⁹³¹ We would require the Monitoring Trustee to monitor Spreadex's compliance with its obligations under the [REDACTED] TSA to ensure parity of quality of service being provided. In Chapter 6 (Horizontal Unilateral Effects), we noted that Spreadex's internal documents showed [REDACTED]. (CMA, [Remittal Provisional Findings Report](#), Chapter 6 (Horizontal Unilateral Effects), paragraph 6.24).

⁹³² 10star told us that the main differences compared to what was offered by FDJ were that: (i) it understood that it would have received a functional and operational sports spread betting platform in the form of Atlas, alongside the relevant IT staff and knowledge of how to run the platform; and (ii) it would have acquired around [REDACTED] staff from FDJ, and so there was a knowledge and skills gap between what was offered by FDJ and what was being offered as part of Spreadex's Remedy Proposal. 10star, call transcript as subsequently updated by 10star.

⁹³³ Star Sports told us that Spreadex's Remedy Proposal is very different compared to what it bid for under the FDJ sales process, particularly in terms of staff and headcount. It added that [REDACTED]. Star Sports, call transcript as subsequently confirmed by Star Sports.

this stage that Spreadex has yet to engage in any preliminary discussions with any potential purchaser (see also paragraph 9.279). As such, in order to mitigate this risk and build in greater flexibility into the scope to attract more potential purchasers, we considered [REDACTED].

9.203 We note Spreadex's submission in paragraph 9.179 above that Sporting Solutions still owned and operated all the pricing technology that was used to provide the full range of spread markets offered by Sporting Index prior to the Merger, and therefore, it would be possible for the purchaser to obtain spread pricing feeds from Sporting Solutions. However, FDJ stated that Sporting Index's pricing systems, including conjoined models, were not included into the transaction perimeter. It added that following completion of the Merger, Sporting Solutions' spread betting market calculations were decommissioned internally, and therefore, the pricing and the ability to trade pricing would need to either be redeveloped or sourced from one or multiple providers.⁹³⁴ FDJ also told us that it could not envisage an economic business case to reignite its decommissioned spread pricing models, and that this could not simply be separated and sold to a purchaser given that these pricing models were intertwined with its fixed odds pricing.⁹³⁵

9.204 We approached the third parties, whom Spreadex submitted could supply spread pricing feeds to third parties (namely, Sportradar, Decimal Data Services and Genius Sports, see paragraph 9.179 above), to understand whether they currently offered spread pricing feeds, and if so, which sports and spread markets they offered; and their capability to offer spread pricing feeds for new sports and spread markets:

- (a) Decimal Data Services stated that it could supply a full spread betting service for all cricket, padel and kabaddi matches, and that this service was already operational, and therefore, would not require any additional work. It added that it typically charged a 10% revenue share, with no set-up or integration fee. It did not comment on its capabilities to offer spread pricing feeds for new sports or spread markets.⁹³⁶
- (b) Sportradar told us that it was not currently involved in supplying spread pricing feeds.⁹³⁷

9.205 Based on the above, it is our view that a purchaser will have the option to replace some (but not all) of the [REDACTED] with spread pricing feeds from third party providers and that the technical barrier to do so would be lowered through the API Integration proposed under Spreadex's Remedy Proposal. To the extent that the

⁹³⁴ FDJ response to the CMA's RFI.

⁹³⁵ FDJ and Sporting Group, call transcript as subsequently confirmed by FDJ email.

⁹³⁶ Decimal Data Services response to the CMA's RFI.

⁹³⁷ Sportradar response to the CMA's RFI.

purchaser wishes to rely on third party spread pricing feeds for some sports and spread markets, rather than develop its own Trading Models, it is our view that this is a credible option.

9.206 [REDACTED]:

(a) [REDACTED]

(b) [REDACTED].⁹³⁸ [REDACTED].⁹³⁹

9.207 [REDACTED].⁹⁴⁰ [REDACTED].

9.208 [REDACTED].⁹⁴¹

9.209 [REDACTED].

9.210 [REDACTED].

9.211 [REDACTED].⁹⁴²

(a) [REDACTED]; and

(b) [REDACTED].⁹⁴³

9.212 [REDACTED].⁹⁴⁴

9.213 [REDACTED].

9.214 Based on the above, we conclude [REDACTED].

Conclusion on the Trading Models

9.215 Based on our assessment above, and in relation to the issue of Trading Models, we conclude that:

(a) the [REDACTED] TSA should [REDACTED] that matches the range of spread markets, which Sporting Index offered immediately prior to the completion of the Merger;

(b) the terms and conditions of the [REDACTED] TSA should reflect the individual needs and circumstances of the purchaser (subject to a maximum duration of [REDACTED] from completion of the divestiture remedy), and there should be parity of service and quality levels between [REDACTED] and the services provided to its own

⁹³⁸ Spreadex told us that [REDACTED]. (Spreadex response dated 10 May 2024 to the CMA's RFI dated 22 April 2024, question 3.

⁹³⁹ List of Spreadex's [REDACTED]. (Spreadex response dated 10 May 2024 to the CMA's RFI dated 22 April 2024, question 4.)

⁹⁴⁰ Spreadex, Teach-in slides, 1 May 2024, slide 15.

⁹⁴¹ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 16.

⁹⁴² Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.18 and 2.19.

⁹⁴³ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.20.

⁹⁴⁴ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.20.

business – this will be an area for the Monitoring Trustee and, if appointed, the Independent Technical Monitor, to monitor post completion; and

(c) [REDACTED].

Timescales for the development of the reconstituted platforms

Spreadex's views

9.216 Prior to receiving the Phase 2 RWP, Spreadex provided us with an initial plan for the technical workstreams involved, and told us that its best estimate at this stage was that it would take between [REDACTED] to deliver the reconstituted platforms ([REDACTED]). However, it acknowledged that [REDACTED].^{945,946} As mentioned in paragraph 9.47(b) above, after receiving the Phase 2 RWP, Spreadex submitted in the Phase 2 RWP response that it had not factored into its initial estimates for the project timeline, ie between [REDACTED], the purchaser's early involvement in the development of the Bespoke Platform Solution.⁹⁴⁷ We provide further details of Spreadex's submissions on its revised timings in the Phase 2 RWP response in paragraphs 9.308 to 9.326 where we consider the appropriate timescales for completing a divestiture.

Third parties' views

9.217 10star told us that it did not have a view on the [REDACTED] timeframe given by Spreadex as part of the development of the Bespoke Platform Solution as there were 'too many unknowns', but from a business perspective it considered this to be 'bullish'. 10star added that Spreadex's timeline assumed that there would be [REDACTED] platform.⁹⁴⁸

9.218 Star Sports told us that intuitively the timelines proposed by Spreadex to build the Bespoke Platform Solution did not seem feasible based on its own experience, but to provide a definitive answer, it would need to see technical documentation, languages, databases, servers and networks.⁹⁴⁹

Our assessment

9.219 Spreadex's initial plan for the technical workstreams involved in the development of the reconstituted platforms under Spreadex's Remedy Proposal is at a relatively early stage, and therefore, in our view, its current estimate of the timescales needed to deliver the reconstituted platforms is unreliable. We have also not been

⁹⁴⁵ Spreadex response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 3.

⁹⁴⁶ Spreadex, Response to the CMA's Phase 2 Remedies Notice Annex 2, 20 August 2024, page 7.

⁹⁴⁷ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.4.

⁹⁴⁸ 10star, call transcript as subsequently updated by 10star.

⁹⁴⁹ Star Sports, call transcript as subsequently confirmed by Star Sports.

able to verify independently whether the timescales appear achievable, but note that the timescales would depend to some extent on the outcome of any negotiations between Spreadex and the purchaser in relation to the specifications of the reconstituted platforms, and the timescales needed to deliver them from a technical perspective.

9.220 In paragraph 9.173 above, we concluded that:

- (a) the development of the reconstituted platforms required under the Platform Development Element of Spreadex's Remedy Proposal should be a collaborative exercise, whereby: (i) Spreadex and the purchaser will collaborate during the process for specifying the relevant outcomes (including KPIs) for the platform; decisions on how to achieve those outcomes; testing; and handover and customer migration; and (ii) Spreadex will be fully responsible for carrying out the technical development work needed to develop the reconstituted platforms in accordance with the specifications agreed between Spreadex and the purchaser); and
- (b) this collaborative process should commence formally once a suitable purchaser has signed an SPA with Spreadex.

9.221 At this stage, it is our view that as part of any SPA (the final terms of which the CMA will need to approve), Spreadex and the purchaser should agree a development programme for the delivery of the reconstituted platforms, which will: (a) involve a series of milestones; (b) contain a set of contractual commitments on each of Spreadex and the purchaser; and (c) include provisions enabling the parties to the SPA to enforce these contractual commitments with financial penalties for missing milestones and deadlines. In our view, the exact timescales for completing the development programme should be agreed between Spreadex and the purchaser, provided that it completes within a 'long-stop' date, which we consider later in this paper (see paragraphs 9.308 to 9.326).

Conclusion on the timescales for the development of the reconstituted platforms

9.222 Based on the above, we conclude that:

- (a) Spreadex and the purchaser should agree a development programme for the delivery of the reconstituted platforms, which will: (i) involve a series of milestones; (ii) contain a set of contractual commitments on each of Spreadex and the purchaser; and (iii) enable the parties to the SPA to enforce these contractual commitments with financial penalties for missing milestones and deadlines; and

- (b) the exact timescales for completing the development programme should be agreed between Spreadex and the purchaser, provided that it completes within a 'long-stop' date to be determined by the CMA (see paragraphs 9.3089.308 to 9.326).

Transfer of knowhow to purchaser (including Technical Support TSA)

- 9.223 In our view, the purchaser should have sufficient knowhow and experience of the reconstituted platforms to enable it to maintain, develop and innovate the reconstituted platforms developed under Spreadex's Remedy Proposal.

Spreadex's views

- 9.224 Spreadex submitted that it would provide the purchaser with the documentation and related know how for the Bespoke Platform Solution.⁹⁵⁰
- 9.225 In order to ensure optimal knowledge transfer to the purchaser and minimise the need to rely heavily on Spreadex for initial IT needs, Spreadex stated that the following mitigations could be included:⁹⁵¹
- (a) *Technology Selection:* [REDACTED] Bespoke Platform Solution, [REDACTED] platform [REDACTED];⁹⁵²
 - (b) *Documentation:* [REDACTED] Bespoke Platform Solution, [REDACTED];
 - (c) *Training:* [REDACTED]; and
 - (d) *Testing:* [REDACTED].
- 9.226 Spreadex stated that it did not propose [REDACTED], and did not consider it necessary [REDACTED]. However, it added that it might consider, as part of the commercial negotiations, whether it might be possible for [REDACTED] platform [REDACTED].⁹⁵³
- 9.227 Spreadex added that following completion of the divestiture transaction, Spreadex would provide the purchaser with a Technical Support TSA for temporary ongoing technical support at market rate and for a period of up to [REDACTED] to:^{954, 955}
- (a) assist the purchaser in understanding how the technology functions;
 - (b) assist with technical queries and training on the technology; and

⁹⁵⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraphs 2.5 and 2.7.

⁹⁵¹ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 10.

⁹⁵² These criteria are: [REDACTED]. (Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 10.)

⁹⁵³ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, questions 10 and 11.

⁹⁵⁴ Spreadex response dated 6 September 2024 to the CMA's RFI dated 28 August 2024, question 2 and 3.

⁹⁵⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 2.

- (c) from the perspective of the Sporting Index technology, support the technical integration of the purchaser's integration of their components into the Sporting Index business, and facilitate the transition and a Bespoke Platform Solution to ensure that any dependence on Spreadex is limited in time and scope.

Third parties' views

9.228 Third parties generally agreed that Spreadex developing and holding the knowledge for the Bespoke Platform Solution would be a concern:

- (a) 10star told us that Spreadex being the party who understood the platform, and how to fix it in the event of any issues, was its main concern, and as set out in paragraph 9.144(b) above, it told us that the operation of a platform in a live environment was different to testing, and so it would need to draw on Spreadex's knowledge in this scenario. It also told us that the sooner the purchaser can get involved the better, in order for the purchaser to understand better the platform it would be acquiring, including its integration.⁹⁵⁶
- (b) Star Sports told us that it would not want to rely on a competitor for the continued support of its platform during a TSA period, and that it would prefer to instead rely on third parties to avoid a misalignment of incentives between Spreadex and the purchaser. It added that it was leaning towards preferring a third party building the platform instead of Spreadex.⁹⁵⁷

Our assessment

9.229 In paragraph 9.173 above, we concluded that the development of the reconstituted platforms required under the Platform Development Element of Spreadex's Remedy Proposal should be a collaborative exercise, whereby: (a) Spreadex and the purchaser will collaborate during the process for specifying the relevant outcomes (including KPIs) for the platform; decisions on how to achieve those outcomes; testing; and handover and customer migration; and (b) Spreadex will be fully responsible for carrying out the technical development work needed to develop the reconstituted platforms in accordance with the specifications agreed between Spreadex and the purchaser. Given this, it is our view that comprehensive documentation for any reconstituted platforms, together with the purchaser optionally being involved in their development, would mitigate the need to consider the possible transfer of Spreadex development staff working on the

⁹⁵⁶ 10star, call transcript as subsequently updated by 10star email.

⁹⁵⁷ Star Sports, call transcript as subsequently confirmed by Star Sports email.

development of the reconstituted platforms, or the requirement of a more extensive Technical Support TSA.

- 9.230 Spreadex's submission on the types of transitional services it would offer under the Technical Support TSA was set out in paragraphs 9.50 and 9.227 above.
- 9.231 In the Phase 2 RWP, we provisionally concluded that the scope and duration of the Technical Support TSA should be based on the individual needs and circumstances of the purchaser (but on mutually acceptable terms) and subject to a maximum duration of [X] from completion of the divestiture remedy.
- 9.232 In the Phase 2 RWP response, Spreadex submitted that while it accepted the CMA's provisional view that the scope of the Technical Support TSA should be based on the individual needs and circumstances of the purchaser, subject to such arrangements being agreed on mutually acceptable terms, it considered that the CMA's proposed duration of [X] was excessive, and that [X] was more than sufficient for the purchaser to understand and operate the technology. It explained that the purchaser would itself have been closely involved in the development and testing of the Bespoke Platform Solution and so will have had as much experience with it as Spreadex, and the purchaser would also have benefit of documentation provided by Spreadex. It added that a longer TSA would encourage the purchaser to remain dependent on Spreadex for longer, which is something that third parties themselves have expressed concerns about.⁹⁵⁸
- 9.233 While we acknowledge the possibility that a purchaser may consider a Technical Support TSA for [X] (or even less) following completion to be sufficient, we cannot predict with any precision how long a purchaser will need under a Technical Support TSA, noting also that we cannot predict the materiality of any technical issues that may arise following completion, where the purchaser may require Spreadex's support. We note, however, Spreadex's submission that the purchaser will have been closely involved in the development and testing of the Bespoke Platform Solution prior to completion, which in our provisional view would justify a TSA duration of less than [X] notwithstanding any uncertainty in relation to how long a purchaser would require. On balance, and in light of the purchaser's close involvement in the development and testing process for the Bespoke Platform Solution, our view is that a duration of up to [X] for the Technical Support TSA would represent an appropriate duration, noting that the purchaser will have the ability to agree a shorter duration if that is required.
- 9.234 Based on the above, our view is that the scope and duration of the Technical Support TSA should be based on the individual needs and circumstances of the purchaser (but on mutually acceptable terms) and subject to a maximum duration of [X] from completion of the divestiture remedy. The final terms of the Technical

⁹⁵⁸ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.26 and 2.27.

Support TSA will need to be approved by the CMA. As part of its assessment of whether to approve the Technical Support TSA, the CMA will have regard to whether the scope of services and the service levels being offered by Spreadex (eg Spreadex's response times to a query made by the purchaser in relation to an issue concerning the reconstituted platforms) sufficiently mitigate the risks that failure to resolve these issues in a comprehensive and timely manner, could undermine the viability of the divestment business following completion.

Conclusion on the transfer of knowhow to the purchaser

- 9.235 We conclude that Spreadex should provide the purchaser with the technical support, documentation and any other knowhow the purchaser needs under the Technical Support TSA, on mutually acceptable terms. We also conclude that the Technical Support TSA should not exceed [REDACTED]. The final terms of the Technical Support TSA will need to be approved by the CMA.

Business Support TSA Element (including staff and business functions)

- 9.236 In the Phase 2 Remedies Notice, we set out our initial view that in order to ensure that a divestiture package has the requisite functions and capabilities to allow a purchaser to compete as a standalone business, in relation to staffing, this would involve ensuring the divestiture package has sufficient numbers of key employees such as sports traders, compliance staff, IT staff, and customer account managers to enable Sporting Index to operate as a competitor in the relevant market, and that these employees should have suitable retention incentives.⁹⁵⁹
- 9.237 In relation to the staff required by the purchaser for the divestiture package, Spreadex is proposing the transfer of the four current SPIN Employees, together with the Business Support TSAs to provide the purchaser with transitional business support while the purchaser recruits the necessary staff. We have considered separately the Pricing TSA and the Technical Support TSA elements of the Business Support TSAs under the relevant sections of this chapter.

Spreadex's views

- 9.238 Spreadex submitted that in relation to staffing, each potential bidder will have different staffing requirements depending on their existing business, and that a potential purchaser would also want to take any hiring decisions for themselves. [REDACTED].⁹⁶⁰

⁹⁵⁹ CMA, Phase 2 [Remedies Notice](#), 25 July 2024, paragraph 29(b).

⁹⁶⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 12.

- 9.239 Spreadex submitted that it was proposing to divest the same assets and functions that were put up for sale by FDJ with the Bespoke Platform Solution.⁹⁶¹
- (a) [X] would not be included within the proposed divestiture package beyond the individuals from Sporting Index that transferred from Sporting Group (ie the four SPIN Employees).
 - (b) Neither the [X] were available for sale from FDJ.
 - (c) [X], were never available for sale from FDJ and will not be included in any divestiture package.
- 9.240 Compliance staff were initially included within the FDJ transaction perimeter, however, are not proposed to be included within the divestiture package as the bidder is expected to want to hire their own staff given the importance of regulatory compliance in sports spread betting.⁹⁶² A short, time-limited TSA will be offered at market rate to facilitate the handover.
- 9.241 Spreadex told us that [X], and that following the divestiture, the business would be operated and managed by the new owner.⁹⁶³
- 9.242 Spreadex submitted that it would be able to provide the reasonable support required by a purchaser in accordance with a TSA. The eventual purchaser could then hire such employees as it needs, depending on its particular circumstances.⁹⁶⁴
- 9.243 Spreadex submitted a pro forma profit and loss account for the Sporting Index business once it has been ‘stood up’ (ie becomes fully standalone) (see Table 9.2 below). Spreadex has maintained a likely annual cost (down to EBITDA) of £[X] million ([X]) for the forecast years,⁹⁶⁵ and assumed that Sporting Index would require around [X] staff, ie staffing levels equivalent to the Spreadex sports business in order to operate a sports spread betting and fixed odds business in a compliant manner.⁹⁶⁶ Spreadex submitted that the actual costs would depend on the successful bidder.⁹⁶⁷ For reference, in the 12 months to May 2024, Spreadex generated consolidated revenues of £[X] million.⁹⁶⁸

Table 9.2: Pro forma Profit and Loss account (prepared by Spreadex)

£ millions

⁹⁶¹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 12.

⁹⁶² Spreadex stated that [X]. (Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 19.)

⁹⁶³ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 4.

⁹⁶⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.7.

⁹⁶⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 11.

⁹⁶⁶ Spreadex response dated 24 September 2024 to the CMA's RFI dated 13 September 2024, question 19.

⁹⁶⁷ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 11.

⁹⁶⁸ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 4

	Year to Dec 22	17m to May 24	Year to May 25	Year to May 26
Revenues	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gross profit	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
EBITDA	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
EBIT	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question11.

9.244 Spreadex submitted that the employees that a purchaser will need will depend on what their business is. [REDACTED], for example, already has a trading function and so would not have needed such employees [REDACTED]. In order to make the package as attractive to as many purchasers as possible, it would be best to leave it to the successful purchaser to hire what staff they will need in due course, providing any services required in the interim via a TSA.⁹⁶⁹ Spreadex submitted that given that the CMA has itself provisionally found that the Acquired Assets could have been purchased and run as a viable competitor (with the benefit initially of a TSA, while the acquirer hired the additional personnel needed), it would not be proportionate to transfer Spreadex employees to the independent Sporting Index business. This would cause significant harm to the pre-Merger Spreadex business. In any event Spreadex cannot force, and the CMA cannot order, Spreadex employees to transfer to an independent Sporting Index.⁹⁷⁰

9.245 Spreadex submitted that it would also not make any sense for Spreadex to hire a workforce for the new business, and that whoever acquires the Sporting Index business will have their own views on who they want to hire. Spreadex therefore submitted that, in order for the package to be sufficiently attractive to as many potential purchasers as possible, Spreadex would offer a TSA to provide any functions required whilst the purchaser hires the staff it wants to run the business in the long term.⁹⁷¹

9.246 Spreadex submitted [REDACTED].⁹⁷² Spreadex submitted that therefore, it would not be possible for Spreadex to transfer staff (even if they were able to) [REDACTED]. Any remedy that involved such transfers would therefore be disproportionate. Spreadex also submitted that a purchaser of Sporting Index is also unlikely to want Spreadex to hire staff on its behalf.⁹⁷³

9.247 Spreadex submitted that [REDACTED].⁹⁷⁴

⁹⁶⁹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.4.

⁹⁷⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.3.

⁹⁷¹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.5.

⁹⁷² Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.21.

⁹⁷³ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.22.

⁹⁷⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.20.

Third parties' views

- 9.248 The third parties we spoke to in relation to Spreadex's Remedy Proposal, generally agreed with Spreadex that a purchaser would want to hire its own staff and operate under a TSA with Spreadex in the meantime, although there were questions on who should bear the cost for this recruitment and what would happen if a purchaser could not find the required staff from the open market. In particular:
- (a) 10star told us that broadly [REDACTED], and that this TSA would include technology support, trading and risk management support and back office support,⁹⁷⁵ but added that [REDACTED].⁹⁷⁶ 10star told us that [REDACTED]. 10star told us this gap could potentially be covered by additional TSAs while it hired additional staff from the open market, and that generally it would prefer to hire its own staff rather than leave it to Spreadex to transfer staff to a purchaser. However, 10star also told us that some of the staff required were scarce, and so if a purchaser could not find the required staff in the open market, then there was a question of whether Spreadex should provide these resources.⁹⁷⁷
 - (b) Star Sports told us that a TSA with Spreadex would be required while a purchaser recruited the required staff, but that there was a question of whether the FCA would agree for a purchaser to operate under a TSA with Spreadex until it recruited the relevant staff. It added that it was not sure how the FCA would look at a compliance TSA from Spreadex to a competitor, and that FCA approval would need to be a condition precedent to the transaction.⁹⁷⁸ It also told us that it agreed with Spreadex that a purchaser should recruit its own staff, although there was a question of who should bear the cost for this. It added that generally hiring trading staff was not a 'huge issue' and that hiring compliance staff would be a longer-term piece, but added that as there would need to be many expensive senior hires, which would take time to fill. It added that there was also a question of whether Sporting Index revenues could support that investment in the senior hires.⁹⁷⁹ Star Sports also told us that it did not know the current size of the Sporting Index business.⁹⁸⁰

⁹⁷⁵ 10star call transcript as subsequently updated by 10star email.

⁹⁷⁶ 10star call transcript as subsequently updated by 10star email.

⁹⁷⁷ 10star call transcript as subsequently updated by 10star email.

⁹⁷⁸ Star Sports, call transcript as subsequently confirmed by Star Sports email.

⁹⁷⁹ Star Sports call transcript as subsequently confirmed by Star Sports email.

⁹⁸⁰ Star Sports call transcript as subsequently confirmed by Star Sports email.

Our assessment

9.249 We note that at the time of the 2023 B2C Sale Process, FDJ / Sporting Group was offering up to [REDACTED] staff to potential purchasers (see Table 9.3 below).⁹⁸¹ Sporting Group told us that in addition to the below, [REDACTED].⁹⁸²

Table 9.3: [REDACTED]

[REDACTED]

Source: Spreadex response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 1.4.

9.250 While we note that Spreadex considers that the appropriate headcount for Sporting Index should be based on the [REDACTED] staff employed in its own sports business (see paragraph 9.243 above), this is based on Spreadex's views, rather than based on Sporting Index's actual or historic headcount. In the absence of any meaningful current headcount data for Sporting Index, our view is that Sporting Group's views on the standalone staff headcount provides a more reliable starting point. While it is our view that for Sporting Index to be able to compete successfully on an ongoing basis, it would need a similar roster of staff as it had at the time of the Merger, the exact number of staff and the resulting cost base will depend on the identity of the purchaser.

9.251 We consider below how the issue of recruiting staff for the Sporting Index may best be achieved to minimise composition and other risks to the effectiveness of the divestiture. We considered the following three options:

- (a) a purchaser-hired team;
- (b) a Spreadex-hired team; and
- (c) the transfer of Spreadex staff.

9.252 There are benefits and drawbacks to each option:

- (a) In relation to the first option (a purchaser-hired team), it may be the case that a purchaser would wish to install its own team after the acquisition, which would be aligned with the purchaser's needs, incentives and vision. However, this team would not be in place until after the divestiture, and this could adversely affect the competitiveness of the divested business until the new teams were familiar with the Sporting Index business, putting the effectiveness of the divestiture remedy at risk.
- (b) In relation to the second option (a Spreadex-hired team), the principal benefit of this option is that a team would be in place on completion of the

⁹⁸¹ Spreadex, response dated 3 May 2024 to the CMA's s109 notice dated 24 April 2024, Annex 1.4.

⁹⁸² FDJ and Sporting Group call transcript as subsequently confirmed by FDJ.

divestiture. However, there is a material risk that Spreadex may not have strong incentives to recruit a good team for a future competitor – while this risk could be mitigated by appointing an independent hold-separate manager under the Initial Order to lead the recruitment process, it would not mitigate the risk that either Spreadex or a hold-separate manager does not recruit staff whom the eventual purchaser either requires or wishes to retain (eg because it already employs such staff).

- 9.253 Finally, in relation to the third option (transferring Spreadex staff), we note Spreadex’s submission that Spreadex and the CMA cannot force employees to transfer to Sporting Index. We agree that staff would need to consent to any proposed changes to their employer and terms of employment. If the CMA considered that a transfer of staff were necessary to ensure the viability of the divestment business, the CMA could order Spreadex to put in place requisite incentives for that to happen. We also note Spreadex’s submission that [X], which, in our view, could have an unintended consequence of harming Spreadex’s ongoing ability to compete in the relevant market, and undermining competition more generally. We note that while Spreadex employs a total of around [X] staff, it employs [X] in its [X] Team;⁹⁸³ [X] in its [X] Team; [X] in [X] Teams (responsible for Spreadex’s [X]); and [X] in the [X] Team (responsible for Spreadex’s [X]).⁹⁸⁴
- 9.254 We note that the third parties, who had expressed a possible interest in acquiring a divestiture package under our remedies process, did not raise material concerns, and were broadly comfortable with the risk of staffing the business, preferring to recruit the staff needed themselves (see paragraph 9.248 above). These third parties also did not consider it necessary for Spreadex to transfer its own staff, or that Spreadex should recruit any staff ahead of any divestiture. However, some third parties told us that in the event Spreadex was developing the platform, which would be divested, then a purchaser would be concerned that the staff with knowledge of the platform would remain with Spreadex (see paragraph 9.228 above).
- 9.255 We also note the evidence from the Third Party Remedy Calls that it would be possible to recruit staff for the business functions required by Sporting Index, including traders and compliance staff. For example:
- (a) In relation to traders:
 - (i) Betfair told us that there are common elements between the traders it employs and sports spread betting traders, given that traders in fixed odds and spread betting would use similar trading computational

⁹⁸³ Spreadex, Teach in slides, 1 May 2024, slide 15.

⁹⁸⁴ Spreadex response dated 3 May 2024 to the CMA’s s109 notice dated 24 April 2024 Annex 26.

methods and had similar backgrounds and skills. It also considered that it would be possible to recruit new traders or train new staff, as there were plenty of people either with the relevant market experience or with transferable skills from similar markets.⁹⁸⁵

- (ii) bet365 told us that sports fixed odds traders would have the capability to transfer their skills across to sports spread trading, and that if a purchaser had an in-house team of sports fixed odds traders, then it could also have the capability to retrain those traders and offer sports spread trading.⁹⁸⁶

(b) In relation to compliance staff:

- (i) Sporting Group told us that it would be possible to recruit staff with the relevant compliance experience for the divestment business, from the FCA-regulated financial sector (noting that Sporting Group had in the past employed a consultant from the financial industry to assist it with regulatory compliance) for a period, but added that it would require significant investment to attract them.⁹⁸⁷
- (ii) bet365 told us that a divestment business would need compliance staff, and that this would be a major challenge given the niche nature of licensed online sports spread betting market. However, bet365 told us that it may be possible to recruit the required compliance staff from FCA regulated financial services firms, who have experience with financial spread betting.⁹⁸⁸

9.256 In the Phase 2 RWP, we provisionally concluded that:

- (a) the purchaser should be given the ability to make a request to the CMA to recruit new staff for the Sporting Index business following signing of any SPA and prior to completion, provided that this: (i) assists the purchaser in obtaining any necessary regulatory approvals; and/or (ii) is considered necessary by the purchaser to enable the divestment business to compete effectively;
- (b) these newly-recruited staff would sit within the Sporting Index legal entity; be paid out of Sporting Index's revenues; and act on behalf of the Sporting Index business in a manner similar to the current SPIN Employees; and

⁹⁸⁵ Betfair, call transcript as subsequently updated by Betfair email.

⁹⁸⁶ bet365, call transcript as subsequently updated by bet365.

⁹⁸⁷ FDJ and Sporting Group, call transcript as subsequently confirmed by FDJ email.

⁹⁸⁸ bet365, call transcript as subsequently updated by bet365.

- (c) Spreadex should provide the necessary HR administrative support to facilitate their employment with Sporting Index.

9.257 In the Phase 2 RWP response, in relation to the purchaser's ability to recruit staff for Sporting Index ahead of completion, for the purpose of assisting the purchaser in obtaining the necessary regulatory approvals, while Spreadex did not object to the purchaser recruiting staff for the Sporting Index business prior to completion, it made the following submissions:⁹⁸⁹

- (a) Spreadex submitted that the only staff required for obtaining FCA approval would be: [REDACTED] (**Key Regulatory Staff**);
- (b) it envisaged that the FCA regulatory approval process would commence [REDACTED] months prior to completion, given the FCA's 60 working day approval timeframe and allowing the purchaser one month to complete its FCA notification form, although Spreadex estimated that this could be completed by an efficient purchaser in around one week;
- (c) it would be sufficient to have identified and confirmed onboarding arrangements, of Key Regulatory Staff [REDACTED] months prior to completion, for the purposes of obtaining FCA approval, and therefore, the recruitment of Key Regulatory Staff should take place at the last possible moment and in any event no more than [REDACTED] months prior to completion. It added that to allow the purchaser to request the recruitment of Key Regulatory Staff from an earlier stage:
 - (i) would result in disproportionate costs to the Sporting Index business ahead of completion; and
 - (ii) it would be very difficult to recruit Key Regulatory Staff if they will have nothing to do for a long period – in this regard, Spreadex submitted that while Spreadex owned Sporting Index, Spreadex had ultimate responsibility for regulatory compliance, and therefore, any Key Regulatory Staff should not commence their substantive role until completion, and added that it was essential that until completion, Spreadex staff remained in charge of these aspects of the business, in line with its regulatory requirements, and
- (d) prior to completion, any newly recruited Sporting Index Key Regulatory Staff's involvement in the Sporting Index business should be limited to the undertaking of relevant onboarding training – Spreadex added that appropriate confidentiality arrangements will be put in place to limit the newly recruited Key Regulatory Staff's access to confidential information relating to

⁹⁸⁹ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.31.

Spreadex, and these Key Regulatory Staff should also have restricted access to the Spreadex premises, and to the extent possible, relevant onboarding should be carried out remotely.

9.258 Spreadex further submitted that it would be more appropriate that any recruited Key Regulatory Staff are not employed by the Sporting Index entity prior to completion and are instead employed by the purchaser. It added that there were practical reasons why this would be a more practical arrangement, for example, Spreadex submitted that pursuant to its FCA regulatory obligations, it was required under the SMCR (Senior Managers and Certification Regime) to annually certify staff including material risk takers (effectively senior management and staff in trading roles and compliance) that are employed by the entities within Spreadex's wider corporate group. It added that under the CMA's proposed arrangements for the recruitment of new staff, it would not be possible for Spreadex to comply with these regulatory requirements if they have not recruited and do not have oversight over the staff in question. It submitted that the purchaser would need to be responsible for hiring its own staff but it would be wholly unreasonable to put Spreadex at risk of breaching FCA regulations, by having these staff employed by Sporting Index and, thus, under Spreadex's certification supervision prior to completion, or to require Spreadex to hire and remunerate people who are not in fact able to perform the functions for which they are being hired. Spreadex submitted that [REDACTED].⁹⁹⁰

9.259 In relation to the purchaser's ability to recruit staff for Sporting Index ahead of completion, whom the purchaser considered necessary to compete effectively, in the Phase 2 RWP response, Spreadex submitted that:⁹⁹¹

- (a) it would be disproportionate to allow the purchaser to request the recruitment of any other new staff (beyond Key Regulatory Staff) prior to completion, simply because the recruitment of such staff is considered necessary by the purchaser, and that this was an unjustifiably loose threshold;
- (b) such new staff would not be required for the purposes of obtaining FCA approval and progressing to completion, which Spreadex considers should be the only reason to justify the recruitment of new staff prior to completion;
- (c) such staff would not have anything to do and so would be an unnecessary cost to the business. It would therefore not be in the interests of the Sporting Index business to hire them at that point. It added that to the extent that the purchaser 'wishes to hire such staff in advance in preparation for completion, the purchaser should pay for them themselves; and

⁹⁹⁰ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.31 and 2.33.

⁹⁹¹ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.31.

- (d) the purchaser would have access to a Technical Support TSA provided by Spreadex, and Spreadex did not consider that potential purchasers would have difficulty in recruiting necessary staff, to the extent that such staff would need to be recruited and employed by the Sporting Index business prior to completion.

9.260 As mentioned in paragraph 9.16, after receiving the Phase 2 RWP response, we held further discussions with each of 10star and Star Sports to test potential remedy scenarios, including certain aspects of Spreadex's proposals in the Phase 2 RWP response. 10star told us that the purchaser should have the ability to recruit staff for the divestment business prior to completion, but acknowledged that Spreadex would ultimately be responsible for Sporting Index's regulatory compliance until completion, and Star Sports also implied that it agreed with this assessment:

- (a) 10star told us that since Spreadex would be accountable for the Sporting Index business from a regulatory compliance perspective, compliance staff who have been recruited for the divestment business should stay under the control of Spreadex until completion. It also told us that as many staffing gaps should be filled as possible when the divestment business is handed over as a going concern. It told us that apart from compliance staff, it would make sense if all other functions sat within the purchasing entity.⁹⁹²
- (b) Star Sports told us that it made sense for the purchaser to employ staff prior to completion for the purpose of regulatory compliance, and it agreed with the CMA's view that Spreadex would be responsible for Sporting Index's regulatory compliance prior to completion.⁹⁹³

9.261 We have considered Spreadex's submissions, as summarised above and detail our assessment below.

9.262 In relation to the purchaser's ability to recruit staff for Sporting Index ahead of completion, for the purpose of assisting the purchaser in obtaining the necessary regulatory approvals, we note that Spreadex has not objected to the principle of the purchaser being able to recruit staff for this purpose prior to completion, but considers that: such staff should be limited to Key Regulatory Staff; they should be recruited no more than [X] months prior to completion; and they should be recruited by the purchaser rather than the Sporting Index entity (with Spreadex [X]). As we set out later in paragraphs 9.316 and 9.317, it is for the FCA to decide which FCA regulatory process will apply and the state of readiness the divestment business and the reconstituted platforms need to be in, in order to grant FCA approval. Therefore, in our view, it is not appropriate to be overly prescriptive at

⁹⁹² 10star call transcript as subsequently updated by 10star.

⁹⁹³ Star Sports call transcript as subsequently confirmed by Star Sports.

this stage in relation to whether staff other than Key Regulatory Staff need to be recruited for the purpose of obtaining regulatory approval, or that they should only be recruited [X] months prior to completion. In this regard, our view is that the purchaser should be able to recruit prior to completion the staff necessary to ensure it can obtain regulatory approval. However, we would in principle have no material objections for any staff hired prior to completion to sit within the purchaser's group rather than the Sporting Index entity, provided that [X]; and these newly-recruited staff could transfer across to the Sporting Index entity prior to completion, if this is necessary to obtain FCA approval.

- 9.263 In relation to the purchaser's ability to recruit staff for Sporting Index ahead of completion, whom the purchaser considers necessary to compete effectively, although Spreadex submitted that this was an unjustifiably loose threshold, our view is that it is necessary for the CMA (with assistance from the Monitoring Trustee) to be involved in reviewing and approving requests for such recruitment to ensure that these staff are strictly necessary to enable the divestment business to compete effectively, noting that some potential purchasers may consider it necessary to do so (eg see paragraph 9.260 above).
- 9.264 Based on our assessment above, we stated above in paragraph 9.252, that one of the risks of a purchaser-hired team was that the team would not be in place until after the divestiture, which could adversely affect the competitiveness of the divested business. We considered that this risk could partly be mitigated by introducing flexibility into the divestiture process, by giving the purchaser the ability to make a request to the CMA to start recruiting for the Sporting Index business after signing of the SPA, but prior to completion provided that this: (a) assists the purchaser in obtaining any necessary regulatory approvals; and/or (b) is considered strictly necessary by the purchaser to enable the divestment business to compete effectively, for example, if the purchaser has concerns about relying on Spreadex for the provision of certain business-critical functions under the Business Support TSAs. The CMA will consider whether to grant the purchaser's request with input from the Monitoring Trustee, to ensure that any recruitment of new staff prior to completion is appropriately controlled and limited to facilitating an effective divestiture remedy.
- 9.265 We would in principle have no material objections for any staff hired prior to completion to sit within the purchaser's group rather than the Sporting Index entity, provided that [X]; and these newly-recruited staff could transfer across to the Sporting Index entity prior to completion, if this is necessary to obtain FCA approval. In our view, Spreadex should provide the necessary HR administrative support to facilitate their employment with Sporting Index, such as in relation to payroll administration. We also consider that any costs associated with the development of the new platforms should not be incurred by the Sporting Index legal entity, to ensure that Sporting Index's revenues and cash flows are available

to cover the costs of any additional Sporting Index staff who may be recruited prior to completion.

- 9.266 Given the potentially significant requirement on the purchaser to recruit the additional staff required by the Sporting Index, it is our view that the Business Support TSAs should equally be broad and flexible in scope and duration (subject to a maximum limit of [X] following completion of any divestiture – with the exception of the [X] TSA, for which the maximum duration should be [X] – see paragraph 9.215(b)) to tailor to the individual needs and circumstances of the purchaser.
- 9.267 To ensure that the Sporting Index business can compete as a standalone business in a more timely manner, Spreadex should also be required to give potential purchasers the option to request tailored training programmes to be provided by Spreadex. If these are required by the purchaser, Spreadex will be given an opportunity to agree the scope and terms of any tailored training programme with the purchaser, unless there is a need for CMA intervention. The Monitoring Trustee will be tasked with monitoring the operation of the Business Support TSAs and inform the CMA of any material issues which could undermine the competitive position of the divestiture package.⁹⁹⁴
- 9.268 The CMA will approve the terms and conditions of any TSAs under the Business Support TSAs to ensure that they are aligned with the objectives of our divestiture remedy to restore competition lost as a result of the Merger.⁹⁹⁵

Regulatory issues

- 9.269 While the Business Support TSAs apply following completion, we note that FCA approval will need to be obtained prior to completion of the divestiture remedy (see also paragraphs 9.316 and 9.317). At this stage, the state of readiness of the divestment business, eg in terms of its platform, systems and people, and the extent to which it can rely on a TSA, before the FCA can grant approval remains unclear. These uncertainties give rise to material execution risk. In paragraphs 9.260 to 9.265 above, we considered that the purchaser should have the ability to recruit staff for the divestment business prior to completion and ahead of making an application to the FCA (where this assists the purchaser in obtaining the necessary regulatory approvals).
- 9.270 In the Phase 2 RWP, we had provisionally concluded that Spreadex should also make every effort to assist the purchaser in obtaining the appropriate regulatory approvals.⁹⁹⁶ In this regard, in the Phase 2 RWP response, Spreadex submitted

⁹⁹⁴ [CMA87](#), paragraph 5.35.

⁹⁹⁵ [CMA87](#), paragraph 5.45.

⁹⁹⁶ CMA, [Phase 2 RWP](#), 10 October 2024, paragraph 1.245(c).

that it was uncertain as to exactly what the CMA has in mind, and noted that obtaining FCA approval (in the context of any transaction) is a matter for the acquiring party. It explained that FCA approval was primarily dependent on the acquiring party's FS 178 submission which includes details on areas that Spreadex will necessarily not be privy to, eg the ownership and corporate structure of the acquirer, their proposed business plan, financial controls, capital resources and other commercially sensitive information. It also submitted that given the duration of the Bespoke Platform Solution development, the purchaser would have plenty of time to put in place any measures, policies and functions that it does not already have. It therefore submitted that while Spreadex would cooperate with the purchaser and provide it with the information it needs about the existing Sporting Index business to obtain the approval, due to the nature of the process, Spreadex could not have material involvement, and imposing any requirement on Spreadex over which it has no influence or control would be disproportionate.⁹⁹⁷

- 9.271 We agree that obtaining regulatory approval will be the responsibility of the purchaser. However, as Spreadex has illustrated in paragraph 9.270 above, there will be some aspects of the regulatory approval process in respect of which Spreadex could assist the purchaser without being directly involved itself in the regulatory approval process, for example, by providing the purchaser with all of the relevant information about the Sporting Index business, including information required by regulators relating to the reconstituted platforms, in a timely and complete manner. Therefore, our view is that although the purchaser will ultimately be responsible for obtaining the appropriate regulatory approvals, Spreadex should make every effort to cooperate with, and assist, the purchaser as may be required (and to the extent permitted by the relevant regulatory process) to enable it to obtain the appropriate regulatory approvals in a timely manner.

Summary of conclusions on the Business Support TSA Element

- 9.272 Based on our assessment above, we conclude that:
- (a) the purchaser should be given the ability to make a request to the CMA to recruit new staff for the Sporting Index business following signing of any SPA and prior to completion, provided that this: (i) assists the purchaser in obtaining any necessary regulatory approvals; and/or (ii) is considered necessary by the purchaser to enable the divestment business to compete effectively – we would in principle have no material objections for any staff hired prior to completion to sit within the purchaser's group rather than the Sporting Index entity, provided that [X]; and these newly-recruited staff could transfer across to the Sporting Index entity prior to completion, if this is

⁹⁹⁷ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 1.3.9, 2.45 and 2.46.

necessary to obtain FCA approval. Spreadex should provide the necessary HR administrative support to facilitate their employment with Sporting Index;

- (b) the Business Support TSAs should be flexible and its scope and duration (subject to a maximum limit of [X] from completion of the divestiture remedy – with the exception of the [X] TSA, for which the maximum duration should be [X] – see paragraph 9.215(b)) and should be tailored to the individual needs and requirements of the purchaser. The Business Support TSAs should give potential purchasers the option to request tailored training programmes to be provided by Spreadex. If these are required, Spreadex will be given an opportunity to agree the scope and terms of any tailored training programme, unless there is a need for CMA intervention;
- (c) prior to completion, while the purchaser will ultimately be responsible for obtaining the appropriate regulatory approvals, Spreadex should make every effort to cooperate with, and assist, the purchaser as may be required (and to the extent permitted by the relevant regulatory process) to enable it to obtain the appropriate regulatory approvals in a timely manner (see also paragraph 9.271); and
- (d) the final terms and conditions of any TSA under the Business Support TSAs will be subject to CMA approval.

Summary of our views on the scope of the divestiture package

9.273 We conclude that the scope of the divestiture package and remedy obligations contained within Spreadex's Remedy Proposal, as modified and amended in this section, would be effective in addressing the SLC and adverse effects we have found.

Identification and availability of a suitable purchaser

9.274 Having identified the scope of the divestiture package in paragraphs 9.84 to 9.273 above, we now consider the identification, and availability, of a suitable purchaser for the divestiture package.

9.275 Purchaser risk arises if a divestiture is made to a weak or otherwise inappropriate purchaser or if a suitable purchaser is not available. As such, as explained in the Merger Remedies Guidance, the CMA will normally need to be satisfied that a prospective purchaser meets the following criteria (together, the **CMA Purchaser Suitability Criteria**):⁹⁹⁸

⁹⁹⁸ [CMA87](#), paragraphs 5.20 and 5.21.

- (a) The acquisition by the proposed purchaser must remedy, mitigate or prevent the SLC concerned or any adverse effect resulting from it, achieving as comprehensive a solution as is reasonable and practicable.
- (b) *Independence*: the purchaser should have no significant connection to the merger parties that may compromise the purchaser's incentives to compete with the merged entity.⁹⁹⁹
- (c) *Capability*: the purchaser must have access to appropriate financial resources, expertise (including managerial, operational and technical capability) and assets to enable the divested business to be an effective competitor in the market.¹⁰⁰⁰
- (d) *Commitment*: the CMA will wish to satisfy itself that the purchaser has an appropriate business plan and objectives for competing in the relevant market(s), and that the purchaser has the incentive and intention to maintain and operate the relevant business as part of a viable and active business in competition with the merged party and other competitors in the relevant market.
- (e) *Absence of competitive or regulatory concerns*: divestiture to the purchaser should not create a realistic prospect of further competition or regulatory concerns.

Spreadex's views

- 9.276 Spreadex told us that the CMA Purchaser Suitability Criteria was too restrictive,¹⁰⁰¹ and submitted that it [REDACTED].¹⁰⁰² Spreadex explained that [REDACTED]. Spreadex added that [REDACTED].¹⁰⁰³
- 9.277 Spreadex submitted that if it really was the case that the Alternative Bidders (and other potential bidders who were approached) were viable bidders, then there is no reason to believe that this is not the case now.¹⁰⁰⁴
- 9.278 Spreadex submitted that it had identified [REDACTED] initial potential purchasers: [REDACTED]. It added that [REDACTED].¹⁰⁰⁵

⁹⁹⁹ For example, an equity interest, common significant shareholders, shared directors, reciprocal trading relationships or continuing financial assistance).

¹⁰⁰⁰ This access should be sufficient to enable the divestiture package to continue to develop as an effective competitor. The proposed purchaser will be expected to obtain in advance all necessary approvals, licences and consents from any regulatory or other authority. This is because the CMA wishes to be satisfied that the divestment to the proposed purchaser will in fact go ahead.

¹⁰⁰¹ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 91, lines 1-13.

¹⁰⁰² Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.22.

¹⁰⁰³ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 24.

¹⁰⁰⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.13.

¹⁰⁰⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 23.

9.279 At its Phase 2 Response Hearing, Spreadex told us that [REDACTED]. However, it told us that it had not yet started any engagement with any potential purchasers, [REDACTED].¹⁰⁰⁶

Third parties' views

9.280 Third parties generally agreed with the CMA Purchaser Suitability Criteria and did not have any other broad criteria to add to this. Third parties also told us that a purchaser with experience in an adjacent market, such as sports fixed odds betting or financial spread betting, was at least desirable, although evidence was mixed on whether this was essential. For example:

- (a) Two third parties (10star and Star Sports) told us that a purchaser without experience in an adjacent market might fail to meet the CMA Purchaser Suitability Criteria,¹⁰⁰⁷ and one third party sports fixed odds betting provider ([REDACTED]) told us that it would be critical for a purchaser to have an understanding of the relevant compliance necessities, particularly as they relate to customer acquisition.¹⁰⁰⁸
- (b) Two third parties ([REDACTED] and bet365) told us that it was desirable but not essential for a purchaser to operate in the same or adjacent market.¹⁰⁰⁹ [REDACTED] added that it would caution against a purchaser that operates in the UK without being FCA regulated, and that if the purchaser had experience in financial markets (eg in an investment company or broking company), this could help with obtaining FCA approval.¹⁰¹⁰

Our assessment

Identification of a suitable purchaser

- 9.281 When assessing the characteristics that a suitable purchaser should have, we start with the CMA's standard criteria of independence, capability, commitment to the market, and absence of competition concerns.
- 9.282 It is our view that the CMA Purchaser Suitability Criteria are sufficiently broad and appropriate in relation to a divestiture remedy in this case.
- 9.283 In our view, the factors relating to the operation of the divested business and the design of this remedy which should be taken into account in applying each of these criteria:

¹⁰⁰⁶ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 91, lines 19-20.

¹⁰⁰⁷ Third party call transcripts: 10star, as subsequently updated by 10star; and Star Sports, as subsequently confirmed by Star Sports.

¹⁰⁰⁸ [REDACTED] call transcript.

¹⁰⁰⁹ Third party call transcripts: [REDACTED], as subsequently confirmed by [REDACTED]; and bet365, as subsequently updated by bet365.

¹⁰¹⁰ [REDACTED] call transcript, as subsequently confirmed by [REDACTED].

(a) *Independence:*

- (i) In our view, the purchaser should not have a financial interest in or other connection to Spreadex that may compromise the purchaser's incentives to compete.
- (ii) The CMA will examine and consider any connections between Spreadex and a potential purchaser of the divestiture package.

(b) *Capability:*

- (i) In line with the Merger Remedies Guidance, it is our view that a purchaser must have access to appropriate financial resources, expertise and assets to enable Sporting Index to be an effective competitor and develop over time.
- (ii) Any purchaser wishing to demonstrate that it could effectively address these factors is likely to have had experience of managing and operating a related business, or be able to demonstrate that it could acquire this experience.
- (iii) While the divested business includes the platforms and a TSA required to support and develop it, the complexity of the reconstituted platforms and its linkages with third party systems mean that any purchaser should have experience in managing critical or complex IT environments, preferably those relating to betting or developing IT platforms.
- (iv) Given the need for a purchaser to recruit additional staff and/or have the necessary staff to carry out the relevant business functions, this would mean that a purchaser would necessarily need to have some prior experience or expertise in order to have the necessary capability to compete. Any purchaser will need to have the management resources and capability to lead on the staffing and formation of the relevant teams and business functions.
- (v) Sporting Index currently has no business function or independent strategy. In our view, a purchaser should have the ability to develop a detailed revenue and cost strategy. We would expect a purchaser will have its own plans and financial projections, which the CMA can assess as part of its purchaser suitability assessment to mitigate strategic risks.
- (vi) Given the lack of an existing strategy or management team, it is our view that a purchaser would need to be able to demonstrate its capability to develop and grow these functions effectively post completion.

(c) *Commitment:*

- (i) A suitable purchaser needs to show a commitment to providing licensed online sports spread betting services in the UK.
- (ii) The CMA will assess the purchaser's business plans to understand its commitment to the relevant market.

(d) *Absence of competition or regulatory concerns:*

- (i) A suitable purchaser should not raise competition concerns.
- (ii) It will also need to demonstrate how it plans to obtain the necessary FCA and GC consents.
- (iii) CMA approval of the final terms of any SPA or transaction agreements, including the Business Support TSAs, will be required prior to signing.

Availability of purchasers

- 9.284 During the Third Party Remedy Calls, two third parties, 10star and Star Sports indicated an initial interest in acquiring a possible divestiture package. In the Phase 2 inquiry, we also received an unsolicited approach from another third party expressing an interest in acquiring a possible divestiture package.¹⁰¹¹ In the Remittal inquiry, in summary, [REDACTED] indicated that [REDACTED] while [REDACTED].
- 9.285 We also note that during our investigation, Spreadex submitted that it had identified a number of firms currently licensed to offer sports spread betting.¹⁰¹² We have not approached these third parties at this remedies stage of our process, although Spreadex may wish to do so as part of any divestiture process, noting that while the financial spread betting or contracts for difference providers we contacted during our investigation¹⁰¹³ did not indicate an interest in entering the market, they may have a different view if presented with an alternative to organic entry by way of acquiring the divestiture package on offer.
- 9.286 In paragraph 6.66, we noted that while FCA regulations prohibit unlicensed sports spread betting providers from actively soliciting customers in the UK, unlicensed sports spread betting providers could be relatively well positioned to enter the supply of licensed sports spread betting, as they already have the relevant technology. We have not ruled out the possibility that such providers may consider the divestiture package to be sufficiently attractive to consider the acquisition opportunity and enter the supply of licensed online sports spread betting. Given

¹⁰¹¹ [REDACTED], email.

¹⁰¹² Spreadex, response dated 21 December 2023 to the CMA's s109 notice (Enquiry Letter) dated 14 December 2023, question 32.

¹⁰¹³ Third party responses to the CMA's RFI dated 3 May 2024, question 2: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; and [REDACTED]

that in paragraph 6.70, we considered that providers based outside of the UK did not appear to show a ‘strong competitive constraint’, it is our view that the risk that these purchasers raise further competition concerns is low.

- 9.287 As mentioned in paragraph 9.16, after receiving the Phase 2 RWP response, we held further discussions with each of 10star and Star Sports to test potential remedy scenarios. During these calls, we provided a high-level description of one of the potential remedy scenarios, which ultimately is broadly in line with the divestiture remedy we have decided. Based on the outline that we provided, whereas 10star and Star Sports told us that they would require further details on how certain elements of the potential remedy would work in practice, they did not identify any material omissions from the scope of the potential remedy:
- (a) 10star told us that in general terms, the potential remedy scenario outlined by the CMA was sound in theory, but added that more details would be required to understand how that scenario would work in practice. It also told us that it was unclear how much further the CMA could viably go as the potential remedy scenario is based on a set of assumptions.¹⁰¹⁴
 - (b) Star Sports told us that the potential remedy scenario outlined by the CMA was very reasonable, although it noted concerns over the hypothetical nature of the remedy scenario and the achievability in practice of certain aspects.¹⁰¹⁵ It considered however that overall, in terms of an end goal for a purchaser, the potential scenario was reasonable.¹⁰¹⁶
- 9.288 Following Spreadex’s response to the Remittal RWP, we asked [X]. In summary, they responded as follows:
- (a) [X] stated that it [X] the granular details of a potential deal. It stated that the divestiture package looked reasonable for both the purchaser and seller.¹⁰¹⁷
 - (b) [X] stated that it [X].¹⁰¹⁸
- 9.289 The CMA has not attempted to identify all potentially interested purchasers for a divestment business, rather the CMA contacted certain potential purchasers, [X] to understand whether potentially suitable purchasers [X]. The caveat expressed by [X] (ie the need to understand the granular details of a potential deal) reflects the position we would expect a purchaser to take: a commercially rational acquirer would seek to fully understand the terms of the deal before moving forward. The response from [X] provides a basis to conclude that there is [X] for the

¹⁰¹⁴ 10star call transcript, as subsequently updated by 10star.

¹⁰¹⁵ For example, Star Sports told us that it questioned whether it could assume that Sporting Index customers were being treated separately by Spreadex at the moment, but added that this was more of a commercial issue for discussion rather than one around practicalities. Star Sports call transcript as subsequently confirmed by Star Sports.

¹⁰¹⁶ Star Sports call transcript as subsequently confirmed by Star Sports.

¹⁰¹⁷ Star Sports response to the CMA’s RFI.

¹⁰¹⁸ 10star response to the CMA’s RFI.

divestment package. We acknowledge that there is uncertainty about whether [X] will ultimately remain interested in acquiring the divestment package, and about whether there may be other potential purchasers.

9.290 As regards [X].

9.291 We note that the Merger Remedies Guidance states that ‘substantial uncertainty as to whether a suitable purchaser will emerge will generally not be sufficient for the CMA to conclude that any form of divestiture remedy is not feasible’, and that ‘it is normally possible to implement divestiture remedies, despite such uncertainties, given flexibility in the disposal price’.¹⁰¹⁹ In light of our views above and the reactions of [X] summarised above, our view is that although there remains uncertainty at this stage in relation to the extent to which the divestiture package on offer would be of interest (for example, given the need for a potential purchaser to first understand the granular details of a potential deal) that uncertainty is not sufficient to lead us to conclude that the remedy we have adopted is not feasible.

Conclusion on the identification and availability of a suitable purchaser

9.292 Based on our assessment above, we conclude that the CMA will assess the suitability of potential purchasers against the CMA Purchaser Suitability Criteria as set out in paragraph 9.275 above.

9.293 We also conclude that while we have at this stage, identified [X], there remains uncertainty in relation to whether [X] will ultimately conclude a transaction under a divestiture remedy (eg see paragraphs 9.76 and 9.77), or whether other potential purchasers will emerge. However, in line with the Merger Remedies Guidance, it is our view that these factors are not in themselves sufficient to lead us to conclude that a divestiture remedy is not feasible.

Ensuring an effective divestiture process

9.294 We turn now to a discussion on procedural safeguards to ensure an effective divestiture process.

9.295 An effective divestiture process will protect the competitive potential of the divestiture package before disposal and will enable a suitable purchaser to be secured in an acceptable timescale. The process should also allow prospective purchasers to make an appropriately informed acquisition decision.¹⁰²⁰ As set out in the Merger Remedies Guidance, the incentives of merger parties to limit the future competitive impact of a divestiture on themselves may result in the merger

¹⁰¹⁹ [CMA87](#), paragraph 3.51.

¹⁰²⁰ [CMA87](#), paragraph 5.33.

parties allowing the competitiveness of the divestiture package to decline during the divestiture process.¹⁰²¹

9.296 We consider below the following procedural safeguards which may be required to minimise the risks associated with this divestiture:

- (a) Spreadex's asset maintenance and hold-separate obligations;
- (b) timescales to complete a divestiture process;
- (c) Divestiture Trustee; and
- (d) post-completion matters.

Spreadex's asset maintenance and hold-separate obligations

9.297 As set out in the Merger Remedies Guidance, the merger parties may have significant incentives to run down or neglect the business or assets of a divestment package, in order to reduce its future competitive impact. The resulting asset risk may also be influenced by such factors as the length and complexity of the divestiture process and the pace at which customer goodwill and employee relations may erode.¹⁰²²

9.298 As is also set out in the Merger Remedies Guidance, the appointment of a 'hold-separate' manager, or management team, may also be required to manage the assets/business to be divested, in order to maintain their competitiveness and separation from the retained assets.¹⁰²³

Spreadex's views

9.299 Spreadex submitted that [REDACTED].¹⁰²⁴ Spreadex also submitted [REDACTED].¹⁰²⁵ Spreadex added that Spreadex had also cooperated fully and transparently in good faith with the CMA and the Monitoring Trustee to preserve the value of the Sporting Index business through the Merger review. It told us that there were therefore no grounds for the CMA to be concerned that Spreadex will not continue to preserve and maintain the Acquired Assets in good faith, and that there was therefore no need for additional oversight or procedural safeguards over the process.¹⁰²⁶

9.300 Spreadex submitted that it already had a Monitoring Trustee in place and would expect that to continue. Spreadex added that the measures already in place to preserve the viability and competitive capabilities of the business being divested,

¹⁰²¹ [CMA87](#), paragraph 5.4.

¹⁰²² [CMA87](#), paragraph 5.34.

¹⁰²³ [CMA87](#), paragraph 5.36.

¹⁰²⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.23.

¹⁰²⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.23.

¹⁰²⁶ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.23.

remained appropriate and sufficient, [REDACTED]; and the ongoing monitoring from the monitoring trustee. Spreadex also submitted that [REDACTED]¹⁰²⁷

Third parties' views

- 9.301 Third parties told us that the main risk to asset maintenance related to Sporting Index's customer base. Star Sports told us that there was a risk that [REDACTED],¹⁰²⁸ while another third party sports fixed odds betting provider ([REDACTED]) told us that Spreadex would have no qualms at picking off the best clients from Sporting Index.¹⁰²⁹

Our assessment

- 9.302 The CMA imposed interim measures by issuing an Initial Order on 15 January 2024 for the purpose of preserving Sporting Index's viability and competitive independence until our determination of the reference. However, at the time when the Initial Order was imposed, Sporting Index had already been largely integrated into Spreadex's operations, and given the limited number of assets and employees acquired by Spreadex as part of the Merger, Sporting Index currently relies on Spreadex for its continued viability and does not operate on a standalone basis.¹⁰³⁰
- 9.303 Sporting Index has performed ahead of pre-Merger levels in revenue terms, and the Monitoring Trustee has not yet identified any material asset risk. We also note that there has been a net increase in the number of Sporting Index customers since Merger completion listed in the SPIN Customer List (see footnote 48).
- 9.304 Monitoring customer attrition is not straight-forward as the number of active customers fluctuates from month-to-month. However, the Monitoring Trustee's investigation into customer attrition has not revealed any material issues or concerns. Sporting Index continues to have its own [REDACTED] responsible for SPIN HVCs, and we have taken steps to ensure that Sporting Index continues its client entertainment activities in line with pre-Merger levels of activity, and to ensure that [REDACTED].
- 9.305 The Initial Order will expire upon final determination of the reference (ie when the CMA accepts final undertakings or makes a final order). In line with usual CMA practice, we would seek to include relevant provisions from the Initial Order in the final undertakings or final order. We will continue to use the Monitoring Trustee to provide us with information on compliance and the integrity of the Sporting Index business during the divestiture period. The Monitoring Trustee's mandate should also be extended to cover compliance with the divestiture obligations in any final

¹⁰²⁷ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 22. [REDACTED].

¹⁰²⁸ Star Sports call transcript as subsequently confirmed by Star Sports.

¹⁰²⁹ [REDACTED] call transcript.

¹⁰³⁰ CMA, [Derogation Letter](#), 15 January 2024.

undertakings or final order, and to provide the CMA with information on the progress of the divestiture process. Relatedly, as mentioned in paragraph 9.171(g) above, the final undertakings or final order will reserve the right for the CMA to appoint an Independent Technical Monitor.

- 9.306 At this stage, we have seen no evidence to require the appointment of an independent hold-separate manager with executive powers to operate the target business separately from the acquiring business.¹⁰³¹ However, the CMA will reserve the right to appoint a hold-separate manager if circumstances change.

Conclusion

- 9.307 Based on the above, we conclude that:

- (a) At this stage, we have not identified the need for any additional asset maintenance obligations on Spreadex to maintain the Acquired Assets, and therefore, any final undertakings or final order should continue with the current asset maintenance obligations set out in the Initial Order, including the continued involvement of the Monitoring Trustee to monitor Spreadex's compliance with any final undertakings or final order.
- (b) However, to the extent that the CMA considers that there has been an increase in the risk of asset deterioration, the CMA will reserve the right to enhance Spreadex's asset maintenance obligations, eg through the possible appointment of a hold-separate manager

Timescales to complete a divestiture process

- 9.308 We consider below the appropriate timescales for Spreadex to complete the divestiture transaction. This period will commence from the acceptance of any final undertakings or the making of any final order to the legal completion of the divestiture transaction (the **Initial Divestiture Period**).
- 9.309 As set out in the Merger Remedies Guidance, the length of the Initial Divestiture Period will depend on the circumstances of the merger, but will normally be a maximum period of six months from the acceptance of the final undertakings or making of the final order. The CMA, when determining the divestiture period, will seek to balance factors which favour a shorter duration, such as minimising asset risk and giving rapid effect to the remedy, with factors that favour a longer duration, such as canvassing a sufficient selection of potential suitable purchasers

¹⁰³¹ The 'hold-separate manager's role is a day-to-day management role in the target business, reporting to the CMA rather than the acquiring firm. This role is distinct from that of a monitoring trustee'. ([CMA87](#), paragraph 4.13).

and facilitating adequate due diligence. The Initial Divestiture Period may be extended by the CMA where this is necessary to achieve an effective disposal.¹⁰³²

Spreadex's views

- 9.310 Prior to receiving the Phase 2 RWP, Spreadex estimated that the development of the reconstituted platforms under Spreadex's Remedy Proposal would take [REDACTED].¹⁰³³ It added that the divestiture process [REDACTED]. It added that its expectations were that the divestiture process would involve: (a) canvassing the market for potential buyers; (b) preparing and sending the required information; (c) due diligence; (d) contract negotiation; (e) signing; (f) regulatory approval; and (g) completion.¹⁰³⁴
- 9.311 In the Phase 2 RWP, we provisionally concluded that the Initial Divestiture Period should be [REDACTED] and that this would be sufficient to accommodate: (a) the divestiture process to signing an SPA; (b) the development process for the reconstituted platforms (commencing from the SPA signing date); (c) the FCA's regulatory approval process (absent any unforeseen complications arising during that process); and (d) the customer migration process (concluding with completion).
- 9.312 In the Phase 2 RWP response, Spreadex submitted that in light of the CMA's provisional view on the appropriate remedy expressed in the RWP, it anticipated that in practice this process would take longer, and provided an updated estimated timeline, in which it outlined a likely [REDACTED] for the process.¹⁰³⁵ In this regard, in the Phase 2 RWP response, Spreadex made the following submissions:¹⁰³⁶
- (a) *Starting work before negotiating the SPA:*
- (i) Spreadex submitted that when it provided its initial best estimate for the build time of the Bespoke Platform Solution of [REDACTED], it had assumed that it would be able to commence work on the Bespoke Platform Solution, immediately following the conclusion of the CMA's review and any SLC finding, ie during the 12 week period for agreeing or finalising final undertakings or a final order. It added that the CMA's revised proposal to involve the purchaser in the specifications for the Bespoke Platform Solution removes its ability to do this and directly impacts the proposed timeframe.
- (ii) Spreadex also submitted that the Phase 2 RWP contemplates the scenario where one or more initial attempts at divestiture are

¹⁰³² [CMA87](#), paragraph 5.41.

¹⁰³³ Spreadex, Response to the CMA's Phase 2 Remedies Notice Annex 2, 20 August 2024.

¹⁰³⁴ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 19.

¹⁰³⁵ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraph 2.7.

¹⁰³⁶ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.8 to 3.13.

unsuccessful, resulting in the potential for multiple negotiations on the scope of the [Bespoke Platform Solution] with different parties. It added that in this scenario, it is likely that it will take longer than [X] from the start of the process to sign the SPA, and that as development work cannot start until the SPA is signed, that will have a resultant knock-on effect on the completion date.

(b) *Development time:*

- (i) Spreadex submitted that its initial estimate assumed that it would not face any material issues during the build and that the purchaser would only have involvement in the process during the testing phase. It added that even if a purchaser cooperating in good faith is involved in the development phase, this will almost certainly extend the build time. Before any development work is started, the specifications will need to be agreed.
- (ii) Spreadex submitted that the purchaser might seek to include other items that are 'nice to haves' that go beyond the creation of a functioning platform that operates in a manner similar to the pre-Merger Sporting Index platform. It added therefore, that the process of agreeing the specifications of the reconstituted platforms and further interventions by the purchaser during the development process will take time. How much time will depend on the reasonableness of the [purchaser] and the effectiveness of the Monitoring Trustee.
- (iii) Spreadex further submitted that the purchaser's involvement during the development stage will also mean that the process takes longer as there will almost certainly be further discussions at that point and potentially feedback that Spreadex will need to implement. Spreadex estimates that the purchaser's involvement will add at least [X] to the development time.

(c) *Obtaining FCA approval:*

- (i) Spreadex submitted that obtaining FCA approval was a matter for the purchaser, and while Spreadex would take all reasonable steps to assist the purchaser to be in a position to seek and obtain FCA approval within the Initial Divestiture Period, this would ultimately not be within Spreadex's control. It added that this process normally takes 60 working days. In order to be as efficient as possible, Spreadex envisions this running in parallel to the final stages of the development, at which point there will be maximum certainty over what the FCA is being asked to approve.

9.313 Spreadex submitted that for the reasons set out in paragraph 9.312 above, it might be practically very difficult or impossible, to complete the divestiture within an [X] Initial Divestiture Period, and proposed an Initial Divestiture Period of [X] months. It added that Spreadex would exercise all reasonable endeavours to complete the divestiture as soon as possible but it would not be fair for Spreadex to be sanctioned (either under the SPA with the purchaser or by the CMA using its enforcement powers) for delays to the timetable that result from factors outside of Spreadex's control.¹⁰³⁷

Third parties' views

9.314 As set out in paragraphs 9.217 and 9.218 above, both 10star and Star Sports have expressed doubts over Spreadex's proposed timeline for the development of the Bespoke Platform Solution, although they could not definitively comment on this without knowing what specifically Spreadex proposed to build.¹⁰³⁸ Star Sports also told us that a purchaser should get involved as early as possible, prior to the development of the platform.¹⁰³⁹

Our assessment

9.315 While the Initial Divestiture Period will normally be a maximum period of six months,¹⁰⁴⁰ in our view there are good reasons to depart from our usual practice of six months to accommodate the complex development process required under the Platform Development Element, commencing from the date of signing of any SPA between Spreadex and the purchaser, to the delivery of the reconstituted platforms (see paragraph 9.171(b) above).

9.316 The Initial Divestiture Period will also need to accommodate the FCA's regulatory approvals process, whereby the purchaser must obtain the FCA's approval prior to completion of any divestiture remedy. We understand that approval from the GC (if necessary) can be obtained after completion of the divestiture remedy. We would need to take the regulatory requirements from the FCA into account when assessing the suitability of potential purchasers. Specifically, the FCA has to give its consent prior to a licence transfer being allowed under a 'Change in Control' process. As part of this consent, the FCA must be satisfied that the person to whom the licence is transferring to (or the 'Proposed Controller') is 'considered suitable'.¹⁰⁴¹ Alternatively, if the FCA considers that the 'Change in Control'

¹⁰³⁷ Spreadex, Response to the CMA's Phase 2 RWP, 23 October 2024, paragraphs 2.14 and 2.15.

¹⁰³⁸ Third party call transcripts: Star Sports as subsequently confirmed by Star Sports; and 10star, as subsequently updated by 10star.

¹⁰³⁹ Star Sports, call transcript as subsequently confirmed by Star Sports.

¹⁰⁴⁰ [CMA87](#), paragraph 5.41.

¹⁰⁴¹ Under a 'Change in Control' process, the 'Proposed Controller' must first submit a 'Notice' to the FCA. The FCA will assess the 'Proposed Controller' against the criteria set out in s.186 of the Financial Services and Markets Act 2000 (FSMA), namely: (a) reputation of the 'Notice Giver'; (b) reputation, knowledge, skills and experience of any person who

process does not apply, the purchaser would need to seek the FCA's approval for a 'New Firm Authorisation' to obtain a new FCA licence – as set out in paragraph 2.17, the application process for an FCA licence involves the FCA considering the adequacy of both the financial and non-financial resources of the applicant. This includes reviewing the feasibility of business plans and considering the potential for any consumer harm.¹⁰⁴²

9.317 We note that it is for the FCA to decide whether FCA approval will be required under a 'Change in Control' process (which would last 60 working days),¹⁰⁴³ or under a 'New Firm Authorisation' process (which could last between six and 12 months from the application date).¹⁰⁴⁴ We also note that in addition to either a 'Change in Control' or 'New Firm Authorisation' approval, FCA approval would also be 'required to sign off on all personal management licence holders, these would be expected to include' the following 'senior management functions' or 'SMFs': SMF 1: CEO; SMF 3: Directors; SMF 16: Head of Regulatory Compliance; and SMF 17: and Head of MLRO [Money Laundering Reporting Officer].¹⁰⁴⁵

9.318 At its Phase 2 Response Hearing, Spreadex told us [REDACTED]. It added that [REDACTED].¹⁰⁴⁶

9.319 FCA approval in some form will be required prior to the completion of any divestiture remedy, where the FCA will likely consider the suitability of both the divestment business and its new owner as part of any FCA approval process. However, the outcome of any decision to be taken by the FCA will not be known until well after our final report, and most likely sometime after an SPA will have been signed. We also note that the FCA will apply a different set of criteria when considering whether to grant the necessary approvals, compared to the criteria the CMA will apply for its assessment of an effective remedy and (separately) of a suitable purchaser. We cannot predict whether the FCA will grant the necessary approvals to enable a divestiture remedy to complete, and the risk that FCA approval is not obtained cannot be fully mitigated. However, in designing a divestiture remedy, we have put in place a number of measures to assist the purchaser in this regard, for example, giving the purchaser the ability to recruit staff for the divestment business prior to completion and ahead of making an application to the FCA (see paragraphs 9.260 to 9.265 above); and requiring Spreadex to assist the purchaser in obtaining any regulatory approvals (see

will direct the business of the 'Target Firm' (including new directors and those individuals to be appointed as SMFs); (c) financial soundness of the 'Notice Giver'; (d) whether the 'Target Firm' will be able to comply with prudential requirements (including 'threshold conditions'); (e) whether it will be possible for the 'Target (or Group)' to: (i) exercise effective supervision; (ii) exchange information among regulators; and (iii) determine allocation of responsibility among regulators; and (f) consider whether there are reasonable grounds to suspect: (i) 'AML or Terrorist Financing' has taken place; or (ii) the risk of this is likely to increase as a result of the 'Change in Control'. ([Section 186](#) of the FSMA and FCA response to the CMA's RFI.

¹⁰⁴² CMA, [Remittal Provisional Findings Report](#), Chapter 2 (Industry Background), paragraph 2.17.

¹⁰⁴³ FCA response to the CMA's RFI; and [Change in Control | FCA](#) (last accessed 25 July 2025).

¹⁰⁴⁴ See also CMA, [Remittal Provisional Findings Report](#), Chapter 2 (Industry Background), paragraphs 2.16 and 2.17.

¹⁰⁴⁵ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 10.

¹⁰⁴⁶ Spreadex, Phase 2 Response Hearing transcript, 11 September 2024, page 86, lines 16-19.

paragraph 9.272(c) above). We will also consider as part of our assessment of a potential purchaser's suitability, its plans to obtain the necessary regulatory approvals (see paragraph 9.283 above) although we cannot, and will not, seek to anticipate any decisions or views, which the FCA will take.

9.320 In paragraphs 9.312 and 9.313 above, we set out Spreadex's submissions in the Phase 2 RWP response on why the Initial Divestiture Period should be [X] months.

9.321 Our view is that an Initial Divestiture Period of [X] would be sufficient for the following reasons, and we have found no compelling reasons to justify a [X]-month Initial Divestiture Period:

- (a) In the Phase 2 RWP, we had provisionally concluded that the Initial Divestiture Period should be [X] on the basis that the development of the reconstituted platforms would commence only after the signing of the SPA. While Spreadex submitted that the Phase 2 RWP contemplates the scenario where one or more initial attempts at divestiture are unsuccessful, resulting in the potential for multiple negotiations on the scope of the Bespoke Platform Solution with different parties, our view is that this risk of delays to signing an SPA could partly be mitigated through a well-planned and coordinated divestiture process, noting that running a divestiture process, and negotiating terms, with multiple bidders before granting exclusivity and signing an SPA is not uncommon in sale transactions.
- (b) Once the specifications of the reconstituted platforms will have been agreed between Spreadex and the purchaser, and set out in the SPA, the technical development will be led solely by Spreadex. While Spreadex estimates that the purchaser's involvement will add at least [X] months to the development time, provided that Spreadex's technical development delivered on the agreed specifications, we would not expect the purchaser's involvement to give rise to material delays to Spreadex's initial estimate of [X] for the technical development and testing of the reconstituted platforms.
- (c) Spreadex submitted that the purchaser might seek to include other items that are 'nice to have' that go beyond the creation of a functioning platform that operates in a manner similar to the pre-Merger Sporting Index platform. To mitigate this risk, we set out in paragraph 9.171(e) the details of the parameters and objectives for the reconstituted platforms, which would seek to mitigate the risks associated with the purchaser making unreasonable demands during its negotiations on the specifications of the reconstituted platforms.

9.322 We note however Spreadex envisions running the FCA approval process in parallel to the final stages of the development of the reconstituted platforms. In our

view, the timescales needed to accommodate the FCA process remains a major area of uncertainty. However, at this stage, and in the absence of any evidence justifying a longer period, we see no reason to grant a [X]-month Initial Divestiture Period. The CMA will however consider a request for an extension if necessary to achieve an effective disposal, eg to accommodate the FCA regulatory process. The CMA will also take into account when deciding whether to grant an extension to the Initial Divestiture Period, whether the extension is required due to factors outside of Spreadex's control (eg see paragraph 9.171(e)).

- 9.323 While Spreadex has only indicated [X], given our conclusion that the development process should commence from SPA signing, we consider at this stage, and noting the uncertainties outlined above, including in relation to which FCA approval process will apply, that an Initial Divestiture Period of [X] from the date of any final undertakings or final order should act as a 'long-stop' date for any divestiture remedy to complete. In our view, this Initial Divestiture Period should be sufficient to accommodate: (a) the divestiture process to signing an SPA; (b) the development process for the reconstituted platforms (commencing from the SPA signing date); (c) the FCA's regulatory approval process (absent any unforeseen complications arising during that process); and (d) the customer migration process (concluding with completion).
- 9.324 Within one week following the acceptance of any final undertakings or making a final order, Spreadex will be required to submit a timetable for the CMA's approval setting out the key workstreams and milestones setting out how it intends to fulfil its obligations under the divestiture remedy within the Initial Divestiture Period.
- 9.325 The progress of the divestiture process and the development of the platforms to be reconstituted against the approved timetable, shall be monitored by the Monitoring Trustee and, if appointed, the Independent Technical Monitor.

Conclusion

- 9.326 Based on the above, we conclude that:
- (a) the Initial Divestiture Period should be [X];
 - (b) within one week of the final undertakings or final order, Spreadex will be required to submit a timetable for the CMA's approval setting out how it intends to fulfil its remedy obligations within the Initial Divestiture Period; and
 - (c) the Monitoring Trustee and, if appointed, the Independent Technical Monitor shall monitor Spreadex's progress against the approved timetable.

Divestiture Trustee

- 9.327 If the merger parties cannot procure divestiture to a suitable purchaser within the Initial Divestiture Period, then, unless this period is extended by the CMA, the CMA may require the merger parties to appoint an independent Divestiture Trustee to dispose of the package within a specified period (the **Trustee Divestiture Period**). The divestiture will be at the best available price in the circumstances, but subject to prior approval by the CMA of the purchaser and the divestiture arrangements.¹⁰⁴⁷
- 9.328 The CMA may require that a divestiture trustee is appointed before the end of the Initial Divestiture Period (eg if the CMA is not satisfied that divestiture is likely to take place within that period) or, in unusual cases, at the outset of the divestiture process.¹⁰⁴⁸

Spreadex's views

- 9.329 Spreadex submitted that it saw no need for the appointment of a Divestiture Trustee given that it had maintained the Acquired Assets and efficiently and effectively run the Sporting Index business under its ownership for the benefit of Sporting Index customers; and had cooperated fully and transparently in good faith with the CMA and the Monitoring Trustee to preserve the value of the Sporting Index business through the Merger review.¹⁰⁴⁹

Third parties' views

- 9.330 10star and Star Sports both told us that appointing an independent divestiture trustee at the outset of the divestiture process might help.¹⁰⁵⁰ In particular, 10star told us that appointing a Divestiture Trustee at the outset could make it more likely that a competitive purchaser would be found,¹⁰⁵¹ while Star Sports told us that this might help in terms of clarity and speed, but that it would not consider it a necessity.¹⁰⁵²

Our assessment

- 9.331 We currently have no evidence that would lead us to conclude that Spreadex would not achieve an effective disposal within the Initial Divestiture Period. As a

¹⁰⁴⁷ [CMA87](#), paragraph 5.43.

¹⁰⁴⁸ [CMA87](#), paragraph 5.44.

¹⁰⁴⁹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 3.23.

¹⁰⁵⁰ Third party call transcripts: 10star as subsequently updated by 10star and Star Sports, as subsequently confirmed by Star Sports.

¹⁰⁵¹ 10star call transcript, as subsequently updated by 10star.

¹⁰⁵² Star Sports call transcript, as subsequently confirmed by Star Sports.

result, we do not propose to appoint a Divestiture Trustee at the outset of the divestiture process.

9.332 However, we also recognise that Spreadex may have conflicting incentives in relation to achieving an effective and prompt divestiture, and that the ability to appoint a Divestiture Trustee is an important means by which the CMA is able to bring the implementation of this remedy to a conclusion.

9.333 Therefore, we will reserve the right to appoint a Divestiture Trustee to take control of the divestiture process from Spreadex in any one or more of the following situations:

- (a) Spreadex fails to complete the divestiture process within the Initial Divestiture Period;
- (b) Spreadex fails to comply with its contractual commitments (to be agreed with the purchaser and specified under any SPA) in relation to the development of the new platforms (see paragraph 9.221 above);
- (c) the CMA reasonably believes that there is a risk that the divestiture process would be delayed or fail to complete within the Initial Divestiture Period, or that the platform development process would be delayed or fail to complete within the agreed timescales set out in an SPA;
- (d) Spreadex is not engaging constructively with the divestiture process or the development process; or
- (e) there is a material deterioration in the divestiture package during the divestiture process.

9.334 If a Divestiture Trustee is appointed, the Divestiture Trustee will:

- (a) be required to complete the divestiture remedy at no minimum price and within a further period (ie the Trustee Divestiture Period) to be determined by the CMA based on the relevant circumstances applicable at that time; and
- (b) (to the extent applicable and necessary) require more resources to be devoted by Spreadex for the timely development of the reconstituted platforms.

Conclusion

9.335 Based on the above, we conclude that:

- (a) we do not propose to appoint a Divestiture Trustee at the outset of the divestiture process, however, we will reserve the right to appoint a Divestiture Trustee; and

- (b) if a Divestiture Trustee is appointed, the Divestiture Trustee will be required to complete the divestiture remedy at no minimum price and within the Trustee Divestiture Period.

Post-completion matters

9.336 Following completion of any divestiture remedy:

- (a) the Monitoring Trustee shall continue to be engaged to monitor Spreadex's compliance with its post-completion obligations under the Business Support TSAs; and customer non-solicitation obligations;
- (b) as mentioned in paragraph 9.102 above, following completion and within a period to be agreed with the CMA, Spreadex will be required to destroy all confidential information relating to the Acquired Assets and the reconstituted platforms (except confidential information which Spreadex is required under law or regulation to retain, or which is required for Spreadex to comply with its obligations under the divestiture remedy, eg in relation to the provision of any services under the Business Support TSAs); and
- (c) in line with the Merger Remedies Guidance, if the divestiture remedy is ultimately imposed, Spreadex would be prohibited from subsequently acquiring the assets or shares of Sporting Index or acquiring any material influence over them. The Merger Remedies Guidance states that the CMA will normally limit this prohibition on re-acquisition to a period of 10 years from completion of the divestiture remedy.¹⁰⁵³ We find no compelling reason to depart from the Merger Remedies Guidance in this case by seeking a shorter or longer prohibition period.

Conclusion on the effectiveness of a divestiture remedy

9.337 We have assessed Spreadex's Remedy Proposal and where we have identified risks to its overall effectiveness, we have set out the modifications and supplementary measures to Spreadex's Remedy Proposal which, in our view, could potentially mitigate those risks.

9.338 Based on our assessment above, we conclude that subject to the modifications we have set out in this section, a divestiture remedy (based on a modified version of Spreadex's Remedy Proposal) as specified in this section would represent an effective remedy to the SLC and adverse effects we have found.

¹⁰⁵³ [CMA87](#), paragraph 5.10.

Conclusions on effective remedy options

9.339 Based on the evidence provided to us and assessed above, we have concluded that a divestiture remedy as specified in paragraphs 9.59 to 9.338 above would be effective in remedying the SLC and adverse effects that we have found.

Relevant Customer Benefits

9.340 In deciding the question of remedies, the CMA may, in particular, have regard to the effect of any remedial action on any RCBs in relation to the creation of the relevant merger situation.¹⁰⁵⁴

Framework for assessing RCBs

9.341 RCBs are defined by the Act as benefits to relevant customers¹⁰⁵⁵ in the form of: (a) 'lower prices, higher quality or greater choice of goods or services in any market in the United Kingdom (whether or not in the market(s) in which the SLC has, or may have, occurred, or may occur); or (b) greater innovation in relation to such goods or services'.¹⁰⁵⁶ The Act provides that, in relation to a completed merger, a benefit is only an RCB if it has accrued, or may be expected to accrue within a reasonable period, as a result of the merger, and it was, or is, unlikely to accrue without the merger 'or a similar lessening of competition'.¹⁰⁵⁷

9.342 RCBs that will be foregone due to the implementation of a particular remedy may be considered as costs of that remedy¹⁰⁵⁸ and may be taken into account in our assessment of the proportionality of a remedy. It is possible that, in unusual circumstances, any effective remedy will result in disproportionate costs that far exceed the scale of the SLC or a disproportionate loss of RCBs. In such circumstances, the CMA will select the effective remedy that minimises the level of costs or loss of RCBs.¹⁰⁵⁹

9.343 The CMA may modify a remedy to ensure retention of RCBs or it may change its remedy selection. For instance, it may decide to implement an alternative effective remedy which retains RCBs, or in rare cases it may decide that no remedy is appropriate.¹⁰⁶⁰

9.344 The burden of proof of whether RCBs arise from a merger is on the merger parties: the merger parties will be expected to provide convincing evidence

¹⁰⁵⁴ [Sections 35\(5\)](#) and [41\(5\)](#) of the Act, see also [CMA87](#), paragraph 3.15.

¹⁰⁵⁵ For these purposes, relevant customers are direct and indirect customers (including future customers) of the merger parties at any point in the chain of production and distribution; they are therefore not limited to final consumers ([section 30\(4\)](#) of the Act; see also [CMA87](#), paragraph 3.18).

¹⁰⁵⁶ [Section 30\(1\)\(a\)](#) of the Act, see also [CMA87](#), paragraph 3.17.

¹⁰⁵⁷ [Section 30\(2\)](#) of the Act, see also [CMA87](#), paragraphs 3.19 and 3.24.

¹⁰⁵⁸ [CMA87](#), paragraph 3.16.

¹⁰⁵⁹ [CMA87](#), paragraph 3.53.

¹⁰⁶⁰ [CMA87](#), paragraph 3.16.

regarding the nature and scale of RCBs that they claim to result from the merger and demonstrate that these fall within the Act's definition of such benefits.¹⁰⁶¹

Spreadex's views

9.345 In the Phase 2 Remedies Notice, we invited views on what costs were likely to arise in implementing a divestiture remedy option, and on the nature of any RCBs and on the scale and likelihood of such benefits and the extent (if any) to which these are affected by the divestiture remedy or any other remedies that they may put forward.¹⁰⁶²

9.346 Spreadex submitted that [REDACTED].¹⁰⁶³

Our assessment

9.347 Spreadex has not made any further submissions on RCBs arising from the Merger, and reiterated its previous submissions on efficiencies which we had considered in paragraph 7.79.¹⁰⁶⁴ In paragraph 7.81, we concluded that (among others) the efficiencies claimed by Spreadex were not Merger-specific.¹⁰⁶⁵

9.348 As a result, our conclusion is that Spreadex's claimed RCBs have not accrued, and may not be expected to accrue, as a result of the Merger, and they could have been, or could be, achieved by plausible less anti-competitive alternatives to the Merger. Therefore, they do not qualify as RCBs.

Conclusion on RCBs

9.349 Based on the above, we conclude that there are no RCBs that we should take into account in our evaluation of the proportionality of the only effective remedy we have found.

Proportionality assessment of effective remedy options

9.350 In this section, we consider the proportionality of effective remedy options.

Spreadex's views

9.351 In relation to whether there were any relevant costs the CMA should have regard to in considering possible remedies, Spreadex submitted that its remedy proposal entails considerable cost to be incurred by Spreadex. Spreadex considers that the

¹⁰⁶¹ [CMA87](#), paragraph 3.20.

¹⁰⁶² CMA, Phase 2 [Remedies Notice](#), 25 July 2024, paragraphs 41 and 45.

¹⁰⁶³ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 27.

¹⁰⁶⁴ CMA, [Remittal Provisional Findings Report](#), Chapter 7 (Countervailing Factors), paragraph 7.79

¹⁰⁶⁵ CMA, [Remittal Provisional Findings Report](#), Chapter 7 (Countervailing Factors), paragraph 7.81(a).

CMA should have regard to those costs in assessing the viability and appropriateness of the proposed divestment package. Spreadex does not consider that the CMA need to have regard to other relevant costs in relation to the remedy described in this form. Insofar as the CMA were to propose alternative remedies or alternative elements to the present remedy, Spreadex reserves the right to make submissions on the proportionality or otherwise of relevant costs.¹⁰⁶⁶

- 9.352 Spreadex submitted that in order to be proportionate, the remedy must be appropriate and necessary in order to achieve the objectives legitimately pursued. When there is a choice between several appropriate measures, recourse must be had to the least onerous measure, and any harm caused must not be disproportionate to the aims pursued. Requiring a divestiture package to include any Spreadex assets would extend well beyond the scope of addressing the SLC and would reject a less intrusive and equally effective remedy.¹⁰⁶⁷
- 9.353 Spreadex submitted that [X], and therefore, any divestiture package comprising the transfer of any Spreadex assets would cause significant harm to Spreadex's business and therefore to Spreadex's customers.¹⁰⁶⁸
- 9.354 Spreadex submitted that there was an alternative less onerous measure that would address the SLC, namely the transfer of the Acquired Assets and the optional Bespoke Platform Solution, which is a viable remedies package.¹⁰⁶⁹
- 9.355 Spreadex submitted that it acknowledged that there may be some financial costs to Spreadex in a divestiture process and that the CMA does not take account of such costs. However those costs should not extend to causing lasting and significant commercial harm to the Spreadex business, as it existed pre-Merger.¹⁰⁷⁰
- 9.356 In its response to the Remittal Provisional Findings, Spreadex questioned the overall proportionality of the CMA's provisional findings. Spreadex argued that (a) the transaction affects a very small segment of the sports betting market (with a very small number of customers); (b) this segment of the market had been in decline; and (c) the CMA had provisionally found that, absent Spreadex's bid, one of the Alternative Bidders would have acquired Sporting Index but would potentially only have been able to operate it as a competitor for two years, during which period it would have been wholly reliant on a TSA from Sporting Group to be able to operate the business. Spreadex further submitted that where the likely remedy for the Merger would require a substantial investment of Spreadex's own resources to establish a competitor that may itself only be able to be operate in

¹⁰⁶⁶ Spreadex, [Response to the CMA's Phase 2 Remedies Notice, Annex 1](#), 20 August 2024, Annex 1, question 28.

¹⁰⁶⁷ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.18.

¹⁰⁶⁸ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.20.

¹⁰⁶⁹ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.19.

¹⁰⁷⁰ Spreadex, [Response to the CMA's Phase 2 Remedies Notice](#), 20 August 2024, paragraph 2.25.

competition with Spreadex for two years, the CMA's provisional findings were not proportionate or rational.¹⁰⁷¹

9.357 Spreadex also submitted that the consequence of [REDACTED] (see paragraph 9.288(b) above) was that [REDACTED].¹⁰⁷² Spreadex added that [REDACTED] that meant that it was plainly no longer 'reasonable' within section 41 of the Act for the CMA to require divestment.¹⁰⁷³ Spreadex further submitted that the [REDACTED] potential bidder ([REDACTED]) had told the CMA that it would need to see the granular details of the actual deal [REDACTED]. Spreadex submitted that these circumstances raised material questions about the rationality and proportionality of an SLC finding and of imposing any divestment remedy for a merger in an industry serving a small number of customers which had continued to decline since the Merger and where the medium and long term outlook of the industry continued to be poor, particularly given increasing regulatory and potentially also fiscal intervention.¹⁰⁷⁴

Framework for assessing proportionality

9.358 In order to be reasonable and proportionate, the CMA will seek to select the least costly remedy, or package of remedies, that it considers will be effective. Between two remedies that the CMA considers equally effective, it will choose that which imposes the least cost or restriction.¹⁰⁷⁵ We call this the 'least onerous effective remedy'.

9.359 When considering relevant costs, the CMA's considerations may include (but are not limited to):¹⁰⁷⁶

- (a) distortions in market outcomes;
- (b) compliance and monitoring costs incurred by the CMA or other monitoring agencies; and
- (c) the loss of any RCBs arising from the Merger which are foregone as a result of the remedy.

9.360 The CMA will endeavour to minimise such costs, subject to the effectiveness of the remedy not being reduced.¹⁰⁷⁷

¹⁰⁷¹ Spreadex, [Response to the CMA's Remittal Provisional Findings](#), 4 July 2025, paragraphs 5.1-5.2.

¹⁰⁷² Spreadex, submission of 9 September 2025, paragraph 2.1.

¹⁰⁷³ Spreadex, submission of 9 September 2025, paragraphs 2.2-2.3.

¹⁰⁷⁴ Spreadex, submission of 9 September 2025, paragraphs 4.3-4.4.

¹⁰⁷⁵ [CMA87](#), paragraph 3.6.

¹⁰⁷⁶ [CMA87](#), paragraph 3.10.

¹⁰⁷⁷ [CMA87](#), paragraph 3.10.

- 9.361 In addition, the CMA will seek to ensure that no remedy is disproportionate in relation to the SLC and its adverse effects.¹⁰⁷⁸
- 9.362 As merger parties have the choice of whether or not to proceed with the merger, the CMA will generally attribute less significance to the costs of a remedy that will be incurred by the merger parties than the costs that will be imposed by a remedy on third parties, the CMA or other monitoring agencies.¹⁰⁷⁹ In particular, in relation to completed mergers, the CMA will not normally take account of costs or losses that will be incurred by the merger parties as a result of a divestiture remedy, save in exceptional circumstances.¹⁰⁸⁰

Our assessment

- 9.363 In our assessment of proportionality, we first identify those remedies that would be effective and then select the remedy with the lowest cost, or that is least restrictive ('the least onerous effective remedy'). We then consider whether this remedy is disproportionate in relation to the SLC and its adverse effects we have found.

Is the remedy the least onerous, effective remedy?

- 9.364 We have only identified one effective remedy – a divestiture remedy, based on a modified version of Spreadex's Remedy Proposal as specified in paragraphs 9.59 to 9.338 above. In deciding on these modifications we have taken steps to ensure that the divestiture remedy is not more onerous than it needs to be in order to ensure its effectiveness. For example, (a) noting the uncertainty over the availability of a suitable purchaser (see paragraphs 9.291 above), Spreadex will not be required to incur the cost of the Platform Development Element prior to an SPA being signed (see paragraph 9.171(b) above), (b) we have added safeguards to the design of the remedy such that a purchaser cannot make unreasonable demands in the context of the Platform Development Element (see paragraph 9.157 above), and (c) we will not require Spreadex to undertake the technical development of a sports fixed odds betting platform or to divest such a platform (see paragraph 9.124 above). Our view is that the modifications we have decided result in the least onerous, effective remedy (see also paragraph 9.81).
- 9.365 We also note that the divestiture remedy outlined above is the same as the divestiture remedy outlined in the Remittal RWP, and Spreadex did not provide any comments in response to the Remittal RWP.¹⁰⁸¹ In response to the Remittal Remedies Notice, Spreadex submitted that a behavioural remedy could potentially, at least in principle, offer a better option for customers for a longer

¹⁰⁷⁸ [CMA87](#), paragraph 3.6.

¹⁰⁷⁹ [CMA87](#), paragraph 3.8.

¹⁰⁸⁰ [CMA87](#), paragraph 3.9.

¹⁰⁸¹ Spreadex, email of 14 August 2025.

period than a structural remedy in light of the CMA's provisional finding that the Alternative Bidders may not be able to operate Sporting Index as a competitor for more than two years.¹⁰⁸² However Spreadex also submitted that it did not wish to challenge at this stage the CMA's provisional dismissal of the implementation of a behavioural remedy.¹⁰⁸³ Spreadex have not submitted a detailed alternate remedy proposal, or a modified version of the divestiture remedy outlined above, that it considers could be effective and less onerous than the divestiture remedy outlined above.

- 9.366 Accordingly, we are not in the position of choosing between multiple remedies that we consider will be effective and in any case we have taken steps to ensure that the divestiture remedy is not more onerous than it needs to be in order to ensure its effectiveness. Our proportionality assessment is therefore focused on considering whether this remedy would be disproportionate in relation to the SLC and its adverse effects we have found.¹⁰⁸⁴ In doing so, we compare the magnitude of harm associated with the SLC and the scale of its adverse effects with the relevant costs of the proposed remedy.

Is the remedy disproportionate to the SLC and its adverse effects?

- 9.367 We have considered whether the divestiture remedy is disproportionate to the SLC and its adverse effects we have found.
- 9.368 We first consider the scale of the SLC and its adverse effects. The Parties are the only suppliers of licensed online sports spread betting services in the UK. This reduction in competition could harm consumers. In paragraph 6.175, we concluded that the adverse effects resulting from the SLC were in terms of one or more of worse range, user experience and prices than would otherwise have been, or would be, the case absent the Merger.
- 9.369 In paragraph 2.13, we estimate the licensed online sports spread betting sector in the UK to have had a size of £[§] million in 2023 and £[§] million in 2024 (including some binary bets which were classified as spread bets in this year),¹⁰⁸⁵ or £[§] million in 2024 (excluding those binary bets).¹⁰⁸⁶ As the Merger has resulted in the Merged Entity being the only supplier of licensed online sports spread betting in the UK, these adverse effects would potentially affect all UK customers in this market.
- 9.370 The SLC we have found is not time-limited in duration and we would expect absent effective intervention, the cumulative effect of its adverse effects to be

¹⁰⁸² Spreadex, [Response to the CMA's Remittal Remedies Notice](#), 19 June 2025, paragraph 2.1.

¹⁰⁸³ Spreadex, [Response to the CMA's Remittal Remedies Notice](#), 19 June 2025, paragraph 2.1.

¹⁰⁸⁴ [CMA87](#), paragraph 3.6.

¹⁰⁸⁵ Spreadex, response dated 2 February 2024 to the CMA's request for information (RFI) dated 31 January 2024, question 5. and Spreadex, response dated 15 May 2025 to the CMA's RFI dated 13 May 2025, question 1.

¹⁰⁸⁶ Spreadex, response dated 1 August 2025 to the CMA's RFI dated 22 July 2025, page 6.

substantial, and to increase over time. We note Spreadex's submission above that implies that our provisional finding in the Remittal inquiry was that in the counterfactual the Alternative Bidders would potentially only have been able to operate Sporting Index as a competitor for two years. However, as set out at paragraphs 5.211 and 5.212 above, this is not the case. For the avoidance of doubt, we will not approve a purchaser if we were to have material concerns about their ability to operate the business or their commitment to doing so on a long term basis.

9.371 Without effective intervention, this would have the adverse effect of worsening one or more of the parameters set out in paragraph 9.368 above relative to what a more competitive market would have delivered, or may be expected to deliver, in the absence of the Merger.

9.372 In turn, in assessing whether the divestiture remedy is disproportionate to addressing the SLC and its adverse effects:

- (a) We have considered the relevant costs of the divestiture remedy. We have received no evidence that the divestiture remedy is likely to cause market distortions.
- (b) In the present case, it is not disproportionate for the divestiture remedy to go beyond divestiture of the Acquired Assets, for the reasons already given above, in particular:
 - (i) the assets acquired by Spreadex were not standalone in nature, as Spreadex already had its own capabilities;
 - (ii) Spreadex did not require the retention of all pre-Merger Sporting Index employees who were offered in the original purchase and other Sporting Index pre-Merger employees are no longer at the company or otherwise available;
 - (iii) Atlas has not been operational since the Merger and reconstituting Sporting Index's 'back-end' platform with assistance from Sporting Group or Betsson Group is not reasonably feasible and/or would be unduly onerous;
 - (iv) a standalone sports spread betting business requires the 'front-end' and 'back-end' platforms that are proposed as part of the Platform Development Element of Spreadex's Remedy Proposal, along with API Integration for spread pricing, in order to operate and compete successfully in the market; and
 - (v) the additional elements of the divestiture remedy necessary in order to attract a suitable purchaser.

9.373 While the divestiture remedy will require some monitoring following completion, the costs of monitoring will not be borne by third parties; monitoring will be limited in scope to the Business Support TSAs and customer non-solicitation clause; and will only be required for a limited time period.

- (a) As set out in paragraph 9.350 above, we found that there would be no RCBs that would be foregone as a result of the divestiture remedy. Accordingly, we therefore consider the relevant costs of this remedy to be low as it does not produce adverse effects such as costs to third parties or loss of RCBs.
- (b) Spreadex will incur costs as a result of the divestiture remedy. As set out above, Spreadex has not submitted a detailed alternative remedy proposal where lower costs would be incurred, and these costs are a result of Spreadex having chosen to complete the Merger prior to notifying the CMA. As set out in the Merger Remedies Guidance, for completed mergers, the CMA will not normally take account of costs or losses that will be incurred by the merger parties as a result of a divestiture remedy, as it is open to the merger parties to make merger proposals conditional on the approval of the relevant competition authorities.¹⁰⁸⁷ In any event, we have selected an option which, in our view, will minimise the costs, to the extent the effectiveness of the remedy would not be reduced, and where the costs in relation to the Platform Development Element will only crystallise after an SPA will have been signed. The circumstances in which the remaining costs will be incurred are not considered exceptional and in line with our Merger Remedies Guidance, and so we do not attribute material weight to these costs.

9.374 As regards Spreadex's submissions on the rationality and proportionality of imposing a divestiture remedy, our views are as follows:

- (a) As regards the submission that the Merger concerns a very small segment of the sports betting market (with a very small number of customers) which is said to have been in decline, our view is first that there is a distinct market for sports spread betting, and that market is of a material size, well above the CMA's de minimis threshold (a point that was assessed prior to reference to Phase 2). Moreover, the CMA's guidance provides that a lessening of competition in a market (or in a particular segment of a market) may be considered substantial even if that segment or market is small in total size or value.¹⁰⁸⁸ In addition, as explained in paragraph 6.115 above, while the sports spread betting market has been declining, there has not been a rapid decline, and based on the evidence provided to us we do not foresee a likely cliff-edge or precipitous decline in licensed online sports spread betting. Our view is therefore that competition in this market is not time-limited. We have

¹⁰⁸⁷ [CMA87](#), paragraph 3.9.

¹⁰⁸⁸ [MAGs](#), paragraph 2.9.

found a substantial lessening of competition in this market arising from the Merger and on that basis we are required to take steps to remedy that loss of competition.

- (b) As regards the submission that, in the counterfactual, an Alternative Bidder would potentially only have been able to operate Sporting Index as a competitor for two years, as explained in paragraph 5.211 and 5.212 above, this is not our conclusion in relation to the counterfactual.
- (c) As regards the concern about [REDACTED], we note that this is a potential risk in any divestment process or sale of a business. Even if [REDACTED] this risk could be managed by Spreadex, for example by Spreadex running an open sales process. In addition, we have added safeguards to the design of the remedy such that a purchaser cannot make unreasonable demands in the context of the Platform Development Element, and Spreadex will not be required to incur the cost of the Platform Development Element prior to terms being agreed with the purchaser (see the analysis of remedy effectiveness at paragraphs 9.59 to 9.338 above).
- (d) As regards Spreadex's submission that [REDACTED] meant that it was no longer 'reasonable' within section 41 of the Act for the CMA to require divestment, our view is as follows:
 - (i) [REDACTED] (a) Spreadex having integrated the B2C Business on completion of the Merger, including by choosing to operate Sporting Index using its own platform instead of the platform used pre-Merger, and (b) Spreadex acquiring less than that which was offered for sale in the 2023 B2C Sale Process (see paragraphs 9.74 to 9.77 above), while also completing the Merger prior to notifying the CMA. The costs associated with unwinding the original transaction could have been avoided by seeking CMA merger clearance prior to completion;
 - (ii) [REDACTED] (eg [REDACTED]); and
 - (iii) in any event, the SLC and its resulting adverse effects found are not time limited, and despite the passage of time there [REDACTED] potential [REDACTED] for the divestment package.
 - (iv) In these circumstances, we disagree with Spreadex that the proposed divestiture remedy can no longer be 'reasonable' for the purposes of section 41 of the Act.
- (e) As regards the concern about [REDACTED], our view is that this primarily relates to the effectiveness and feasibility of a divestiture remedy, and we have concluded that while there is uncertainty over whether there will be a purchaser for the divestiture remedy, this uncertainty is not sufficient to lead

us to conclude that the remedy to be imposed is not feasible or not effective (see paragraphs 9.289 to 9.293 above). To the extent that Spreadex's concern is that it would be disproportionate to require it to incur costs when it is uncertain whether [X], we note that Spreadex will not be required to incur the cost of the Platform Development Element prior to an SPA being signed.

- 9.375 In addition to the above, in the context of the proportionality assessment, we are assessing the costs of the divestiture remedy against the SLC and its adverse effects. For the reasons explained in paragraph 9.373(b) above, we do not attribute material weight to these costs in circumstances in which the SLC and its adverse effects we have found are not time limited and would potentially affect all UK customers in the licensed online sports spread betting market in the UK.
- 9.376 In view of the above, we conclude that the divestiture remedy is the least onerous effective remedy and is not disproportionate or irrational in relation to the SLC and its adverse effects that we have found.

Implementation issues

- 9.377 Having identified the divestiture remedy, we now consider how it should be implemented.
- 9.378 The CMA has the choice of implementing any final remedy decision either by accepting final undertakings if the merger parties wish to offer them, or by making a final order.¹⁰⁸⁹ Either the final undertakings or the final order must be implemented within 12 weeks of publication of our final report (or if extended once, by up to six weeks),¹⁰⁹⁰ including the period for any formal public consultation on the draft undertakings (minimum 15 days) or order (minimum 30 days) as specified in Schedule 10 of the Act.

Enforcement

- 9.379 Under the Act,¹⁰⁹¹ compliance with a final undertaking or final order may be enforced by civil proceedings brought by the CMA for an injunction or for an interdict or for any other appropriate relief or remedy. The Digital Markets, Competition and Consumers Act 2024 (**DMCCA2024**) has expanded the enforcement powers available to the CMA in relation to final undertakings and final orders.¹⁰⁹² This includes the ability to impose financial penalties in respect of a failure to comply with a remedy undertaking or order without reasonable excuse.

¹⁰⁸⁹ [Section 82](#) (final undertakings) and [section 84](#) (final order) of the Act.

¹⁰⁹⁰ [CMA87](#), paragraph 4.68. An extension may be made if the CMA considers there are 'special reasons' for doing so ([section 41A\(2\)](#) of the Act).

¹⁰⁹¹ [Section 94](#) of the Act.

¹⁰⁹² [Sections 94AA](#) and [94AB](#) of the Act introduced by [section 143](#) and [schedule 11, paragraph 11](#) of the DMCCA2024.

Decision on remedies

9.380 We have decided that a divestiture remedy (as specified in paragraphs 9.59 to 9.338 above and as summarised by reference to our conclusions below), would be an effective and proportionate remedy to address the SLC and its resulting adverse effects we have found.

Scope of the divestiture remedy

9.381 As set out in paragraph 9.103, in relation to the Acquired Assets Element, we concluded that:

- (a) The transaction should be structured as a sale of 100% of Spreadex's shares in the Sporting Index legal entity to the purchaser.
- (b) The Acquired Assets should be transferred to the purchaser in full, with no elements retained by Spreadex, except in relation to the SPIN Employees, in respect of which the purchaser may opt to transfer fewer than the four SPIN Employees.
- (c) During the Customer Non-Solicitation Period, Spreadex shall be prohibited from contacting, soliciting (whether through direct or indirect contact) and entertaining the Restricted SPIN HVCs. The Monitoring Trustee will monitor Spreadex's compliance with this obligation.
- (d) Following completion of the divestiture, within a period to be agreed with the CMA and unless strictly necessary for compliance with the law and regulations or its obligations under a divestiture remedy, Spreadex shall destroy all confidential information relating to Sporting Index.

9.382 In paragraph 9.124, we concluded that Spreadex should design the Bespoke Platform Solution to allow a third party sports fixed odds betting platform to be plugged into the Bespoke Platform Solution. If the purchaser wishes to offer sports fixed odds betting services to Sporting Index customers immediately upon completion of the divestiture, Spreadex must collaborate with the purchaser (eg by providing relevant information about the technical design) to enable the purchaser to 'plug in' its fixed odds betting platform in parallel with the Bespoke Platform Solution development process and to enable the purchaser to supply both sports spread betting and sports fixed odds betting as Sporting Index had done prior to the Merger. For the avoidance of doubt, Spreadex will not be required to undertake the technical development of the fixed odds platform or be required to divest such a platform.

9.383 In relation to the Platform Development Element:

- (a) We concluded that the development of the Bespoke Platform Solution would be an appropriate option for the inclusion of the required platform within the scope of the divestiture package, subject to the modifications we have set out in the Remittal RWP.
- (b) As set out in paragraph 9.173, in relation to Spreadex's role in developing the platforms, we concluded that:
 - (i) while Spreadex should be fully responsible for the technical development of the reconstituted platforms, Spreadex and the purchaser should collaborate in relation to the other aspects of the development process, namely: specifying the relevant outcomes (including KPIs) for the platforms; decisions about how to achieve those outcomes; testing; and handover and customer migration. Therefore, Spreadex should coordinate its platform development and divestiture processes accordingly to ensure that the purchaser can be involved at the early stages of the platform development process. For these purposes, Spreadex should form a Spreadex Development Clean Team, on terms acceptable to the purchaser – provided that Spreadex forms a Spreadex Development Clean Team on terms acceptable to the purchaser, we would have no material concerns if this arrangement [redacted];
 - (ii) the parameters and objectives of the reconstituted platforms should be as follows: (a) the base line for the specification and performance of the reconstituted platforms should be based on Sporting Index's pre-Merger platforms, and where a reliable benchmark is not available (or cannot be determined) for Sporting Index's pre-Merger platforms, Spreadex's own platforms should provide this benchmark; (b) Spreadex should not be required to develop the reconstituted platforms with functionality that is superior to Sporting Index's pre-Merger platforms, except to reflect technological updates and enhancements, which Sporting Index would reasonably have been expected to have carried out in the ordinary course of business in the context of changing market and regulatory conditions, or where they already form part of Spreadex's Remedy Proposal (eg in relation to infrastructure hosting on AWS); and (c) Spreadex should not be required to develop the reconstituted platforms with functionality that is superior to Spreadex's platforms ([redacted]), except where that functionality was already provided by Sporting Index's pre-Merger platforms. Spreadex will not be required to implement the purchaser's request if the CMA considers that the purchaser's request is unreasonable. The CMA will also consider whether it will be necessary and appropriate in the circumstances to grant Spreadex an extension to the timescales to complete the divestiture remedy, if the

CMA considers that the purchaser, having acted unreasonably, has delayed the process; and

- (iii) the CMA will reserve the right to appoint an Independent Technical Monitor at any time during the divestiture process (and this will be reflected in any final undertakings or final order), provided that: (a) the Monitoring Trustee confirms that it does not have the requisite expertise to enable the CMA to make an informed decision; and (b) the appointment of an Independent Technical Monitor would be solely for the purpose of resolving disputes of a technical nature (between Spreadex and the purchaser or the CMA), subject to the Independent Technical Monitor seeking the CMA's views and approval prior to taking any action or decision.¹⁰⁹³ The Monitoring Trustee should have the powers to act as an adjudicator to resolve any disputes arising between Spreadex and the purchaser in relation to the development and delivery of the new platforms as agreed in the SPA, subject to seeking the CMA's views and approval prior to taking any action or decision, but that the Monitoring Trustee may request the appointment of an Independent Technical Monitor to assist it in carrying out its adjudication duties.

9.384 As set out in paragraph 9.215, in relation to the proposed [REDACTED] TSA, we concluded that:

- (a) the [REDACTED] TSA [REDACTED] that matches the range of spread markets which Sporting Index offered immediately prior to the completion of the Merger;
- (b) the terms and conditions of the [REDACTED] TSA should reflect the individual needs and circumstances of the purchaser (subject to a maximum duration of two years from completion of the divestiture remedy), and there should be parity of service and quality levels between the spread pricing services provided by Spreadex to a purchaser and the services provided to its own business – this will be an area for the Monitoring Trustee and the Independent Technical Monitor to monitor post completion; and
- (c) [REDACTED].

9.385 As set out in paragraph 9.222 above, in relation to the development of the Bespoke Platform Solution and the Proposed Front-End Platform, we concluded that:

¹⁰⁹³ For the avoidance of doubt, the Independent Technical Monitor would not be engaged on an ongoing basis; rather, the engagement letter should reflect that the appointment would be for the purpose and duration of resolving disputes of a technical nature as and when required.

- (a) Spreadex and the purchaser should agree a development programme for the delivery of the reconstituted platforms, which will: (i) involve a series of milestones; (ii) contain a set of contractual commitments on each of Spreadex and the purchaser; and (iii) enable the parties to the SPA to enforce these contractual commitments with financial penalties for missing milestones and deadlines; and
- (b) the exact timescales for completing the development programme should be agreed between Spreadex and the purchaser, provided that it completes by the Initial Divestiture Period.

9.386 In relation to the transfer of knowhow to the purchaser, in paragraph 9.235, we concluded that:

- (a) Spreadex should provide the purchaser with the technical support, documentation and any other knowhow the purchaser needs under the Technical Support TSA, on mutually acceptable terms; and
- (b) the Technical Support TSA should not exceed [X]. The final terms of the Technical Support TSA will need to be approved by the CMA.

9.387 In paragraph 9.272, in relation to the Business Support TSA Element, we concluded that:

- (a) the purchaser should be given the ability to make a request to the CMA to recruit new staff for the Sporting Index business following signing of any SPA and prior to completion, provided that this: (i) assists the purchaser in obtaining any necessary regulatory approvals; and/or (ii) is considered necessary by the purchaser to enable the divestment business to compete effectively – we would in principle have no material objections for any staff hired prior to completion to sit within the purchaser’s group rather than the Sporting Index entity, provided that [X]; and these newly-recruited staff could transfer across to the Sporting Index entity prior to completion, if this is necessary to obtain FCA approval. Spreadex should provide the necessary HR administrative support to facilitate their employment with Sporting Index;
- (b) the Business Support TSAs should be flexible and its scope and duration (subject to a maximum limit of [X] from completion of the divestiture remedy – with the exception of the [X] TSA, for which the maximum duration should be [X]) and should be tailored to the individual needs and requirements of the purchaser. The Business Support TSAs should give potential purchasers the option to request tailored training programmes to be provided by Spreadex. If these are required, Spreadex will be given an opportunity to agree the scope and terms of any tailored training programme, unless there is a need for CMA intervention;

- (c) prior to completion, while the purchaser will ultimately be responsible for obtaining the appropriate regulatory approvals, Spreadex should make every effort to cooperate with, and assist, the purchaser as may be required (and to the extent permitted by the relevant regulatory process) to enable it to obtain the appropriate regulatory approvals in a timely manner; and
- (d) the final terms and conditions of any TSA under the Business Support TSAs will be subject to CMA approval.

Identification and availability of a suitable purchaser

9.388 In relation to purchaser risk, in paragraphs 9.292 and 9.293, we concluded that:

- (a) the CMA will assess the suitability of potential purchasers against the CMA Purchaser Suitability Criteria as set out in paragraph 9.275 above; and
- (b) while we have at this stage, identified [X], there remains uncertainty in relation to whether [X] will ultimately conclude a transaction under a divestiture remedy, or whether other potential purchasers will emerge. However, in line with the Merger Remedies Guidance, in our view, these factors are not in themselves sufficient to lead us to conclude that a divestiture remedy is not feasible, given, for example, the flexibility in the disposal price.

Ensuring an effective divestiture process

9.389 To ensure an effective divestiture process, we concluded the following:

- (a) In relation to Spreadex's asset maintenance and hold-separate obligations (see paragraph 9.307):
 - (i) At this stage, we have not identified the need for any additional asset maintenance obligations on Spreadex to maintain the Acquired Assets, and therefore, any final undertakings or final order should continue with the current asset maintenance obligations set out in the Initial Order, including the continued involvement of the Monitoring Trustee to monitor Spreadex's compliance with any final undertakings or final order.
 - (ii) However, to the extent that the CMA considers that there has been an increase in the risk of asset deterioration, the CMA will reserve the right to enhance Spreadex's asset maintenance obligations, eg through the possible appointment of a hold-separate manager
- (b) In relation to the timescales to complete a divestiture (see paragraph 9.326):

- (i) the Initial Divestiture Period should be [X] – the CMA will consider a request for an extension if necessary to achieve an effective disposal, eg to accommodate the FCA regulatory process. The CMA will also take into account when deciding whether to grant an extension to the Initial Divestiture Period, whether the extension is required due to factors outside of Spreadex’s control (eg see paragraph 9.171(e));
 - (ii) within one week of the final undertakings or final order, Spreadex will be required to submit a timetable for the CMA’s approval setting out how it intends to fulfil its remedy obligations within the Initial Divestiture Period; and
 - (iii) the Monitoring Trustee and, if appointed, the Independent Technical Monitor shall monitor Spreadex’s progress against the approved timetable.
- (c) In relation to the potential appointment of a Divestiture Trustee (see paragraph 9.315):
 - (i) we do not propose to appoint a Divestiture Trustee at the outset of the divestiture process, however, we will reserve the right to appoint a Divestiture Trustee; and
 - (ii) if a Divestiture Trustee is appointed, the Divestiture Trustee will be required to complete the divestiture remedy at no minimum price and within the Trustee Divestiture Period.
- (d) Following completion of any divestiture remedy, we concluded that (see paragraph 9.336):
 - (i) the Monitoring Trustee shall continue to be engaged to monitor Spreadex’s compliance with its post-completion obligations under the Business Support TSAs; and customer non-solicitation obligations;
 - (ii) within a period to be agreed with the CMA, Spreadex will be required to destroy all confidential information relating to the Acquired Assets and the reconstituted platforms (except confidential information which Spreadex is required under law or regulation to retain, or which is required for Spreadex to comply with its obligations under the divestiture remedy, eg in relation to the provision of any services under the Business Support TSAs); and
- (e) Spreadex would be prohibited from subsequently acquiring the assets or shares of Sporting Index or acquiring any material influence over them for 10 years from completion of the divestiture remedy.

