



## **DETERMINATION OF MERGER NOTIFICATION M/10/032 - RBS Plc/NSL Services**

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### **Section 21 of the Competition Act 2002**

#### **Proposed acquisition by RBS Plc of NSL Services Group Limited and its subsidiaries.**

**Dated 12 October 2010**

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### **Introduction**

1. On 21 September 2010, in accordance with section 18 of the Competition Act 2002 (the "Act"), the Competition Authority (the "Authority") received a notification of a proposed transaction whereby Royal Bank of Scotland Group Plc ("RBS") would acquire, through its subsidiary AAC Capital NEBO Sub LP ("NEBO LP"), sole control of NSL Services Group Limited and its subsidiaries<sup>1</sup> ("NSL Services").

### **The Undertakings Involved**

#### ***The Acquirer***

2. RBS, the Acquirer, is the holding company of a global banking and financial services group, listed on the London Stock Exchange and headquartered in Edinburgh, Scotland, United Kingdom ("U.K."). RBS operates through two principal subsidiaries, the Royal Bank of Scotland and NatWest. RBS's business divisions include: global & banking markets, U.K. retail, U.K. corporate, RBS retail & commercial banking, Europe & Middle East, RBS insurance, citizens financial group and business services.
3. NEBO LP, which is ultimately controlled by RBS, is an investment fund established as an English limited partnership and is active in the provision of financial services. RBS has no involvement in the day to day operations or investment decisions of NEBO LP.
4. The investments made by NEBO LP are principally controlled by its adviser AAC Capital Partners Holding B.V. ("AAC"). AAC is a Northern European mid-market buy-out firm<sup>2</sup> that leads buy-outs in the range of €50-€500 million in the consumer, industrial and services sector.
5. For the financial year ending 31 December 2009, RBS generated a turnover of approximately €[...] in the State.<sup>3</sup>

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<sup>1</sup> NSL Ltd, Project Centre Ltd, Task Enforcement Ltd, NCP Services Topco Ltd (dormant), NCP Services Ltd (dormant), Patient First (Herefordshire) Ltd, Patient First(Shropshire)Ltd, Patient Logistics Ltd, NCP Oldham Ltd (dormant) and Parking Plus LLP (dormant).

<sup>2</sup> AAC seeks majority stakes in profitable, cash-generative companies mainly in the industrial, consumer and services sectors.

<sup>3</sup> This figure was calculated by the parties in accordance with Article 5(3) of the EC Merger Regulation No. 139/2004.

### **The Target Group**

6. NSL Services and its subsidiaries comprise the Target Group. NSL Services is incorporated in the U.K. and is ultimately controlled by various investment funds managed by 3i Investments plc<sup>4</sup>. NSL Services is active in the following areas:
- Enforcement Solutions – this includes parking management and enforcement contracts, vehicle clamping and removal services, crime and disorder CCTV management and street management services.
  - Business Processing Outsourcing – this includes notice processing and associated administrative services, congestion charge processing, debt enforcement and revenue recovery.
  - Passenger Transport – this includes non-blue light transport services to Primary Care Trusts, local authorities and private hospitals in the U.K. and inter-terminal transport and hotel shuttle buses at airports in the U.K.
  - Consultancy Services – this includes street design, transport planning, and traffic engineering and urban landscape.
7. NSL Services is not active in the State nor does it have a physical presence on the island of Ireland. NSL Services does, however, generate sales in Northern Ireland. For the financial year ending 31 December 2009, NSL Services generated a turnover of approximately €[...]<sup>5</sup> in Northern Ireland.

### **Third Party Submissions**

8. No submissions were received.

### **Analysis**

9. There is no horizontal or vertical overlap between the activities of RBS, AAC and Target Group in the State. Neither RBS nor AAC, or any of the companies controlled by them, are active in the State in the market(s) for the supply of enforcement solutions, business processing outsourcing, passenger transport and consultancy services for transport related design.
10. The Authority therefore considers that the proposed merger will not raise any competition concerns in the State.

### **Ancillary Restraints**

11. The proposed transaction imposes non-compete and non-solicitation obligations for a period of two years and eighteen months respectively from the completion date of the proposed transaction. The Authority considers these restrictions to be directly related and necessary to the implementation of the proposed transaction.

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<sup>4</sup> 3i Investments plc is an international investor in private equity focused on Buyouts, Growth Capital and Infrastructure, investing across Europe, Asia and North America.

<sup>5</sup> Using the conversion rate of €1=£0.89094 for the period ending 31 December 2009 as per the ECB.

## **DETERMINATION**

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition whereby Royal Bank of Scotland Group Plc would acquire, through its subsidiary AAC Capital NEBO Sub LP, sole control NSL Services Group Limited will not be to substantially lessen competition in markets for goods or services in the State, and accordingly, that the acquisition may be put into effect.

**For the Competition Authority**

**Dr. Stanley Wong**

**Member of the Competition Authority**