



Committee for Education

OFFICIAL REPORT (Hansard)

School Uniforms (Guidelines and
Allowances) Bill:
Competition and Markets Authority

4 June 2025

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Nick Mathison (Chairperson)
Mr Danny Baker
Mr David Brooks
Mr Colin Crawford
Mrs Michelle Guy
Ms Cara Hunter
Mr Peter Martin
Mrs Cathy Mason

Witnesses:

Mrs Louise Close	Competition and Markets Authority
Mr Gavin Thompson	Competition and Markets Authority

The Chairperson (Mr Mathison): You are both welcome. Thank you for joining us today. The purpose of today's briefing is to help members to understand the role of the Competition and Markets Authority (CMA) in advising the Department, particularly on not only the price cap but matters relating to the School Uniforms (Guidelines and Allowances) Bill more generally, and to explore with the witnesses any relevant market issues that are in the CMA's remit.

Joining us today are Gavin Thompson, the director of advocacy, nations and external relations with the Competition and Markets Authority; and Louise Close, the Northern Ireland representative for the Competition and Markets Authority. You are welcome. Apologies for the delay in getting your evidence session started. We will begin with an initial presentation or any opening remarks that you wish to make. We have your consultation response, which covers your views fairly comprehensively, but we now have a Bill in front of us that you may want to speak to directly. We ask that any contribution be up to 10 minutes, after which we will move to a session of questions and answers. We try to keep each member to around five minutes per enquiry. It is about getting to the nub of the issue as quickly as we can.

We have three evidence sessions today, members, so, in the interests of getting through the Bill's scrutiny, I ask that everyone be succinct in getting to their questions.

I will hand over to you, and we can go from there.

Mrs Louise Close (Competition and Markets Authority): Thank you, Chair and members, for the invitation to speak to you this afternoon. The Competition and Markets Authority welcomes the opportunity to engage with the Committee to contribute to its considerations on the School Uniforms

(Guidelines and Allowances) Bill. As the Chair noted, I am Louise Close, the nation's representative. I am here today with Gavin Thompson, who is the director of advocacy and political engagement.

Before I hand over to Gavin, who is the expert in this area, I will give you some background to the CMA's work, including what we in the organisation do, how we do it and what we do in Northern Ireland, because it may be relevant to other Committees that members are on.

The CMA is an independent, non-ministerial government department. It is the principal competition consumer authority in the UK. Its role is to promote competitive markets and tackle unfair behaviour. Our remit covers the whole of the UK. In recent years, we have increased our presence in the various nations. The Belfast office in particular has grown rapidly. That has really helped to raise the profile of the CMA in Northern Ireland, but, just as important, it has helped to highlight the unique consumer and market situation that we have in Northern Ireland to the teams working on policy development. I note the support that we get from Departments, particularly through the Trading Standards Service and the Consumer Council.

We have seen an increase in stakeholder engagement over the past number of years in a wide range of areas from green heating and the private rented sector to vets. We are looking at a wide range of markets to see what is happening in those and whether consumers are being protected.

As, I am sure, you will agree, competition works well when everybody benefits. Our ambition is to promote an environment in which people can be confident that they are getting great choice and fair deals, which, I think, will resonate with what the Committee is looking at in the School Uniforms Bill. It is also about having a competitive, fair business environment so that businesses can thrive. It is about finding the balance. I am sure that we will touch on some of those things today. We do that through a wide range of functions. We protect people through addressing unfair trading practices. We investigate markets in which, we think, there are competition or consumer problems. We look at mergers in case they lead to the lessening of competition, and we take action against businesses that take part in cartel activity or anti-competitive behaviour. We also provide information and advice to people and businesses about their rights and obligations. Finally, we provide advice and reporting on and monitoring of the UK internal market and government subsidies through the Office for the Internal Market and the subsidy advice unit. We have a lot of different functions in the CMA.

A key part of our role — this is why we are here today — is to inform and advise Governments and legislatures, including the Northern Ireland Executive and the Assembly, to ensure that the impact of competition on consumers is considered in policymaking. We do that formally through responses to consultations — you have seen our response to the school uniforms policy — and informally through ad hoc engagement. Gavin will tell you a little about our advocacy work in a moment.

I encourage the Committee to contact us if you have any concerns related to consumer or markets issues in Northern Ireland. You can contact me directly. I will share details with the Clerk afterwards. I am based in Belfast. There is also an email address that we will respond to and to which you can write with concerns. It is a bit like submitting a question for written answer to a Department here, so please reach out to us if you have any concerns.

I will pass to Gavin now.

Mr Gavin Thompson (Competition and Markets Authority): Thanks, Louise, and thanks to the Committee for the opportunity to speak to you today.

Louise has explained what the CMA does. We have a wide range of functions, but they are built around the core statutory objective of promoting competition for the benefit of consumers. Why do we have that objective? It is because good things tend to happen when you have effective competition, firms competing to deliver good value and confident consumers making choices that are in their best interests. Rivalry between firms means that they are more responsive to consumers, prices get driven down, quality is driven up and you can get innovation, a greater range of choice and so on.

As Louise said, one of the ways that we look to the CMA to promote competition is by providing advice and support to government, including the devolved Administrations. We do that because government, through its policies and activities, can affect competition positively and negatively. If we see an opportunity for Governments to harness the benefits of competition, we might approach them. If we see policy being made that might affect how markets work, we might reach out and support policy officials in thinking through the options. It is not our job, however, to make policy or to question policy objectives. We are very much in the space of advising and informing, and, ultimately, Governments can take or leave our advice as they see fit.

That is our general locus and remit. Over the years, we have taken a close interest in school uniforms specifically because it is a good example of how policies and decisions made by public authorities — in this case, schools — can affect competition and how that feeds into the prices that consumers — parents and carers in this case — pay.

The market for generic school uniform items is pretty competitive. There are lots of suppliers of plain shirts, plain jumpers and plain trousers, including the major supermarkets. There is a good choice on offer and a range of quality to suit people's preferences, but, to put it plainly, schools can turn a competitive market into a monopoly through their uniform policies when they require uniform items to be purchased through a single supplier or directly from the school. Even when they do not stipulate a single supplier, if schools insist on lots of specially branded items, those items are likely to be costlier to make, and competition to supply them will be more limited. There is a pretty mechanical relationship between schools' policy decisions and the prices and costs that parents bear, and bear those costs they must, because uniforms are not a discretionary purchase. They are like your mortgage, water or electricity: demand is pretty inelastic, to use the economic jargon.

Incidentally, I met a representative of the Consumer Council Northern Ireland earlier today who handed me their household expenditure tracker. That showed that half of Northern Ireland's households have less than £112 discretionary income per week. If uniform policies lead parents to pay over the odds, it will take a significant chunk out of that income.

Over the years, we have engaged closely with policy in Wales, Scotland and England. I can talk about that, if it is of interest to the Committee. In the interests of time, I will speak a bit about the Bill and our engagement with the Department of Education in Northern Ireland. We have been really glad to support and inform officials' thinking here as they have developed their consultation. We responded publicly to that, of course. You will see that we did not explicitly advise against a cost cap. In our response, we drew on our experience of price caps in other contexts and applied that to the proposal that is in the consultation and the Bill. I can talk more about our thinking there as well, if it is of interest.

The Bill closely reflects the proposals that were made in the consultation. It will not surprise you to hear that we strongly support the overall objective of bringing down the cost of uniforms through statutory guidance that deals with affordability. Members will need to decide how far they should dictate the contents of that guidance through the primary legislation that is before them. I will probably resist being drawn too much on that. It goes to the balance between the Assembly and the Executive, so it is not really right for me to opine on that. From the CMA's perspective, we hope that affordability remains a central objective of the guidance; that the guidance addresses the features of school uniform policies that drive high costs, particularly branded items and exclusive supplier arrangements; and that the guidance is straightforward for schools to comply with and enforce. As part of that, we think that the provisions in clause 3 that enable the guidance to cap the number of branded items that are in a uniform are a sensible, straightforward measure that aligns with the approach being taken in England through the Children's Wellbeing and Schools Bill.

The Chairperson (Mr Mathison): Thank you. Your consultation response was comprehensive and has given us a lot to work with.

You referenced other jurisdictions: I want to ask about that before looking at Northern Ireland-specific scenarios. You have been involved in providing advice on school uniform policy, particularly on the legislation that has gone through in England and now the new legislation that is making its way through Parliament. The legislation that originally went through in England was statutory guidance with not much else associated with it. Do you have an assessment of how effective that has been in having a real impact on school uniform costs?

Mr Thompson: The CMA has not tracked that. The Department for Education did a survey on the cost of uniforms that compared the costs that parents paid in 2023 with those that they paid in 2015. I do not know whether you have seen that survey. The results show that school uniform prices had fallen modestly in real terms and adjusting for inflation. It is difficult to pick out from that what the impact of the guidance was as opposed to other general trends, so we cannot say for sure that the guidance had that effect.

The other thing to have in mind is that different jurisdictions have taken different approaches to exactly how the guidance is specified and how it is framed in legislation. In England, there is a "have regard" clause, meaning that schools must have regard to the guidance. The language in the Bill before the Assembly says "must adhere", which, obviously, is stronger. In Wales, the guidance appears to be stronger in the restrictions that are placed on schools for branded items. Those guidelines say that no

branded item should be compulsory, which is quite strong, whereas the guidance in England uses other language. From memory, it says that branded items should be kept to a minimum. There are differences in the content of the guidance and the obligations placed on schools through primary legislation.

The Chairperson (Mr Mathison): I will move on to the specific issue of branded items. Is it the CMA's advice that some sort of limit on branded items would be an effective intervention? Could it have any negative consequences?

Mr Thompson: When we engaged with the Department of Education on the consultation, we suggested that that measure could sit alongside or be included instead of cost caps. It has its attractions, because it goes to the root cause of uniform costs being high, which is the branded items. It feels as though it would be relatively simple to comply with it. The downside is that you may get schools clustering around that limit so that, if there were a limit of four, all the schools would have the limit of just four, because there is no incentive to go below that. There is the potential that those branded items would be the most expensive items within the item cap. That goes to the point that the restriction on the number of branded items should sit alongside other bits of the guidance that deal with affordability. Those should work in parallel rather than being substitutes for each other.

The Chairperson (Mr Mathison): What is your advice on the legislation that is under consideration in England on the number of items? Are you supportive of that?

Mr Thompson: We have not provided specific advice to the Department for Education on that Bill, but we are broadly supportive of measures to cap the overall number of branded items that schools apply in their uniform policy.

The Chairperson (Mr Mathison): Clause 3 of the Bill here looks at capping. The specific phrase used is "Express limit on specific styles". Do you have a view on whether it is helpful that that just creates an enabling power? Alternatively, do you think that a more direct approach would be to deliver an effective intervention that just made that happen?

Mr Thompson: That gets at the balance between what is baked into the primary legislation and what is in the guidance. The CMA cannot necessarily come to a well-informed view on that, so I will not be drawn on that, if that is OK, Chair.

The Chairperson (Mr Mathison): I understand that. From your organisation's perspective, there is a balance to be struck. We are struggling a little with some aspects of the Bill, because we do not know what will be in the guidelines. The Department has told us that we should definitely trust it and that it will be OK, but it makes it difficult to know how prescriptive we would wish the Bill to be when we do not know what the guidelines that will emerge at the other end will look like.

I will move briefly on to the idea of a price cap and then bring in other members. Your written evidence sets out some of your concerns about that. There is an enabling power in the Bill to put a limit on the total cost of a uniform, but it is an enabling power. Given its potential complexity, which you have highlighted in your evidence, if the Committee were considering an amendment to make that, again, something that the Department could just take away, would further consultation and wider engagement with stakeholders be required, or would there be enough of an understanding of the impact that it would have on the market to just go ahead and introduce a cap?

Mr Thompson: There are quite a lot of considerations to take into account on a cost cap.

The Chairperson (Mr Mathison): Can you summarise those? For the purposes of the record, that would be helpful.

Mr Thompson: Yes. It broadly boils down to setting the level of the cap, what level you set it at and how you adjust it over time. There is compliance, which is how schools and the Department ensure that they abide by the cap. There are the incentives to think about, so that is about what the response of schools and suppliers might be to the cost cap and whether that is consistent with what you are trying to achieve.

Underpinning all those is the question of resources and whether the resource is there to ensure that the cap works effectively to adjust it, enforce it and monitor the impact and so on. Those

considerations apply slightly differently. We can get into that further down the track, depending on how you design the cap and whether it is an all-in cost of the uniform. In that case, compliance is hard, because you do not know which number to use for a pair of generic trousers when monitoring applies to the cap versus caps on specific branded items, such as a blazer. In that case, the challenge is more about assessing a fair price for that item of clothing. You need to look at input costs and fair margins and things like that.

There are a range of considerations, and, depending on what you want to do with the cap and how broadly you want to apply it, those considerations will apply with different force.

The Chairperson (Mr Mathison): That is a helpful observation. Retailers were clear in their evidence that the market can fluctuate and that you may be able to bring things in more cheaply one year than you were in the previous year. Is there an issue with setting the cap that means that you could miss out on the benefit of prices coming down? Is that a genuine concern? The retailers certainly floated it as an issue.

Mr Thompson: It potentially is, particularly if you are doing an item-by-item cap, because then you are really in the territory of potentially having to monitor and adjust input costs. You might not be doing that with sufficient alacrity over time to allow you to capture the benefits of falls in input costs as well as rises. However, the more frequently you adjust it, the more it creates potential compliance burdens for schools at the same time, as they are constantly having to verify whether their uniform policy is consistent.

The Chairperson (Mr Mathison): I am genuinely not trying to put words in your mouth, as we have been looking forward to your evidence to get your input, but have I understood correctly that you are saying that a price cap on a total uniform from start to finish, including the PE kit, is more difficult? Is putting a cap on that more difficult than putting a cap on branded items? Have I understood that correctly?

Mr Thompson: It raises slightly different challenges. We are not really drawing on any other jurisdiction here, but an all-in cost-of-uniform cap could pose compliance challenges for schools and the Department of Education in assessing whether schools are complying. That is simply because, for the generic items that form part of that overall cap, the price varies a lot. For example, what number do you use for assessing your compliance with the cap? That would seem to me to be the most significant consideration and challenge for an all-in cap.

The Chairperson (Mr Mathison): Finally, you suggested in your consultation that the Department could consider a one-time or short-term intervention with the cap. Can you speak to that to help us understand how that might operate and the thinking behind that suggestion?

Mr Thompson: If you are trying to achieve a one-off change — let me try to rephrase that: rather than relying on a general principle of affordability in your guidance and saying that schools need to consider affordability, with a cap you specify what "affordability" means in pounds and pence and say, "This is what we think 'affordability' means". If you are concerned that schools do not have a good sense of what affordability looks like, a cap may send a signal to them that shows what you mean by that principle. You could imagine a temporary cap helping to send that signal to schools, and, therefore, if it is withdrawn afterwards, they have a clear understanding of what is meant by that principle.

The Chairperson (Mr Mathison): Thank you. I am happy to open up to other members.

Mr Baker: Thank you. I want to return to branded items and a cap. We had great presentations yesterday from our young people. One of the students who happened to be sitting in the room had three branded items: a tie, a jumper and a blazer. We quickly ascertained that she does not participate in sports because everything is branded. When she goes to school, she has to take off her coat and walk for another 10 minutes in the freezing cold getting soaked because she would be punished for having that coat. In order for us to collectively bring down costs, do we have to look at all of this, including gender neutrality, as though it were pieces of a puzzle? The point was made that you cannot be sustainable and hand down a blazer, for example, if there are different sexes in the house, so it cannot go from a brother to a sister or vice versa. Do we need to look at all that, including on an equality and rights basis, if we really want to bring down the price of uniforms here?

Mr Thompson: We certainly need to look at PE kits as well. Those need to be taken as part of the overall uniform. Of course, from the CMA's perspective, the principle that we are most anxious about, reflecting our statutory remit, is affordability. However, there are other important principles when it comes to uniform that Committee members will need to consider and that the Bill may need to reflect.

Mr Baker: If you have only three or even four branded items and they are compulsory, that would deal with PE gear as well. That will drive down the cost, along with other measures, if they are taken. Is that correct?

Mr Thompson: Relative to a situation where a school had more than that number of branded items in its policy, you would expect it to result in lower uniform costs, yes. If the school has four compulsory branded items for its main uniform and four for its PE uniform —.

Mr Baker: I am saying four in general, though, so that means setting the cap at four items. I am just picking that number out. I know that the draft Westminster legislation had contemplated three at one stage. Would all those measures drive down the cost?

Mr Thompson: To the extent that schools require more than that number of branded items in their policies, we would expect that a cap will drive down those costs, yes.

Mr Baker: It is clear that quite a number of schools are very cost-effective and very practical. However, an element is probably masked by that good behaviour. Some of those prices are extortionate, and that is a barrier to education, as it excludes certain children from their school and from sports. It is about fitting all that into the Bill, I suppose, in order to get costs down. That is brilliant. Thank you, Chair.

Mrs Mason: Thanks very much for your presentation. As others mentioned, we heard evidence yesterday from young people. There was a parent here as well, and one thing that seemed to come through strongly was that girls' uniforms are much more expensive. Have you picked up on or seen that?

Mr Thompson: It is not something that we have monitored or observed. Our role is not to examine individual schools' uniform policies and assess the relative costs. If that is what the Committee has heard, I have no reason to doubt it.

Mrs Mason: The suppliers who appeared at the Committee mentioned that, once you go above a certain age, older pupils' uniforms have VAT attached to them. We have no control or power over that here, but are you aware of that, or have you given any advice on it?

Mr Thompson: We do not typically advise on fiscal or tax policy, but one of the arguments against cutting VAT that is sometimes made is that the benefits of that are not passed on to end consumers; they are captured in the form of profits by suppliers. To the extent that the market for school uniform items is not competitive, you would expect that more of that VAT cut would be held on to by suppliers than passed on to end consumers, whereas, if the market were more competitive, you would expect that companies and suppliers would be more incentivised to pass that tax cut on. The impact of such a tax change slightly depends on the level of competition in the market and, to an extent, whether it supplies branded or unbranded items.

Mrs Mason: Some of us represent more rural constituencies. It is about having that balance. We have heard stories and rumours about how there might be one supplier in a small rural village or sweetheart deals between a school and a supplier in places where there are only two suppliers. Do you have a view on that and on how to balance that in more rural areas?

Mr Thompson: In our consultation response, we acknowledged, I think, that, when it comes to small schools in rural areas, it might not be practicable to have multiple suppliers of particular uniforms, because not many of those uniform items are produced every year. It may be the case that a time-limited exclusive supplier arrangement is the best way for those schools to get the best deal. We would expect that arrangement to be looked at and reviewed regularly and, where possible, potentially put out to competitive tender to ensure that schools and parents get the best value for those branded items.

Mrs Guy: Thank you, folks, for your evidence so far. I have a quick question to clarify my understanding of your role. You have said that the market, as it is, is not competitive. There are consumer laws to protect consumers from anti-competitive practices. To date, what has your role been in schools and fair practice? You are responding to the Bill, but have you done anything or been proactive around that at all?

Mr Thompson: I will clarify the point about competitive markets. There is a competitive market for generic uniform items, but, when schools insist on branded items, it can create a less competitive market for parents to shop from, because they have less choice, and there is less competition. Part of our role has been to advise the Government on policies that can help to address that and limit the extent to which schools apply those policies.

Competition law is also relevant here to an extent. Obviously, agreements between suppliers to fix prices are prohibited in competition law. There are penalties for that, and, if there is evidence of that, we want to see it. If suppliers insist that retailers sell their products at a particular price, that is generally a breach of competition law, so we are interested in that. Long-term exclusive supply arrangements might be problematic from the perspective of competition law, because they put those suppliers in a dominant position, and dominant suppliers have special responsibilities under competition law. If they abuse that position by charging excessive prices, that is a potential breach of competition law.

In 2015, we wrote an open letter to all schools in England advising them of their responsibilities under competition law. We advised them that exclusive supply arrangements of long duration could lead to an abuse of dominance under competition law. Schools were advised to review their arrangements with that in mind. We have not taken further legal steps in that regard, because we have not seen specific evidence of infringements of competition law.

Mrs Guy: I will pick up on the exclusive agreement aspect. You spoke about exclusive agreements between single suppliers and schools, but you also raised the issue of de facto exclusive arrangements that exist because of the uniform's design requirements. Will you give us a bit more detail on those two aspects of design and exclusive contracts with schools? How can we ensure fair competition?

Mr Thompson: It is a good question. Where schools mandate a particular design or brand, that will mechanically limit competition and choice for parents, because they cannot get those items from supermarkets or other retailers. Therefore, there is a less competitive market. Exclusive supply arrangements mean that schools contract retailers to have exclusive rights to sell the item and other retailers cannot enter the market, which further limits competition. From a competition perspective, it adds insult to injury, as it were. Does that make sense?

Mrs Guy: It does. The outworking of that is that we should restrict or end exclusive supplier contracts.

Mr Thompson: Unless there are strong cost-efficiency reasons for those arrangements to be in place, the presumption will be that they should not be there.

Mrs Guy: Finally, we have talked about branded items quite a bit. What is your understanding of the term "brand" in the legislation?

Mr Thompson: The legislation uses the term "specific styles", and it goes on to define that as:

"particular makes or brands (or having particular logos), or ... of unique combinations, colours or fabrics".

I do not have a view on that definition. When we talk about brands in the context of school uniforms, it does not mean what that term is generally understood to mean: most people will think about sports logos and so on. We, however, are talking about items that mark out a school, making it hard to access that product elsewhere. Sometimes, those two things can interact: for example, PE kits may have the school brand and a sportswear brand, and, if both elements are compulsory, choice is limited twice over.

The Chairperson (Mr Mathison): If anything more specific to limit branded items were put in the Bill, would the definition of branding need to be crystal clear for that to be effective?

Mr Thompson: Terms need to be as clear as possible, if they are to be in primary legislation. The terms need to be consistent with what you want to achieve from a policy perspective.

The Chairperson (Mr Mathison): We need to find a phrase that differentiates a company brand from a school brand.

Mr Thompson: Yes, a catch-all phrase.

The Chairperson (Mr Mathison): I have one quick point that picks up from Cathy and Michelle's line of questioning. In the scenario where the school is the only supplier — we see that a lot with sportswear: it is common practice that PE kits are available only through the school — are there any particular duties around competition law to ensure that schools deliver the best value for money for consumers? Widening that arrangement could benefit consumers.

Mr Thompson: If schools allow their uniform items to be sold only through their shop, they need to evaluate whether they are in a dominant position in that market, which they may well be. In that case, the school has special responsibilities under competition law not to abuse that position. One of the responsibilities is not to charge excessive prices, although the definition of "excessive prices" is quite case- and fact-specific and complicated.

The Chairperson (Mr Mathison): You will be familiar with the cases where there has been a suggestion that the school charges a certain price for an item but gets a trade-off benefit, such as kit for staff or other equipment provided to the school. Schools have tight budgets, and maybe that is seen as a benefit, but it is not very transparent. Could there be interactions with competition law in those cases? I am not aware of any school having publicly fallen foul of those laws, but the Bill may be an opportunity to address that situation.

Mr Thompson: It would be hard to say without knowing the particular facts of each case. Incentives paid to schools as part of an agreement with suppliers, whether for uniform items or something else, are ultimately likely to represent a subsidy from parents to those schools, because they are reflected in higher prices for the items that parents purchase. Yes, it is ultimately a policy question about how far you want to close off any possibility of such arrangements. I struggle to see a competition or consumer rationale for them.

The Chairperson (Mr Mathison): That is helpful.

Mr Brooks: It was interesting when you were talking about whether schools are in a dominant position. I would have said that they have a fairly captive audience when it comes to whom they sell to.

I want to ask a couple of questions. Your written evidence mentions pricing leakage. Could you explain that further? It reads that, if there is a price cap, suppliers may try to recoup the costs, if they are having to sell at a lower price. Are we talking about postage and packaging? What are we talking about? What methods would a supplier use to recoup some of those costs?

Mr Thompson: We are drawing on our experience of price caps in other settings where there is a commercial incentive to capture a bit more value through add-on fees or the cross-selling of ancillary stuff. I struggle to think of an example of how that might manifest itself in the school uniforms context, but, certainly, postage and packaging or —.

Mr Brooks: You sell something at the cheapest rate but charge a tenner for it to be delivered.

Mr Thompson: Yes, exactly. It is the point that, if you cut the price of something to below what the market will pay for it, you will have an incentive to find a way round it.

Mr Brooks: Therefore, even if you had a hard-edged cap, there would be ways in which schools could probably point to suppliers and say, "Technically, they sell this at a particular price, and it is available at that price". Whether it is available in the quantity that they require may be an issue, but it is available at that price, and, therefore, they can use that product. However, in reality, it may well be that most people will perhaps have to pay more for it than that. There is that possibility.

Mr Thompson: That is a risk, yes. The other risk with capping individual items is that you get a clustering effect around that cap. It might have been capable of being sold at a lower price, but —.

Mr Brooks: That was going to be one of my next questions. You talk about how, if you are going to have a cap — we need to determine whether that is sensible — it is about setting it at the right level, because there will probably be a tendency for everyone to see that as a target rather than a maximum. You talked about price-fixing and so on. I imagine that, particularly when talking about relatively moderate variations in prices, if a cap were to become a target, that kind of thing could be hard to prove.

Mr Thompson: Yes, and the competition law —.

Mr Brooks: There might not even be a formal arrangement.

Mr Thompson: That is exactly right, yes. It is the anti-competitive agreement that represents the infringement of competition law. If there is a kind of tacit drift towards the cap without agreement between undertakings, that is unlikely to be a breach. It is just a side effect of having the cap in place.

Mr Brooks: Are you aware of many other areas where a figure for a cap has been put in primary legislation?

Mr Thompson: A number in pounds and pence? Not that I can think of, no. The more typical approach, if anything is put in primary legislation, is to put the uprating in. You will have a figure that is then uprated by a measure of inflation, for instance, over time, and that measure of inflation might be baked into the legislation. However, I cannot think of any examples — I am sure that there are some — of pounds-and-pence caps in primary legislation.

Mr Brooks: Thank you very much.

The Chairperson (Mr Mathison): Are there any other indications? Peter, was that an indication?

Mr Martin: No, I am OK. David asked one of my questions.

The Chairperson (Mr Mathison): Are any members who are online looking to come in? I know that Colin was having some issues with audio. I do not know whether he was able to submit a question via the Clerk.

Cara, are you looking to come in?

Ms Hunter: No, Chair. My question has been answered, but I thank the panel.

The Chairperson (Mr Mathison): Has there been anything from Colin?

The Committee Clerk: There is nothing from Colin, but, for completeness, we could ask the witnesses to send answers to the remainder of the questions in the pack.

The Chairperson (Mr Mathison): Yes, that is fine. There were other suggested questions, and it would be helpful to hear answers to them, if you are happy to follow up in written correspondence.

Mr Thompson: We are happy to do so, yes.

Mrs Close: As I said at the start, if there is other information that you want to send to the CMA on this issue or others, contact us. I will send my details to the Clerk.

The Chairperson (Mr Mathison): Much appreciated. Thank you for your time.