Anticipated Acquisition by Macquarie Asset Management of Energy Assets Group

Decision that undertakings might be accepted

ME/7141/26

The Competition and Markets Authority's decision under section 73A(2) of the Enterprise Act 2002 that undertakings might be accepted, given on 9 October 2026. Full text of the decision published on 27 October 2026.

Please note that [✂] indicates figures or text which have been deleted or replaced in ranges at the request of the parties for reasons of commercial confidentiality.

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1. INTRODUCTION

1. Macquarie Asset Management (**MAM**) has agreed to acquire Energy Asset Group (**EAG**) (the **Merger**). MAM and EAG are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

2. On 25 September 2026, the Competition and Markets Authority (**CMA**) decided under section 33(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger consists of arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).[1]

3. On the date of the SLC Decision, the CMA gave notice pursuant to section 34ZA(1)(b) of the Act to the Parties of the SLC Decision. However, the CMA did not refer the Merger for a phase 2 investigation pursuant to section 33(3)(b) on the date of the SLC Decision in order to allow the Parties the opportunity to offer undertakings to the CMA in lieu of such reference for the purposes of section 73(2) of the Act.

4. Pursuant to section 73A(1) of the Act, if a party wishes to offer undertakings for the purposes of section 73(2) of the Act, it must do so within the five working day period specified in section 73A(1)(a) of the Act. Accordingly, on 2 October 2026, the Parties offered undertakings to the CMA for the purposes of section 73(2) of the Act.

5. The CMA now gives notice, pursuant to section 73A(2)(b) of the Act, to the Parties that it considers that there are reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it is considering the Parties' offer.

2. THE UNDERTAKINGS OFFERED

6. Under section 73 of the Act, the CMA may, instead of making a reference, and for the purpose of remedying, mitigating or preventing the SLC concerned or any adverse effect which has or may have resulted from it or may be expected to result from it, accept from such of the merger parties concerned as it considers appropriate undertakings to take such action as it considers appropriate.

7. The SLC Decision found that the Merger gives rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of non-domestic, non-smart gas metering services in Great Britain. To address this SLC, the Parties

[1] See Macquarie Asset Management / Energy Assets Group merger inquiry - GOV.UK.

have offered to give the following undertakings in lieu of a reference (the **Proposed Undertakings**):

(a) To divest EAG's entire non-smart, non-domestic gas metering business, including meter asset provider (MAP), meter asset maintenance (GMAM) and meter data collection or aggregation (DC) functions (the **Divestment Business**) as a single package to a suitable purchaser[2] (the **Upfront Buyer**) approved by the CMA before the CMA finally accepts the Proposed Undertakings (**Upfront Buyer Condition**).

(b) To transfer all relevant meter assets, supplier contracts, customer contracts and employee contracts to the Divestment Business.

  (i) Regarding customer contracts for non-domestic gas metering services that cover both smart and non-smart metering services, the entirety of such contracts would be transferred to the Divestment Business.[3]

  (ii) Regarding customer contracts for non-domestic gas metering services that cover both gas and electricity, the Parties would negotiate with customers to split any combined gas and electricity metering contracts in good faith (ie so that the Divestment Business obtains the portion of the contract that relates to gas metering services and EAG retains the portion of the contract that relates to electricity metering services). To the extent customers refuse to transfer contracts, [✂].[4]

  (iii) Regarding supplier contracts, the Parties would transfer all upstream and downstream supplier contracts which are relevant to the Divestment Business.[5]

  (iv) Regarding employee contracts, c. [✂] gas metering FTEs have been earmarked for transfer to the Divestment Business in the following functions: account management, business development and customer service, planning, data servicing and back office, procurement, logistics and supply chain, EA connections (from EAG's siteworks business), and gas operations. At the option of the purchaser, the Divestment Business would also include c. [✂] employees to provide central or back-office support functions.[6]

[2] [✂] meters currently held by EAG's networks division would be excluded from the Divestment Business.
[3] Parties' updated Remedies Form dated 8 October 2026 (**Remedies Form**), paragraphs 8(c) and 45. Customer contracts for the supply of smart metering services only would not be transferred to the Divestment Business.
[4] Remedies Form, paragraph 52.
[5] Remedies Form, paragraphs 53–55.
[6] Remedies Form, paragraphs 26 and 27.

(c) To offer a transitional services agreement to facilitate the smooth separation of the business and to ensure the Divestment Business can run independently.[7]

(d) To offer a license for use of the data platform to the Divestment Business in order to serve any meter data needs of the in-scope customers and, as necessary, new customers.[8]

(e) To offer a sublease of premises in the EAG offices from which EAG currently operates its gas metering business (ie EAG's [✂] and [✂] offices).[9]

(f) To offer to transfer ownership or hire purchase contracts for the vehicles (eg vans) that EAG currently uses to deliver gas metering services (subject to finance company consent to transfer).[10]

(g) To appoint a monitoring trustee to oversee the carve-out process and sale of the Divestment Business.[11]

3. THE CMA'S PROVISIONAL VIEWS

8. The CMA considers that undertakings in lieu of a reference are appropriate when they are clear-cut and capable of ready implementation. The CMA's starting point when assessing undertakings is to seek an outcome that restores competition to the level that would have prevailed absent the merger.[12] When considering whether to accept undertakings in lieu of a reference, the CMA has an obligation under the Act to have regard to the need to achieve as comprehensive a solution as is reasonable and practicable to remedy the SLC and any resulting adverse effects.[13]

9. The CMA believes that the Proposed Undertakings, or a modified version of them, might be acceptable as a suitable remedy to the SLC identified by the CMA, given that they would remove the entire overlap between the Parties in the supply of non-domestic, non-smart gas metering services in Great Britain. As such, the Proposed Undertakings may result in the replacement of the competitive constraint provided by EAG that would otherwise be lost following the Merger.

10. While remedies which comprise something less than the divestiture of an existing 'standalone' business can address the SLC at source and generally have a long-term effect, they will also be more complex and present additional risks that the

[7] Remedies Form, paragraph 60.
[8] Remedies Form, paragraphs 32–34.
[9] Remedies Form, paragraph 35.
[10] Remedies Form, paragraph 36.
[11] Remedies Form, paragraph 77.
[12] Merger remedies (CMA87), December 2025, Chapter 4 (in particular paragraphs 4.3, 4.4 and 4.7).
[13] CMA87, paragraph 3.4 and section 73(3) of the Act.

CMA will need to consider.[14] In particular, carve-out remedies typically present greater composition risks than divestments of standalone businesses or business units.[15] Where the CMA is considering a carve-out remedy, it will seek to ensure that the carve-out package includes all assets, functions and capabilities necessary for the purchaser to operate it successfully and compete effectively.[16]

11. The CMA currently believes that the Proposed Undertakings are capable of amounting to a sufficiently clear-cut and effective resolution of the CMA's competition concerns. The CMA also believes at this stage that the Proposed Undertakings may be capable of ready implementation.

12. While the non-domestic, non-smart gas metering business of EAG is not run as an independent division within EAG and needs to be carved out from the wider EAG business, the information currently available to the CMA indicates that the separation of the assets which would constitute the Divestment Business from the wider EAG business, will not give rise to material implementation risks.

13. Subject to further testing during the consultation period,[17] the CMA understands that the key assets and resources which are required to supply metering services comprise of customer and supplier contracts, employees (particularly account managers, sales and customer service, gas technicians, planning, logistics and data services), and data platforms. As to the functional and operational separation of the Divestment Business from the wider EAG business and potential composition and specification risks:

    (a) The Parties submitted that the gas and electricity metering businesses are generally separate in terms of their assets and contractual relationships.[18]

    (b) The Parties submitted that generally EAG's gas metering customer contracts are self-standing, gas-only agreements, with only [✂] contracts covering electricity and gas.[19] To the extent that contracts need to be split between the Merged Entity and the Divestment Business, the Parties will negotiate with customers in good faith. Should customers not consent to having their contract split, the Parties propose to mitigate this composition risk by offering a fall-back option [✂].[20]

[14] CMA87, paragraph 6.21.
[15] CMA87, paragraph 6.23.
[16] CMA87, paragraph 6.22.
[17] The CMA intends to robustly test this understanding in the proposed consultation.
[18] Parties' supplementary submission dated 6 October 2026, paragraph 4. The Parties have [✂] which covers metering services relating to both non-smart gas and electricity.
[19] Remedies Form, paragraph 23.
[20] Remedies Form, paragraph 52.

(c) In relation to supplier contracts, the Parties submitted that the [✂] contracts covering supply of key gas assets are gas specific.[21]

(d) In relation to employees, the Parties submitted that the Divestment Business will include all employees currently working solely in gas metering, as well as a number of employees working across gas and electricity in services like procurement, logistics, etc. who would transfer with the Divestment Business in a number commensurate with the gas business' demand. The transfer of these employees seeks to establish a fully independent gas metering business.[22]

(e) As explained in paragraph 7(d) above, the Parties intend to offer the purchaser a licence to use EAG's data platform and associated services in order to serve any meter data needs of the in-scope customers and new customers of the Divestment Business. The purchaser would also have access to platform improvements, and to potentially build its own functionality that could interoperate with the data platform and other tools. Should a purchaser not have an online data platform of its own to which it can migrate Divestment Business customers, the Parties will ensure that the purchaser receives as comprehensive a licence as is necessary to enable the Divestment Business to serve existing and new customers.[23] The CMA will test the scope of license and associated services required to ensure the viability of the Divestment Business in the hands of a suitable purchaser.

14. More generally, in order to address composition risk, the Parties have offered a fall-back option whereby they undertake to make available any assets and capabilities as may be required by a suitable purchaser to viably compete in gas metering.[24]

15. While the precise composition of the Divestment Business is, to some extent, dependent on the identity of the suitable purchaser, the CMA typically seeks to minimise the discretion for negotiations between the Merged Entity and the potential purchaser over the scope of the Divestment Business.[25] On the basis of the Parties' submissions, the CMA considers that the assets, platforms, staff and contracts listed in paragraph 7 should comprise the minimum package that would be needed to ensure that the Divestment Business is capable of competing as a viable and active business in competition with the Merged Entity and other competitors.

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[21] Remedies Form, paragraph 55.
[22] Remedies Form, paragraph 28.
[23] Remedies Form, paragraph 34.
[24] Remedies Form, paragraph 16.
[25] CMA87, paragraph 6.23(b).

16. Risks arising from complex structural remedies (in particular composition and purchaser risk) may be mitigated by a number of measures, including: (i) the offer of an upfront buyer, and (ii) the appointment of a monitoring trustee.[26]

17. As mentioned above, the Parties undertake to obtain a suitable purchaser as an Upfront Buyer prior to the CMA accepting the Proposed Undertakings. The Upfront Buyer Condition means that the CMA will only accept the Proposed Undertakings after the Parties have entered into agreements with a proposed purchaser for the Divestment Business that the CMA considers to be suitable. It also means that, before a final acceptance of the Proposed Undertakings, the CMA will consult publicly and robustly test third-party views on both: (i) the suitability of the proposed purchaser of the Divestment Business, and (ii) other aspects of the Proposed Undertakings, particularly the minimum scope of the divestiture package as set out in this decision.

18. While the Parties have not yet identified a purchaser for the Divestment Business, they submitted that they have received informal indications of interest from [✂] potential purchasers, [✂]. The Parties submitted that each of these potential purchasers would be capable of competing vigorously to restore competitive rivalry that the CMA has found would otherwise be lost as a result of the Merger.[27]

19. To ensure that the Divestment Business has the necessary capability to compete with the Merged Entity post-divestment, including the necessary scale and scope, the CMA considers that a potential purchaser will need to have an existing presence in gas, smart or electric metering in order to demonstrate its capability.[28] An Upfront Buyer Condition ensures that the CMA will only approve the Proposed Undertakings after the Parties have entered into agreements with a purchaser that meets these criteria, in addition to the CMA's standard purchaser suitability criteria, mitigating (to some extent) any potential composition risks.[29]

20. As mentioned at paragraph 7(g) above, the Parties undertake to appoint a monitoring trustee.

21. Monitoring trustees may be able to support the CMA in its assessment of complex remedies by providing an independent, arm's length assessment of the composition risk of a proposed remedy.[30] The Parties have offered to appoint a monitoring trustee to oversee the carve-out process and sale of the Divestment Business to an approved purchaser. The CMA considers that the monitoring trustee should be appointed as soon as possible and that the monitoring trustee

[26] CMA87, paragraphs 6.58, 6.63, 6.64, and 6.70–6.72.
[27] Remedies Form, paragraph 72.
[28] CMA87, paragraphs 6.32–6.33.
[29] CMA87, paragraphs 6.29–6.36.
[30] CMA87, paragraph 6.71.

will have an important role in ensuring the effectiveness of the carve-out of the Divestment Business, which will help to limit any unforeseen composition risks. The CMA also intends to rely on the monitoring trustee to provide views on the minimum scope of the proposed Divestment Business.[31]

22. For these reasons, the CMA currently considers that there are reasonable grounds for believing that the Proposed Undertakings, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act.

23. The CMA retains the ability to refer the Merger to a phase 2 investigation should significant delays be encountered during the carve-out process and the divestiture process.

24. The CMA's decision on whether ultimately to accept the Proposed Undertakings or refer the Merger for a phase 2 investigation will be informed by, among other things, third-party views on whether the Proposed Undertakings are suitable to address the competition concerns identified by the CMA. In particular, before ultimately accepting the Proposed Undertakings, the CMA must be confident that the nominated buyer is effective and credible such that the competitive constraint provided by EAG absent the Merger is replaced to a sufficient extent.

25. Section 94 of the Act places a duty on any person to whom the Final Undertakings accepted by the CMA relate to comply with them. Any person who suffers loss or damage due to a breach of this duty may bring an action. Section 94 of the Act also provides that the CMA can seek to enforce the Final Undertakings accepted by the CMA by civil proceedings for an injunction or for any other appropriate relief or remedy. Under sections 94AA and 94AB of the Act, the CMA can impose financial penalties in respect of a failure to comply with the Final Undertakings accepted by the CMA without reasonable excuse as set out in Annex 1 and the *Administrative penalties: Statement of Policy on the CMA's approach (CMA4)*.

4. CONSULTATION PROCESS

26. Full details of the undertakings offered will be published in due course when the CMA consults on the undertakings offered as required by Schedule 10 of the Act.

[31] CMA87, paragraph 6.72.

DECISION

27. The CMA therefore considers that there are reasonable grounds for believing that the Proposed Undertakings offered by the Parties, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act. The CMA now has until 7 December 2026 pursuant to section 73A(3) of the Act to decide whether to accept the undertakings, with the possibility to extend this timeframe pursuant to section 73A(4) of the Act to 5 February 2027 if it considers that there are special reasons for doing so. If no undertakings are accepted, the CMA will refer the Merger for a phase 2 investigation pursuant to sections 33(1) and 34ZA(2) of the Act.

Sorcha O'Carroll
Senior Director, Mergers
Competition and Markets Authority
9 October 2026

ANNEX 1

ENFORCEMENT OF UNDERTAKINGS GIVEN UNDER SECTION 73 – IMPOSITION OF CIVIL PENALTIES

Imposition of civil penalties

1. Under section 94AA(1), the CMA may impose a penalty on a person—

   (a) from whom the CMA has accepted an enforcement undertaking, or

   (b) to whom an enforcement order is addressed,

   where the CMA considers that the person has, without reasonable excuse, failed to comply with the undertaking or order.

2. In deciding whether and, if so, how to proceed under section 94AA(1) the CMA must have regard to the statement of policy which was most recently published under section 94B at the time of the failure to comply.

Amount of penalty

3. A penalty under section 94AA(1) is to be such amount as the CMA considers appropriate.

4. The amount must be—

   (a) a fixed amount,

   (b) an amount calculated by reference to a daily rate, or

   (c) a combination of a fixed amount and an amount calculated by reference to a daily rate.

5. A penalty imposed under section 94AA(1) on a person who does not own or control an enterprise must not—

   (a) in the case of a fixed amount, exceed £30,000;

   (b) in the case of an amount calculated by reference to a daily rate, exceed £15,000 per day;

   (c) in the case of a fixed amount and an amount calculated by reference to a daily rate, exceed such fixed amount and such amount per day.

6. A penalty imposed under section 94AA(1) on any other person must not—

(a) in the case of a fixed amount, exceed 5% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom it is imposed;

(b) in the case of an amount calculated by reference to a daily rate, for each day exceed 5% of the total value of the daily turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom it is imposed;

(c) in the case of a fixed amount and an amount calculated by reference to a daily rate, exceed such fixed amount and such amount per day.

7. In imposing a penalty by reference to a daily rate—

(a) no account is to be taken of any days before the service on the person concerned of the provisional penalty notice under section 112(A1), and

(b) unless the CMA determines an earlier date (whether before or after the penalty is imposed), the amount payable ceases to accumulate at the beginning of the day on which the person complies with the enforcement undertaking or enforcement order.