



CICRA media release

1 March 2012

CICRA fines JT £2500 for breach of Competition Law

The Channel Islands Competition and Regulatory Authorities (CICRA) have fined JT (Jersey) Limited (“JT”) £2,500 for breaching the Jersey Competition Law by setting a minimum price at which retailers must sell JT SIM packs in the Island.

JT has also been directed by the Jersey Competition Regulatory Authority (JCRA) to allow its distributors to supply the JT SIM Packs to all retailers and to stop imposing minimum retail prices for this product.

It is the first time that the JCRA has issued a decision and imposed a fine on a company for engaging in resale price maintenance.

In August 2011, the JCRA was contacted by Mr Bridgen, owner of the 99p store in The Arcade, Halkett Street, St Helier, who complained that JT had ordered its wholesaler to refuse to supply JT SIM Packs to his shop because he wanted to sell the packs at a price below the minimum price set by JT. The JCRA’s investigation has upheld Mr Bridgen’s complaint.

Setting minimum prices for the resale of products will usually constitute a breach of competition law. This practice is illegal because it prevents retailers setting their own prices, and in turn harms the ability of retailers to compete against each other and offer the best possible price to consumers.

CICRA Chief Executive, John Curran, said: “Setting minimum resale prices is considered to be a particularly serious breach of the law because it restricts competition between retailers and undermines the potential for consumers to receive the best value and choice. CICRA welcome innovative retailers, such as Mr Bridgen, who are offering local consumers choice and lower prices especially in the current economic climate. It is important that retailers such as Mr Bridgen are free to decide what price to charge for goods in their stores.”

Under the Competition Law, CICRA can fine a company up to 10% of its worldwide turnover for the duration of a breach.

Mr Curran said: “In this specific case, JT was clearly aware that its conduct was illegal yet went ahead and engaged in this practice. However JT has co-operated with our investigation and because this appears to have been an isolated incident, the fine is relatively modest.

“This decision should be a warning to all suppliers operating in Jersey – they must allow distributors and retailers to decide what price to charge to customers or face the prospect of significant fines,” added Mr Curran.

The full decision is available from the CICRA website – www.cicra.je.

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NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive, John Curran, in Guernsey at the Office of Utility Regulation, Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the JCRA, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@cicra.je.

About CICRA:

The Channel Islands Competition and Regulatory Authorities (CICRA) is the name given to the two Channel Islands regulatory authorities, the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Office of Utility Regulation (OUR). A memorandum of understanding was signed in December 2010 to facilitate closer working between the two authorities. Both regulatory bodies were established in 2001. The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001 and the OUR was established under the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001. In Jersey the telecoms and postal sector are regulated by the JCRA, which is also responsible for administering and enforcing the Competition Law (Jersey) 2005. In Guernsey the telecoms, postal and electricity sector are regulated by the OUR. The aim of both authorities is to ensure that consumers receive the best value, choice and access to high quality services while the JCRA has the added responsibility of promoting competition and consumer interests.