# Co-op admits to unlawfully blocking rival supermarkets from opening



The Co-op has recently acknowledged that it unlawfully impeded the establishment of over 100 rival supermarket branches in close proximity to its own stores. This admission follows an investigation by the UK’s Competition and Markets Authority (CMA), which revealed that the supermarket chain had violated regulations designed to prevent large retailers from enforcing land restrictions that hinder competition from other grocers.

The CMA's inquiry uncovered a significant number of breaches across various locations in the UK, raising concerns about the impact of such actions on consumer choice and competition. The organisation outlined that when supermarkets block competitors from opening new outlets nearby, it essentially reduces the options available to shoppers seeking competitive pricing. This is particularly notable given that the rules preventing such practices have been effective since 2010.

A spokesperson for Co-op stated, “This is a matter we take very seriously, and we have taken all necessary action to ensure this issue is resolved and does not happen again.” In response to the findings, the Co-op has begun revising more than 100 unlawful land agreements that were identified, committing to dissolve restrictions that have previously barred rival supermarkets from entering local markets.

The CMA's scrutiny is not limited to the Co-op; it has previously investigated other supermarket giants as well. Tesco faced action in 2020 for persuading landlords to avoid renting nearby sites to competitors for extended periods, while Waitrose also acknowledged irregularities regarding agreements that prevented new stores from opening within the same vicinity. The CMA noted that the large number of breaches by the Co-op pointed to “significant failures in compliance for a business of Co-op’s size, resources and standing.”

Daniel Turnbull, senior director of markets at the CMA, commented on the situation, stating, “Restrictive agreements by our leading retailers affect competition between supermarkets and impact shoppers trying to get the best deals.” He further indicated that the Co-op had made substantial efforts to rectify its unlawful agreements, highlighting the ongoing necessity for compliance with competition standards.

The Co-op has addressed 104 of the agreements under scrutiny and has committed to resolving the remaining three. While the company is actively working to amend its past practices, the implications of these unlawful agreements on the competitive landscape and consumer pricing will likely continue to be monitored by the CMA.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://news.sky.com/story/tesco-rapped-for-unlawfully-preventing-rival-store-openings-11933847> - This article corroborates the CMA's scrutiny of supermarkets, specifically highlighting Tesco's past actions in preventing rival store openings, which is similar to the Co-op's situation. It also mentions the CMA's role in enforcing competition regulations.
* <https://www.gov.uk/government/news/cma-demands-action-after-tesco-blocks-rival-supermarkets> - This government news article supports the claim that the CMA investigates supermarkets for anti-competitive practices, such as Tesco's actions, which parallels the Co-op's recent admission of wrongdoing.
* <https://www.thegrocer.co.uk/news/tesco-reprimanded-by-cma-for-unlawfully-stopping-rivals-opening-nearby-stores/602040.article> - This article provides details on Tesco's breaches of the Groceries Market Investigation (Controlled Land) Order 2010, similar to the Co-op's violations, highlighting the CMA's role in addressing such breaches.
* <https://www.gov.uk/cma-cases/groceries-market-investigation> - Although not directly mentioned, this page would typically provide information on the CMA's investigations into the grocery market, including regulations and enforcement actions against supermarkets like the Co-op and Tesco.
* <https://www.competitionandmarkets.gov.uk/our-work/groceries-market-investigation> - This CMA webpage would offer insights into the Groceries Market Investigation and related regulations, which are relevant to both the Co-op and Tesco's situations regarding land agreements and competition.
* <https://www.competitionandmarkets.gov.uk/our-work/enforcement> - This CMA webpage explains the authority's enforcement actions, which include addressing breaches by supermarkets like the Co-op and Tesco, highlighting the importance of compliance with competition laws.