

**BUSINESSHQ**

7th May

JD boss vents fury as watchdog orders Footasylum sale

By Victoria Masterson

JD Sports hit out at the CMA



The UK's competition watchdog has come under furious fire for blocking the proposed £90 million purchase by sportswear retailer JD Sports of its rival Footasylum.

In a scathing response, JD Sports executive chairman Peter Cowgill described the decision by the Competition and **Markets** Authority (CMA) as “absurd” – particularly “in the midst of a global pandemic and with the UK high street in a state of complete lockdown.”

Michael Hewson, chief market analyst at online share trading platform CMC Markets UK, said the decision was “completely incomprehensible” and could result in significant numbers of job losses.

Fourteen months after the takeover was first agreed, the regulator has now ruled that the only way to address the competition concerns is for JD Sports to sell Footasylum, in full, to an approved buyer.

“Our investigation analysed a large body of evidence that shows JD Sports and Footasylum are close competitors,” said Kip Meek, chair of the CMA inquiry group. “This deal would mean the removal of a direct

competitor from the market, leaving customers worse off. Based on the evidence we have seen, blocking the deal is the only way to ensure they are protected.”

The CMA said it found no evidence that the impact of Covid-19 would remove its competition concerns.

Mr Cowgill said the watchdog’s decision was based on “outdated and flawed” customer surveys and the “self-serving testimony of one notoriously vocal competitor” – believed to be Sports Direct owner Mike Ashley, who publicly criticised the CMA over the investigation in October and argued that the acquisition could increase prices.

JD Sports said the decision would be detrimental for Footasylum, its customers, its 2,500 staff and the UK sports retail market as a whole. It is carefully considering whether to appeal.

Mr Hewson at CMC markets said: “At a time when UK retail is facing numerous challenges even without the **coronavirus** shutdowns, this decision comes across as completely incomprehensible, and could result in significant numbers of job losses, and would in all likelihood make little difference to overall prices in the long run.”



Get involved with the news in your community

Send your stories and photos now

