



# DETERMINATION OF MERGER NOTIFICATION M/19/031 – WINDSOR MOTORS/ASSETS OF HOLCROFT MOTORS

---

## Section 21 of the Competition Act 2002

### Proposed acquisition by Windsor Motors Unlimited Company of certain assets of Holcroft Motors Limited.

Dated 21 November 2019

---

#### Introduction

1. On 16 October 2019, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby Windsor Motors Unlimited Company (“Windsor Motors”) would acquire certain assets constituting a business of a Peugeot car dealership trading as *Holcroft Motors* (the “Target Assets”) from Holcroft Motors Limited (“Holcroft Motors”) (the “Proposed Transaction”).

#### The Proposed Transaction

2. The Target Assets comprise the vehicle stock<sup>1</sup>, vehicle parts, and business assets of the Peugeot car dealership owned and controlled by Holcroft Motors and a lease of the site and premises of that car dealership, located at Matthews Lane, Donore Road, Drogheda, County Louth.
3. The Proposed Transaction is to be implemented by way of an Asset Purchase Agreement dated 9 October 2019, between Holcroft Motors, Derek Holcroft, Michael Holcroft, Eugene Holcroft and Windsor Motors (the “Agreement”). Pursuant to the Agreement, Windsor Motors will acquire ownership and, thus, sole control of the Target Assets.

#### The Undertakings Involved

---

<sup>1</sup> Excluding margin scheme vehicles.



### *Windsor Motors*

4. Windsor Motors is a private company incorporated in the State. Windsor Motors operates dealerships under the Nissan, Renault, Dacia, Opel, Peugeot and Mazda brands in Dublin, Galway, Wicklow and Meath as outlined in Table 1 below. Windsor Motors has 13 dealerships active in the retail sale of specific brands of new and demonstration motor vehicles and in the provision of aftersales services and the sale of parts and accessories for these brands. It also sells pre-owned passenger cars and light commercial vehicles and offers intermediary finance and insurance services.

**Table 1: List of Current Car Dealerships of Windsor Motors**

<b>Car Dealership</b>	<b>Dealership Address</b>	<b>Car Brand Sold</b>
<i>Windsor Airside Renault &amp; Dacia</i>	Airside Motor Park, Swords, Co Dublin	Renault Dacia
<i>Windsor Airside Nissan &amp; Peugeot</i>	Airside Motor Park, Swords, Co Dublin	Nissan Peugeot
<i>Windsor Clonee</i>	Main Street, Clonee, Co Meath	Nissan Peugeot
<i>Windsor Liffey Valley Opel</i>	Liffey Valley Motor Mall, Dublin 22	Opel
<i>Windsor Liffey Valley Nissan</i>	Liffey Valley Motor Mall, Dublin 22	Nissan
<i>Windsor Raheny</i>	540/544 Howth Road, Raheny, Dublin 5	Nissan
<i>Windsor Deansgrange</i>	Deansgrange Road, Blackrock, Co Dublin	Nissan Opel
<i>Windsor Belgard</i>	Belgard Road, Dublin	Nissan
<i>Windsor Bray</i>	Dublin Road, Bray, Co Wicklow	Nissan
<i>Windsor Galway Renault &amp; Dacia</i>	Dublin Road Galway	Renault Dacia
<i>Windsor Galway Nissan &amp; Mazda</i>	Monivea Road, Ballybrit, Galway	Nissan Mazda
<i>Windsor Motor Mall</i>	Exit 5, M50, North Road, Finglas, Dublin 11	Nissan, Renault Dacia
<i>Windsor Used Car Outlet</i>	Long Mile,	Used Cars



	Walkinstown, Dublin	
--	---------------------	--

Source: Information provided by the parties

- For the financial year ending 31 December 2018, Windsor Motors's worldwide turnover was approximately €[...] million, all of which was generated in the State.

#### *Holcroft Motors*

- Holcroft Motors is a private company limited by shares, incorporated in the State. Holcroft Motors currently operates as a retailer of Peugeot-branded passenger cars and light commercial vehicles. It also provides finance options (supplied by third parties) and a range of aftersales products and services for Peugeot-branded passenger cars and light commercial vehicles from its premises at Matthews Lane, Donore Road, Drogheda, County Louth. Holcroft Motors also sells pre-owned passenger cars and light commercial vehicles.
- For the financial year ending 30 September 2018, Holcroft Motors's worldwide turnover was approximately €[...] million, all of which was generated in the State.

#### *The Target Assets*

- The Target Assets comprise the vehicle stock<sup>2</sup>, vehicle parts, and business assets of the Peugeot car dealership owned and controlled by Holcroft Motors and a lease of the site and premises of that car dealership, located at Matthews Lane, Donore Road, Drogheda, County Louth.
- For the financial year ending 31 October 2018, the turnover of the Target Assets was approximately €[...] million, all of which was generated in the State.

#### **Rationale for the Proposed Transaction**

- Windsor Motors states in the notification that:

*"The Purchaser proposes to acquire the Target Assets to continue the growth of the Windsor Motor Group as a leading motor sales retailer and aftersales service provider."<sup>3</sup>*

---

<sup>2</sup> Excluding margin scheme vehicles

<sup>3</sup> The Purchaser refers to Windsor Motors



### Third Party Submissions

11. No submission was received.

### Competitive Analysis

#### *Horizontal Overlap*

12. There are two potential horizontal overlaps between the activities of the Parties in the State:
  - a. the sale of new and demonstration Peugeot-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, aftersales services, repair services and the sale of parts and accessories for Peugeot-branded vehicles; and
  - b. the sale of pre-owned passenger cars and pre-owned light commercial vehicles.
13. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define the precise product markets because doing so does not alter the Commission's assessment of the likely competitive effects of the Proposed Transaction in the State. Nonetheless, the Commission assessed the likely impact of the Proposed Transaction in respect of both of the product areas in which the activities of the Parties overlap in the State as described in paragraph 12 above.
14. Similarly, it is not necessary for the Commission to define the precise geographic markets because doing so does not alter the Commission's assessment of the likely competitive effects of the Proposed Transaction in the State. However, for the purpose of its assessment, the Commission assessed the likely impact of the Proposed Transaction with respect to both the State and the narrower geographic market<sup>4</sup> of Co. Louth.

---

<sup>4</sup> The Commission took a similar approach in its previous determinations in cases M/15/071 JDM Automotive/Karmann Auto ([https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-15-071-Determination-JDM-Automotive\\_Karmann-Auto.pdf](https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-15-071-Determination-JDM-Automotive_Karmann-Auto.pdf)), M/18/086 Brightstone Trading/Fitzpatrick Motors (Bray) (<https://www.ccpc.ie/business/wp-content/uploads/sites/3/2018/11/M-18-086-Brightstone-Fitzpatrick-Motors-Public-Determination.pdf>) and M/18/020 Armalou-Spirit Ford/Lillis O'Donnell (<https://www.ccpc.ie/business/wp-content/uploads/sites/3/2018/02/M.18.020-Public-Determination.pdf>).



*The sale of Peugeot-branded new and demonstration passenger cars and light commercial vehicles in Co Louth*

15. Windsor Motors does not operate any dealership in Co. Louth prior to the Proposed Transaction. Information provided to the Commission by Windsor Motors indicates that the vast majority of its sales of new and demonstration Peugeot-branded passenger cars and light commercial vehicles, approximately [...]%, are to customers located in the Dublin. In 2018, Windsor Motors sold just [...] new and demonstration Peugeot-branded passenger cars and light commercial vehicles into Co. Louth, compared to [...] sold by Holcroft Motors, which represents approximately [0-10]% and [40-50]% respectively of new and demonstration Peugeot-branded passenger cars and light commercial vehicles sold into Co. Louth in 2018.
16. The Commission therefore considers that the Proposed Transaction does not raise any horizontal competition concerns in relation to the sale of Peugeot-branded new and demonstration passenger cars and light commercial vehicles<sup>5</sup> in Co Louth due to the minimal overlap between the Parties' activities in Co. Louth.

*The sale of Peugeot-branded new and demonstration passenger cars and light commercial vehicles in the State*

17. There is a horizontal overlap between the activities of the Parties in relation to the sale of *Peugeot*-branded new and demonstration passenger cars and light commercial vehicles in the State. In 2018, the Parties submitted to the Commission that Windsor Motors and the Target Assets held [0-10]% and [0-10]% market shares respectively in 2018 in relation to the total retail sale of new and demonstration Peugeot-branded passenger cars and light commercial vehicles in the State.<sup>6</sup> Following implementation of the Proposed Transaction, Windsor Motors estimated share of the total retail sale of new and demonstration Peugeot-branded passenger cars and light commercial vehicles in the State will be approximately [10-20]%, with an increment of just [0-10]%.
18. Furthermore, following implementation of the Proposed Transaction, there will remain a number of competitors (including Gowan Group Limited, Lynn Motors Limited, Flack

---

<sup>5</sup> Including the supply of intermediary financial services, aftersales services, repair services and the sale of parts and accessories for Peugeot-branded vehicles.

<sup>6</sup> Market share figures were provided by the Parties.



Brothers Limited, Agnelli Motor Park Limited, *Mongey Plunkett Motors and Sandyford Motor Centre*) which will continue to exert a competitive constraint on Windsor Motors in the sale of Peugeot-branded new and demonstration passenger cars and light commercial vehicles<sup>7</sup> in the State.

19. In light of the above, the Commission considers that the Proposed Transaction is not likely to lead to any negative horizontal competitive effects in respect of the sale of new and demonstration Peugeot-branded passenger cars and light commercial vehicles – including the supply of intermediary financial services, aftersales services and repair services – and the sale of parts and accessories for Peugeot-branded passenger cars in the State or in Co. Louth.

*The sale of pre-owned passenger cars and pre-owned light commercial vehicles*

20. There is a horizontal overlap between the activities of the Parties in the sale of pre-owned passenger cars and pre-owned light commercial vehicles in the State. The Commission notes, however, that most, if not all, motor dealerships in the State sell pre-owned passenger cars and light commercial vehicles. Based on information provided by the Society of the Irish Motor Industry (“SIMI”), there were 876 SIMI-registered dealers<sup>8</sup> selling pre-owned vehicles in the State in 2018. These dealers, along with other non-SIMI registered dealers and importers, will exert a strong competitive constraint on Windsor Motors following implementation of the Proposed Transaction.
21. Even if the relevant geographic market were to be defined more narrowly to comprise Co. Louth, SIMI figures indicate that there are approximately 24 SIMI-registered dealers located in Co. Louth which offer pre-owned passenger cars and pre-owned light commercial vehicles for sale. These dealers, along with other non-SIMI registered dealers and importers, will exert a strong competitive constraint on Windsor Motors following implementation of the Proposed Transaction.
22. In light of the above, the Commission considers that the Proposed Transaction is not likely to lead to any negative horizontal competitive effects in respect of the sale of pre-

---

<sup>7</sup> Including the supply of intermediary financial services, aftersales services, repair services and the sale of parts and accessories for Peugeot-branded vehicles.

<sup>8</sup> The Commission notes that dealers and/or franchises which operate in the State are not obliged to register with SIMI.



owned passenger cars and pre-owned light commercial vehicles in the State or in Co. Louth.

#### *Vertical Relationship*

23. The Parties have stated in the notification that there is no vertical relationship between Windsor Motors and Holcroft Motors. The Commission has not identified any vertical relationship between the Parties. On this basis, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

#### *Conclusion*

24. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

#### **Ancillary Restraints**

25. Section 9.1 of the Agreement contains non-compete and non-solicitation obligations on Derek Holcroft, Michael Holcroft and Eugene Holcroft. The duration of these non-compete and non-solicitation obligations does not exceed the maximum duration acceptable to the Commission.<sup>9</sup> The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction.

---

<sup>9</sup> In this respect, the CCPC follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2005). For more information see

[http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



## **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition, whereby Windsor Motors Unlimited Company would acquire certain assets constituting a business of a Peugeot car dealership trading as *Holcroft Motors* from Holcroft Motors Limited, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

**Brian McHugh**

**Member**

**Competition and Consumer Protection Commission**