



DETERMINATION OF MERGER NOTIFICATION M/17/003 - BOYLESports/BAMBURY

Section 21 of the Competition Act 2002

Proposed acquisition by BoyleSports Unlimited Company of sole control of certain assets of Finbam Leisure Limited

Dated 10 February 2017

Introduction

1. On 12 January 2017, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby BoyleSports Unlimited Company (“BoyleSports”) would acquire sole control of certain assets and related goodwill of Finbam Leisure Limited (“Finbam”). The assets and related goodwill to be acquired include nine licensed betting offices (“LBOs”) operating under the “*Bambury Bookmakers*” brand located in counties Dublin, Kildare and Meath (the “Target Businesses”).
2. The proposed transaction is to be implemented pursuant to an asset purchase agreement (“APA”) dated 12 January 2017 between BoyleSports, Finbam and James Finlay.¹

The Undertakings Involved

BoyleSports

3. BoyleSports, a private unlimited company incorporated in the State, is a multi-channel betting and gaming company that offers betting, casino games, poker and bingo to consumers through the internet, by telephone and in 206 LBOs located in the State.² BoyleSports provides online interactive betting and gaming services through the following websites: boylesports.com, boylebingo.com, boylecasino.com, boylegames.com, boylelotto.com, boylepoker.com and boylevegas.com. BoyleSports provides telephone betting services through Fon-A-Bet, a freephone 24-hour phone betting service.
4. For the financial year ending 31 December 2016, BoyleSports’ worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

¹ James Finlay, [...], owns 50% of the issued share capital of Finbam. The remaining 50% of the issued share capital of Finbam is owned by Barbara Finlay and Mark Finlay.

² BoyleSports also owns and operates 3 LBOs in Northern Ireland.



The Vendor – Finbam

5. Finbam, a private limited company incorporated in the State, currently owns and operates 11 LBOs in the State, all trading as *Bambury Bookmakers*. Finbam has informed the Commission that post-transaction it intends to continue to own and operate 2 LBOs which are located in Artane and Rush in Co. Dublin [pending their disposal to a purchaser once a purchaser has been found]. Finbam does provide a telephone betting service to its customers but this does not form part of the proposed transaction.

The Target Businesses

6. The Target Businesses comprise 9 LBOs (all trading as *Bambury Bookmakers*) in the following locations in the State:
 - i. Unit 3, Lusk Town Centre, Lusk, Co. Dublin;
 - ii. Unit 3, Boroimhe Shopping Centre, Swords, Co. Dublin;
 - iii. Unit 5, Griffeen Shopping Centre, Lucan, Co. Dublin;
 - iv. Main Street, Clane, Co. Kildare;
 - v. Adjacent to The Parade Ring Pub, South Main Street, Clane, Co. Kildare;
 - vi. Main Street, Sallins, Co. Kildare;
 - vii. Littlepace Shopping Centre, Clonee, Co. Meath;
 - viii. Adjacent to Kelly's Pub, Main Street, Ashbourne, Co. Meath; and
 - ix. Adjacent to The Stags Head Pub, Ashbourne, Co. Meath.
7. For the financial year ending 31 December 2016, the Target Businesses' worldwide turnover was approximately €[...], all of which was generated in the State.

Rationale for the Proposed Transaction

8. The parties state in the notification:

“BoyleSports considers that the proposed transaction presents it with the opportunity to expand its network of LBOs in the Meath, Kildare and Dublin regions which will permit BoyleSports to attain efficiencies which will benefit its customers.”

Third Party Submissions

9. No submission was received.

Competitive Analysis



10. There is a horizontal overlap between the parties' activities since both BoyleSports and the Target Businesses provide betting services in LBOs in the State.
11. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. The narrowest potential product market affected by the proposed transaction is the provision of betting services in LBOs. The Commission, however, does not need to come to a definitive view on the precise relevant product market in this instance since its conclusion on the competitive impact of the proposed transaction will be unaffected whether the precise relevant product market is either narrow (e.g., the provision of betting services in LBOs) or broader (e.g., to include the provision of betting services online or over the telephone or some other combination of betting services channels). In order to determine whether the proposed transaction might result in a substantial lessening of competition, the Commission has analysed its impact by reference to the narrowest potential relevant product market (being the potential market for the provision of betting services in LBOs).
12. Similarly, the Commission does not need to come to a definitive view on the precise relevant geographic market in this instance since its conclusion on the competitive impact of the proposed transaction will be unaffected whether the precise relevant geographic market is local, regional or national. However, in order to determine whether the proposed transaction might result in a substantial lessening of competition, the Commission has analysed its impact by reference to the narrowest possible relevant geographic market (being the potential market for the provision of betting services in LBOs in each of the geographic areas in which the Target Businesses are located). For the sake of completeness, the Commission has also analysed the impact of the proposed transaction on a national basis.

Narrowest possible geographic market

13. Customers use LBOs located within a given travel time from their point of origin and, therefore, from a customer's perspective, the degree of competition between LBOs depends on the distance that customers are prepared to travel to alternative LBOs. In its July 2016 report on the proposed merger between Ladbrokes plc and certain businesses of Gala Coral Group Limited, the Competition & Markets Authority ("CMA") in the United Kingdom reached the following conclusion on the relevant geographic market for the supply of gambling products in LBOs:

*"As a starting point, a catchment area of 400m was appropriate for the assessment of the competitive effects of the transaction."*³

14. The Commission has assessed the competitive impact of the proposed transaction in a catchment area of within a radius of 400m from each of the Target Businesses. In addition, the Commission has also assessed the competitive impact of the proposed transaction in a wider catchment area of within a radius of 3km from each of the Target Businesses.

³ The CMA's report can be accessed at <https://assets.publishing.service.gov.uk/media/5797818ce5274a27b2000004/ladbrokes-coral-final-report.pdf>.



15. As already mentioned, the proposed transaction involves the acquisition by BoyleSports of 9 LBOs, all trading as *Bambury Bookmakers*.
16. For the reasons set out in paragraphs 17-30 below, the Commission considers that the proposed transaction will not substantially lessen competition for the provision of betting services in LBOs in any of the geographic areas in which the Target Businesses are located.

Unit 3, Lusk Town Centre, Lusk, Co. Dublin

17. Finbam currently operates the only LBO currently active in Lusk. Within a radius of 400m from Finbam's LBO in Lusk, there are no other LBOs currently active. BoyleSports does not currently own or operate an LBO in Lusk. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from Finbam's LBO in Lusk, there is no horizontal overlap between the parties.
18. The nearest BoyleSports LBO to Finbam's LBO in Lusk is located in Donabate, which is a distance of approximately 8km. Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from Finbam's LBO in Lusk, there would be no horizontal overlap between the parties.

Unit 3, Boroimhe Shopping Centre, Swords, Co. Dublin

19. Finbam currently operates an LBO in the Boroimhe Shopping Centre in Swords, Co. Dublin. Within a radius of 400m from Finbam's LBO in the Boroimhe Shopping Centre, there are no other LBOs currently active. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Finbam's LBO in the Boroimhe Shopping Centre, there is no horizontal overlap between the parties.
20. Within a radius of 3km from Finbam's LBO in the Boroimhe Shopping Centre, there are 4 providers of betting services in LBOs currently active, namely:
 - Boylesports which owns and operates 2 LBOs (located at 23 Main Street and 48 Main Street, respectively. Both of these LBOs are located between 1.7km and 1.8km from Finbam's LBO in the Boroimhe Shopping Centre);
 - Paddy Power Betfair plc⁴ which owns and operates 1 LBO (located at 14 Town Centre, a distance of approximately 1.8km from Finbam's LBO in the Boroimhe Shopping Centre);
 - Ladbrokes plc which owns and operates 2 LBOs (located at the Rivervalley shopping centre and The Banking Hall, respectively. The former is located 800m from Finbam's LBO in the Boroimhe Shopping Centre while the latter is located approximately 1.9km from Finbam's LBO in the Boroimhe Shopping Centre); and

⁴ On 15 January 2016, the Commission approved the merger involving Paddy Power plc and Betfair Group plc. The Commission's merger Determination in M/15/059 – Paddy Power/Betfair can be accessed at <http://ccpc.ie/enforcement/mergers/merger-notice/m15059-paddy-power-betfair>.



- Tully Bookmakers Management Limited which owns and operates 1 LBO (located at Manor Mall Shopping Centre, a distance of approximately 1.6km from Finbam's LBO in the Boromhe Shopping Centre).
21. Therefore, following implementation of the proposed transaction, there will remain 4 LBOs operated by competing providers of betting services in LBOs within a distance of 3km of the LBO in Boromhe Shopping Centre which will act as a competitive constraint on BoyleSports.

Unit 5, Griffeen Shopping Centre, Lucan, Co. Dublin

22. Finbam currently operates an LBO in the Griffeen Shopping Centre in Lucan, Co. Dublin. Within a radius of 400m from Finbam's LBO in the Griffeen Shopping Centre, there are no other LBOs currently active. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Finbam's LBO in the Griffeen Shopping Centre, there is no horizontal overlap between the parties.
23. Within a radius of 3km from the Finbam's LBO in the Griffeen Shopping Centre, there are 2 providers of betting services in LBOs currently active, namely:
- BoyleSports which owns and operates 1 LBO (located in the Lucan Shopping Centre on the Newcastle Road, a distance of approximately 2.3km from Finbam's LBO in the Griffeen Shopping Centre); and
 - Paddy Power Betfair plc which owns and operates 2 LBOs (located on the Ballyowen Road in Lucan and in the Finnstown Shopping Centre, respectively. The former is located 1.3km from Finbam's LBO in the Griffeen Shopping Centre while the latter is located approximately 2.4km from Finbam's LBO in the Griffeen Shopping Centre).
24. Therefore, following implementation of the proposed transaction, there will remain 3 LBOs operated by competing providers of betting services in LBOs within a distance of 3km of the LBO in Boromhe Shopping Centre which will act as a competitive constraint on BoyleSports.

Main Street, Clane, Co. Kildare

25. Finbam currently operates an LBO located on the Main Street in Clane. Both of Ladbrokes plc and Paddy Power Betfair plc operate LBOs in Clane. BoyleSports does not currently own or operate a LBO in Clane. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Finbam's LBO in Clane, there is no horizontal overlap between the parties. The nearest BoyleSports LBO to Finbam's LBO is located in Naas, Co. Kildare, which is a distance of approximately 8km. Therefore, even on the basis of a wider geographic market comprising a catchment area within a radius of 3km from Finbam's LBO in Clane, there would be no horizontal overlap between the parties.

Adjacent to The Parade Ring Pub, South Main Street, Clane, Co. Kildare



26. In addition to operating an LBO on the Main Street in Clane, Finbam currently operates an LBO located adjacent to The Parade Ring Pub on South Main Street in Clane. As noted above, both Ladbrokes plc and Paddy Power Betfair plc operate LBOs in Clane. BoyleSports does not currently own or operate a LBO in Clane. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Finbam's LBO adjacent to The Parade Ring Pub on South Main Street in Clane, there is no horizontal overlap between the parties. The nearest BoyleSports LBO to Finbam's LBO is located in Naas, Co. Kildare, which is a distance of approximately 8km. Therefore, even on the basis of a wider geographic market comprising a catchment area within a radius of 3km from Finbam's LBO in Clane, there would be no horizontal overlap between the parties.

Main Street, Sallins, Co. Kildare

27. Finbam currently operates an LBO located on the Main Street in Sallins. The nearest LBO to Finbam's LBO in Sallins is operated by Paddy Power Betfair plc and is located in the Monread Shopping Centre in Naas, a distance of approximately 2.8km. BoyleSports does not currently own or operate an LBO in Sallins. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Finbam's LBO in Sallins, there is no horizontal overlap between the parties. The nearest BoyleSports LBO to Finbam's LBO is located in Naas, Co. Kildare, which is a distance of approximately 3.7km. Therefore, even on the basis of a wider geographic market comprising a catchment area within a radius of 3km from Finbam's LBO in Sallins, there would be no horizontal overlap between the parties.

Littlepace Shopping Centre, Clonee, Co. Meath

28. Finbam currently operates an LBO in the Littlepace Shopping Centre in Clonee. The nearest LBO is operated by Paddy Power Betfair plc and is located on the Main Street in Clonee, which is a distance of approximately 1.5km. Paddy Power Betfair plc also owns and operates an LBO in Ongar village, which is a distance of approximately 1.8km from the Littlepace Shopping Centre in Clonee. BoyleSports does not currently own or operate an LBO in Clonee. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Finbam's LBO in Clonee, there is no horizontal overlap between the parties.
29. Within a radius of 3km from the Finbam's LBO in the Littlepace Shopping Centre in Clonee, there are 3 providers of betting services in LBOs currently active, namely:
- Paddy Power Betfair plc which owns and operates 2 LBOs (located on the Main Street in Clonee and in Ongar village, respectively. The former is located 1.5km from Finbam's LBO in the Littlepace Shopping Centre in Clonee while the latter is located approximately 1.8km from Finbam's LBO in the Littlepace Shopping Centre in Clonee);
 - BoyleSports which owns and operates 1 LBO (located in Hartstown, Dublin 15, a distance of approximately 2.2km from Finbam's LBO in the Littlepace Shopping Centre in Clonee); and



- Ladbrokes plc which owns and operates 1 LBO (located in Mulhuddart, a distance of approximately 3km from Finbam's LBO in the Littlepace Shopping Centre in Clonee).
30. Therefore, following implementation of the proposed transaction, there will remain 3 LBOs operated by competing providers of betting services in LBOs within a distance of 3km of the LBO in in the Littlepace Shopping Centre in Clonee which will act as a competitive constraint on BoyleSports.

Adjacent to Kelly's Pub, Main Street, Ashbourne, Co. Meath

31. Finbam currently operates an LBO located on the Main Street in Ashbourne. Both of Paddy Power Betfair plc and Track Sports Limited operate LBOs in Ashbourne. BoyleSports does not currently own or operate an LBO in Ashbourne. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Finbam's LBO in Ashbourne, there is no horizontal overlap between the parties. The nearest BoyleSports LBO to Finbam's LBO is located in Ratoath, Co. Meath, which is a distance of approximately 6km. Therefore, even on the basis of a wider geographic market comprising a catchment area within a radius of 3km from Finbam's LBO in Ashbourne, there would be no horizontal overlap between the parties.

Adjacent to The Stags Head Pub, Ashbourne, Co. Meath

32. In addition to operating an LBO on the Main Street in Ashbourne, Finbam currently operates an LBO located adjacent to the Stags Head pub in Ashbourne. As noted above, BoyleSports does not currently own or operate a LBO in Ashbourne. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Finbam's LBO located adjacent to the Stags Head pub in Ashbourne, there is no horizontal overlap between the parties. As noted above, the nearest BoyleSports LBO to Finbam's LBO is located in Ratoath, Co. Meath, which is a distance of approximately 6km. Therefore, even on the basis of a wider geographic market comprising a catchment area within a radius of 3km from Finbam's LBO in Ashbourne, there would be no horizontal overlap between the parties.

National Basis

33. On a national level, the proposed transaction raises no competition concerns in the potential market for the provision of betting services in LBOs. The Irish Bookmakers Association states on its website⁵ that there were 855 LBOs active in the State in 2016. While BoyleSports operated approximately 24% of the total number of LBOs active in the State in 2016, the Target Businesses represented only 1% of the total number of LBOs active in the State in 2016. Thus, on a national level, the increase in BoyleSports' share of the potential market for the provision of betting services in LBOs as a result of the proposed transaction will be very small.

Vertical Issues

⁵ <http://www.irishbookmakersassociation.com/>



34. The proposed transaction does not raise any vertical competition concerns.

Conclusion

35. In light of the above, the Commission considers that the proposed transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

36. In the notification, the parties provided a copy of the APA, which contains a number of restrictive obligations on Finbam and James Finlay. These include non-compete and non-solicitation clauses. None of these restrictive obligations exceeds the maximum duration acceptable to the Commission.⁶ The Commission considers these restrictions to be directly related to and necessary for the implementation of the proposed transaction.

⁶ In this respect, the Commission follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2005). For more information see [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed transaction whereby BoyleSports Unlimited Company would acquire sole control of certain assets and related goodwill of Finbam Leisure Limited will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Patrick Kenny
Member
Competition and Consumer Protection Commission