

BRIEFING

PRICE FIXING AT AIRPORTS:  
CAA STEPS IN  
DECEMBER 2016

- THE UK'S CIVIL AVIATION AUTHORITY ("CAA") HAS FOUND THAT THE EAST MIDLANDS INTERNATIONAL AIRPORT ("EMIA") AND PRESTIGE PARKING ("PRESTIGE") AGREED TO FIX PRICES OF CAR PARKING SERVICES AT THE EMIA
- EMIA HAD ITS FINE OF £12.5M REDUCED TO ZERO UNDER THE LENIENCY REGIME



On 20 December 2016, the CAA announced that EMIA and Prestige contravened competition law by entering into an agreement to fix prices of car parking services at the East Midlands International Airport.<sup>1</sup>

The CAA set a fine of £12.5m on EMIA, but reduced it to zero because EMIA had brought the case to the authorities' attention and had fully cooperated in the CAA's investigation. In so doing, EMIA qualified for a full abatement of the fine under the Competition and Market Authority's (CMA) leniency programme.

This case shows why it is important for businesses to have effective competition compliance systems in place, and the strong financial value of being the first to disclose anti-competitive activity to the authorities.

## WHAT HAS HAPPENED?

In March 2015, the CAA opened an investigation into suspected price fixing and price information exchange by EMIA and Prestige in contravention of Chapter I of the Competition Act 1998.

The CAA's investigation found that EMIA and Prestige entered into an agreement by which the latter agreed not to sell its car parking services at the EMIA below a minimum price – in turn linked to the price of EMIA's own car parking services. This

<sup>1</sup> See: <https://www.caa.co.uk/News/CAA-competition-investigation--East-Midlands-International-Airport-and-Prestige-Parking-Limited-admit-to-price-fixing/>.

---

restriction was the condition for Prestige to access facilities at the EMIA between October 2007 (at the latest) and September 2012. Prestige required access to these facilities to provide car parking services at the East Midlands Airport to its customers.

Furthermore, the CAA's investigation found that EMIA and Prestige actively exchanged information about their prices and that EMIA actively monitored Prestige's prices.

Before the CAA discovered the arrangement, EMIA (and its parent company Manchester Airport Group Plc (MAG)) submitted a leniency application under the CMA's leniency programme. EMIA disclosed the details of the agreement with Prestige and confessed to its involvement in the illegal price-fixing arrangement. The CAA - investigating the case using its concurrent competition law powers instead of the CMA - reduced the fine from approximately £12.5m to zero, citing EMIA's admission under its leniency application and its subsequent full co-operation with the investigation. MAG has further undertaken to set up a full competition law compliance programme for all its businesses, and to review EMIA's existing concession arrangements to ensure that they are compliant with competition law.

The CAA further noted that Prestige also admitted to its involvement in the price-fixing agreement and fully co-operated with the investigation. It did not fine Prestige because it is no longer trading.

## COMMENT

---

This is the first investigation conducted by the CAA under the Competition Act 1998, and a good example of how the concurrency regime in competition law works in the UK.

There is a broader context: the CAA works to ensure competition in UK airport services works well to the consumer's benefit. The CAA has also been reviewing market condition for surface access at UK airports.<sup>2</sup> As part of its review, the CAA assessed surface access to UK airports to better understand how it operates and how that affects consumers, focusing primarily on road-based access to airports, including transport-providers' access to the airport forecourt and how parking products are distributed online.

<sup>2</sup> CAP1473, [Review of market conditions for surface access at UK airports – Final Report](#).

---

## FOR MORE INFORMATION

---

Should you like to discuss any of the matters raised in this Briefing, please speak with a member of our team below or your regular contact at Watson Farley & Williams.



**JEREMY ROBINSON**  
Partner  
London

+44 20 3036 9800  
[jrobinson@wfw.com](mailto:jrobinson@wfw.com)



**VINEET BUDHIRAJA**  
Associate  
London

+44 20 7814 8414  
[vbudhiraja@wfw.com](mailto:vbudhiraja@wfw.com)

Publication code number: 59421093v2© Watson Farley & Williams 2016

All references to 'Watson Farley & Williams', 'WFW' and 'the firm' in this document mean Watson Farley & Williams LLP and/or its Affiliated Entities. Any reference to a 'partner' means a member of Watson Farley & Williams LLP, or a member or partner in an Affiliated Entity, or an employee or consultant with equivalent standing and qualification. The transactions and matters referred to in this document represent the experience of our lawyers. This publication is produced by Watson Farley & Williams. It provides a summary of the legal issues, but is not intended to give specific legal advice. The situation described may not apply to your circumstances. If you require advice or have questions or comments on its subject, please speak to your usual contact at Watson Farley & Williams.

This publication constitutes attorney advertising.