

Please direct any enquiries regarding this letter to

Emma Sampson:

Direct line (020) 7211 5831

Fax (020) 7211 8992

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Email Emma.Sampson@oft.gsi.gov.uk

Dear Sirs

Competition law compliance by private hire vehicle operators

The OFT has recently become aware of a number of cases where private hire vehicle operators have had, or appear to have had, discussions to fix or coordinate prices for services in their region. Specifically, there have been several reports of competing operators agreeing new charging scales on a per mile or minimum journey cost basis.

Discussing pricing, and in particular price fixing, amongst competing firms is illegal under UK competition law. Under the Competition Act 1998, any business found to have participated in an unlawful price-fixing agreement may be fined up to 10 per cent of its total turnover. In addition, the Enterprise Act 2002 makes it a criminal offence for an individual dishonestly to take part in a price-fixing agreement or other form of cartel conduct between competing businesses. Anyone convicted of the offence could be sentenced to a maximum of five years imprisonment and/or an unlimited fine.

Further information can be found on the OFT's website at:

http://www.oft.gov.uk/oft_at_work/enforcement_regulation/Cartels/

Private hire vehicle operators need to understand that they should not be engaging in discussions with their competitors in relation to price, and that any such conduct should cease immediately. That is not to say that operators cannot change the price of their



services, but such pricing decisions must be made independently without any collusion with competitors.

The OFT is concerned that there appears to be a lack of awareness of competition law in some areas, and has decided to remind the industry of its obligations. However, if further instances of similar conduct come to our attention, we may take formal enforcement action.

We are working with representative bodies and relevant media to reach private hire vehicle operators, but we would be very grateful if you could forward the enclosed communication to operators in your area.

Thank you in advance for your assistance.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Blake". The signature is written in a cursive, slightly slanted style.

Stephen Blake
Director - Cartels
Cartels and Criminal Enforcement Group