

International Comparative Legal Guides

# Merger Control 2026

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Contributing Editors:

**Nigel Parr & Steven Vaz**

Ashurst LLP



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## Expert Analysis Chapters

- 1** Merger Control at a Crossroads: The Re-Emergence of Industrial Policy as a Key Element in Decision-Making?  
Nigel Parr, Emile Abdul-Wahab & Maria Eugenia Finocchio, Ashurst LLP
- 16** The Quiet Revolution in the CMA's Assessment of Local Mergers – Yet More Substantial Local Complexity  
Alessandro Faraguna, Ben Forbes, Mat Hughes & Caitlin Wilkinson, AlixPartners
- 27** Merger Control in the Tech Sector  
Davina Garrod & Savas Manoussakis, Akin

## Q&A Chapters

- 34** Albania  
Srđana Petronijević, Danijel Stevanović, Filip Zafirovski & Zoran Kobal, Schoenherr
- 44** Austria  
Dr. Valerie Mayer, Herbst Kinsky Rechtsanwälte GmbH
- 54** Bosnia & Herzegovina  
Srđana Petronijević, Danijel Stevanović & Nina Rašljanin, Schoenherr
- 64** Canada  
Michael Osborne, Cozen O'Connor LLP
- 74** Chile  
Claudio Lizana, Daniela León & Tomás Appelgren, Estudio Lizana
- 84** China  
Ding Liang, Xiao Li & Qi Xueyang, DeHeng Law Offices
- 99** European Union  
Ken Daly & Iva Todorova, Sidley Austin LLP
- 113** Finland  
Anna Roubier, Johanna Kauppinen & Milja Vuopio, HPP Attorneys Ltd.
- 123** Germany  
Dr. Tatjana Mühlbach & Dr. Andreas Boos, BUNTSHECK Rechtsanwälts-gesellschaft mbH
- 135** Greece  
Efthymios Bourtzalas, MSB Associates
- 145** Italy  
Enzo Marasà, Irene Picciano & Daniel Joseph Giuliano, Portolano Cavallo
- 156** Japan  
Ryohei Tanaka, Tsuyoshi Isshiki, Nobuaki Ito & Haruki Koyama, Nagashima Ohno & Tsunematsu
- 166** Korea  
John H. Choi & Sangdon Lee, Shin & Kim LLC
- 175** Kosovo  
Filip Zafirovski, Schoenherr
- 184** Malaysia  
Yuki Hashimoto, Farhatun Najad Zulkipli & Sharil Ramli, One Asia Lawyers
- 194** Mexico  
Gustavo Alcocer & Luis Astorga, OLIVARES
- 202** Montenegro  
Srđana Petronijević, Danijel Stevanović, Zoran Šoljaga & Nina Rašljanin, Moravčević, Vojnović i Partneri AOD Beograd in cooperation with Schoenherr
- 211** North Macedonia  
Srđana Petronijević, Danijel Stevanović, Filip Zafirovski & Zoran Kobal, Schoenherr
- 221** Portugal  
Pedro de Gouveia e Melo & Dzhamil Oda, Morais Leitão, Galvão Teles, Soares da Silva & Associados
- 235** Romania  
Adrian Șter & Raluca Maxim, 360Competition
- 245** Serbia  
Srđana Petronijević, Danijel Stevanović, Nina Rašljanin & Zoran Kobal, Moravčević, Vojnović i Partneri AOD Beograd in cooperation with Schoenherr
- 255** Singapore  
Lim Chong Kin & Dr. Corinne Chew, Drew & Napier LLC
- 269** Slovenia  
Matevž Klobučar & Tomaž Petrovič, PFP Law
- 277** Sweden  
Philip Thorell, Snellman Advokatbyrå AB

## Q&A Chapters Continued

- |            |   |            |   |
|------------|---|------------|---|
| <b>285</b> | <b>Switzerland</b><br>David Mamane & Amalie Wijesundera,<br>Schellenberg Wittmer Ltd.       | <b>320</b> | <b>United Kingdom</b><br>Nigel Parr, Duncan Liddell, Steven Vaz & Fiona Garside,<br>Ashurst LLP |
| <b>295</b> | <b>Taiwan</b><br>Stephen Wu, Yvonne Y. Hsieh & Wei-Han Wu,<br>Lee and Li, Attorneys-at-Law  | <b>343</b> | <b>USA</b><br>Laura Collins & Miriam Silvestri, Sidley Austin LLP                               |
| <b>304</b> | <b>Türkiye</b><br>Dr. Gönenç Gürkaynak & Öznur İnanılır,<br>ELIG Gürkaynak Attorneys-at-Law | <b>354</b> | <b>Vietnam</b><br>Dr. Nguyen Anh Tuan, Tran Hai Thinh & Tran Hoang My,<br>LNT & Partners        |



# The Quiet Revolution in the CMA's Assessment of Local Mergers – Yet More Substantial Local Complexity

AlixPartners



Alessandro Faraguna



Ben Forbes



Mat Hughes



Caitlin Wilkinson

## 1 Introduction

Local mergers are a material focus of the UK Competition and Markets Authority (“CMA”), with 43% of the CMA’s Phase 1 cases where it finds a substantial lessening of competition (“SLC”) over the last five years to 31 March 2025 relating to mergers affecting local markets. Local mergers are inherently complex in multiple respects, and the CMA’s practice as to how it assessed these issues has evolved materially over time. This evolution has been “quiet” in that it can mainly be observed by reviewing the CMA’s decisions.

First, retailers/wholesalers/service providers may be materially differentiated, in terms of both their service offering and based on their geographical location. This differentiation raises obvious questions as to the competitors included in, or excluded from, the relevant market, and the weight given to individual rivals included, which will require the CMA to make industry-specific assessments. The CMA will ultimately make some choices as to the product/service and geographic frame of reference. However, the extent of competition from alternatives outside the CMA’s chosen frame of reference may vary widely across markets from both a geographic and product perspective, particularly given the CMA’s decision to downplay the importance of market definition in its March 2021 updated Merger Assessment Guidelines (the “Revised Guidelines”).<sup>1</sup> Local idiosyncratic factors – for example, due to the quality of roads and public transport, differences in consumers’ willingness to travel in rural *versus* urban areas, and differences in population locations/densities – may also mean that rules of thumb to identify close competitors may not apply well in all local areas.

Second, the CMA’s framework to assess local concentration and competitive effects may vary widely across industries. For example, the CMA has considered a diverse range of metrics, including, *inter alia*, a fascia count (i.e. counting the number of independent competitors), market shares/share of shops/capacity (such shares may be distance weighted or not), and pricing pressure indices (such as the Gross Upward Pricing Pressure Index (“GUPPI”)) or diversion ratios. The CMA has also applied different thresholds for assessing whether there is or may be a SLC based on its chosen concentration metric.

Third, firms that compete locally may also compete nationally/regionally in that some, or indeed all, of the relevant parameters of competition (i.e. price, quality, range or service (“PQRS”)) may be set across wider geographical areas. In this situation, the effects of the merger nationally/regionally may depend on matters such as national/regional market shares, the extent of the geographic overlap in the merging parties’ outlets, and whether they face competition from other local rivals across their network of outlets.

Given this technical complexity, it is not surprising that the CMA’s approach to local mergers has evolved over time, with various key points of evolution being highlighted in this chapter.

This chapter is set out as follows:

- Section 2: A review of the latest trends in merger control policy, including specifically the outcomes of UK Phase 1 merger decisions between 1 April 2010 and 31 March 2025 and the prevalence of local mergers in cases where the CMA finds a SLC at Phase 1.
- Section 3: An overview of the CMA’s approach to assessing local mergers, including how the CMA’s decisional practice has evolved.
- Section 4: An overview of the challenges associated with local analysis and our proposed solutions.
- Section 5: A summary of our conclusions.

## 2 A Review of Trends in UK Merger Control

The broader trends in UK merger control provide important context for understanding and evaluating how the CMA’s approach to local mergers has evolved.

The CMA’s Revised Guidelines were published in March 2021, and more recently (November 2024), the CMA has announced its “4Ps” – pace, predictability, proportionality and process – framework, which will be applied across its work, including mergers. This framework provides some useful parameters with which to evaluate the CMA’s approach to merger control, including, in particular, its changing approach to assessing mergers involving local markets.

Before discussing mergers with local markets in more detail, we provide some overall statistics on the CMA’s (and predecessor bodies’) merger control decisions since 2010.

### The evolution of the CMA’s SLC findings

This section updates the analysis in our chapter from *ICLG – Merger Control 2024*.<sup>2</sup> Specifically, we consider below:

- (i) The outcomes of the 838 Phase 1 decisions taken by the Office of Fair Trading (“OFT”) and CMA between 1 April 2010 and 31 March 2025, excluding mergers that were found not to qualify for investigation.<sup>3</sup>
- (ii) The outcomes of Phase 2 decisions over the same period.

Table 1 sets out the overall outcomes of CMA, OFT and Competition Commission decisions for the last 15 years, comparing outcomes over three equal five-year periods, up to 31 March 2025. We note that the data below ends prior to the strategic steer that the Government gave to the CMA in May

2025,<sup>4</sup> and it will be interesting to analyse these statistics in subsequent years to test the extent to which that steer may impact merger control outcomes (although other factors, such as case mix, will of course have an effect).

**Table 1: SLC findings at Phase 1 and Phase 2 from 1 April 2010 to 31 March 2025**

	1 April 2010 to 31 Mar 2015	1 April 2015 to 31 Mar 2020	1 April 2020 to 31 Mar 2025
<b>Phase 1 decisions</b>	<b>340</b>	<b>290</b>	<b>208</b>
<i>Of which</i>			
Cases considered at a Case Review Meeting (“CRM”)	37% (126/340) <sup>5</sup>	43% (125/290)	59% (123/208)
Qualifying mergers at Phase 1 with SLC	26% (88/340) <sup>6</sup>	34% (99/290)	51% (107/208)
Qualifying mergers at Phase 1 cleared subject to undertakings <i>in lieu</i> of reference (“UILs”)	6.5% (22/340)	13% (38/290)	27% (56/208)
Qualifying mergers at Phase 1 referred to Phase 2	13% (45/340) <sup>7</sup>	17% (49/290)	20% (42/208)
<b>Phase 2 decisions</b>	<b>40</b>	<b>50</b>	<b>45</b>
<i>Of which</i>			
SLC findings at Phase 2 (%)	30% (12/40)	42% (21/50)	47% (21/45)
Unconditional clearance	50% (20/40)	38% (19/50)	29% (13/45)
Abandoned before final decision	20% (8/40)	20% (10/50)	24% (11/45)

Source: AlixPartners analysis.

Some caution should be applied in interpreting trends from this table. Given that the UK does not have a mandatory filing regime, percentages/proportions could be influenced more heavily by changes in the kinds of mergers that are notified to the CMA (compared to other regimes with mandatory filing). Nevertheless, from Table 1, three points are striking. First, in the five years to March 2025 a higher proportion of qualifying mergers were considered at a CRM compared to earlier periods. A CRM is a forum for discussing those mergers that may warrant detailed investigation at Phase 2 (with the exception of fast track reference/undertakings decisions and some *de minimis* mergers that are not considered at a CRM), increasing from 37% in the first five years (ending 2014/15), to almost 60% in the last five years (ending 2024/25).

Some of this growth in the proportion of cases being reviewed at a CRM is likely to be attributable to the CMA declining to investigate mergers based on informal briefing papers, with this possibly being publicised by the CMA in its September 2017 “Guidance on the CMA’s mergers intelligence function”, which highlighted that the CMA “welcomes both short briefings from main parties about their transactions and complaints from concerned third parties”.<sup>8</sup> A post published on 11 June 2025 by Ronan Scanlan, a partner at Steptoe International, cites data provided by the CMA indicating that the CMA received 64 and 82 briefing papers in 2019/20 and 2020/21, respectively, but between 143 to 187 per annum between 2021/22 and 2024/25.<sup>9</sup> Data in the post indicates

that only between 2% and 7% of the mergers covered by these briefing papers were called in by the CMA. It seems likely that the CMA’s acceptance of briefing papers has led to a decline in the total number of mergers considered by the CMA at Phase 1 over the three five-year periods set out (as set out in Table 1).

Second, and consistent with the CRM cases, over the last five years ending 31 March 2025, a higher proportion of cases at Phase 1 have led to a SLC finding (51% of all qualifying mergers investigated at Phase 1 from 1 April 2020 to 31 March 2025, compared to 34% and 26% in the two previous five-year periods). Again, this trend may be driven by a larger number of non-problematic mergers being dealt with via briefing papers. This general trend is robust to taking account of cases that were cleared on *de minimis* grounds after an SLC finding, as the proportion of *de minimis* Phase 1 clearances was relatively constant over the whole period.<sup>10</sup> However, the proportion of *de minimis* clearances may increase going forward, as the upper limit for consideration of *de minimis* markets was increased in April 2024,<sup>11</sup> and in January 2025 new safe harbour turnover and share of supply thresholds were introduced.<sup>12</sup>

Regarding the remaining SLC cases, in the first 10 years to 31 March 2020, 15% of qualifying mergers were referred to Phase 2, and 10% were cleared subject to UILs. In the last five years to 31 March 2025, the proportion of qualifying mergers referred to Phase 2 increased to 20%, and 27% were cleared subject to UILs. There is a notable increase in the proportion of SLC mergers being cleared subject to UILs, rather than facing a costly Phase 2 investigation.

Third, at Phase 2, when abandoned mergers are included in the total number of Phase 2 cases, the proportion of mergers cleared unconditionally has fallen from 43% in the 10 years to 31 March 2020, to just 29% in the five years ending 31 March 2025. When abandoned mergers are excluded from the total number of cases, the proportion of mergers cleared unconditionally fell from 54% in the 10 years to 31 March 2020, compared to 38% in the five years ending 31 March 2025. This Phase 2 trend will not be influenced by the increased use of briefing papers prior to Phase 1, and indeed the number of Phase 2 mergers overall is more constant over the three five-year periods than the total number of Phase 1 cases.

#### The theories of harm that are the key drivers of Phase 1 SLC findings

While the Phase 1 trends above are challenging to interpret, this section considers the data on the concerns underpinning SLC decisions, which should be less affected by changes in the CMA’s use of procedural tools such as briefing papers. In particular, this section presents data on the nature of competition concerns that have driven Phase 1 SLC findings in the 255 Phase 1 mergers referred or subject to UILs, over the 15-year period to 31 March 2025 (excluding *de minimis* cases).

The CMA’s Revised Guidelines distinguish between horizontal mergers (that is mergers between competitors), which may lead to unilateral effects (i.e. where the elimination of rivalry between the merging parties creates incentives for the merged business to worsen its offering) or coordinated effects (i.e. where the merger leads to anti-competitive coordination between the merged entity and other competitors). The Revised Guidelines also distinguish non-horizontal *versus* horizontal mergers (non-horizontal mergers are either vertical mergers, which are between firms active at different stages of production – or conglomerate mergers, which are between firms supplying related products). (Mergers may fall into multiple categories.)

We split this analysis into three periods: the six years to 31 March 2016; the next four years to 31 March 2020; and the next

five years to 31 March 2025. Note this is different from Table 1 above, which considers equal five-year periods – this is for consistency with a chapter authored by Ben Forbes and Mat Hughes in *Parr, Finbow and Hughes 2016 – UK Merger Control: Law and Practice*, which considers similar statistics.

Table 2 presents the theories of harm that underpinned the SLC findings in Phase 1 cases over the period (if additional theories of harm were investigated but did not lead to a SLC, then these theories of harm are excluded). Unsurprisingly, horizontal unilateral effects represent the majority of the concerns that have driven SLC findings over the period (with only one of these involving excessive buyer power (*European Metal Recycling/Metal & Waste Recycling* (2018))).

There have now been six Phase 1 cases where the SLC finding relates to only vertical effects, including three in 2022/23 (namely, *London Stock Exchange Group PLC/Quantile Group Limited*, *UnitedHealth Group/EMIS*, and *Broadcom/VMware*).<sup>13</sup> Notably, there have been nine SLCs from vertical effects at Phase 1 in the most recent five years (compared to 13 in the preceding 10 years), suggesting a potential increase – albeit that such observations should be treated cautiously as there are few cases. In this regard, in April 2022, the CMA published an interesting report by E.CA on the CMA's decisions in relation to four vertical mergers, which reported that: “We found that the CMA treated vertical mergers (or the vertical effects of mergers with both horizontal and vertical elements) more leniently than horizontal mergers.”<sup>14</sup> The increased focus on vertical mergers and SLC findings at Phase 1 may therefore have been influenced by this conclusion.

Finally, SLCs based on coordinated effects are rare. Since the Enterprise Act came into force in June 2003, as at 31 March 2025, there are only two adverse findings based on coordinated effects at Phase 2 (*Anglo American/Lafarge* (2011)<sup>15</sup> and *Asda/Sainsbury's* (2019))<sup>16</sup> and two at Phase 1 (*Yorkshire Purchasing Organisation/Findel Education* (2020)<sup>17</sup> and *Breedon/Cemex* (2020)).<sup>18</sup>

There have been no conglomerate effects SLC findings in the period analysed.

**Table 2: Phase 1 SLC findings from 1 April 2010 to 31 March 2025: Theories of harm**

	1 Apr 2010 to 31 Mar 2016		1 April 2016 to 31 Mar 2020		1 Apr 2020 to 31 Mar 2025	
	Total Phase 1 SLC cases	%	Total Phase 1 SLC cases	%	Total Phase 1 SLC cases	%
<b>Unilateral effects</b>						
Horizontal	80	94%	63	89%	89	90%
Vertical	1	1%	1	1%	4	4%
Both	3	4%	7	10%	5	5%
<b>Coordinated effects</b>						
Both horizontal unilateral and coordinated effects	1	1%	0	0%	1	1%
<b>Total</b>	<b>85</b>	<b>100%</b>	<b>71</b>	<b>100%</b>	<b>99</b>	<b>100%</b>

Source: AlixPartners analysis. Note: This excludes Phase 1 SLC findings cleared on de minimis grounds.

Table 3 looks at those horizontal unilateral effects SLCs and breaks down whether or not those SLCs were found in local markets. Over the full 15-year period, 38% of SLCs were in cases with local markets.<sup>19</sup> Local markets make up a higher proportion (43%) of SLCs in the most recent five-year period (to 31 March 2025), with the increase driven at least in part by a series of local mergers in the veterinary sector,<sup>20</sup> which are discussed further below.

**Table 3: Horizontal unilateral effects SLCs: Local versus national markets**

	1 April 2010 to 31 Mar 2016		1 April 2016 to 31 Mar 2020		1 April 2020 to 31 Mar 2025	
	Unilateral horizontal effects SLCs	%	Unilateral horizontal effects SLCs	%	Unilateral horizontal effects SLCs	%
<b>Total</b>	84		70		95	
<i>Of which</i>						
SLC in non-local market(s)	51	61%	52	74%	52	55%
SLC in local market(s)	33	39%	18	26%	43	45%

Source: AlixPartners analysis. Note: The cases included are all those with horizontal unilateral effects SLCs – so the total includes those cases with only horizontal unilateral effects SLCs; those cases with both horizontal and vertical unilateral effects SLCs, and those with both coordinated and unilateral horizontal effects SLCs.

Finally, Table 4 looks at those horizontal unilateral effects SLCs in non-local markets (as local markets are considered further in section 3 below). It is striking that in the large majority of non-local market, horizontal unilateral effects cases (81% over the full period), non-local market shares were above 40% – only in 19% of these cases were SLCs found where market shares were below 40% (or were based on non-market share metrics, e.g. a competitor count). These mergers represented 49% of all mergers where the OFT/CMA referred the merger or accepted UILs (see Table 2 above).<sup>21</sup> For those cases in the table below where competitor counts were used as an alternative to market shares, these often involved a threshold of four to three or fewer competitors post-merger.

**Table 4: Horizontal unilateral effects SLCs in non-local markets**

	1 April 2010 to 31 Mar 2016		1 April 2016 to 31 Mar 2020		1 April 2020 – 31 Mar 2025	
	National market horizontal Unilateral effects SLC cases	%	National market horizontal Unilateral effects SLC cases	%	National market horizontal Unilateral effects SLC cases	%
High market shares (40% plus)	41	80%	39	75%	39	75%

	1 April 2010 to 31 Mar 2016		1 April 2016 to 31 Mar 2020		1 April 2020 – 31 Mar 2025	
	National market horizontal Unilateral effects SLC cases	%	National market horizontal Unilateral effects SLC cases	%	National market horizontal Unilateral effects SLC cases	%
High market shares plus loss of potential competition	3	6%	1	2%	2	4%
Competitor count used as an alternative to market shares	4	8%	11	21%	5	10%
Market shares below 40% but close competitors	0	0%	1	2%	2	4%
Market shares below 40% but loss of potential/dynamic competition	0	0%	0	0%	4	8%
Market shares below 40% but closure of an existing business not part of the merger	3	6%	0	0%	0	0%
<b>Total</b>	<b>51</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>52</b>	<b>100%</b>

Source: AlixPartners analysis.

### 3 The Evolution in the CMA's Local Area Decisional Practice

This section describes the CMA's evolving approach to assessing competition at the local level, focusing on the situation following the 2017 Commentary, the principles set out in the Revised Guidelines, and then how the CMA has been applying its guidance approach in practice.

#### The CMA's guidance and publications

##### The pre-2021 approach: A threshold-based framework

In 2017, the CMA published its Retail Mergers Commentary ("2017 Commentary"). The aim of the 2017 Commentary was to provide some commentary on some of the most frequently asked questions from retailers and advisors, including explaining the principles and evidence it has relied upon in previous cases.<sup>22</sup> However, the CMA also noted that "merger

analysis cannot be done mechanistically and the CMA will consider each merger with due regard to the particular circumstances of the case and will apply methodology flexibly".<sup>23</sup> The CMA emphasises that the 2017 Commentary is not guidance.<sup>24</sup>

The 2017 Commentary considered several aspects of the CMA's analysis in relation to local mergers:

- **Catchment areas:** A practical way to define local markets, particularly for mergers involving businesses with physical outlets like grocery stores and betting shops. This is usually done based on where the merging parties' customers are located.<sup>25</sup> Key decisions are whether to measure catchment areas based on straight-line distance, drive time, walking distance, or postcode areas, with additional decisions on whether to calculate catchment areas based on a national average *versus* area/outlet individual areas, asymmetric *versus* symmetric (i.e. some stores may have larger catchment areas than others), and rural *versus* urban. Similar considerations apply where suppliers deliver goods. Typical catchment areas focus on 80% of a site's sales or customers, but this may be adjusted where evidence suggests it is appropriate.
- **Concentration metrics:** Within each catchment area, the CMA will identify the effective competitor set, the measure(s) of concentration (such as store/fascia count, combined market share, and various concentration indices), and whether to weight the concentration measure (to better capture variation in the effectiveness of different competitors).
- **Filtering approach:** Whereby the CMA used filters "to screen out overlap areas where there are unlikely to be competition concerns", allowing the CMA to "focus on the remaining overlap areas, which are analysed in more detail".<sup>26</sup> The key decisions then related to what threshold should be applied to the relevant concentration metric, in order to ascertain whether each local market warranted more detailed, local-market specific analysis.
- **Bricks-and-mortar and online retail:** Including how the CMA has dealt with the constraint from online competition, including using surveys to test out-of-market constraints, the use of internal documents, how to interpret different prices across channels, and how to treat trends in migration *versus* diversion (to name a few points).<sup>27</sup>
- **Diversion ratios and price pressure indices:** Including how the CMA uses these tools and how it has calculated the various components (including profit margins).

##### The Revised Guidelines: Signalling the possibility of more rules-based analyses

The Revised Guidelines, published in March 2021, supersede the 2010 Merger Assessment Guidelines and serve as the formal basis for the CMA's substantive analysis. The Revised Guidelines emphasise that the CMA will ensure that its assessment reflects the reality of how firms compete in a market or markets. In particular, firms may flex their offering at the local level, which may require the CMA to focus on competition at this narrower level.<sup>28</sup> In short, the CMA emphasises that it is concerned by local anti-competitive effects. The Revised Guidelines also state that the CMA "does not apply any thresholds to market share, number of remaining competitors or on any other measure to determine whether a loss of competition is substantial".<sup>29</sup>

The Revised Guidelines note that, in mergers with local dimensions of competition, the CMA may consider a large

number of overlaps between the merging parties and employ a filtering approach, which may be based on the number of stores operated by effective competitors within a certain drive time of each of the merging parties' stores.<sup>30</sup> This then allows the CMA to eliminate areas that are less likely to raise competition concerns, and conduct a more detailed local competitive assessment in only a more manageable number of areas (i.e. those that "failed" the filter).<sup>31</sup>

However, even after the CMA has applied a filter, it notes that due to the limited time available during Phase 1, it may not be possible to do a detailed competitive assessment of a large number of local areas. It may therefore opt for assessing factors that can be systematically analysed across all local areas, applying some kind of decision rule based on those common factors. Where it is difficult to verify whether material presented by the merging parties is balanced, or presents a partial view that is favourable to the merging parties, it may be particularly likely to apply a "decision rule" approach.<sup>32</sup> This "involves developing a systematic measure or set of measures that can be used to describe the impact of the merger on competition in each area, and comparing that measure or measures to a threshold above which the CMA considers the SLC test would be met".<sup>33</sup>

Prior to the CMA publishing the Revised Guidelines, there were very few examples of cases in which decision rules were applied.<sup>34</sup> However, as set out in the next sub-section, the CMA has used decision rules more extensively since March 2021.

#### Application in practice: the "mechanistic" reality

In this section, we assess, in turn, the local merger SLC cases in recent years in more detail, discussing the CMA's recent practice in terms of its decision-making approach, the concentration metrics it has used, and the thresholds it has applied.

#### Decision rules versus filtering approaches

We analyse the 25 mergers between 1 April 2021 and 31 March 2025 (i.e. mergers assessed using the Revised Guidelines), which involved local markets. For the purposes of our analysis we have grouped the Independent Vetcare's veterinary acquisitions as one merger, and similarly have grouped Medivet Group's veterinary acquisitions as one merger (whereas these groups of mergers are presented separately in the statistics presented in section 2 above).<sup>35</sup> A summary of these 25 merger assessments, including the methodology adopted and whether the assessment resulted in a SLC, is included in Table 5 below.

**Table 5: CMA assessment of local Phase 1 mergers, 1 April 2020–31 March 2025**

Local area assessment	No SLC	SLC	Total	Proportion of all local markets cases
Decision rule <sup>1</sup>	2	13	15	60%
Two-stage filter		2	2	8%
Filter followed by a detailed local assessment	3	3	6	24%
Detailed local assessment only	1	1	2	8%
<b>Grand Total</b>	<b>6</b>	<b>19</b>	<b>25</b>	<b>100%</b>

Source: AlixPartners analysis. Notes: 1) Includes the two veterinary cases that included both a filter (for small animal services) and decision rule (for out of hours services) in the two different markets.

This analysis demonstrates the growing prevalence of decision rules as a basis for making Phase 1 decisions in cases with local markets since March 2021. In 68% of the local markets cases, a decision rule was applied (15 single-decision rule cases, plus two two-stage filter cases,<sup>36</sup> where the second-stage filter is effectively a decision rule). In only six cases (24%) did the CMA use a filter followed by a detailed local area assessment, and in only two cases (8%) did the CMA go straight to a local area assessment.<sup>37</sup>

Also of note is that the CMA has changed its approach within the same industry over time in certain cases, opting for decision rules in later years, notwithstanding that filters and detailed local assessments had previously been applied. Specifically, in relation to dentists (*Riviera Bidco/Dental Partners (2022) versus Oasis/Smiles (2014)*), retailer pharmacies (*Bestway Panacea/Lexon and Asurex (2023) versus Celesio/Sainsbury's Pharmacy (2015)*), and car parts (*LKQ/Uni-Select (2023) versus Euro Car Parts/Andrew Page (2017)*). In all three of these cases the merging parties requested fast track consideration of UILs, which may have affected the CMA's approach (albeit this is not referred to as a relevant factor in the CMA decisions).

We have investigated whether the number of local areas determines whether the CMA has chosen (at Phase 1) to adopt a decision rule as opposed to a filtering methodology and/or detailed local assessment. Of the 19 SLC cases covered in Table 5 above, the average number of local areas that give rise to a SLC when a decision rule was adopted was 16.8 (this excludes *LKQ/Uni-Select* with 317 local areas, which is an outlier that skews the results). This compares to an average of just 3.0 local areas when the CMA conducted a filtering methodology and/or detailed local assessment. However, we have also looked more closely at the distribution of decision rule cases (shown in Table 6 below).

**Table 6: SLC areas by type of Phase 1 assessment, 1 April 2020–31 March 2025**

Number of SLC areas	Decision rule <sup>1</sup>	Filter/detailed local assessment	Two-stage filter	Total
1–5	3	3	1	7
6–10	1	1	1	3
11–15	3			3
16–20	1			1
21–25	1			1
31–35	1			1
36–40	2			2
40+	1			1
<b>Total</b>	<b>13</b>	<b>4</b>	<b>2</b>	<b>19</b>

Source: AlixPartners analysis. Notes: 1) Includes the two veterinary cases that included both a filter and decision rule.

This shows that the CMA also adopts decision rules (i.e. does not apply any local area assessment) even when the number of local areas giving rise to a SLC (following the application of the decision rule) was relatively small, including three cases where the number was less than five:

- In *Barratt/Redrow (2024)*, a merger between two suppliers of new-build private residential housing, the CMA decided against a filtering exercise because a cautious filtering approach could give rise to a large

number of areas of potential concern (although how many is not stated).<sup>38</sup> The CMA applied a two-limb decision rule (40% combined share with an increment of 5% or more, or two or fewer competitors remaining post-merger), with one local area failing the first limb but not the second.<sup>39</sup> The CMA stuck with its decision rule and did not conduct a more detailed local assessment, which would have directly accounted for the number of second-hand homes in the area, the rival housebuilders present in that area, and any new entrants into that local area (instead, using the general submissions on the constraint from second-hand homes to set the decision rule threshold). It is not clear from the decision, but it is possible that given the high combined share of 50–60% and 10–20%, any out-of-market constraints would not be enough to mitigate the SLC, and so a more detailed approach was not necessary.<sup>40</sup>

- In *Riviera/Dental Partners* (2022), a merger between two providers of NHS general dental treatments, the CMA used a decision rule that it stated accounted for the features of local competition, including proximity, relative competitor strength, and (in the case of NHS treatments) capacity to compete for new customers.<sup>41</sup> The CMA applied a threshold of 30% combined share for sites for private treatments, and a 35% combined share of units of dental activity/units of orthodontic activity for NHS treatments (given there is less competition between NHS dentists – mainly on aspects of quality or opening hours).<sup>42</sup> Two NHS sites failed the CMA's decision rule, with units of dental activity shares of 37% and 39% (with 9% and 18% increments, respectively), and the CMA's decision did not contain any more detailed assessment, specific to each local area.<sup>43</sup>
- In *ForFarmers/Boparan* (2022), a merger between suppliers of meat poultry feed, the CMA used a decision rule because it stated that it was efficient and ensured all local areas of overlap were assessed systematically by reference to the same factors (which can be accounted for in the decision rule).<sup>44</sup> The CMA applied a threshold of 35% combined share of supply and a 5% increment.<sup>45</sup> The CMA weighted up the merits of a threshold of 30% and 40%. In deciding against a higher threshold of 40%, the CMA noted that both merging parties were part of a limited set of national competitors who present a stronger constraint than local-only competitors, there was limited spare capacity, and a high proportion of customers had concerns about the merger.<sup>46</sup> As regards a 30% threshold, this was rejected by the CMA as some suppliers can easily switch production between different types of feed and mills beyond the 80<sup>th</sup> percentile catchment area, imposing some constraints on the merging parties.<sup>47</sup> The decision rule identified four local areas where there was a realistic prospect of a SLC.<sup>48</sup> The merging parties argued that there were out-of-market constraints, but the CMA's view was that any constraint from mills just outside the catchment area were already reflected in the 35% concentration measure.<sup>49</sup>
- The CMA also used a decision rule (based on a 4-to-3 fascia count) in *Topps Tiles/CTD Tiles* (2025), despite only six SLC areas.<sup>50</sup>

Overall, therefore, when the CMA applies a decision rule approach (which it now does a significant majority of the time), it appears to stick to this approach – and is unwilling to subsequently consider local area-specific assessments – even when that decision rule identifies only a small number of SLC local areas. This is the case even when the combined market

share within the SLC local areas is below 40% (a threshold below which concerns are relatively infrequent in non-local markets cases).

#### Concentration metrics

The Revised Guidelines state that the CMA may consider various measures of concentration, including count of competitors, shares of supply (based on volume, value, or capacity), or the Herfindahl-Hirschman Index.<sup>51</sup> A summary of the broad concentration metrics used, by decision rule/filtering methodology, is shown in Table 7 below.

**Table 7: Phase 1 concentration metrics across local mergers, 1 April 2020–31 March 2025**

Concentration metric	Decision rule	Filtering/detailed local assessment	Two-stage filter	Total	Proportion (%)
Market share	9	6	1	16	64%
Fascia count	4			4	16%
Market share and fascia count	2	1	1	4	16%
Other <sup>1</sup>		1		1	4%
<b>Total</b>	<b>15</b>	<b>8</b>	<b>2</b>	<b>25</b>	<b>100%</b>

Source: AlixPartners analysis. Notes: 1) HSH Cold Stores/Associated Cold Stores & Transport (2023), which skipped the filtering/decision rules and went straight to a local area assessment

Market share metrics are most commonly applied, with 64% of CMA local merger cases in the last four years using solely a market share threshold, and a further four cases using both a market share threshold and a fascia count (in total 80% of cases). Only four cases (16%) used just a fascia count. No cases attached weight to the Herfindahl-Hirschman Index.

In practice, due to data limitations, the market-share measure used by the CMA often focuses on shares based on capacity, given market-level data on local sales/volumes is often unavailable. More specifically, the CMA used:

- Capacity shares in the three most recent student accommodation mergers (share of beds in corporate purpose-built student accommodation), the various vet mergers (share of full time equivalent employee vets at each site), as well as *Veolia/Suez* (share of controlled merchant capacity), *Cheetah/Fora* (share of net internal area in square feet), and *Severn Trent/Andigestion* (kilotonnes of food waste capacity per annum).
- Share of branches/sites, including in *Admiral Taverns/Hampden Pub Estate*, *Riviera Bidco/Dental Partners*, *LKQ/Uni-Select* (where the CMA adopted a share of sites and a share of fascia),<sup>52</sup> and *Bestway Panacea/Lexon* (weighted by distance).
- Volume shares in a more limited number of cases – in *Hanson/Mick George*, the CMA adopted shares based on linear distance-weighted volumes, splitting competitors into majors and independents (with a 20% down weighting on competitor volumes for self-supply);<sup>53</sup> and in *Barratt/Redrow*, the CMA used shares based on the short-term land bank holdings by volume (number of plots) of the merging parties and their rivals.<sup>54</sup>

Fascia/competitor counts have been used in convenience groceries (*Morrisons/McColl's* and *Asda/Arthur* using fascia

counts with competitor weightings between 0.5 and 1) and also in *Topps Tiles/CTD Tiles* and *Bidvest/Citron Hygiene*.

The CMA has also adopted a mixed approach where it has deemed it appropriate. In *Bellis/Asda* for road fuel, the CMA adopted both a 4-to-3 fascia count and a market share based on volume.<sup>55</sup> In *Huws Gray/Grafton*, the CMA used both a share of branches and fascia counts in its two-stage filter.<sup>56</sup> In *Wolseley/Kooltech*, the CMA adopted share of collection revenues and a fascia count of 4-to-3.<sup>57</sup>

Finally, the era of the CMA using GUPPI and other price pressure tests at Phase 1 seems long gone. There were no cases in the 25 reviewed (i.e. since 1 April 2021) where the CMA has used GUPPI or other pricing pressure tests at Phase 1. The CMA noted that GUPPI requires diversion ratios gathered through consumer surveys, “which is not typically feasible with the time constraints of a Phase 1 timetable”.<sup>58</sup> This contrasts with the 2017 Commentary that, as discussed above, referred to how the CMA had used pricing pressure tests prior to 2017.

### Concentration thresholds

In terms of the level of concentration threshold, the starting point now seems to be 30%. In *Riviera/Dental Partners*, the CMA stated that “a starting point of 30% to assess competition concerns is broadly consistent with the CMA’s recent practice. The CMA has used higher thresholds in cases where there is significant evidence or analysis was available to support such a position and/or there was evidence of material out-of-market constraints”.<sup>59</sup>

This is consistent with our review of the 20 cases where the CMA used a market share threshold. More than half (11 cases) included a market share threshold as low as 30%, a further five (25%) included a share threshold of 35%, and the remaining three cases had a threshold of 40%.<sup>60</sup> Thirteen cases also specified market share increments as part of the defined threshold, with 12 cases at 5%, and one case at 10% (*Bestway Panacea/Lexon and Asurex*), but there were variations. For example, in *Hanson/Mick George* the CMA adopted an increment threshold that reduced as the merging parties’ combined share increased.<sup>61</sup>

It is not clear exactly on what basis the CMA now considers 30% is a useful starting threshold for its filters/decision rules, compared to higher thresholds in earlier eras. This may be something about which merging parties and advisors would benefit from more clarity.

### The risks of not notifying multiple local mergers

As noted above, a significant number of the local mergers cases conducted by the CMA in the five years to 2025 are cases in the veterinary sector: 26 decisions in 2022 and 2023 were in relation to various completed mergers in the veterinary sector.

Notably, in all of these 26 cases, the CMA’s mergers intelligence unit (“MIU”) called the mergers in rather than them having been notified by the merging parties. The CMA also imposed initial enforcement orders (including a monitoring trustee in all but one of the cases) and cleared the mergers only subject to undertakings to divest local vets (with the exception of the two found not to qualify). This demonstrates the CMA’s willingness to call in mergers that have not been notified – particularly in sectors where it observes a pattern of multiple mergers and increasing concentration.

On 7 September 2023, the CMA then announced a review of the vet sector; on 12 March 2024, the CMA highlighted multiple concerns and then launched a formal market investigation on 23 May 2024.<sup>62</sup> The concerns cited by the CMA

in the launch of the initial review, and the formal market investigation, included local concentration. However, on 15 October 2025, the CMA published its provisional findings, which concluded that there was in general *not* a concentration problem at local level. The merging parties may therefore have avoided any further local divestments (beyond those that had been imposed in merger reviews called in by the CMA’s mergers team), though endured the significant cost and disruption from a market investigation process and the imposition of a variety of other remedies.

### Conclusions on the CMA’s evolving decisional practice

Clearly the CMA has moved to a position of adopting decision rules in local mergers at Phase 1, with little to no willingness to engage with a specific competitive assessment in individual local markets. As merging parties and their advisors have experienced, there is a clear shift in the CMA’s practice compared to earlier periods.

These decision rules are largely industry-specific, with different product-market characteristics driving the decision rule that is used, in line with statements in the Revised Guidelines that the CMA “may apply different analytical methodologies and approaches in different cases” and “take into account differentiated business models in formulating its decision rules”.

In terms of the components of those decision rules, fascia counts remain relevant in sectors like convenience groceries, but market share metrics, often based on capacity or site count, are the primary tool. It is important for merging parties to be aware that the market share threshold applied in local mergers decision rules is often below 40%. This is despite, in non-local markets cases, very few Phase 1 SLCs being found when market shares are below 40% (as shown in section 1). In our view, this is an area that the CMA could examine more closely and consider giving more clarity to merging parties on the reason for 30% as a starting threshold in decision rules (rather than filters).

## 4 The Challenges Faced by Firms and Their Legal Advisors in Undertaking Local Analysis and Our Proposed Solutions

Merging parties in industries where competition takes place in local markets need to conduct extensive analysis, prior to filing mergers with the CMA. In order to anticipate how the CMA might view a potential transaction, merging parties will generally calculate catchment areas, concentration metrics and apply different thresholds (and conduct sensitivities across all of these parameters). This has challenges in situations where complete location data is hard to come by, and where there are a high number of local markets or relevant sensitivities. In this section we discuss some of these challenges briefly and some solutions.

### Data availability

Independent of the approach that the CMA is likely to take, local analysis requires accurate site location data to run a competition assessment and, if possible, customer location data to estimate the size of local catchment areas. These can be challenging to obtain.

**First, store location data.** While the merging parties would generally have access to their own store locations, they may not

hold complete and reliable location data for their competitors. This is particularly true for business-to-business markets (for example, business equipment rentals) where competitors may not publish their location on their websites. Typically, this is addressed through a combination of website scrapping, third-party databases, and telephone calls (the latter as a last resort). The issue is amplified for competitor pipeline stores that have not been publicly announced. While not yet operational, these stores are still potentially relevant given the forward-looking nature of the CMA's merger assessments, particularly where the timely opening of these stores is likely (e.g. if they have any requisite planning permissions and construction has started).

**Second, customer location data** provides information on how far customers are willing to travel to reach the merging parties' stores or suppliers to deliver to customer locations. This is useful to estimate the size of local markets (i.e. the catchment area – which as noted in section 3 above, the CMA typically bases on 80% of customers). This type of data has traditionally been sourced using internal information such as loyalty scheme data or delivery data (i.e. where products are delivered), but this may not always be available.<sup>63</sup> Even in cases where it is available, it may provide a skewed picture. For example, the customer may have signed up using their home address (e.g. outside of London) but may only decide to go to a specific store (e.g. in central London) from their workplace address (e.g. also in central London). In this case, an analysis of customer data will overstate the distance travelled, potentially resulting in an estimated catchment area that is wider than the actual one. On the other hand, loyalty scheme data does not include information from customers that are not part of the scheme. For example, loyalty customers are likely to be repeat customers who may travel less on average than occasional customers who travel more to reach the store. In this case, an analysis of customer data will understate the size of the catchment area due to this selection bias, albeit that frequent customers are likely to account for a higher percentage of sales. In reality, where customer location data is not available, or impractical to collect for an earlier stage assessment, companies will often calculate a range of different catchment areas and test the sensitivity of the results to different catchment area sizes.

#### Data analysis

Challenges also arise at the analysis stage. A local analysis requires knowing which stores of the merging parties and their competitors are located within the catchment area. This is done by estimating distances between every store of the merging parties and competitor stores – which can result in pair combinations increasing exponentially as the number of stores grow.<sup>64</sup> To add to the complexity, there is inherent uncertainty in how the CMA may approach the competition assessment, even in a sector with case precedent. Companies that are considering an acquisition want to minimise the uncertainty of the deal being cleared, as the likelihood of getting clearance can itself affect important aspects of the deal – such as its value. In terms of the local analysis, at the pre-deal stage companies will want to consider multiple sensitivities on a number of relevant inputs, including how large the local markets may be, which distance metrics to use (e.g. drive time), but also case-specific aspects such as whether to include pipeline properties that will open within a reasonable time-frame. The number of sensitivities also increase as different sensitivities are combined. For example, how does including pipeline properties affect the results when using a fascia count or a weighted share of shops?

The challenge lies in being able to try a high number of alternative approaches accurately and within the generally tight timelines dictated by a deal. At AlixPartners we have developed a market-leading automated tool to capture the full range of possible sensitivities and allow merging parties to easily see the different possible outcomes from different assumptions.

## 5 Conclusion

Local area analysis is a key feature of UK merger control for retailers, wholesalers, and service providers. Recent practice shows a strong reliance on decision rules, rather than bespoke assessments in individual local markets. This shift matters because local competition dynamics are nuanced – catchment areas vary by geography, customer behaviour, and store characteristics – yet decision rules often reduce these complexities to a single threshold (which is most likely based on a market share, although the CMA's practice varies).

Historically, and prior to the Revised Guidelines, the CMA frequently used filters to identify potentially problematic overlaps and then undertook detailed assessments in a manageable number of areas. Today, however, decision rules dominate: nearly 70% of local cases between 1 April 2021 and 31 March 2025 were resolved using a mechanistic approach, even in cases with a limited number of problematic overlaps. The decision rules used varies from industry to industry, consistent with what the CMA has noted in its Revised Guidelines that it “has a wide margin of appreciation in its use of evidence”, and that the CMA “may apply different analytical methodologies and approaches in different cases” and “take into account differentiated business models in formulating its decision rules”.<sup>65</sup>

It is also notable that in local markets cases, common share thresholds now start at 30–35% combined market share with a 5% increment – not for a filter, but as a decision rule itself. This is notably lower than the 40% threshold that appears to drive SLC findings in non-local market cases.

Decision rules have advantages, particularly in achieving the CMA's goal of pace and – in those industries where there have been previous (since 2021) CMA merger reviews – predictability. However, it is also striking that the CMA is willing to maintain a purely decision rule approach, even in the small number of cases where there are just a handful of local areas that give rise to a SLC under the decision rule. Decision rules can capture areas that pose little real competitive risk, particularly where out-of-market constraints or differentiated offerings exist. Once an issues letter identifies local SLC areas under a decision rule, even in very small numbers, reversing that finding at Phase 1 is almost impossible. In this scenario, merging parties' options in practice are limited to either offering UILs, or proceeding to Phase 2 where the CMA may more readily undertake bespoke local assessments. A Phase 2 inquiry, of course, is a substantial undertaking, initial enforcement orders are deliberately intrusive in terms of preventing pre-clearance integration, and deal uncertainty may simply make proceeding to Phase 2 commercially infeasible from the perspective of the seller or buyer (or both). There may be cases where the CMA's strong reluctance to conduct any local competitive assessment at Phase 1 comes at a cost of either a reduction in proportionality (by requiring UILs where they may not in fact have been needed) or efficiency (since the merging parties' only substance-based alternative is to submit to a longer, more resource intensive Phase 2 investigation). These are trade-offs between the CMA's 4Ps, which the CMA will have to navigate.

Perhaps one sensible step would be for the CMA to increase its willingness to conduct more nuanced local competitive

assessments for those cases with only a small number of overlaps that fail a decision rule. It may also help for the CMA to be more transparent about the principles it follows when deciding whether to adopt a decision rule or filter.

For businesses, the lesson is clear: anticipate local scrutiny early. Robust location data, accurate catchment analysis, and sensitivity testing are essential to forecast risk and prepare remedies.

## Endnotes

- 1 CMA, 'Merger Assessment Guidelines', CMA129, dated 18 March 2021, paragraph 9.4, available at: [https://assets.publishing.service.gov.uk/media/61f952dd8fa8f5388690df76/MAGs\\_for\\_publication\\_2021\\_-\\_\\_.pdf](https://assets.publishing.service.gov.uk/media/61f952dd8fa8f5388690df76/MAGs_for_publication_2021_-__.pdf)
- 2 ICLG – *Merger Control 2024: 'Trends and Developments in UK Merger Control: Buyer Beware'*, available at: <https://www.alixpartners.com/insights/102iulu/trends-and-developments-in-uk-merger-control-buyer-beware>
- 3 This excludes 103 decisions where the transaction was found not to qualify for investigation and 12 mergers that were abandoned. See: <https://www.gov.uk/government/publications/phase-1-merger-enquiry-outcomes>
- 4 <https://www.gov.uk/government/publications/strategic-steer-to-the-competition-and-markets-authority/strategic-steer-to-the-competition-and-markets-authority>
- 5 This excludes two water mergers subject to automatic reference.
- 6 This excludes two water mergers subject to automatic reference.
- 7 This excludes two water mergers subject to automatic reference.
- 8 Available at CMA56, paragraph 10: [https://service.betterregulation.com/sites/default/files/2017-09/Guidance on the CMA%27s mergers intelligence function %28updated 5 September 2017%29.pdf](https://service.betterregulation.com/sites/default/files/2017-09/Guidance%20on%20the%20CMA%27s%20mergers%20intelligence%20function%20updated%205%20September%202017%29.pdf)
- 9 <https://www.linkedin.com/pulse/episode-6-rise-briefing-note-end-voluntary-merger-regime-scanlan-x4wie>
- 10 The CMA also cleared the following numbers of mergers on *de minimis* grounds: 21/340 from 2010/11 to 2014/15 (6%); 12/290 from 2015/16 to 2019/20 (4%); and 8/208 from 2020/21 to 2024/25 (4%).
- 11 From a market size threshold of £15 million to £30 million.
- 12 A new safe harbour of £10 million turnover for each party (which applies even if the share of supply test is met) and increased the turnover test threshold from £70 million to £100 million.
- 13 The other three cases being *BT/EE* in 2015, *ICE/Trayport* in 2016, and *Liberty Global/Telefonica* in 2020. While *BT/EE* and *Liberty Global/Telefonica* were both cleared unconditionally at Phase 2, in *ICE/Trayport* the CMA required full divestment, which is particularly noteworthy as the merging parties did not notify the merger. Note that *Tesco/Booker* (2017) was predominantly referred due to vertical competition concerns, with this merger being cleared unconditionally at Phase 2. *Microsoft/Activision Blizzard* was also mostly a vertical effects merger, although there was also a potential competition theory of harm.
- 14 Available at *Ex-post* evaluation of vertical mergers: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1074008/E.CA\\_Report\\_on\\_Ex-post\\_Evaluation\\_of\\_Vertical\\_Mergers\\_-\\_public\\_version\\_\\_stc\\_06.05.22\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1074008/E.CA_Report_on_Ex-post_Evaluation_of_Vertical_Mergers_-_public_version__stc_06.05.22_.pdf)
- 15 See *Anglo American plc/Lafarge S.A.* merger inquiry (CC): <https://www.gov.uk/cma-cases/anglo-american-plc-lafarge-s-a-merger-inquiry>
- 16 A SLC based on coordinated effects was only found for online groceries in those local areas not serviced by Ocado. See *Sainsbury's/Asda*, Phase 2 Final Report, paragraph 81.
- 17 See *Yorkshire Purchasing Organisation/Findel Education* (2020): <https://www.gov.uk/cma-cases/yorkshire-purchasing-findel-education-merger-inquiry>
- 18 See [https://assets.publishing.service.gov.uk/media/5f7f36b98fa8f51e7b9dc624/Breedon\\_Cemex\\_-\\_FINAL\\_Ph1\\_Decision\\_.pdf](https://assets.publishing.service.gov.uk/media/5f7f36b98fa8f51e7b9dc624/Breedon_Cemex_-_FINAL_Ph1_Decision_.pdf)
- 19 94/249.
- 20 Twelve SLC cases related to Medivet's acquisitions of 17 independent veterinary businesses, and eight SLC cases related to IVC's acquisitions of eight independent veterinary businesses (see *Medivet Group Limited/multiple independent veterinary businesses merger inquiries* (2023): <https://www.gov.uk/cma-cases/medivet-group-limited-slash-multiple-independent-veterinary-businesses-merger-inquiries#reference-unless-undertakings-accepted>). An additional three were cleared and two were found not to qualify. See also *Independent Vetcare Limited (IVC)/multiple independent veterinary businesses merger inquiries* (2023): <https://www.gov.uk/cma-cases/independent-vetcare-limited-ivc-slash-multiple-independent-veterinary-businesses-merger-inquiries>
- 21 125/255. In some of these cases, additional SLCs were also found relating to the loss of potential competition (six cases), vertical effects (13 cases) and coordinated and vertical effects (one case).
- 22 2017 Commentary, page 3.
- 23 2017 Commentary, page 3.
- 24 The CMA notes in the later *Bellis/Asda* (2021) merger that it "is based on an analysis of past merger cases in the retail sector and expressly states that it does not constitute guidance under section 106(1) of the Act" (*Bellis/Asda* (2021), Phase 1 Decision, paragraph 93).
- 25 Home addresses or post codes where available.
- 26 2017 Commentary, paragraph 3.2.
- 27 Two mergers in the last four years considered online retail as a competitive constraint: in *LKQ-Uni-Select*, the CMA noted it was an out-of-market constraint, but still set a 30% threshold; in *Topps Tiles/CTD Tiles* the CMA noted online competition (and some others) were not included in the effective competitor set, but they did pose a material constraint on the merging parties so they were used in setting the 4-to-3 threshold (paragraph 149).
- 28 Revised Guidelines, paragraph 4.30.
- 29 Revised Guidelines, paragraph 2.8.
- 30 Revised Guidelines, paragraph 4.33.
- 31 Revised Guidelines, paragraph 4.33.
- 32 Revised Guidelines, paragraph 4.33.
- 33 Revised Guidelines, paragraph 4.34.
- 34 Examples include *Thomas Cook/Midlands/Co-op* (2011), and *Sainsbury's/Asda* (2019). The CMA also applied a two-stage filter in *Heineken/Punch Taverns* (2017) where the second-stage filter essentially acted as a decision rule. Mat Hughes and Ben Forbes made a submission to the CMA as part of the CMA's investigation into the *Sainsbury's/Asda* merger, which sets out more detail on our view on GUPPI's use as a decision rule and can be found here: [https://assets.publishing.service.gov.uk/media/5c926af9ed915d07aab51544/Alix\\_Partners\\_response\\_to\\_PFs.pdf](https://assets.publishing.service.gov.uk/media/5c926af9ed915d07aab51544/Alix_Partners_response_to_PFs.pdf)
- 35 This is to better understand how the CMA is approaching local area analysis across industries/different cases.
- 36 These are *Admiral Taverns/Hampden Pub Estate* (2021) and *Huws Gray/Grafton* (2021).
- 37 These are *HSH Cold Stores/Associated Cold Stores & Transport* (2023), which only focused on one local area so there was no need for a filter or decision rule, and *Boparan/ForFarmers (Burston and Radstock mills)* (2024), which only included three overlapping local areas.

- 38 *Barratt/Redrow* (2024), paragraph 99.
- 39 *Barratt/Redrow* (2024), paragraphs 124 and 131.
- 40 *Barratt/Redrow* (2024), Table 2.
- 41 *Riviera/Dental Partners* (2022), paragraph 82.
- 42 *Riviera/Dental Partners* (2022), paragraph 103.
- 43 *Riviera/Dental Partners* (2022), Table 2.
- 44 *ForFarmers/Boparan* (2022), paragraph 106.
- 45 *ForFarmers/Boparan* (2022), paragraph 121. The CMA notes that it also considered whether using a rule of three or fewer competitors post-merger would result in any additional problematic overlaps but did not find any.
- 46 *ForFarmers/Boparan* (2022), paragraph 124.
- 47 *ForFarmers/Boparan* (2022), paragraph 125.
- 48 *ForFarmers/Boparan* (2022), Table 1.
- 49 *ForFarmers/Boparan* (2022), paragraph 131.
- 50 *Topps Tiles/CTD Tiles* (2025), paragraphs 153–154.
- 51 Revised Guidelines, paragraph 4.4.
- 52 *LKQ/Uni-Select* (2023), paragraph 88.
- 53 *Hanson/Mick George* (2023), paragraph 144 and following.
- 54 *Barratt/Redrow* (2024), paragraph 118.
- 55 *Bellis/Asda* (2021), paragraph 156. The CMA's decision also had different thresholds depending on the centroid and the drive time to the other merging party.
- 56 *Huws Gray/Grafton* (2021), paragraph 72.
- 57 *Wolseley/Kooltech* (2023), paragraphs 106–108.
- 58 *Bellis/Asda* (2021), paragraph 154(c).
- 59 *Riviera/Dental Partners* (2022), paragraph 97. The CMA made a similar point in relation to the various veterinary mergers (see, for example, paragraphs 177–178 of the CMA's decision in *Medivet/multiple independent veterinary businesses* (2023)).
- 60 Some mergers included different share thresholds for different markets or limbs of the decision rule. For example, *Bellis/Asda* (30–40%), *Bestway Panacea/Lexon and Asurex* (30–40%), and *Hanson/Mick George* (35–50%).
- 61 *Hanson/Mick George* (2023), paragraph 19. In *Veolia/Suez* (2021), the CMA also noted that a lower increment may be appropriate with a higher combined share – see footnote 902.
- 62 <https://www.gov.uk/government/news/cma-presses-ahead-with-full-investigation-into-vets-market>
- 63 2017 Commentary, paragraph 2.5.
- 64 For example, a merger between two mid-sized chains of 100 stores each with five competitors of similar sizes will result in c.140,000 distance combinations. Doubling the number of stores would result in four times the number of combinations (c.560k) and tripling them would result in nine times the number of combinations (c.1.26m).
- 65 See *Société Coopérative de Production SeaFrance SA v CMA* [2015] UKSC 75, paragraph 44; see also, *JD Sport Fashion plc v Competition and Markets Authority* [2020] CAT 24, paragraph 97; see also, *Bellis/Asda*, paragraph 93.



**Alessandro Faraguna** is an Economist with seven years of experience supporting clients across a wide range of sectors in competition cases, particularly mergers, market investigations, litigation and regulatory compliance. In mergers, Alessandro has advised clients at the risk assessment and Phase 1 stages in betting, cocoa, automotive, building materials and student accommodation. Alessandro specialises in using data and economic analysis to evidence arguments submitted to regulators and tribunals and is one of the developers of the AlixPartners retail merger tool.

**AlixPartners**  
6 New Street Square  
London, EC4A 3BF  
United Kingdom

Tel: +44 782 5931 559  
Email: afaraguna@alixpartners.com  
LinkedIn: www.linkedin.com/in/a-faraguna



**Ben Forbes** is a Competition Economist with over 16 years of experience advising on a range of competition and regulatory matters. He has particular experience in relation to market investigations and mergers, including acting for HSBC in relation to both the CMA and FCA investigations into retail banking and in advising on various mergers (including Phase 2 mergers – *Hunter Douglas/247* and *JD Sports/Footasylum*). He also publishes regularly on the economics of merger control, including co-authoring two chapters in the Third Edition of *UK Merger Control: Law and Practice*, November 2016. He also worked more generally on competition and litigation matters relating to digital markets, utilities, financial services, transport, and telecoms.

**AlixPartners**  
6 New Street Square  
London, EC4A 3BF  
United Kingdom

Tel: +44 20 7098 7400  
Email: bforbes@alixpartners.com  
LinkedIn: www.linkedin.com/in/ben-forbes-52127056



**Mat Hughes** is a Partner in AlixPartners' European competition practice, which is part of a broader litigation practice. Mat has acted on over 30 Phase 2 merger and market investigations in the UK and a very large number of UK Phase 1 investigations, as well as before the European Commission and the competition authorities of other Member States. He has over 30 years of experience as an anti-trust economist and in dealing with competition authorities, courts and specialist utility regulators in relation to all aspects of competition law. Mat started his career as an economist at the UK OFT, and until March 2013 was Chief Economist at Ashurst LLP. Mat has written widely on the economics of merger control, including the Third Edition of *UK Merger Control: Law and Practice*, November 2016, and on the economics of EC and UK competition law more generally.

**AlixPartners**  
6 New Street Square  
London, EC4A 3BF  
United Kingdom

Tel: +44 20 7098 7400  
Email: mhughes@alixpartners.com  
LinkedIn: www.linkedin.com/in/matjhughes



**Caitlin Wilkinson** is a Partner in AlixPartners' European competition practice. Caitlin advises clients on the full range of competition cases, at both the CMA and the European Commission. Her cases have included UK and EU merger cases, market studies and investigations, and abuse of dominance investigations. Alongside Alessandro, she led the development of the AlixPartners local mergers tool. Caitlin has also advised clients and supported testifying experts in large competition litigation, and other contentious matters where complex economic and econometric analysis was required. She has worked across sectors, including a number of cases in: retail, leisure and consumer goods; digital markets; financial services; and energy and natural resources. Caitlin started her career at the UK Competition Commission where she worked on some of the largest Phase 2 merger investigations at the time, before working in KPMG's competition economics practice, where she was a Partner for the last five years.

**AlixPartners**  
6 New Street Square  
London, EC4A 3BF  
United Kingdom

Tel: +44 7350 433789  
Email: cwilkinson@alixpartners.com  
LinkedIn: www.linkedin.com/in/caitlin-wilkinson-a0647b33

AlixPartners has a multi-disciplinary practice covering economics, forensic accounting, and information management services (such as e-discovery and applied data analytics). The firm also has post-merger integration experts who provide evidence on efficiencies in mergers and restructuring experts who advise on "failing firm" viability issues. Combined with AlixPartners' industry expertise, this wide-ranging capability allows us to create robust evidence and analysis on the issues that matter most to the case.

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