



FTCNewsLine is an on-line quarterly newsletter of the **FAIR TRADING COMMISSION** that contains information on competition matters dealt with by the Fair Trading Commission as well as other competition agencies from around the world. The aim is to provide readers with insights into some of the matters that are prosecuted in other jurisdictions; and to assist businesses and consumers in better identifying issues that may pose competition concerns.

Competition legislation is specific to each jurisdiction and activities that are prohibited in one jurisdiction are not necessarily prohibited in other jurisdictions. For information on the prohibitions under the Jamaica's competition legislation, the **FAIR COMPETITION ACT (FCA)**, please visit our website at www.jftc.gov.jm.

In this Issue we feature issues related to the period January 1, 2020 to March 31, 2020.

FTC concludes assessment of the acquisition of Epping by Total Jamaica Limited

The FTC has completed its investigation of the acquisition of Epping Oil Company and Epping Retail Limited, by Total Jamaica Limited and concludes that the acquisition agreements are unlikely to have the effect of a substantial lessening of competition in the petroleum market. Essentially, the agreements are not in breach of section 17 of the Fair Competition Act. Prior to the acquisition, Total (a multinational French-based energy company) and Epping (a Jamaican owned company) both sold petroleum products including automotive fuel and lubricants through branded service stations within several regions across the island.

The FTC determined that the acquisition could raise competition concerns in seven regions in which Total Jamaica Limited and Epping Retail Limited operated. These regions are located in Half-Way-Tree, Maxfield (Little Kew Road), National Heroes Circle, Old Hope Road, White River, Black River and Port Antonio. The Staff assessed the level of competitiveness between the two companies in these regions and concluded that Total was less competitive in markets where Epping was present compared to markets in which Epping was absent. The data revealed that Total competed more intensely against the other multinational marketing companies compared to Jamaican-owned companies. These results indicate that Total did not face direct head-to-head competition from Epping.

FTC completes investigation of complaint in the micro-loan sector

In March 2020, the FTC completed its investigation into Bank of Nova Scotia (BNS) termination of its banking services to Monaire Financial Services Ltd (Monaire).

Monaire provides micro-loans and competes directly with at least six other providers in the county of Cornwall. Regarding collecting debt payments, Monaire relied almost exclusively on BNS direct deposit service where payments are deducted from salary deposited to customers'

accounts held at BNS. Accordingly, the FTC identified two markets relevant to assessing the competitive effects of the challenged conduct: (i) the market for loan collection services; and (ii) the market for micro-loans services.

The investigation revealed that most micro-loan enterprises use multiple methods in collecting outstanding debt payments. Specifically, micro-loan providers collect loan payments in-house and/or outsource collection to third party providers such as commercial banks and bill payment agencies. In doing so, these enterprises face lower risks of default.

The FTC concluded that while BNS conduct resulted in harm to Monaire in the market for micro-loans services as it leads to a significant portion of nonperforming loans, such harm can be mitigated, if not avoided, if Monaire had incorporated a more diversified set of debt payment collection facilities currently available in the market.

Further, the FTC concluded that consumers in the market for micro-loans service are unlikely to be harmed as it did not restrict consumers' access to micro-loans from competing providers. For a breach to be determined harm to consumers and suppliers must be demonstrated. Accordingly, there is unlikely to be a breach of the FCA.

Complaints investigated during Financial Year 2019/2020

Over the period April 1, 2019 to March 31, 2020, the FTC investigated 139 complaints for breaches of the FCA and resolved 80 cases. Of the 139 complaints investigated, 92 of these cases were unresolved at the end of the previous financial year and 47 cases were received during FY 2019/2020. Of the 47 complaints received, 43 per cent concerned matters in the telecommunication sector while the remaining 57 per cent of complaints were distributed across 14 industries. The complaints in the telecommunication sector concerned mainly misleading representation regarding data and talk plans. Consumers complained that services were advertised as 'unlimited' by the two major telecommunication providers, however, upon subscribing they discovered that the plans were not unlimited.

In addition to the complaints, the FTC responded to 289 requests for information from the public. Also, the FTC assessed four merger transactions in the petroleum, ice, general insurance, and betting and gaming industries.