22 June 2018: Temporary employment sector

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The Autorité de la concurrence fines Randstad 4.5 million euros for non-compliance with certain commitments undertaken in 2009

The *Autorité de la concurrence* today issues a decision imposing a joint fine on companies Groupe Randstad France SAS, Randstad SAS, Randstad Holding NV and Randstad France SASU of 4.5 million euros for non-compliance with a number of commitments undertaken by them and made mandatory by Decision 09-D-05 of the *Conseil de la concurrence* of 2 February 2009 regarding practices implemented in the temporary employment sector.

The 2009 decision

By way of a reminder, the *Conseil de la concurrence* had fined the companies Adecco, Manpower and VediorBis 94.4 million euros for colluding in order to limit competition between them regarding their "key account" clients between March 2003 and November 2004 (**Decision 09-D-05**)[1].

Within the framework of this decision, Groupe Vedior France (now Groupe Randstad France) and VediorBis (now Randstad) had not contested the charges and had undertaken three categories of commitments designed to:

- Guarantee the training and management of staff;
- Reduce market transparency;
- Ensure the effective implementation of the two previous categories (for example, by hiring a legal director for competition matters and strengthening the role of the corporate legal director).

Non-compliance with a number of commitments designed to reduce market transparency

The remedies taken relating to the training and management of staff and those relating to the strengthening of the role of the corporate legal director and to the hiring of a legal director for competition matters comply with the commitments entered into in 2009.

However, the *Autorité* considered that Randstad had not complied with the part of its commitments relating to the establishment of remedies designed to reduce market transparency, the main objective of which was to partition the information available to the three main players in the highly concentrated temporary employment sector - the groups Adecco, Manpower and Randstad.

Within the framework of the 2009 decision, it had been observed that the marketing by group Vedior of a number of services known as multi-TEA[2] (Temporary Employment Agency) tools , including the e flex tool, was likely to cause a risk of sensitive information relating to its competitors circulating within the group (in particular, their contractual conditions and the volume of business recorded with their clients), thus contributing to increasing market transparency. Vediorbis [Randstad] had thus committed "to marketing e-Flex via an independent subsidiary of Group Vedior France [Groupe Randstad France], Advisio Services [RSR], with its own staff and a separate technical support unit".

The *Autorité* noted that Randstad had not complied with the commitment to market e-flex via an independent subsidiary with its own staff by appointing simultaneously, for over one year, the director of strategy and development of Groupe Randstad as director of Advisio Services.

The *Autorité* considers that the non-compliance with commitments constitutes in itself a serious practice, especially as the offending parties had proposed the commitments at their own initiative. It noted that, in this case, the breach had been committed barely two months after the entry into force of the commitments and that Randstad had not immediately heeded the warning issued by the Deputy General Rapporteur of the *Autorité*.

[1]*These companies exchanged information - for example on the invoicing coefficients applied to the salaries of temporary workers, on end-of-year discounts, or on the level of the welfare cost reduction retrocessions made to the user companies - or even discussed the prices of their tender bids.*

[2] *These tools enable user companies to manage their flows of temporary workers using a multi-TEA approach. Multi-TEA tools enable user companies to centralise the management of all of the contracts, hours and invoices of all of their temporary workers.*

> **For more details, please consult the full text of decision 18-D-09 of 21 June 2018 relating to compliance with the commitments entered into by company Randstad in Decision 09-D-05 of the Conseil de la concurrence of 2 February 2009**

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