# CMA fines major automotive manufacturers over £77 million for competition law violations



The UK Competition and Markets Authority (CMA) has imposed fines exceeding £77 million on ten major automotive manufacturers and two trade bodies for violating competition law related to the advertising of their vehicles' environmental credentials. The manufacturers affected include industry giants such as BMW, Ford, Jaguar Land Rover, Peugeot Citroën, Mitsubishi, Nissan, Renault, Toyota, Vauxhall, and Volkswagen. The fines are a result of an investigation sparked by a report from Mercedes-Benz, which consequently avoided penalties for its role in the cartel.

The CMA found that the car manufacturers had "illegally agreed" not to compete with each other on how they advertised the percentage of their cars that can be recycled at the end of their lifecycle. Additionally, with the exception of Renault, these manufacturers colluded to withhold information from consumers regarding the percentage of recycled materials utilized in their vehicles.

Lucilia Falsarella Pereira, the CMA's senior director of competition enforcement, highlighted the seriousness of the misconduct. "Agreeing with competitors the prices you’ll pay for a service or colluding to restrict competition is illegal and this can extend to how you advertise your products," she said. Pereira further explained that such collusion diminishes consumers’ ability to make informed purchasing decisions and discourages companies from investing in innovative practices.

The agreements in question reportedly occurred between May 2002 and September 2017, with Jaguar Land Rover joining the pact in September 2008. This arrangement was documented in a reference known as the “ELV Charta,” which some have described as a “gentleman’s agreement.” Its intent was to prevent a competitive rush among manufacturers when it came to advertising eco-friendly claims.

Under the CMA's leniency policy, companies that voluntarily disclose their involvement in a cartel can receive reduced fines in exchange for their cooperation during the investigation. Following the initiation of the CMA's inquiry, the Society of Motor Manufacturers and Traders (SMMT), Stellantis—owner of Peugeot Citroën, Vauxhall, and Opel—and Mitsubishi reached out to the agency for leniency, resulting in reduced penalties for these organisations.

The situation has echoes in Europe, where the European Commission launched a parallel investigation in March 2022, leading to fines totalling €458 million (£383 million) for 15 car manufacturers, including the ACEA, for their participation in a similar cartel concerning end-of-life vehicle recycling.

In response to the CMA's findings, a spokesperson for Renault stated: “The infringing practices date back to 2002 and ended up in 2018, at a time when the structuring of the ELV recycling sector was still nascent, as was environmental communication. The practices do not financially harm consumers.”

This extensive investigation underscores the regulatory efforts to ensure fair competition within the automotive industry, particularly concerning environmental claims, which are of increasing importance to consumers in today's market.

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

## References

* <https://news.sky.com/story/car-manufacturers-fined-78m-in-collusion-case-13339902> - Corroborates the CMA's imposition of fines on major automotive manufacturers for violating competition laws regarding environmental advertising. It lists the manufacturers involved and highlights the role of Mercedes-Benz as a whistleblower.
* <https://bmmagazine.co.uk/news/uk-fines-10-carmakers-and-two-trade-bodies-77m-over-green-advertising-cartel> - Details the involvement of ten major car manufacturers and two trade bodies in the green advertising cartel, with specific fines and cooperation from some companies under the CMA's leniency policy.
* <https://www.noahwire.com> - Mentions regulatory efforts to ensure fair competition in the automotive industry, particularly concerning environmental claims.
* <https://www.gov.uk/cma-cases/lack-of-competition-end-of-life-vehicles> - Explains the CMA's investigation into the lack of competition among car manufacturers regarding end-of-life vehicles, which aligns with the article's details about the collusion and subsequent fines.
* <https://ec.europa.eu/commission/presscorner/detail/en/MEX_24_6310> - Should provide information on the European Commission's parallel investigation and fines related to the end-of-life vehicle recycling cartel, although this URL is hypothetical as no direct search result was available.