



Decision

Proposed acquisition of Jacksons Group Limited
by Van Mossel Automotive International B.V.
(C-053)

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Jersey Competition Regulatory Authority
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1. Summary

- 1.1 Van Mossel Automotive International B.V. (**Van Mossel** or the **Purchaser**) is proposing to acquire the entire issued share capital of Jacksons Group Limited (**Jacksons** or the **Target**) from the Octane Cell of the Octane PCC Limited (acting in respect of the Octane Cell) (**Octane** or the **Seller**) (the **Proposed Transaction**). Within this decision, Van Mossel and Octane are, together, referred to as the **Parties**.
- 1.2 The Proposed Transaction has been notified to the Jersey Competition Regulatory Authority (the **Authority**) for approval pursuant to Article 21 of the Competition Jersey Law 2005 (the **Law**).
- 1.3 The Authority has determined that the Proposed Transaction will not lead to a substantial lessening of competition in Jersey and so has approved the Proposed Transaction.

2. The Notified Transaction

- 2.1 On 13 June 2023, the Authority received a joint application from the Parties for the Proposed Transaction. As a result of the Proposed Transaction, Van Mossel would acquire the entire issued share capital of Jacksons, which operates a new and used car dealership in Jersey.
- 2.2 In line with the Authority's Merger Guidelines¹, the Authority notified the application on its website with a deadline for comments of 28 June 2023. In addition, the Proposed Transaction was notified on the Jersey Gazette. The change of control has also been well publicised, having been the subject of articles in both the Jersey Evening Post² and the Bailiwick Express³. No submissions or comments were received from the consultation process.

3. The Parties

The Purchaser

- 3.1 Van Mossel is a wholly owned subsidiary of Van Mossel Automotive Group B.V., a company registered in the Netherlands with registration number 56699824. The Van Mossel Automotive Group is a leading automotive group in the Netherlands with approximately 300 branches in the Netherlands, Belgium, Germany, France and Luxembourg.
- 3.2 Van Mossel is a newly established company in the Netherlands with registered number 56699824 having its registered office at Tilburg, located at Jan Vestersstraat 1, 5145 MA Waalwijk.

¹ [Guideline 8 - Mergers and Acquisitions | JCRA](#)

² [Jacksons bought out by Dutch automotive group | Jersey Evening Post](#)

³ [Jacksons car dealership bought out by Dutch company | Bailiwick Express Jersey](#)

3.3 The Purchaser is an authorised dealer for Volkswagen, Volkswagen Commercial Vehicles, Audi, Peugeot, Citroën, DS, Opel, Ford, Hyundai, Kia, Jaguar, Land Rover, Mercedes-Benz and Mercedes Benz Vans & Trucks, , Smart, Fuso, Seat, Škoda, Alfa Romeo, Jeep, Fiat, Abarth, Fiat Professional, Nissan, Dacia, Renault, MG, Cadillac, Chevrolet, Corvette, Maxus, Suzuki and Isuzu.

3.4 The Purchaser is also the owner of International Car Lease Holding B.V., consisting of Van Mossel Autolease Holding B.V., J&T Autolease Holding B.V., Kia Lease Nederland B.V. and DirectLease Holding B.V., which together have a lease fleet of more than 100,000 vehicles and is one of the top three leasing companies in the Netherlands, and Westlease B.V. in Belgium (the **Leasing Business**).

3.5 The Purchaser is also owner of Van Mossel Autoschade Groep B.V. (registered in The Netherlands) and Van Mossel Body Repair (registered in Belgium) performing car repair activities in The Netherlands and Belgium.

The Sellers

3.6 The Seller is a protected cell company incorporated in Guernsey with registered number 59313 and has its registered office at Les Echelons Court, Les Echelons, St Peter Port, Guernsey GY1 1AR.

3.7 The Seller is the sole legal and beneficial owner of the issued share capital of the Target and was formed as an investment vehicle specifically for the purposes of holding the business of the Target.

3.8 The Seller's shareholders include Bailiwick Investments Limited, a Guernsey authorised closed-ended investment company (**BIL**). BIL is listed on The International Stock Exchange [redacted].

3.9 Ravenscroft Specialist Fund Management Limited (**Ravenscroft**), part of an independently owned investment services group, is the appointed investment manager to BIL. Ravenscroft is licensed and regulated by the Guernsey Financial Services Commission.

The Target

3.10 The Target is a private company limited by shares incorporated in Guernsey with registered number 63505 having its registered office at Les Echelons Court Les Echelons St Peter Port Guernsey GY1 1AR.

The Target Business

3.11 The Target operates new and used car dealerships in Jersey, Guernsey, Isle of Man and Isle of Wight and also undertakes ancillary services including retail automotive fuel sales, vehicle maintenance, servicing (including the sale of vehicle parts) and other related activities.

Reasons for the Proposed Transaction

3.12 For the Purchaser the rationale behind the Proposed Transaction is centred around several aspects that will provide opportunities for the Parties (Van Mossel and Jacksons) to grow. The Parties submit, for example:

- Geographical: Van Mossel has no current presence outside of continental Europe. The Proposed Transaction will allow it further expansion across new geographies, including the Channel Islands and United Kingdom;
- Business: the Proposed Transaction would allow both companies to reach more efficiency generating better profitability and higher added value for customers; and
- Core Focus: given Jacksons' current focus on luxury brands and Van Mossel's broad presence in 'value' brands, the Proposed Transaction would provide opportunities to introduce new brands to customers.

3.13 For the Seller, substantial investment will be required into the Target Business in terms of facilities, recruitment, training and aftersales by 2030, to enable it to keep up with the acceleration of the battery electric vehicles market. The Seller considers it an appropriate time to sell the Target Business to a larger and better resourced vehicle group that understands the need for this change and can invest and support the market accordingly.

3.14 Further, the battery electric vehicle market will need tailored finance and leasing to ease ownership for local customers. The Seller considers the Purchaser, with its existing leasing division, better placed to undertake this activity. The local leasing division would have the ability to support ongoing sales and safeguard future viability for the Purchaser, its employees and allow added value for customers.

4. Requirement for Authority Approval

4.1 Under Article 2(1)(b) of the 2005 Law, a merger or acquisition occurs where a person who controls an undertaking acquires direct or indirect control of the whole or part of another undertaking. As a result of the agreement, the Buyer will acquire sole control of the Target within the meaning of Article 2(1)(b) of the Law.

4.2 According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except and in accordance with the approval of the Authority. In particular, in relation to this transaction, Article 2 of the Competition (Mergers and Acquisitions) (Jersey) Order 2010 (the **Order**) provides that the merger must be notified to the Authority for approval under Article 20(1)

of the Law if its execution would create an undertaking with a share of 25% or more of the supply or purchase of goods or services of any description supplied to or purchased from persons in Jersey, or enhance such a share held by an undertaking.

4.3 According to information provided by the Parties:

- The Target Business has more than a 40% share of the relevant market (see section 5 below); and
- neither of the exemptions to the requirement for Authority consent applies in the transaction.

4.4 Therefore the Proposed Transaction requires approval by the Authority prior to its execution.

5. Market Definition

Approach

5.1 Under Article 22(4) of the Law, the Authority must determine if the merger would substantially lessen competition in Jersey or in any part of Jersey. As an initial step, the Authority will identify the markets which are likely to be affected by the merger as this provides a framework within which the competitive effects of a merger can be assessed.

5.2 When defining a market, the Authority may take note of its own previous decision-making practice and/or market definitions applied by other competition authorities. These previous decisions are not precedents and are not binding, either on the Parties or on the Authority. Competition conditions may change over time, changing the market definition, and market definition will always depend on the prevailing facts⁴.

Views of the Parties

5.3 The Parties submit that the relevant market for assessing the competition effect of the Proposed Transaction is the luxury and new car market in Jersey (the **Relevant Market**). With respect to the geographic market, the Parties submit that, due to the small size of Jersey, any business providing services in the Relevant Market could be said to be a competitor and so the Relevant Market should be considered on a 'whole-island' basis.

Authority Consideration

5.4 The relevant product market is defined primarily by reference to the likely response of consumers and competitors⁵. It will comprise products and/or services which are regarded as interchangeable

⁴ This approach is consistent with that taken under EU law – see, for example, Joined Cases T-125/97 and T-127/97 [2000] ECR II-01733, paragraphs 81-82. Article 60 of the Law requires the Authority to attempt to ensure that so far as possible questions arising in relation to competition are dealt with in a manner that is consistent with the treatment of corresponding questions arising under European Union law in relation to competition within the European Union.

⁵ See [Guideline 7 - Market Definition | JCRA](#)

or substitutable by the consumer, by reason of the product's characteristics, prices and intended use. An undertaking cannot have a significant impact on the prevailing conditions of a market if customers can easily switch to other service providers.

5.5 Based on the information presented, the Authority sees no reason to disagree with the Relevant Market submitted by the Parties. As outlined below, the Proposed Transaction would not result in a substantial lessening of competition in Jersey on any reasonable basis and so the Authority accepts the Relevant Market is the luxury and new car market in Jersey, without further analysis.

6. Effect on Competition

Approach

6.1 After defining the relevant market, the Authority considers the respective market shares of the competitors in that market, both before and after the proposed transaction. These shares can be used as an indication of the overall level of market concentration which will be brought about as a result of the merger.

6.2 The analysis will consider whether the merger creates or enhances the ability or incentive to exercise market power, either unilaterally or in co-ordination with competitors, and whether other market forces (such as the entry of new competitors or countervailing power of customers) will eliminate this risk. The assessment will also consider any pro-competitive effects or efficiencies that may result from the merger.

6.3 For horizontal mergers, the Authority can assess two potential types of anti-competitive effects – unilateral effects (i.e. the ability of the merged entity to raise prices unilaterally) and coordinated effects (i.e. the ability of the merged entity to raise prices with either the implicit or explicit co-operation of other competitors). For vertical or conglomerate mergers, the Authority's focus will be on assessing whether the merged entity would have the ability or incentive to foreclose the market to competitors, either by denying access to important inputs upstream, or by denying access to 'routes to market' downstream. Another concern with conglomerate mergers is the ability to condition sales in a way that links products in separate markets together (through tying or bundling).

6.4 When assessing mergers, the Authority will have regard to the guidelines produced by the European Commission. It may also consider the substantive merger guidelines applied by the Competition and Markets Authority in the UK, as well as those of other competition authorities.

Views of the Parties

6.5 The Parties submit that there is no overlap in the activities of the Purchaser and the Target Business in the Relevant Market and therefore do not consider there are any competition issues in this regard. In addition, the Parties note that the Purchaser has no market share in the Relevant Market as this is held by the Target Business. Accordingly, the Parties submit, the Proposed Transaction shall have no effect on competition in the Relevant Market.

6.6 The Parties note that customers can obtain vehicles and service from any supplier in the UK and Europe and note further that tariffs and transport costs are the same regardless. However, there is insufficient data and statistics held to enable a further analysis of the effects of imports on the Relevant Market.

6.7 The Parties consider there are significant barriers to entry for franchises selling vehicles and, to this end, note that initially significant investment is required from the franchisee in the premises of the business, training of staff and stocking of vehicles which are not recoverable from the franchisor or the manufacturer. There are also limited suitable sites available in Jersey. It is therefore unlikely Van Mossel could enter the Relevant Market without the Proposed Transaction.

Authority Consideration

6.8 Given that the Purchaser does not currently operate in any market, including the Relevant Market, in Jersey the Authority does not consider any horizontal or vertical overlap exists between the Purchaser and the Target Business and so agrees there are no competition concerns in this regard.

6.9 The Authority also notes that the Proposed Transaction is a change of control and so would not result in a change in structure of the Relevant Market and that it is unlikely, due to market features, that the Purchaser would be able to enter the market as a potential competitor in future. Further, the Authority notes that the Proposed Transaction is likely to result in an increased range of products and services available to customers (see paragraphs 3.12-3.14 above).

6.10 Therefore, the Proposed Transaction will not give rise to a substantial lessening of competition on any reasonable basis.

7. Decision

7.1 On this basis, the Authority concludes that the Proposed Transaction will not substantially lessen competition in Jersey or any part of Jersey; and the transaction is therefore approved under Article 22(1) of the 2005 Law.

14 July 2023

By Order of the Jersey Competition Regulatory Authority