



Determination of the Competition Authority

Determination No. M/04/047 of the Competition Authority, dated September 10 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/047 – Proposed acquisition by HSBC plc of Marks and Spencer Retail Financial Services Holdings Limited Introduction

1. On 11 August, 2004, the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby HSBC plc (“HSBC”) would acquire 100% of Marks and Spencer Retail Financial Services Holdings Limited (“M&S FS”).

The Parties

2. HSBC provides a wide range of financial and banking services and products and has operations worldwide.
3. Marks and Spencer (“M&S”) is a UK-based retailer of clothing, food and home products. It provides financial services through its in-house financial services business, M&S FS. The only activity carried out in the State by the latter is to offer a “store card” to M&S customers, which permits them to purchase goods in M&S stores.

Analysis

4. The store cards offered by M&S FS have similar features to credit cards inasmuch as they allow for the purchase of goods before payment is made. However, a store card can only be used with one retailer. For the purposes of this determination, it is not necessary to form a view as to whether store cards and credit cards are in the same market, since HSBC does not offer either credit or store cards within the State. Therefore there is no overlap and the transaction does not give rise to competition concerns.



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Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by HSBC plc of Marks and Spencer Retail Financial Services Holdings Limited will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority

10 September 2004