• 10% OF WORLDWIDE TURNOVER Pricing, fleet tenders, OEM relationships & trade meetings

Competition Law Compliance Guidebook for Automotive Companies

Price-fixing, market sharing, bid rigging, resale price maintenance and information exchange: what the CMA looks for, **and why a group chat with a rival dealer can cost 10% of turnover and a prison sentence.**



£77.7M
CMA fines on **10 car manufacturers** and 2 trade bodies (Apr 2025).

5 years
maximum prison sentence under the **cartel offence**.

15 years
maximum director disqualification.

6 standards | 17 checkpoints | Competition Act 1998 | Right way / wrong way | Ideal fix time

Apr 2025 Carmakers fined £77.7M → **Apr 2025** EU fines €458M → **Now** Directors personally liable → **The car industry is already on the CMA's list.**

WHY THIS GUIDEBOOK EXISTS

Your competitors are not your colleagues.

Dealers meet rivals at OEM dealer councils, trade associations and local events, and share staff who move between groups. The CMA fined **10 car manufacturers £77.7M** in 2025 for collusion. Under the Competition Act, companies face fines of **up to 10% of turnover**, and individuals can go to prison.

This guidebook covers the 6 competition standards every dealer group should audit.

WHERE COMPETITION RISK ARISES

Pricing
Cars, fees, service rates
CMP-01

Territory
Areas and customers
CMP-02

Tenders
Fleet and public sector
CMP-03

Manufacturer
Recommended vs imposed prices
CMP-04

Meetings
Dealer councils, associations
CMP-05

Readiness
Training and dawn raids
CMP-06

WHO ENFORCES IT

CMA
Competition and Markets Authority
Investigates, raids, fines companies

SFO / CMA
Criminal prosecution
Cartel offence for individuals

Insolvency Service
via CMA
Director disqualification

CAT
Competition Appeal Tribunal
Damages claims from customers

WHO IT'S FOR

Directors & dealer principals
Understand personal as well as company exposure.

Sales, fleet & aftersales managers
Know what can never be discussed with rivals.

Compliance & auditors
Test meetings, tenders and OEM pressure.

COMPANIES ARE FINED. PEOPLE GO TO PRISON.

One agreement with a rival. 10% of turnover.

Competition fines are based on the whole group's worldwide turnover, not the local branch. For cartels, the individuals involved face the **cartel offence**, with up to 5 years in prison.

THE PENALTY LADDER

LEVEL 1
Damages
Customers and rivals can claim in the CAT.

LEVEL 2
15 years
Director disqualification.

LEVEL 3
10% turnover
CMA fine per infringement.

LEVEL 4
5 years
Prison for individuals in a cartel.

REAL CASES FROM US AUTOMOTIVE BUSINESSES

WHO	RESULT	WHAT HAPPENED
10 car manufacturers + 2 trade bodies CMA · Apr 2025	**£77.7M** 12 parties	Collusion over end-of-life vehicle recycling and advertising recyclability.
Same case, EU European Commission · Apr 2025	**€458M** 15 manufacturers	15-year cartel on vehicle recycling.
Director disqualification CMA power	**15 years** maximum	Used against directors of companies that broke competition law.

A £200M GROUP
£20M
Maximum fine at 10% of worldwide turnover.

AND FOR PEOPLE
5 years
Prison under the cartel offence.

AND THEN
Claims
Customers can sue **for overcharges**.

HOW TO USE THIS GUIDE

One page per standard. Compete, don't coordinate.

1. **Header**: code, area, owner and the maximum penalty
2. **The law**: which regulator and which regulation
3. **The cost**: fine, what else can happen and a real case
4. **Right / wrong**: illustrated pass and fail, plus how to audit

THE 6 STANDARDS

CMP-01	No Price-Fixing Between Dealers ⛓ PRISON	CA98 s.2	CRITICAL	10% + prison	Immediate	5
CMP-02	No Market or Customer Sharing ⛓ PRISON	CA98 s.2	CRITICAL	10% + prison	Immediate	6
CMP-03	No Bid Rigging ⛓ PRISON	CA98 s.2	CRITICAL	10% + prison	Immediate	7
CMP-04	Free to Set Your Own Prices	CA98 s.2	CRITICAL	10% turnover	30 days	8
CMP-05	Safe Trade Association Meetings ⛓ PRISON	CA98 s.2	CRITICAL	10% + prison	30 days	9
CMP-06	Compliance Training & Dawn Raid Plan ⛓ PRISON	CA98 s.27–28	SEVERE	1% + prison	30 days	10

IDEAL FIX TIME · COUNTED FROM AUDIT SUBMISSION

Immediate	Stop now · serious harm or clear breach	3 standards
30 days	Plan and close within 1 month · policies and systems	3 standards

SCORING EACH CHECKPOINT

PASS
Every criterion met at the time of audit, with evidence captured.

FAIL
Any criterion not met at the time of audit. Record what you saw and who owns the fix.

N/A
Only where "Applies when" rules it out. Record why.

Note. Genuine agency arrangements with manufacturers are treated differently from resale. Get legal advice on your specific OEM contracts.

CMP-01 COMPETITION LAW · CMA · STANDARD 01 OF 06

No Price-Fixing Between Dealers

Area **Sales · Aftersales · Management**

Person in charge **Dealer Principal · Directors**

Regulator **CMA**

MAXIMUM PENALTY

10%

of worldwide group turnover

Directors: **disqualification up to 15 years**

• CRITICAL **⛓ PRISON RISK**

THE LAW

CA98

Competition Act 1998 (Chapter I & II) · **Enterprise Act 2002** · **CA98 Chapter I (s.2)** anti-competitive agreements · **EA02 s.188** cartel offence

WHAT WE CHECK

Dealers never agree or coordinate with competitors on car prices, discounts, part-exchange values, admin fees, service labour rates or finance margins, formally or informally.

CHECKPOINTS IN THE AUDIT

- **Q1** Do staff know not to agree prices, discounts or fees with competing dealers?
- **Q2** Are there no WhatsApp or social groups with rival dealers discussing prices?
- **Q3** Are any contacts with competitors logged and reviewed?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

Up to **10% of worldwide group turnover** for each infringement. Settlement and leniency can reduce it, but only for those who come forward.

BEYOND THE FINE

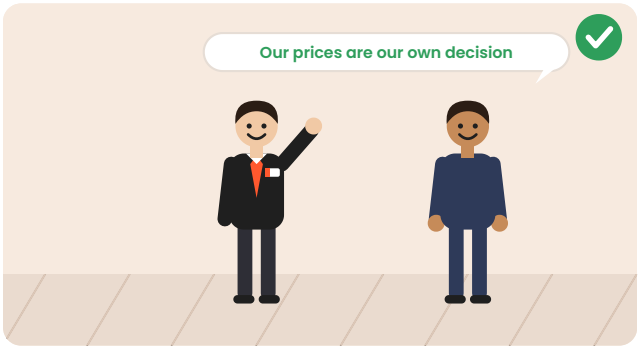
The **cartel offence** carries up to **5 years in prison** for individuals. Directors can be **disqualified for up to 15 years**. Customers and rivals can sue for damages.

REAL ENFORCEMENT

£77.7M

CMA fines on **10 car manufacturers** and 2 trade bodies (Apr 2025) for colluding over vehicle recycling and advertising.

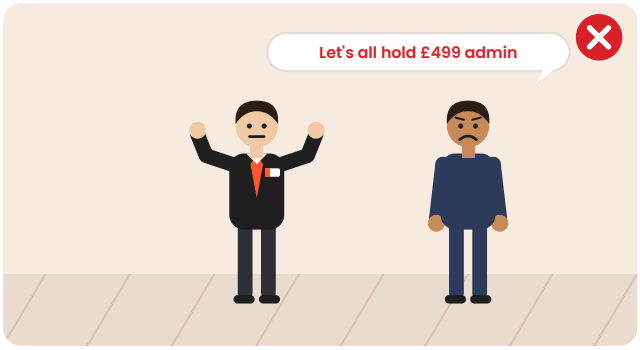
✔ RIGHT WAY



Prices set independently.

✖ WRONG WAY

10% + PRISON



Rival dealers agreeing a common admin fee.

PURPOSE

Price coordination between local dealers is the classic cartel, and group chats leave a permanent record.

FIX IT WITHIN

◷ Immediate

AUDIT CRITERIA · PASS WHEN

- Independent pricing
- No price talk with rivals
- Contacts logged
- Staff trained

IDEAL WAY OF AUDITING

1. Ask managers about rival contact
2. Check trade association minutes
3. Review pricing decisions

Evidence: Training record + contact log.

WORST CASE A cartel is the most serious breach: **10% of turnover**, **up to 5 years in prison** and director bans.

CMP-02 COMPETITION LAW · CMA · STANDARD 02 OF 06

No Market or Customer Sharing

Area **Sales · Fleet** | Person in charge **Dealer Principal · Fleet Manager** | Regulator **CMA**

MAXIMUM PENALTY

10%

of worldwide group turnover

Directors: **disqualification up to 15 years**

• CRITICAL | ⛓ PRISON RISK

THE LAW

CA98

Competition Act 1998 (Chapter I & II) · **Enterprise Act 2002** · **CA98 Chapter I** market sharing and customer allocation

WHAT WE CHECK

Dealers never agree with competitors to stay out of each other's areas, split fleet or trade customers, or avoid each other's customers.

CHECKPOINTS IN THE AUDIT

Q1 Are there no agreements, even informal, not to compete for certain areas or customers?

Q2 Are territories only those set lawfully by the manufacturer agreement?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

Up to **10% of worldwide group turnover** for each infringement. Settlement and leniency can reduce it, but only for those who come forward.

BEYOND THE FINE

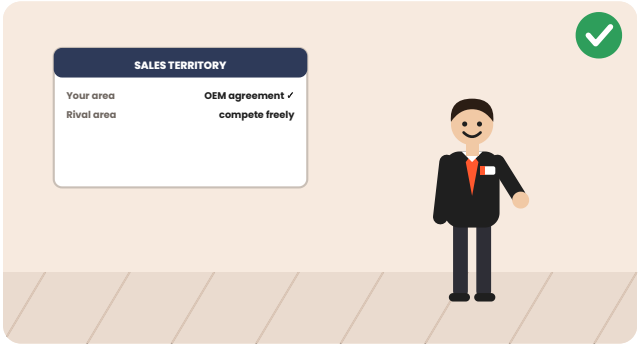
The **cartel offence** carries up to **5 years in prison** for individuals. Directors can be **disqualified for up to 15 years**. Customers and rivals can sue for damages.

REAL ENFORCEMENT

€458M

fined by the European Commission in the same recycling case (Apr 2025). Cartels in the car industry are pursued on both sides of the Channel.

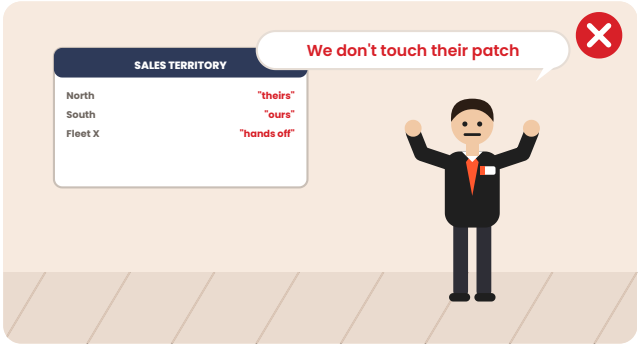
✔ RIGHT WAY



Territory defined only by the manufacturer contract.

✖ WRONG WAY

10% + PRISON



An informal carve-up with the rival group.

PURPOSE

"Staying off each other's patch" is market sharing, one of the four hardcore cartel types.

FIX IT WITHIN

◷ Immediate

AUDIT CRITERIA · PASS WHEN

- No carve-ups
- Fleet bids independent
- Territories documented

IDEAL WAY OF AUDITING

1. Ask managers how areas are decided
2. Review fleet bid records

Evidence: Manufacturer agreement + bid log.

WORST CASE Market sharing is a **cartel**: 10% of turnover, prison risk and director disqualification.

CMP-03 COMPETITION LAW · CMA · STANDARD 03 OF 06

No Bid Rigging

Area **Fleet · Leasing** | Person in charge **Fleet Manager · Directors** | Regulator **CMA**

MAXIMUM PENALTY

10%

of worldwide group turnover

Directors: **disqualification up to 15 years**

• CRITICAL | ⛓ PRISON RISK

THE LAW

CA98

Competition Act 1998 (Chapter I & II) · **Enterprise Act 2002** · **CA98 Chapter I** bid rigging · **EA02 s.188** cartel offence

WHAT WE CHECK

Bids for fleet, public-sector and leasing tenders are prepared independently, with no cover pricing, bid rotation or information swapping with other bidders.

CHECKPOINTS IN THE AUDIT

- Q1 Are tenders prepared without any contact with other bidders?
- Q2 Is cover pricing (a deliberately high bid) banned?
- Q3 Are bid decisions documented?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

Up to **10% of worldwide group turnover** for each infringement. Settlement and leniency can reduce it, but only for those who come forward.

BEYOND THE FINE

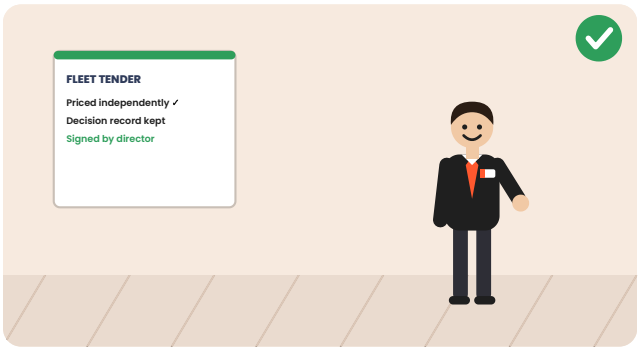
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REAL ENFORCEMENT

£77.7M

CMA fines on **10 car manufacturers** and 2 trade bodies (Apr 2025) for colluding over vehicle recycling and advertising.

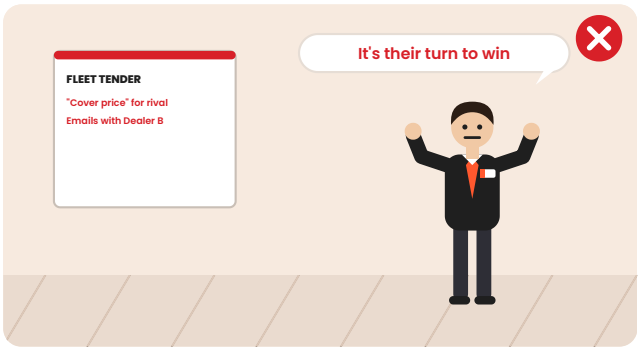
✔ RIGHT WAY



Independent bid with a decision record.

✖ WRONG WAY

10% + PRISON



A cover price agreed with a rival.

PURPOSE

Public-sector fleet tenders are closely watched for bid rigging.

FIX IT WITHIN

◷ Immediate

AUDIT CRITERIA · PASS WHEN

- Independent bids
- No cover pricing
- Decision record
- Certificate of non-collusion signed truthfully

IDEAL WAY OF AUDITING

1. Review the last 5 tenders
2. Check email for rival contact
3. Check non-collusion certificates

Evidence: Tender files.

WORST CASE Bid rigging is criminal: **up to 5 years in prison**, plus exclusion from public contracts.

CMP-04 COMPETITION LAW · CMA · STANDARD 04 OF 06

Free to Set Your Own Prices

Area **Management** | Person in charge **Dealer Principal** | Regulator **CMA**

MAXIMUM PENALTY

10%

of worldwide group turnover

Applies to **both sides** of the agreement

• CRITICAL

THE LAW

CA98

Competition Act 1998 (Chapter I & II) · **Enterprise Act 2002** · **CA98 Chapter I** resale price maintenance · **Vertical Agreements Block Exemption Order 2022**

WHAT WE CHECK

Where the dealer sells as a reseller, it decides its own retail prices. Manufacturer "recommended" prices aren't enforced by threats or penalties. Genuine agency sales follow the agency contract.

CHECKPOINTS IN THE AUDIT

- Q1 Is the dealer free to set retail prices where it is a reseller (not a genuine agent)?
- Q2 Have any manufacturer pressures on minimum prices been recorded and escalated?
- Q3 Is it clear which sales are agency and which are resale?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

Up to **10% of worldwide group turnover** for each infringement. Settlement and leniency can reduce it, but only for those who come forward.

BEYOND THE FINE

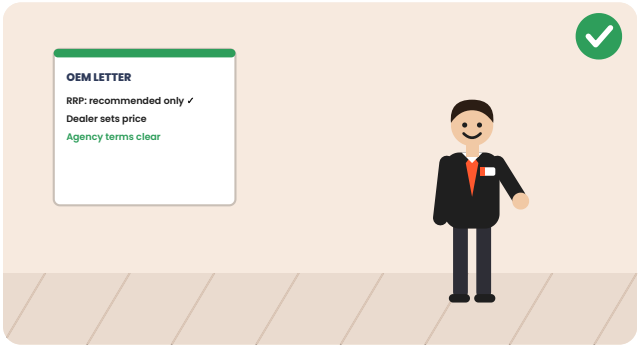
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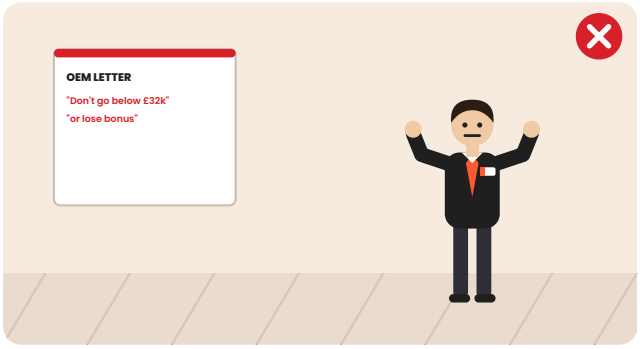
✔ RIGHT WAY



Recommended price only, dealer decides.

✖ WRONG WAY

10% TURNOVER



Manufacturer threatening bonus loss below a minimum price.

PURPOSE

Resale price maintenance is illegal, and the dealer involved can be fined too.

FIX IT WITHIN

30 days

AUDIT CRITERIA · PASS WHEN

- Pricing freedom kept
- Pressure recorded
- Agency vs resale clear

IDEAL WAY OF AUDITING

1. Review OEM communications
2. Ask who sets prices
3. Check the agency contract

Evidence: OEM correspondence.

WORST CASE RPM infringements are fined at up to **10% of turnover**, for both manufacturer and dealer.

CMP-05 COMPETITION LAW · CMA · STANDARD 05 OF 06

Safe Trade Association Meetings

Area **Management** | Person in charge **Dealer Principal** | Regulator **CMA**

MAXIMUM PENALTY

10%

of worldwide group turnover

Directors: **disqualification up to 15 years**

• CRITICAL | ⛓ PRISON RISK

THE LAW

CA98

Competition Act 1998 (Chapter I & II) · **Enterprise Act 2002** · **CA98 Chapter I** decisions by associations and information exchange

WHAT WE CHECK

At dealer councils, trade associations and OEM dealer meetings, no one discusses future prices, margins, stock plans or wage rates, and agendas and minutes are kept.

CHECKPOINTS IN THE AUDIT

- Q1 Do meetings with competitors have an agenda and minutes?
- Q2 Are staff briefed to leave if prices or future plans come up?
- Q3 Is sensitive information never shared through benchmarking without safeguards?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

Up to **10% of worldwide group turnover** for each infringement. Settlement and leniency can reduce it, but only for those who come forward.

BEYOND THE FINE

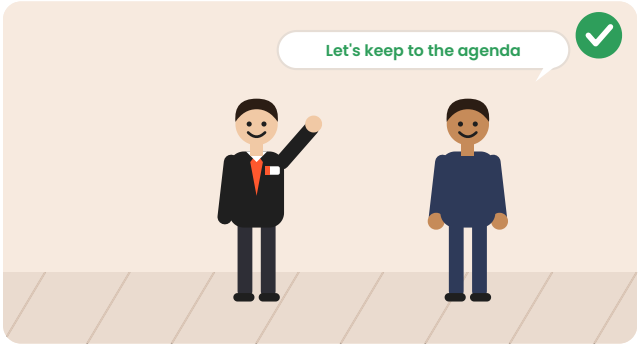
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REAL ENFORCEMENT

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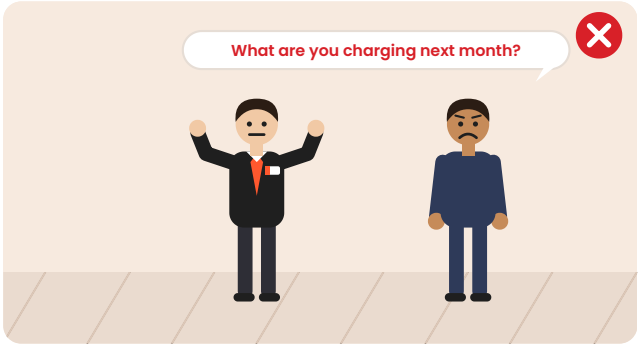
✔ RIGHT WAY



Agenda followed, minutes kept.

✖ WRONG WAY

10% + PRISON



Competitors swapping future prices.

PURPOSE

Two trade associations were fined in the car recycling case. Meetings are a common route into cartels.

FIX IT WITHIN

◷ 30 days

AUDIT CRITERIA · PASS WHEN

- Agenda and minutes
- Staff briefed to leave
- No future pricing exchanged

IDEAL WAY OF AUDITING

1. Review minutes of last 3 meetings
2. Ask attendees what's discussed

Evidence: Minutes + briefing note.

WORST CASE Associations and their members can both be fined **up to 10% of turnover**.

CMP-06 COMPETITION LAW · CMA · STANDARD 06 OF 06

Compliance Training & Dawn Raid Plan

Area **Management · IT** | Person in charge **Directors · Compliance Officer** | Regulator **CMA**

MAXIMUM PENALTY

1%

of turnover for obstruction

Plus criminal liability for **destroying documents**

• SEVERE | ⛓ PRISON RISK

THE LAW

CA98

Competition Act 1998 (Chapter I & II) · **Enterprise Act 2002** · **CA98 ss.27–28** CMA powers of entry and inspection · obstruction offences

WHAT WE CHECK

Managers are trained on competition law, there's a dawn-raid procedure (who to call, don't obstruct, don't delete), and documents aren't destroyed.

CHECKPOINTS IN THE AUDIT

- **Q1** Have directors and managers had competition law training in the last 2 years?
- **Q2** Is there a written dawn-raid procedure known to reception and IT?
- **Q3** Is deleting or hiding documents during an investigation strictly forbidden?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

Up to **10% of worldwide group turnover** for each infringement. Settlement and leniency can reduce it, but only for those who come forward.

BEYOND THE FINE

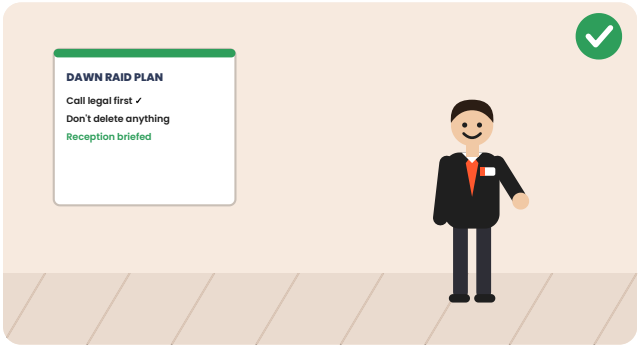
The **cartel offence** carries up to **5 years in prison** for individuals. Directors can be **disqualified for up to 15 years**. Customers and rivals can sue for damages.

REAL ENFORCEMENT

15 yrs

maximum **director disqualification** for competition breaches: the CMA uses it against individuals, not just companies.

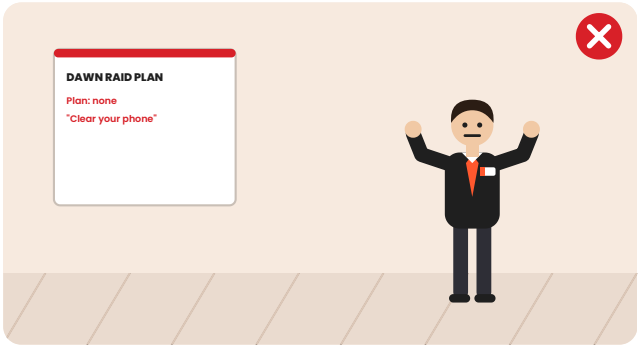
✔ RIGHT WAY



Written plan, reception briefed.

✖ WRONG WAY

OBSTRUCTION



No plan, and staff told to clear their phones.

PURPOSE

Obstructing an investigation is a separate offence, and the penalties for it are heavy.

FIX IT WITHIN

◷ 30 days

AUDIT CRITERIA · PASS WHEN

- ✓ Training completed
- ✓ Written raid procedure
- ✓ Document preservation

IDEAL WAY OF AUDITING

1. Check training records
2. Ask reception what they'd do
3. Check the procedure

Evidence: Training + procedure.

WORST CASE Obstruction can bring a fine of up to **1% of turnover** and criminal charges for individuals, on top of the main case.

STOP THE CONVERSATION BEFORE IT STARTS

Your 30-day competition action plan.

Today

- [ ] **CMP-01** No Price-Fixing Between Dealers
  Immediate
- [ ] **CMP-02** No Market or Customer Sharing
  Immediate
- [ ] **CMP-03** No Bid Rigging
  Immediate

This week

Re-audit the site in 30 days.

This month

- [ ] **CMP-04** Free to Set Your Own Prices
  30 days
- [ ] **CMP-05** Safe Trade Association Meetings
  30 days
- [ ] **CMP-06** Compliance Training & Dawn Raid Plan
  30 days

?/6 Count your passes. A single cartel fail can mean **10% of turnover** and **prison** for the people involved.

SOURCES

- Fleet News: Car manufacturers and trade bodies fined for collusion (Apr 2025) · fleetnews.co.uk
- Slaughter and May: EC and CMA fines in end-of-life vehicles recycling cartel settlements · slaughterandmay.com
- Competition Act 1998; Enterprise Act 2002 s.188; VABEO 2022 · legislation.gov.uk

Disclaimer. For compliance-audit guidance only; not legal advice. Agency and distribution arrangements need specific legal review.

AUDIT SIGN-OFF

DEALERSHIP / SITE	AUDITOR	DATE	SCORE __ / 6

BRANCH / DEALER PRINCIPAL SIGNATURE

COMPLIANCE LEAD SIGNATURE