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The Conseil de la concurrence fines 12 removal companies for anticompetitive practices

>Version française

The Conseil de la concurrence has just issued a decision condemning 12 removal companies for having agreed on the price of certain services and making accommodating estimates aimed at distorting competition on the market.

The second case of application of the French leniency programme

In this second application of the leniency programme, the Conseil de la concurrence has granted total immunity to the companies Allied Arthur Pierre and Maison Huet SA (now Sirva SAS), which had denounced the existence of the cartel. These companies provided the Conseil with sufficient elements of proof, which enabled the Conseil to start proceedings ex officio concerning the denounced practices and launch an inquiry with visits and seizures in the sector concerned.

The companies met with the aim to agree on the level of insurance rates and on the price of storehouses' rents

In 2003 the major companies' representatives of the international removal sector in France (AGS Paris, Allied Arthur Pierre SA, Crown Worldwide, Interdean SAS, Raoult Grospiron International, Sterling International Movers SA and Transeuro Desbordes Worldwide Relocation) participated in informal meetings ('Le Club') with the aim to exchange information on prices and costs and to determine jointly the minimum prices of insurance rate and storehouses' rent. Several companies belonging to 'Le Cub' raised their storehouses' rents and insurance

rates, thus aligning with other 'Club' members' higher prices to the detriment of the consumer.

The Conseil restated that practices consisting in fixing common prices constitute very serious practices, all the more that they were implemented by companies, which represented more than 50% of the international removal market in France.

Some of these companies with other smaller companies also made accommodating estimates for the removal of military personnel

The removal of military personnel is governed by specific regulation provisions, which force them to present their administration two or three competing estimates. In concrete terms, the military member contacts the remover, pays the agreed price but does not bear the removal cost in the end.

The inquiry has showed that the companies concerned were sharing the market. To that end, the Maison Huet company had even designed a specific software to produce accommodating estimates so as to cheat on the paying company.

The Conseil estimated that these practices were particularly serious, since they had the object and the effect to generate an artificial sharing out of the market between companies and to prevent the free price fixing by competition. As part of military removals, price gaps between 30 to 125% were registered between Maison Huet and its competitors when those established their estimate independently.

Twelve companies were condemned to pay over €2 million

The Conseil imposed proportioned sanctions taking into account the seriousness of the practices, the extent of the damage to the economy, the companies' individual situation and the fact that five companies have not contested the facts. The Conseil imposed the following on the companies:

- AGS Paris, €975000 ;
- Crown Worldwide, €180,000 ;
- Interdean SAS, €288,000 ;
- Raoult Grospiron International, €234,000;
- Sterling International Movers SA, €90,000 ;
- Transeuro Desbordes Worldwide Relocation, €210,000 ;

- Le Déménageur Européen, €4,500 ;
- A. Ledeme Déménagements, €15,000;
- Desnos, €3,500;
- Déménagements J Gervais, €5, 400;
- Rubrecht Christian (DSM), €3 150 ;
- Percot, €12, 000.

> Decision 07-D-48 of 18 December 2007, relative to practices implemented in the sector of national and international removal



> See decision of the Paris Court of Appeal (25th February 2009)

> See decision of the Cour de cassation (7th April 2010)