

**Issue:** Concerted practice among pharmacy contractors

**Relevant provision:** Section 4, Competition Act 2002

**Outcome of investigation:** Case closed in June 2008 when the Competition Authority concluded the Agreement and Undertakings with the four pharmacy contractors.

### **Outline of case**

During 2008 the Competition Authority concluded an ‘Agreement and Undertakings’ with four pharmacy contractors. This Agreement and Undertakings resolved concerns the Competition Authority had regarding an alleged concerted practice among the pharmacy contractors contrary to section 4(1) of the Competition Act 2002.

The Competition Authority initiated an investigation after it became suspicious of an anti-competitive concerted practice among pharmacy contractors in a large town in Ireland. The Authority found that the contractors had met and discussed the HSE proposal to reduce remuneration to them; one contractor circulated a sample letter to be sent to the HSE threatening suspension from participation in the Community Drugs Schemes to the others and they all sent a copy of this letter to the HSE.

The Competition Authority took the view that this amounted to a concerted practice contrary to section 4(1) of the Act. As a method of resolving complaints efficiently and effectively, with the best use of resources, the Authority concluded the Agreement and Undertakings with the four pharmacy contractors.

The Agreement and Undertakings constitute a promise from the pharmacists not, in the future, to engage in any concerted action which may breach section 4(1) of the Act. The Competition Authority has undertaken not to initiate legal proceedings against the relevant parties so long as they comply with the Agreement and Undertakings.