

Competition Law Compliance Policy

Last Review Date: January 2017

1. Policy Statement

Greenslade Taylor Hunt and its employees are committed to compliance with all laws and regulations governing its business including laws relating to competition. The firm strives to adhere, in all its business practices, to the principle of fair and effective commercial competition between businesses. It does not engage in conduct which is anti-competitive, nor will it enter into agreements with other companies or organisations (whether private or publicly owned) which could, or do, intend to restrict, prevent or distort competition in any market in which we operate.

This policy is to enable Greenslade Taylor Hunt to meet its legal and regulatory requirements by taking reasonable steps to minimise the likelihood of anti-competitive behaviour. It is a requirement that all partners and employees in the entire organisation adhere to the guidance below.

2. The Legislation - Competitions Act 1998

Competition law is designed to protect businesses and consumers from anti-competitive behaviour. The law stimulates effective competition in order to deliver open, dynamic markets and enhanced productivity, innovation and value for customers. All businesses must comply with competition law and there can be serious consequences for businesses and individuals, including partners and principals, for non-compliance. This policy provides a basic overview of the law and outlines the steps Greenslade Taylor Hunt needs to take to comply. It may also help partners and employees to spot when others are engaging in illegal anti-competitive behaviour.

Subject to any applicable exclusions or exemptions, Section 2 of the Competition Act 1998 prohibits (among other matters) agreements or concerted practices between undertakings, or decisions by associations of undertakings, which have as their object or effect the prevention, restriction or distortion of competition and which may affect trade within the UK (or part of the UK). This is known as the Chapter 1 prohibition.

Non-compliance with the guidance may result in sanctions from the Competition and Markets Authority (CMA), including significant financial penalties and potential criminal prosecution.

3. Risk Identification

There are three key things partners and employees should keep an eye out for in Greenslade Taylor Hunt and in competitors' businesses:-

i) Cartels

These are the most serious types of anti-competitive agreements, where two or more businesses agree, whether in writing or otherwise, not to compete with each other. Cartels can also involve sharing or exchanging commercially sensitive information with competitors directly, or indirectly through a third party (for example, competitors using a mutual supplier as a conduit to exchange pricing information).

Cartels include agreements to:-

- fix prices or fees
- engage in bid rigging or cover pricing when tendering for business
- limit service availability

- share customers or markets

ii) Other Potentially Anti-competitive Agreements

Other agreements that could be anti-competitive include agreements, whether in writing or otherwise, that:-

- involve joint selling or purchasing with competitors
- have a long exclusivity period (over five years)

iii) Abuse of a Dominant Position

A business that enjoys substantial market power over a period of time might be deemed to be in a dominant position. The assessment of a dominant position is not based solely on the size of the business and/or its market position. Whilst market share is important (a business is unlikely to be dominant if its market share is less than 40 per cent) it does not determine on its own whether a business is dominant. A business is only likely to hold a dominant position if it is able to behave independently of the normal constraints imposed by competitors, suppliers and consumers.

Having established that a business is dominant, anti-competitive conduct which exploits consumers or tends to have an exclusionary effect on competitors is likely to constitute an abuse. Examples of the type of conduct that may fall into this category for a dominant business include:-

- charging prices so low that they do not cover the costs of the service provided
- offering different prices or terms to similar customers without objective justification

For all the conduct listed above it is important to consider the likely effect of the conduct on customers and on the process of competition when determining whether it would amount to an abuse.

4. The Principles of Approach

i) All partners and staff must comply with the prohibitions contained in the Competition Act 1998. In particular, agents and professionals must not enter into agreements that have the object or effect of preventing, restricting or distorting competition between them. The term 'agreement' has a wide meaning for the purposes of competition law, covering all agreements, whether or not they are legally enforceable, written or oral.

ii) Agents and professionals must be free to compete for new business on any aspect of their service, including fees, discounts or value offerings. An agreement that restricts an agent or business's ability to advertise its prices makes it harder for consumers to find the best offer available. This can reduce price competition between competing agents and contribute to keeping estate and lettings agents' fees artificially high. It can also make it harder for new businesses to enter the market.

iii) All agents and professionals must ensure that advertisements for their services in any printed or online media or other promotional material are truthful, accurate and not misleading to consumers.

iv) Agents and professionals must take decisions on the content of their advertisements independently of their competitors, including whether to advertise their fees, charges or any additional costs, or any special offers, discounts or other value offering.

v) If an agent or professional decides to join an estate agents' trade association, or other formal or informal association of competitor estate agents/professionals, it must ensure that the rules of membership for that association do not restrict its freedom to decide the appropriate content of their advertisements or restrict other elements of competition between them, which can result in consumer detriment such as making it harder for them to find the best offer available.

vi) Whether or not in the context of a trade or other association, agents and professionals must not prevent or attempt to prevent other agents or competitors from using truthful, accurate and not misleading advertising, in any medium, to win business, subject to the prohibition on using unfair methods for canvassing for new business contained in the Code of Practice.

Note: Competition Law applies to all natural or legal persons engaged in economic activity, regardless of their size, legal status or the way in which they are financed.

5. Areas of Potential Risk to Greenslade Taylor Hunt

Partners and employees in Greenslade Taylor Hunt should, under no circumstances, be involved in the following:-

- Enter into agreements with other agents, professionals or businesses that have the object or effect of preventing, restricting or distorting competition between them.
- Discuss any price-related matter with competitors.
- Enter into an arrangement or understanding - or even discuss - with competitors the possibility of not competing against each other in certain geographic areas, or for certain types of customer, or in the supply of certain services.
- Enter into an arrangement or understanding with competitors to restrict the availability of services.
- Consult with competitors on elements of a bid or tender to provide services, or on whether or when to participate in the bidding or tender process.
- Reach any collective agreement or arrangement not to deal with a particular customer without first consulting a partner of the firm.
- Disclose to competitors any commercially sensitive information about Greenslade Taylor Hunt business e.g. fee rates or other pricing information, information about customers, profit margins, etc.
- Seek information about a competitor's business directly from that competitor.
- Undertake informal meetings, sub meetings or chats on commercially sensitive issues during breaks at industry conferences, seminars or trade association meetings.
- Act as an intermediary or otherwise facilitate exchange of commercially sensitive information between businesses which compete with each other, even if they do not compete with Greenslade Taylor Hunt e.g. between renewable energy providers.
- Tolerate anti-competitive information exchange or other anti-competitive activity by any other Greenslade Taylor Hunt employees, or any other businesses or professionals that they may come into contact with.

6. Risk Assessment

Of the potential areas of risk identified in Section 3 it is considered that, due to the nature of its business involvements, the highest potential risk to Greenslade Taylor Hunt is likely to be that of cartel activity.

The following staff may be identified as high risk of being exposed to potential cartel activity:-

- Partners and office/senior management roles, in particular staff in senior estate agent, letting, auctioneering and professional services roles that have contact with competitors.
- Other staff in sales and marketing departments
- Staff attending trade association and professional body meetings
- Any other staff dealing with competitors
- New members of staff joining the business from competitors and who are involved in any of the above functions or activities

Members of staff in management roles that do not involve regular contact with competitors and those in finance and accounts departments, which may be used to support cartel activity, are considered to be at medium risk of exposure to potential cartel activity.

Other members of staff are considered to be at low risk of exposure to cartel activity, including HR staff, personnel involved in clerical or administrative roles and back office staff.

The staff roles identified above as being at risk of exposure to cartel activity may also be at risk of exposure to other potentially anti-competitive agreements where they are involved in dealing with competitors.

7. Policy and Procedures

All partners and employees of Greenslade Taylor Hunt are required to have read and understood this policy. In particular, partners and employees dealing with competitors and third parties must be aware of this policy and reminded of its terms and effect at regular intervals.

Copies of this policy are to be made available to all staff in the Office Employee Handbook which is available in all offices of Greenslade Taylor Hunt.

All new members of staff joining the firm must be provided with a copy of this policy and will be required to comply with its contents. A second copy of the policy should be signed by the new employee and returned to their manager/managing partner to confirm they have familiarised themselves with the content. This signed copy must be kept on file.

Competition Law compliance training will be provided from time to time by external consultants for all staff considered to be at significant risk of exposure to anti-competitive activity.

Partners and staff should limit contact with competitors to a minimum and take notes of any discussions that may take place.

If required, obtain information about your competitors from other sources, such as internally within Greenslade Taylor Hunt or from other industry bodies.

Employees should obtain approval from a partner of the firm before applying to join any trade association or similar organisation.

If employees become aware of a situation where they think a risk or danger of anti-competitive activity has arisen, the incident should be reported to a partner immediately. Employees must make it clear that they will not participate in any discussions, emails or other correspondence.

If an employee becomes aware of anti-competitive activity in a meeting, gathering or in email correspondence they should leave the meeting and remove themselves from any email chains. Ensure that your exit is recorded. Report the incident to a partner at the earliest opportunity.

Any breach of this policy will result in appropriate disciplinary action including, in a case of gross misconduct, dismissal of that employee.

Breach of anti-competition laws may also lead to criminal prosecutions and very large monetary fines and/or even imprisonment being enforced against any individual responsible and/or Greenslade Taylor Hunt.

This policy covers all of Greenslade Taylor Hunt's business activities. It is reviewed on a regular basis to ensure that it reflects current legislation and regulation.

8. Review

This policy will be reviewed at regular intervals by the partners of Greenslade Taylor Hunt to ensure that it reflects current legislation and regulation.

Reviews outside the regular cycle will be undertaken where the business detects evidence that partners or employees might have been exposed to, or involved in, a competition law infringement or if the business comes under investigation for a competition law infringement.

Additional reviews may also be required when Greenslade Taylor Hunt enters into a new or different area of business or following the acquisition of another business.

Instances of anti-competitive activity are likely to be rare, however partners and employees must be aware of the legislative requirements, as failure to comply would have serious implications for both Greenslade Taylor Hunt and the individuals concerned.