

STORE CARDS MARKET INQUIRY

Notice of provisional findings made under Rule 10.3 of the Competition Commission's Rules of Procedure

1. On 18 March 2004, the Office of Fair Trading ('the OFT'), in exercise of its power under section 131 of the Enterprise Act 2002 ('the Act'), referred to the Competition Commission (CC) for investigation and report the supply of the following services (the reference services) in the UK:
 - (a) store card credit services to retailers and services related thereto (store card credit services); and
 - (b) consumer credit through store cards.
2. The OFT, in exercise of its powers under section 135 of the Enterprise Act 2002, varied the terms of reference on 3 March 2005. The varied terms refer to the supply of the following services (the reference services) in the UK:
 - (a) store card credit services to retailers and services, including insurance services, related thereto (store card credit services); and
 - (b) consumer credit through store cards and insurance purchased in association with the provision and use of those store cards.

Provisional findings

3. The CC Inquiry Group ('the Group') appointed to consider this reference has provisionally found, on the statutory questions it has to decide pursuant to section 134 of the Act, that a combination of features of the relevant markets prevents, restricts or distorts competition in connection with the supply of consumer credit through store cards and insurance purchased in association with the provision and use of those store cards.
4. The Group's reasons are set out in full in the provisional findings report, which is attached to this notice, and are summarized in the executive summary of the provisional findings report (see note(1) below).

The next steps

5. The Group now invites interested parties to submit reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
6. These reasons in writing should be received by the Group no later than Tuesday, 11 October.
7. The Group will have regard to any such reasons in making its final decisions on the statutory questions.
8. The Group is also publishing a notice of the actions which it considers might be taken by the CC to remedy the adverse effect on competition and the detrimental effects on

customers provisionally identified. Comments on these possible actions should also be received in writing no later than Tuesday, 11 October.

Signed

A handwritten signature in black ink, appearing to read 'C. Clarke', written over a horizontal line.

Christopher Clarke
Group Chairman
14 September 2005

Note

- (a) A copy of this notice and the provisional findings report will be placed on the CC web site on 14 September 2005. The published version of the provisional findings report shall not contain any information which the Group considers should be excluded, having regard to the three considerations set out in section 244 of the Act.