

## UK Businesses' Understanding of Competition Law

Article By:

Antitrust Litigation & Competition Regulation

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The **Competition and Markets Authority** (CMA) has recently published the findings of research it commissioned to examine UK businesses' understanding of competition law. The aim of the research was to gauge businesses' awareness of competition law, their understanding of anti-competitive behaviours and the resulting penalties, businesses' preferred sources of information about compliance, and the awareness of the CMA and what it does.

A link to the report can be found [here](#). Some of the key findings of the report include:

- **Indicators and risks of anti-competitive behaviour:** 73 percent of businesses monitor prices of competitors. Price monitoring is most likely by large businesses and in the agricultural, wholesale, retail and transportation sectors. Remarkably 7 percent of businesses interviewed stated that they contacted their competitors directly to find out their prices.
- **Awareness of competition law:** business respondents expressed a greater concern with compliance with other regulations (such as health and safety law and employment law). This perhaps explains the low understanding of the illegality of the following: resale price maintenance (29 percent), market-sharing (40 percent), and price-fixing (55 percent).
- **Awareness and understanding of CMA and its role:** only 10 percent of businesses reported seeking information on competition law (rising to 52 percent for larger businesses). The Internet was cited as the largest source of information. Interestingly, 57 percent of businesses had not heard of the CMA (39 percent amongst large businesses) and only 2 percent felt they knew the CMA well.

Overall the research report concluded that there is a significant “compliance gap” as 85 percent of businesses think that they should comply with competition law because it is the right thing to do ethically – as opposed to being under a legal obligation to do so. There is also poor knowledge of the penalties for breaking the law and how to report anti-competitive activity. This indicates that the government and the CMA has some way to ensure that an understanding of the nature and responsibilities associated with competition law permeates to all levels of the business community.

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