

SUMMARY

OVERVIEW OF THE CMA'S DECISION

1. The Competition and Markets Authority (**CMA**) has found that the acquisition by Constellation Developments Limited (**Constellation**) of ABVR Holdings Limited (**Aston Barclay**), gives rise to a realistic prospect of a substantial lessening of competition (**SLC**) in relation to business-to-business (**B2B**) used vehicle auction services in Great Britain (**GB**) as a result of horizontal unilateral effects.
2. On 13 April 2025, Constellation acquired Aston Barclay. The CMA refers to this acquisition as the **Merger**. Constellation and Aston Barclay are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.
3. As the CMA has found that the Merger gives rise to a realistic prospect of an SLC, the Parties have until 6 October 2025 to offer undertakings in lieu of a reference (**UILs**) to the CMA that will remedy the competition concerns identified. If no such undertaking is offered, then the CMA will refer the Merger pursuant to sections 22(1) and 34ZA(2) of the Enterprise Act 2002 (the **Act**).

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

4. Constellation is part of a group of companies active in the used vehicle remarketing and retail sector in the UK and Europe. Constellation controls British Car Auctions Limited (**BCA**), a B2B used vehicle auction business. It also controls We Buy Any Car Limited (trading as **webuyanycar**), a car buying business.
5. Aston Barclay is also active in the supply of B2B used vehicle auction services in the UK. It also operates a car buying business, The Car Buying Group (**TCBG**).
6. The CMA focused its investigation on the supply of B2B used vehicle auction services, given TCGB's small presence in the supply of car buying services.

Why did the CMA review this merger?

7. The CMA's primary duty is to seek to promote competition for the benefit of consumers. It has a duty to investigate mergers that could raise competition concerns in the UK, provided it has jurisdiction to do so. The CMA has concluded that it has jurisdiction to review this Merger because a relevant merger situation has

been created. The Parties overlap in the supply of B2B used vehicle auction services in GB and have a combined share of supply greater than 25%. Each Party's UK turnover also exceeds £10 million. The CMA therefore considers that the share of supply test in section 23 of the Act is met.

What evidence has the CMA looked at?

8. In assessing this Merger, the CMA considered a wide range of evidence in the round.
9. The CMA received several submissions and responses to information requests from the Parties. The CMA gathered information on the Parties' customer base, service offering, revenues, sales volumes and bidding data.
10. The CMA also examined the Parties' internal documents, which showed how they view and monitor their rivals in the ordinary course of business. Internal documents were also relevant in understanding Aston Barclay's plans absent the Merger.
11. The CMA spoke to, and gathered evidence from, the Parties' customers and competitors to understand the competitive landscape and to get their views on the impact of the Merger.

What did the evidence tell the CMA...

...about what would have happened had the Merger not taken place?

12. In order to determine the impact that the Merger could have on competition, the CMA has considered what would have happened had the Merger not taken place. This is known as the counterfactual.
13. In phase 1, where there are multiple potential counterfactual scenarios where each of those scenarios is a realistic prospect, the CMA will choose the one where the merger firms exert the strongest competitive constraint on each other, and where third parties exert the weakest competitive constraints on the merger firms.
14. Evidence from Aston Barclay and Aston Barclay's majority shareholder, Rutland Registrations Limited (**Rutland**), showed that Rutland was looking to dispose of its interest in Aston Barclay. The evidence showed that various options were explored ahead of the Merger, including sale of the whole of the Aston Barclay business to a single purchaser and sale of parts of the business (such as leases for auction sites) to multiple purchasers.
15. The available evidence suggests that other than Constellation there was no purchaser that was interested in buying the whole of the Aston Barclay business.

16. However, the CMA received evidence indicating that alternative purchasers were interested in acquiring a combination of some or all of Aston Barclay's assets used to supply B2B used vehicle auction services, such as the leases for auction sites.
17. Two alternative purchasers that expressed interest are active in the supply of B2B used vehicle auction services but are significantly smaller than either Party. They indicated that the addition of Aston Barclay assets to their existing assets would have facilitated an expansion of their operations and enabled them to serve a similar range of customers as Aston Barclay served pre-Merger.
18. Based on the evidence received, the CMA therefore considers that there is a realistic prospect that absent the Merger a combination of some or all of Aston Barclay's auction assets would have been acquired by a less anti-competitive purchaser or purchasers.
19. The CMA has therefore assessed the effects of the Merger against a counterfactual in which:
 - (a) at least one existing smaller supplier of B2B used vehicle auction services in GB acquires some of Aston Barclay's assets enabling it to expand its operations and thereby supply a similar range of customers as supplied by Aston Barclay pre-Merger; and
 - (b) BCA's market position is comparable to its pre-Merger position.
20. For the purposes of its competitive assessment, the CMA considers that this counterfactual would lead to conditions of competition similar to pre-Merger conditions (if not more competitive).

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

21. The CMA assessed whether the Merger would lead to an SLC in relation to the supply of B2B used vehicle auction services in GB.
22. B2B used vehicle auction services involve taking possession of used vehicles from customers seeking to sell them (**Vendors**) and selling them to customers seeking to buy vehicles (**Buyers**), ie acting as an intermediary through which used vehicles are bought and sold. B2B used vehicle auction service providers compete to supply both Vendors and Buyers, with their attractiveness to each customer group impacted by the volume of customers on the other side of the platform. As a result, the scale (in terms of volumes sold and bought) of B2B used vehicle auction service providers affects their competitive strength. Some larger customers active nationally also require suppliers with a national footprint that are able to process large volumes of vehicles.

23. The CMA found that BCA is the largest player by a significant margin for both Vendor and Buyer customers in GB. The Merger would combine the clear market leader with the third largest player on both the Vendor and Buyer side of the market in an already concentrated market.
24. The CMA found that the Parties are close competitors in the supply of B2B used vehicle auction services and that Aston Barclay is an important competitive constraint on BCA.
25. In particular, Aston Barclay (alongside Manheim) was one of two suppliers that customers and competitors frequently identified as strong alternatives to BCA. Internal documents also show that the Parties benchmark each other. The CMA also collected tender data from the Parties and third parties, which show that the Parties have competed for the same opportunities and won business from each other.
26. In relation to alternative constraints, the CMA found that a limited number of suppliers would exert a material competitive constraint on the Merged Entity. The evidence considered by the CMA consistently indicates that the Merged Entity would face a strong competitive constraint from Manheim. Smaller suppliers such as Wilsons, City Auction Group and G3 would only exert a limited competitive constraint on the Merged Entity because their smaller scale makes them less able to compete across the Parties' full range of customers. The tail of smaller suppliers would exert a very limited constraint and would not be able to compete with the Merged Entity on volume and buyer base or geographic coverage, particularly for larger customers.
27. The CMA found that out of market constraints such as consumer to business platforms, B2B online platforms that do not take possession of vehicles, proprietary platforms and salvage auctions would not exert a material constraint on the Merged Entity. Their different operating models and vehicle mix means that these platforms are not a credible alternative for the Parties' customers. While some customers may use some of these channels for a proportion of their volumes, they cannot transact the same volumes and/or types of vehicles or utilise the same ancillary services (such as logistics) from these platforms.
28. As explained as above, the CMA considers that in the counterfactual at least one existing smaller supplier would have acquired some of Aston Barclay's assets, which would have enabled it to supply a similar range of customers as supplied by Aston Barclay pre-Merger.
29. The CMA therefore considers that in the counterfactual, this alternative purchaser would have competed closely with BCA (as Aston Barclay did pre-Merger). The CMA does not consider that Manheim and the other limited constraints referred to above are sufficient to constrain the Merged Entity.

...about any entry or expansion?

30. The CMA does not consider that entry or expansion would be sufficiently timely or likely to prevent a realistic prospect of an SLC as a result of the Merger because any entry or expansion would require significant investment and time before a supplier could gain sufficient volume and customer base to compete against the Merged Entity.

What happens next?

31. As a result of these concerns, the CMA believes the merger gives rise to a realistic prospect of an SLC in relation to the supply of B2B used vehicle auction services in GB.
32. Constellation has until 6 October 2025 to offer undertakings which might be accepted by the CMA to address the SLC. The CMA will decide by 13 October 2025 whether there are reasonable grounds for believing that any undertakings that Constellation may offer might be accepted by the CMA. If no such undertakings are offered, or the CMA decides that any undertakings offered are insufficient to remedy its concerns to the phase 1 standard, then the CMA will refer the Merger for an in-depth phase 2 investigation pursuant to section 22(1) and 34ZA(2) of the Act.