13 March 2018: Anticompetitive agreements in the tobacconist security provision sector in the Isère département

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The Autorité de la concurrence fines the Sécurité Vol Feu company

Following an investigation carried out by the General Directorate for Competition Policy, Consumer Affairs and Fraud Control (*Direction générale de la concurrence, de la consommation et de la répression des fraudes*, DGCCRF) into the tobacco shops security provision sector in the Isère *département,* several companies which took part in an anticompetitive agreement agreed to the settlement offered by DGCCRF. One company, Sécurité Vol Feu, refused the settlement. The DGCCRF thus refered the case concerning this company to the *Autorité de la concurrence*, in accordance with Article L.464-9 of the French Commercial Code.

The safeguarding of tobacconists

In order to protect themselves from criminal acts, tobacco store owners regularly employ specialized companies to secure their facilities. They can thus benefit from public aid, which covers part of the cost of the work, providing that the owner submits two invoices to the public authorities issued by two competing companies.

The issuing of cover quotes

The investigation showed that between March 2013 and April 2014, Sécurité Vol Feu exchanged confidential information with a competitor in regard to, especially, prices of services and respective clients in order to set up cover

quotes[1] and thus divide the markets concerned.

A practice that contributed to a misuse of public funds

By skewing, via the issuing of cover quotes, the competition process required by regulations, the Sécurité Vol Feu company breached competition law and contributed to the misuse of public funds.

The *Autorité de la concurrence* fined the Sécurité Vol Feu company 46 000 euros.

[1] The issuing of a cover quote consists, for a company, in asking another company – presented as a competitor – for an offer with a much higher amount, in order to be certain to obtain the concerned tender.

> See the text of Decision 18-D-05 of 13 March 2018 regarding practices implemented in the safeguarding of tobacconists in the Isère départements

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> See decision of the cour d'appel de Paris (20th December 2018)