



DETERMINATION OF MERGER NOTIFICATION M/20/001 FLUTTER/STARS

Section 21 of the Competition Act 2002

Proposed merger of Flutter Entertainment plc and The Stars Group Inc.

Dated 12 May 2020

Introduction

1. On 17 January 2020, 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 notification of a proposed merger of Flutter Entertainment plc (“Flutter”) and The Stars Group Inc. (“Stars”) (together the “Parties”), to be implemented by way of the acquisition of Stars by Flutter (the “Proposed Transaction”).

The Proposed Transaction

2. The Parties have informed the Commission that the Proposed Transaction will involve Flutter acquiring sole control of Stars by way of the acquisition by Flutter of the entire issued and outstanding share capital of Stars. The terms and conditions upon which the Proposed Transaction is to be implemented are set out in an arrangement agreement between Flutter and Stars dated 2 October 2019.
3. Following implementation of the Proposed Transaction, the existing shareholders of Flutter would hold 54.64% of the shares in the merged entity and the shareholders of Stars would hold 45.36% of the shares in the merged entity.

The Undertakings Involved

Flutter

4. Flutter is a gambling operator headquartered in the State. Flutter divides its commercial operations into four divisions:
 - **Online:** which runs the *Paddy Power*, *Betfair* and *Adjarabet* online sports betting and gaming brands;



- **Australia:** which consists of the *Sportsbet* online sports betting brand, a corporate bookmaker in Australia;
 - **US:** which operates as FanDuel Group and runs the *FanDuel* sportsbook and daily-fantasy-sports brands, the *TVG* broadcasting and advanced deposit wagering network and the *Betfair* online casino in New Jersey; and
 - **Retail:** which operates over 620 *Paddy Power* licensed betting offices (“LBOs”) in the UK and the State (of which 266 are located in the State).
5. For the financial year ended 31 December 2018, Flutter’s worldwide turnover was approximately, €2,116 million,¹ of which approximately €[...] was generated in the State.

Stars

6. Stars is an operator of technology-based product offerings in the gambling and interactive entertainment industries, headquartered in Toronto, Canada. Stars’ brands are active in online and mobile betting and gaming. Stars owns or licenses gaming and related consumer businesses and brands, including *PokerStars*, *PokerStars Casino*, *BetStars*, *Full Tilt*, *FOX Bet*, *BetEasy*, *Sky Bet*, *Sky Vegas*, *Sky Casino*, *Sky Bingo*, *Sky Poker*, and *Oddschecker* as well as various live poker tour and events brands, including the *PokerStars Players No Limit Hold’em Championship* and *European Poker Tour*. Stars does not operate LBOs in the State.
7. For the financial year ended 31 December 2018, Stars had a worldwide turnover of approximately €1,718 million, of which approximately €[...] was generated in the State.

Rationale for the Proposed Transaction

8. The Parties state the following in the notification:

“The parties believe that the Proposed Transaction will allow the post-Proposed Transaction merged entity to:

- *Create a highly diversified business, both from a geographic and product perspective;*
- *Accelerate delivery of Flutter’s strategy to achieve growth and leading positions in the online gambling industry;*

¹ The turnover figures are calculated on the basis of net gaming revenue (“NGR”). NGR is revenues net of customer winnings, promotional activities and bonuses. The Parties informed the Commission that in the gambling sector generally, as well as in the parties’ audited financial accounts, reported ‘turnover’ is expressed as NGR.



- *Create significant value through the delivery of material cost and financing synergies and driving revenue growth by cross-selling the merged entity's betting offering outside of its core market where Stars has gaming customers but no significant betting customer base;*
- *Continue investing in its products and to enhance its customer offering, improve operating efficiency, and support continued investment in technology, product innovation, data analytics and brands; and*
- *Improve and lead industry standards for player protection by building on the existing collaboration with regulators, while maintaining best-in-class responsible gambling product offerings."*

Preliminary investigation

Contacts with the Parties

9. On 17 December 2019, representatives of the Parties met with the Commission to discuss the Proposed Transaction prior to formal notification. The Parties submitted a formal notification in accordance with section 18(1)(a) of the Act to the Commission on 17 January 2020.
10. On 24 February 2020, the Commission served a Requirement for Information ("RFI") on each of Flutter and Stars pursuant to section 20(2) of the Act. This adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.

Market enquiries

11. During its preliminary investigation, the Commission issued questionnaires to third party providers of: (i) online gambling services in the State; (ii) online odds comparison services in the State; and (iii) odds matching services in the State. The third party providers contacted by the Commission were identified either by the Parties in the notification, through engagement by the Commission with the Parties or through market research conducted by the Commission. Responses to the Commission's questionnaires were received from each category of third party provider contacted.

Third Party Submissions

12. No third party submission was received.



Competitive Analysis

13. There is no horizontal overlap between the Parties' activities with respect to the provision of betting services through LBOs in the State since Stars does not operate LBOs either in the State or globally.
14. There is a horizontal overlap between the Parties' activities with respect to the provision of online gambling services in the State (i.e., online betting and online gaming services).
15. There are minor horizontal overlaps between the Parties' activities in the State with respect to the supply of odds comparison services, the supply of horse racing data and the supply of gaming development services. The Commission has reached the view that such overlaps are not material and would not give rise to any horizontal competition concerns. Accordingly, these overlaps will not be discussed further in this determination.
16. There are also a number of actual or potential vertical relationships between the Parties in the State, namely in: (i) odds comparison services; (ii) online affiliate marketing services; (iii) the provision of horse racing and football data; (iv) the provision of gaming development services; and (v) the provision of online betting exchange data.

Horizontal overlap

Relevant Product Market

Views of the Parties

17. With respect to the relevant product market, in the notification the Parties state the following:

“The parties consider that online gambling is the relevant product market. Online operators typically offer both betting and gaming services. Most operators employ strategies that aim to cross-sell players between betting and gaming, with many betting products exhibiting similar characteristics to gaming products.

In the betting segment:

While there is competitive interaction between sportsbooks and exchanges, given the different functionality, exchanges compete less closely with sportsbooks (compared to other sportsbook operators) within an overall betting market.



All sports are within the same betting market: customers switch between betting on different sports, and operators generally offer betting across a wide range of sports.

[...]

In the gaming segment, all gaming forms part of the same market: customers tend to use a range of online games and operators generally offer a broad range of games. Furthermore, the gaming products themselves are largely homogenous, as they are generally developed by third parties and licensed to operators.”

Views of the Commission

18. The Commission has previously assessed the competitive impact of proposed transactions involving the provision of online betting services and online gaming services.² In its determination in *M/18/038 – Stars Group/Sky Betting (Cyan Blue)*, the Commission assessed the competitive impact of the relevant transaction in relation to: (i) the provision of online fixed-odds betting services in the State; (ii) the provision of online gaming services in the State; (iii) the supply of online advertising space on gambling related websites in the State; and (iv) the provision of odds comparison services in the State.
19. In its determination in *M/15/059 – Paddy Power/Betfair*, the Commission assessed the competitive impact of the relevant transaction in relation to: (i) the provision of online betting services (encompassing both online fixed-odds betting and online exchange betting) in the State; (ii) the provision of fixed-odds betting services in the State; and (iii) the provision of online gaming services in the State.
20. The United Kingdom’s Competition and Markets Authority (“CMA”) has also considered the provision of online betting services and online gaming services in a number of its merger assessments.³ In its decision in *Stars UK/Sky Betting and Gaming*, the CMA

² Please see, for example, merger determination M/18/090 – WilliamHill/Mr. Green, which can be accessed at <https://www.ccpic.ie/business/wp-content/uploads/sites/3/2018/11/M-18-090-William-Hill-Mr-Green-Public.pdf>; merger determination M/18/038 – Stars Group/Sky Betting (Cyan Blue), which can be accessed at <https://www.ccpic.ie/business/wp-content/uploads/sites/3/2018/05/M.18.038-Star-Groups-Sky-Betting-Cyan-Blue.pdf>; merger determination M/16/007 – Ladbrokes/Gala Coral, which can be accessed at <https://www.ccpic.ie/business/wp-content/uploads/sites/3/2017/04/M-16-007-Ladbrokes-Coral-Public.pdf>; and merger determination M/15/059 – Paddy Power/Betfair, which can be accessed at <https://www.ccpic.ie/business/wp-content/uploads/sites/3/2017/04/M-15-059-Paddy-Power-Betfair-Public.pdf>.

³ Please see, for example: ME/6758/18 CMA decision on the completed acquisition by The Stars Group Inc of the Sky Betting & Gaming group, dated 11 October 2018 (“Stars UK/Sky Betting and Gaming”), which can be accessed at https://assets.publishing.service.gov.uk/media/5bdc614640f0b604d103296f/Decision_on_SLC.pdf; ME/6728/17 decision on the anticipated acquisition by CVC Holdings plc of Ladbrokes Coral Group plc, dated 21 March 2018 (“GVC Holdings/Ladbrokes Coral Group”), which can be accessed at https://assets.publishing.service.gov.uk/media/5ac73821e5274a5adc960d5e/gvc_ladbrokes_coral_decision.pdf; and



assessed the competitive impact of the merger on the supply of online poker services. As the relevant parties had only a minor presence in other online games at the time it did not conclude whether online casino games and online bingo constituted distinct product markets.

21. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In relation to online betting services, in this instance, the Commission does not need to come to a definitive view on whether the provision of online betting services is a distinct product market because the precise product market definition adopted will not alter the Commission's assessment of the competitive impact of the Proposed Transaction. In order to determine whether the Proposed Transaction might result in a substantial lessening of competition, the Commission has followed its previous approach and assessed the likely impact of the Proposed Transaction on competition by reference to the narrowest possible relevant product market, namely a potential market for the provision of online fixed-odds betting services. The Commission has also assessed the likely impact of the Proposed Transaction on competition by reference to a broader potential market for the provision of online betting services (encompassing the provision of online fixed-odds betting services and online exchange betting services).
22. In relation to online gaming services, in this instance, the Commission does not need to come to a definitive view on whether the provision of online gaming services is in the same product market as the provision of online betting services since its conclusion on the likely competitive impact of the Proposed Transaction will be unaffected whether the relevant product market is defined narrowly (e.g., the provision of online gaming services) or more broadly (i.e., to encompass the provision of both online gaming services and online betting services). However, in order to determine whether the Proposed Transaction might result in a substantial lessening of competition, the Commission has followed its previous approach and assessed the impact of the Proposed Transaction on competition by reference to a potential market for the provision of online gaming services.
23. Also, in this instance, the Commission does not need to come to a definitive view on whether the provision of online gaming services should be examined on any narrower basis, such as by reference to the type of online game. In particular, the Commission does not need to come to a definitive view on whether the provision of online poker services represents a product market which is distinct from the provision of online casino gaming services and from the provision of online bingo services. The Commission's conclusion on the likely competitive impact of the Proposed Transaction

ME/6572/15 decision on the anticipated merger of Betfair Group plc and Paddy Power plc, dated 17 December 2015 ("Betfair/Paddy Power"), which can be accessed at https://assets.publishing.service.gov.uk/media/568291c4e5274a138800002c/Full_text_decision.pdf.



will be unaffected whether the relevant product market is defined narrowly (e.g., the provision of online poker services only) or more broadly (i.e. to encompass the provision of online poker services, online casino gaming services and online bingo services). However, in order to determine whether the Proposed Transaction might result in a substantial lessening of competition, the Commission also assessed its impact on competition by reference to the narrowest possible relevant product market, namely a potential market for the provision of online poker services. The potential markets for the provision of online casino gaming services and for the provision of online bingo services have similar market characteristics and market structures to the potential market for the provision of online gaming services, of which they are a subset, and will not be discussed in this determination separately from the potential market for the provision of online gaming services.

24. Similarly, in this instance, the Commission does not need to come to a definitive view on whether the relevant market with respect to online advertising space is the narrower potential market for the supply of online advertising space on gambling-related websites or the broader potential market for the supply of online advertising space on all websites as Flutter does not currently supply online advertising space and therefore there is no horizontal overlap between the Parties in this area.

Relevant Geographic Market

Views of the Parties

25. With respect to the relevant geographic market, in the notification the Parties state the following:

“In terms of the geographic market, parties consider that competition takes place on an international level. Both of the parties (and other operators) attract customers to their websites from countries around the world (to the extent not restricted by local regulations or applicable law), propositions are largely the same across borders, and overseas operators wishing to offer services to Irish customers face low barriers to entry and expansion.”

Views of the Parties’ competitors

26. In their response to the questionnaires issued by the Commission, competitors of the Parties provided their view on what would constitute the relevant geographic market. The competitors who responded to the Commission’s questionnaire considered the relevant geographic market to be both national and international.
27. One competitor stated:



“... It is not difficult for international betting companies to operate in the Irish market and many do so. ... A firm wishing to provide online betting services in Ireland would need to be licensed to do so (although a license is straightforward to secure). To expand substantially, it would also need to invest in promotion targeted at Irish customers. ...”

28. One competitor stated:

“... Operators will focus on a national market with a product and marketing mix that is unique to the market and its customers in order to gain best yield on their investments. Within this scope the competition is on a national basis as the operators compete in the marketing channels available within the regulations of the nation. A practical example here is competing for best placement positions on affiliate sites that are directly marketing towards the nation’s population or best placement positions in local newspapers. ...”

29. One competitor stated:

“... it would be [...]’s position that, in terms of online betting services, it competes within the State on an international basis.”

Views of the Commission

30. It is not necessary for the Commission to come to a definitive view on the precise geographic market definition for any of the potential product markets identified in paragraphs 21 to 23 above in this instance since the choice of geographic market will not materially alter the Commission’s conclusions as to the likely competitive impact of the Proposed Transaction. In this instance the Commission sees no reason to deviate from its approach in previous determinations and, thus, assessed the likely competitive impact of the Proposed Transaction on a national basis, i.e., in the State.

31. In support of the Commission’s view, each online betting services provider offering online betting services to customers in the State must hold a Remote Bookmakers Licence in order to do so if the value of their total remote bets is more than €250,000 or more than 10% of their annual turnover covered by their Bookmakers Licence. Remote refers to the provision of services by any electronic means, including the



internet, telephone and any form of telegraphy, whether wireless or not. The betting services provider is also liable for Betting Duty in the State.⁴

Conclusion on the market definition

32. For the purposes of its competitive analysis of the Proposed Transaction, the Commission has analysed the likely effects of the Proposed Transaction on competition based on the narrowest possible relevant product and geographic markets, namely the potential markets for the provision of: (i) online betting services (encompassing online fixed-odds betting services and online exchange betting services) in the State; (ii) online fixed-odds betting services in the State; (iii) online gaming in the State; and (iv) online poker services in the State.

(i) The provision of online betting services (encompassing online fixed-odds betting services and online exchange betting services) in the State

Market Structure

33. The estimates of the respective shares of Flutter and Stars in the potential market for the provision of online betting services in the State are set out in Table 1 below. Based on the market share estimates for 2019 in Table 1, following implementation of the Proposed Transaction, the merged entity's share of the potential market for the provision of online betting services in the State would be [45-50]%.

34. Based on the Parties' estimates using both internal data and Regulus Partners estimates, the total size of the potential market for online betting in the State was €[...] in 2019, which is a significant increase from €[...] in 2016.⁵

35. Flutter is the market leader with a share of [45-50]% of the potential market for the provision of online betting services in the State in 2019. Flutter's market share in this potential market [...]. In 2016 Flutter had a market share of [...] in 2019.

36. In contrast, Stars accounted for a small share of the potential market for the provision of online betting services in the State in 2019. In 2019 Stars had a market share of [0-5]% of this potential market. Its share of this potential market has been [...] since 2016.

37. The Commission does not hold data for competitor market shares in 2019. In 2018 bet365 (with a share of [15-20]%), BoyleSports (with a share of [10-15]%) and GVC (including its brands *Ladbrokes*, *Coral*, *Sportingbet*, *bwin* and *Betdaq*) (with a share of [0-5]%) each had a higher market share than [...]. Both bet365 and BoyleSports

⁴ For more information see <https://www.revenue.ie/en/companies-and-charities/excise-and-licences/excise-licensing/remote-bookmakers-licence/index.aspx>.

⁵ The size of the market is measured in terms of NGR.



experienced gains in their market share in this potential market from 2016 to 2018. GVC's market share has decreased marginally from [5-10]% in 2016 to [0-5]% in 2018.

Table 1: Share of the provision of online betting services (encompassing both fixed-odds betting and exchange betting) in the State

Provider of online betting services	2016		2017		2018		2019	
	€m	%	€m	%	€m	%	€m	%
Flutter	[...]	[55-60]%	[...]	[50-55]%	[...]	[50-55]%	[...]	[45-50]%
Stars	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Combined	[...]	[55-60]%	[...]	[55-60]%	[...]	[50-55]%	[...]	[45-50]%
bet365	[...]	[15-20]%	[...]	[15-20]%	[...]	[15-20]%	[...]	N/A
BoyleSports	[...]	[15-20]%	[...]	[10-15]%	[...]	[10-15]%	[...]	N/A
GVC ⁶	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	N/A
Other	[...]	[10-15]%	[...]	[10-15]%	[...]	[10-15]%	[...]	[50-55]%
Total	[...]	100%	[...]	100%	[...]	100%	[...]	100%

Source: Based on Information provided by Parties using internal data and Regulus Partners estimates

Competitive effects analysis

38. In the notification the Parties state the following:

"...various characteristics of online betting [...] make the segment highly competitive, including: (i) the presence of a large number of competitors, including sophisticated

⁶ GVC's brands include Ladbrokes, Coral, Sportingbet, bwin and Betdaq.



international operators with strong brands and numerous effective other competitors, who compete actively on both price and non-price parameters; (ii) substantial customer churn; (iii) the ease of opening new accounts with, and switching to other operators; and (iv) transparency on product offering, promotions and service.”

39. The Commission’s investigation focussed on the likelihood of unilateral effects occurring following implementation of the Proposed Transaction. Unilateral effects occur when a merger results in the merged entity having the ability and the incentive to raise prices at its own initiative and without coordinating with its competitors.
40. The Commission considers that the merged entity will not have the ability to unilaterally raise the price of its online betting services in the State following implementation of the Proposed Transaction. This view is based on the analysis set out below.

Competitors

41. The Parties submit that there are a number of competitors active in the potential market for online betting services in the State and a number of these competitors compete closely with Flutter and Stars in the State.
42. The Commission notes that, based on the evidence provided by the Parties, a number of competitors have been gaining market share in the potential market for the provision of online betting services in the State in recent years (e.g., bet365 and Boylesports).
43. The Commission notes that the number of operators which have a greater share of the potential market for the provision of online betting services in the State than [...] in 2018 would be reduced from 5 to 4 as a result of the Proposed Transaction. In addition, there are a number of smaller providers of online betting services in the State with a market share less than [...]. The smaller providers, grouped together in the “other” category in Table 1, include: William Hill, Betway, BetVictor, Marathon Bet, Betfred and Kindred.

Barriers to and/or costs of switching

44. The Parties submit that there are low barriers to and costs of customer switching in the potential market for the provision of online betting services in the State.
45. The Commission considered the evidence provided by the Parties regarding barriers to consumers switching providers of online betting services in the State and the Commission found that barriers and costs to customer switching appear to be relatively



low. Neither Flutter nor Stars charges customers account maintenance fees or withdrawal fees for most transactions.⁷

46. The Commission also considered survey evidence provided by Flutter in the notification which reports that customers generating [...] revenue in the State in the potential market for online betting services hold an account with more than one online betting services provider. In the notification Flutter states: “Flutter estimates that in 2018, [...] % of all revenue from online sports betting in the State came from customers who have more than one online gambling account”.
47. The Commission considers there to be a high degree of transparency of prices and promotions in the potential market for the provision of online betting services in the State. A number of odds comparison providers operate in the State (e.g., Oddschecker.com, Racingpost.com, Oddsportal.com and Easyodds.com) which allow customers to compare the odds of a number of online betting services providers for a particular event. In addition, a number of matched betting sites operate in the State, including Profit Accumulator and Odds Monkey, which guarantee customers profit from combinations of bets in return for a subscription fee. Matched betting services are explained more fully in paragraph 126 below.

Closeness of competition

48. The Parties submit that they do not compete more closely with each other than they do with the other competitors in the potential market for the provision of online betting services in the State. The Commission considered evidence provided by the Parties in relation to the closeness of competition between the Parties. In particular the Commission considered the Parties’ Google AdWord (“AdWord”) online advertising spending as directed at their competitors.
49. The AdWord spend information provided to the Commission by the Parties shows that Flutter and Stars target a number of competitors and that neither party is the other’s closest competitor in terms of AdWord spend. Flutter’s *Paddy Power* and *Betfair* brands both direct their largest share of AdWord spend at [...] followed by [...]. *SkyBet* receives the [...] share of AdWord spend of *Paddy Power* ([...]%) and the [...] share of AdWord spend of *Betfair* ([...]%) in the State.
50. Similarly, *Paddy Power* and *Betfair* are not Stars’ focus of AdWord spending. *Sky Bet* directs its largest [...] and [...]. *Paddy Power* and *Betfair* represent *Sky Bet*’s [...] and [...] spend on Google Adword at [...] % and [...] % respectively.

⁷ Flutter and Stars charge customers fees in some circumstances such as when an account has been inactive for more than 13 consecutive months, when customer activity falls below defined thresholds and when the customer is making withdrawals frequently.



51. With regard to the competitive conditions in the State, one competitor stated:

“The two key market leaders in the State are Paddy Power and Boylesports, followed by Betfair and Ladbrokes.”

52. Another competitor stated:

“In the Irish market, we consider the main competitors to [the competitor] to be Paddy Power, Betfair, bet365, SkyBet, BoyleSports and William Hill.”

53. A third competitor submitted that *SkyBet* is particularly soccer-focused while Flutter is more horseracing focused.

54. One competitor produced internal analysis on the brand differentiation of online gambling providers. That analysis suggests that there is an overall lack of brand differentiation in the provision of online gambling services. [...].

55. In light of the above, the Commission considers that the Parties are not each other's closest competitors in the provision of online betting services in the State.

Views of the Commission

56. The Commission considers that, given the ease with which customers can: (i) open online betting services accounts; (ii) compare prices and promotions online; and (iii) switch their spend between different online betting services providers, any attempt by the Parties to raise prices (or otherwise harm competition) following implementation of the Proposed Transaction is likely to lead to customers switching their spend to rival online betting services providers such as BoyleSports, GVC, bet365 and William Hill.

57. In light of the above, the Commission considers that the Proposed Transaction is not likely to substantially lessen competition in the potential market for the provision of online betting services (encompassing both online fixed-odds betting services and online exchange betting services) in the State.

(ii) The provision of online fixed-odds betting services in the State

Market Structure

58. The estimates of the respective shares of Flutter and Stars in the potential market for the provision of online fixed-odds betting services are set out in Table 2 below. Based on the market share estimates for 2019 in Table 2, following implementation of the Proposed Transaction, the merged entity's share of the potential market for the provision of online fixed-odds betting services in the State would be [45-50]%.



59. Based on the Parties' estimates, the total size of the potential market for online fixed-odds betting in the State was €[...] in 2019, which is a significant increase from €[...] in 2016.⁸
60. Flutter is the market leader with a share of [40-45]% of the potential market for the provision of fixed-odds online betting services in the State in 2019. Flutter's share in this potential market [...]. In 2016 Flutter had a share of [...] in 2019. From 2016 to 2018 Flutter's revenue from this potential market [...] in 2019.
61. Stars was a relatively smaller operator in the potential market for the provision of fixed-odds online betting services in the State in 2019. In 2019 Stars had a market share of [0-5]% of this potential market. Its share of this potential market has been [...] from 2016.
62. The Commission does not hold data for competitor market shares in 2019. In 2018 bet365 (with a share of [20-25]%), BoyleSports (with a share of [10-15]%) and GVC (with a share of [0-5]%) each had a higher share of the provision of online fixed-odds betting services than [...]. Both bet365 and BoyleSports experienced gains in their market share in this potential market from [15-20]% and [10-15]% in 2016 to [20-25]% and [10-15]% in 2018 respectively. GVC's market share has decreased marginally from [5-10]% in 2016 to [0-5]% in 2018.

⁸ The size of the market is measured in terms of NGR.



Table 2: Share of the provision of online fixed-odds betting services in the State

Provider of online fixed- odds betting Services	2016		2017		2018		2019	
	€m	%	€m	%	€m	%	€m	%
Flutter	[...]	[50-55]%	[...]	[50-55]%	[...]	[45-50]%	[...]	[40-45]%
Stars	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Combined	[...]	[50-55]%	[...]	[50-55]%	[...]	[50-55]%	[...]	[45-50]%
bet365	[...]	[15-20]%	[...]	[15-20]%	[...]	[20-25]%	[...]	N/A
BoyleSports	[...]	[10-15]%	[...]	[10-15]%	[...]	[10-15]%	[...]	N/A
GVC ⁹	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	N/A
William Hill	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	N/A
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[55-60]%
Total	[...]	100%	[...]	100%	[...]	100%	[...]	100%

Source: Based on Information provided by Parties using internal data and Regulus Partners estimates

Competitive effects analysis

63. The Commission considers that the competitive conditions in the potential market for the provision of online betting services in the State also apply to the potential market for the provision of fixed-odds betting services in the State, namely the ease with which customers can: (i) open online fixed-odds betting services accounts; (ii) compare prices and promotions online; and (iii) switch their spend between different online fixed-odds betting services providers. As a result, any attempt by the Parties to raise prices (or otherwise harm competition) following implementation of the Proposed Transaction is

⁹ GVC includes Ladbrokes, Coral, Sportingbet, bwin and Betdaq.



likely to lead to customers switching their spend to rival online fixed-odds betting services providers such as BoyleSports, GVC, bet365 and William Hill.

64. In light of the above, the Commission considers that the Proposed Transaction is not likely to substantially lessen competition in the potential market for the provision of online fixed-odds betting in the State.

(iii) The provision of online gaming services in the State

Market Structure

65. The estimates of the respective shares of Flutter and Stars in the potential market for the provision of online gaming services in the State are set out in Table 3 below. Based on the market share estimates for 2019 in Table 3, following implementation of the Proposed Transaction, the merged entity's share of the provision of online gaming services in the State would be [25-30]%.
66. Based on the Parties' estimates, the total size of the potential market for online gaming services in the State was €[...] in 2019, which is a significant increase from €[...] in 2016.¹⁰
67. Flutter is the market leader with a share of [15-20]% of the provision of online gaming services in the State in 2019. Flutter's share of this potential market [...] from [25-30]% in 2016 to [15-20]% in 2017. Flutter's market share [...] to [15-20]% in 2018.
68. Stars was a relatively smaller player in the provision of online gaming services in the State in 2019. In 2019 Stars had a share of [5-10]% of this potential market. Its share of this potential market has been [...] since 2016.
69. The Commission does not hold data for competitor shares for the potential market for the provision of online gaming services in the State in 2019. In 2018 GVC (with a share of [5-10]%), and Jackpotjoy/Gamesys (with a share of [5-10]%) each had a higher share [...]. Both GVC and Jackpotjoy/Gamesys experienced no change to their share of this potential market from 2016 to 2018.

¹⁰ The size of the market is measured in terms NGR.



Table 3: Share of the provision of online gaming services in the State

Provider of online gaming services	2016		2017		2018		2019	
	€m	%	€m	%	€m	%	€m	%
Flutter	[...]	[25-30]%	[...]	[15-20]%	[...]	[15-20]%	[...]	[15-20]%
Stars	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Combined	[...]	[30-35]%	[...]	[20-25]%	[...]	[25-30]%	[...]	[25-30]%
GVC ¹¹	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	N/a
Jackpotjoy/ Gamesys	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	N/A
888 Holdings	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	N/A
BoyleSports	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	N/A
Other	[...]	[40-45]%	[...]	[50-55]%	[...]	[45-50]%	[...]	[75-80]%
TOTAL	[...]	100%	[...]	100%	[...]	100%	[...]	100%

Source: Based on Information provided by Parties using internal data and Regulus Partners estimates

Competitive effects analysis

70. The Commission considers that the Parties will not have the ability to unilaterally raise the price of online gaming services following implementation of the Proposed Transaction. This view is based on the following evidence.

Competitors

71. The Commission notes that the number of operators ([...]) in the potential market for the provision of online gaming services in the State would be reduced from 4 to 3 as a

¹¹ GVC includes Ladbrokes, Coral, Sportingbet, bwin and Betdaq.



result of the Proposed Transaction. The Commission considers that the competitors, including GVC and Jackpotjoy/Gamesys, would continue to exert a competitive constraint on the Parties following implementation of the Proposed Transaction. There is also a large number of smaller providers of online gaming services in the State with [...] including 888 Holdings and BoyleSports.

72. The Parties submit that there are low barriers to entry in the potential market for the provision of online gaming services in the State. In the notification the Parties state: *“There is currently no specific licensing regime for online gaming in the State. It is therefore very common for operators that are licensed overseas ... to provide gaming services to Irish consumers.”* The Parties provide a number of examples of recent entry and expansion in the market in the State including Casumo, MansionBet, Leo Vegas, Guts Casino and Rizk Casino.

Transparency and barriers to switching

73. In the notification the Parties state:

“The product offering is largely homogenous across the marketplace, as the vast majority of games are developed by third parties and licensed to operators without any customisation.”

74. In response to a questionnaire issued by the Commission, one competitor stated:

“..., in Gaming the majority of products are provided to operators by [business-to-business] providers and the product offering is reasonably generic.”

75. The Parties submitted evidence to the Commission demonstrating the degree of homogeneity of product offerings of providers of online gaming services in the State.

76. The Commission considered the Parties’ statements in the notification and the response of competitors to the questionnaire issued by the Commission as well as further evidence submitted by the Parties to the Commission. Based on the information available to the Commission, the Commission considers that there is a relatively high degree of transparency in the potential market for the provision of online gaming services in the State. In addition to this, neither Flutter nor Stars charge customers account maintenance fees or withdrawal fees for most transactions from their online gaming accounts.¹²

¹² Flutter and Stars charge customers fees in some circumstances, however, such as when an account has been inactive for more than 13 consecutive months, when customer activity falls below defined thresholds and when the customer is making withdrawals frequently.



Views of the Commission

77. Based on the evidence described above, the Commission considers that any attempt by the Parties to raise prices (or otherwise harm competition) following implementation of the Proposed Transaction is likely to lead to customers switching their spend to rival online gaming operators in the State such as GVC, Jackpotjoy/Gamesys, 888 Holdings, BoyleSports and others.
78. In light of the above, the Commission considers that the Proposed Transaction is not likely to substantially lessen competition in the potential market for the provision of online gaming in the State

(iv) The provision of online poker services in the State

Market Structure

79. The estimates of the respective shares of Flutter and Stars in the potential market for the provision of online poker services in the State are set out in Table 4 below. Based on the market share estimates for 2019 in Table 4, following implementation of the Proposed Transaction, the Parties' combined share of the potential market for the provision of online poker services in the State would be [55-60]%.
80. Based on the Parties' estimates, the total size of the potential market for the provision of online poker services in the State was €[...] in 2019, which is a decrease from €[...] in 2016.¹³
81. Stars was the market leader with a share of [50-55]% of the potential market for the provision of online poker services in the State in 2019. Stars' market share in this potential market rose from [50-55]% in 2016 to [50-55]% in 2018.
82. Flutter was a relatively smaller operator in the provision of online poker services in the State in 2019. In 2019 Flutter had a share of [0-5]% of this potential market. Its share of this potential market has fallen from [10-15]% in 2016.
83. The Commission does not hold data for competitor shares of the potential market for the provision of online poker services in the State in 2019. In 2018, 888 Holdings (with a share of [10-15]%) and GVC (with a share of [5-10]%) each had a share [...]. Both 888 Holdings and GVC experienced little change to their share of this potential market from [10-15]% and [5-10]% in 2016 to [10-15]% and [5-10]% in 2018, respectively.

¹³ The size of the market is measured in terms of NGR.



Table 4: Share of the provision of online poker services in the State

Provider of online poker services	2016		2017		2018		2019	
	€m	%	€m	%	€m	%	€m	%
Flutter	[...]	[10-15]%	[...]	[10-15]%	[...]	[5-10]%	[...]	[0-5]%
Stars	[...]	[50-55]%	[...]	[50-55]%	[...]	[50-55]%	[...]	[50-55]%
Combined	[...]	[60-55]%	[...]	[60-65]%	[...]	[60-65]%	[...]	[55-60]%
888 Holdings	[...]	[10-15]%	[...]	[10-15]%	[...]	[10-15]%	[...]	N/A
GVC ¹⁴	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	N/A
BoyleSports	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	N/A
William Hill/Mr Green	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	N/A
Others	[...]	[10-15]%	[...]	[10-15]%	[...]	[10-15]%	[...]	[40-45]%
TOTAL	[...]	100%	[...]	100%	[...]	100%	[...]	100%

Source: Based on Information provided by Parties using internal data and Regulus Partners estimates

¹⁴ CVC includes Ladbrokes, Coral, Sportingbet, bwin and Betdaq.



Competitive effects analysis

Competitors

84. The Commission notes that the number of operators with a share of the potential market for the provision of online poker services in the State [...] in 2018 would be reduced from four to three as a result of the Proposed Transaction. The Commission considers that these competitors, including 888 Holdings and GVC, would continue to exert a competitive constraint on the Parties in the potential market for the provision of online poker services in the State following implementation of the Proposed Transaction. There is also a number of smaller providers of online poker services with a market share [...] including BoyleSports and William Hill/Mr Green.
85. The Commission notes that the evidence provided by the Parties demonstrates that a number of competitors have been gaining market share in the potential market for the provision of online poker services in the State in recent years, namely 888 Holdings and GVC.
86. The Commission notes that, as with the provision of online gaming services in the State, there appear to be relatively low barriers to entry to the potential market for the provision of online poker services in the State.

Transparency and barriers and/or costs to switching

87. In response to a questionnaire issued by the Commission, one competitor stated:

“Like online betting and gaming, online poker is a reasonably generic, commoditised business with relatively little material differentiation. Beyond brand personality, advertising approach and a relationship with the Irish Open, the main brands offer largely similar propositions, have mostly similar customer bases and compete on [a] very similar, narrow range of features.”

88. The Commission considered the evidence provided by the Parties regarding barriers to consumers switching between providers of online poker services in the State and the Commission considers that barriers and costs to customer switching in this potential market appear to be relatively low. Customers of Flutter and Stars either use the same online ‘wallet’ for online gaming and poker services as online betting services or they use a parallel secondary wallet. As funds can quickly and easily be transferred to and from the primary wallet, it is relatively easy and quick for customers to withdraw their funds free of charge in most circumstances.



Views of the Commission

89. The Commission considers, given the ease with which customers can: (i) open online poker services accounts; (ii) switch their spend between different online poker services providers; and (iii) the relatively homogenous characteristics of online poker services in the State, any attempt by the Parties to raise prices (or otherwise harm competition) following implementation of the Proposed Transaction is likely to lead to customers switching their spend to rival online poker services providers such as 888 Holdings and William Hill/Mr Green.
90. In light of the above, the Commission considers that the Proposed Transaction is not likely to substantially lessen competition in the potential market for the provision of online poker services in the State

Vertical relationships

91. There are existing vertical relationships between the Parties in the following areas:
- (i) The provision of odds comparison services by Stars through its *Oddschecker* website. Flutter uses *Oddschecker* to provide odds and promotions information from its online betting services to customers in the State;
 - (ii) The provision of online affiliate marketing services by Stars, which sells advertising space on various websites that are specifically devoted to online gambling to online gambling operators including Flutter;
 - (iii) The provision of horse racing and football data by Flutter to a range of betting companies (including Stars), as well as to broadcasters, media outlets and administrative authorities; and
 - (iv) The provision of gaming development services.
92. In addition, there are potential vertical relationships between the Parties in the following area:
- (v) The provision of exchange data by Flutter, who currently supplies betting exchange data from its *Betfair* brand.
- (i) **Online odds comparison services**
93. Stars owns *Oddschecker*, which is an odds comparison website. *Oddschecker* generates revenue from betting operators in return for placement on *Oddschecker's* interface, when an *Oddschecker* user clicks through from the *Oddschecker* website and opens an



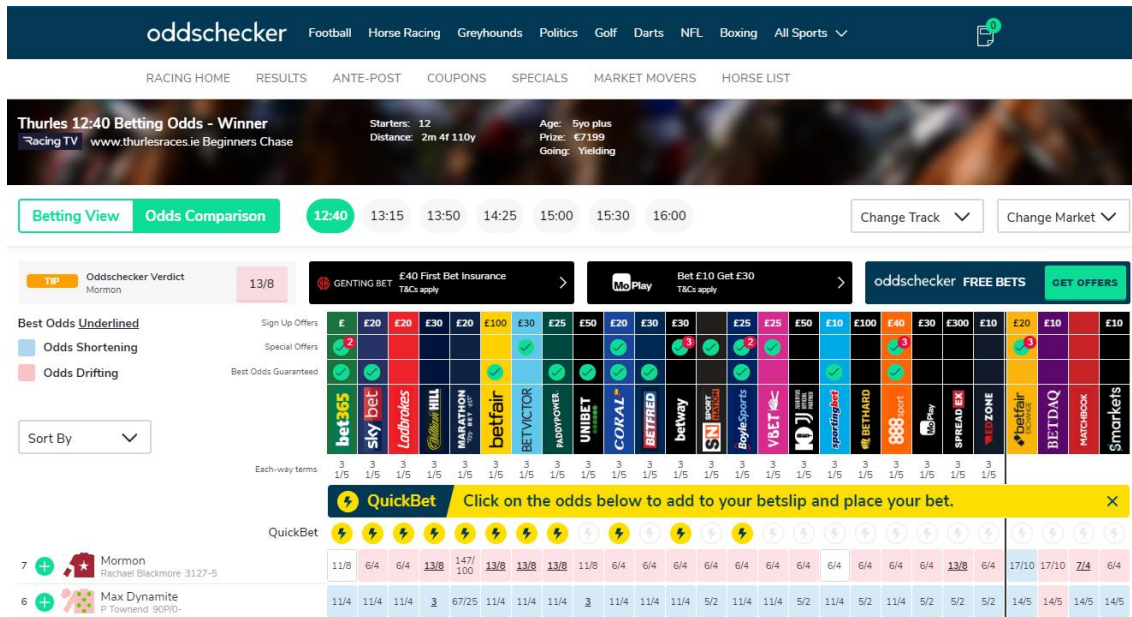
account with the betting operator, and for facilitating bets between betting operators and *Oddschecker* users.

94. The Parties submit that *Oddschecker* receives a “tenancy fee” from online betting operators which are included in the *Oddschecker* “grid” on its website or mobile application. Some online betting operators also pay for preferential placement on *Oddschecker*’s grid (either separately or through an enhanced tenancy fee). The Parties submit that it is considered that placement further to the left of the grid is preferential. The *Oddschecker* grid displays the available odds (including analysis of whether the odds are the best odds available, shortening or drifting), whether sign-up and/or special offers are available and whether “QuickBet”¹⁵ functionality is available. While some online betting operators may pay an enhanced tenancy fee to appear in a specific position on the grid, *Oddschecker* also considers the overall fees received when placing an online betting operator and the historic relationship with the operator (online betting operators are not moved very often in order to preserve some product consistency). Grid positions can be a function of the commercial negotiations between the parties, but also may reflect the historic position an online betting operator received when they first appeared on *Oddschecker*, or a ‘space’ that is available when another online betting operator leaves. Not all online betting operators request to be moved to the left-hand-side of the grid so there is some subjectivity in what constitutes a ‘better’ position. Figure 1 below shows a screenshot of the *Oddschecker* website.

¹⁵ QuickBet functionality allows customers of *Oddschecker* to place bets with participating bookmakers without leaving the *Oddschecker* website. The *Oddschecker* website states: “Click on the odds for any bookmaker with the QuickBet icon to place your bet without leaving *Oddschecker*.” Please see: <https://www.oddschecker.com/quickbet>



Figure 1. Oddschecker website layout for a particular event



Source: Parties' screenshot of 10 January 2020

95. The setup on the Oddschecker grid does not vary by region or country: the grid is the same for customers in the State and in the UK, for example. Stars submits that an online betting operator needs to have a UK betting licence to list on the Oddschecker website and most of Oddschecker's revenue is generated from online betting services providers registered in the UK. Notwithstanding this, the Commission considered the likely effects in the State.

96. In the notification, the Parties state that Flutter has a vertical relationship with Stars by virtue of an affiliate contract between Flutter and Oddschecker. They state:

"..., the merged entity would have neither the ability nor the incentive to engage in a foreclosure strategy in respect of the (i) odds comparison services and (ii) digital advertising services provided by Oddschecker to gambling services providers."

97. Table 5 below shows the estimated market shares of Oddschecker's competitors that provide odds comparison services in the State for 2018 and 2019.



Table 5: Average number of monthly visits to odds comparison websites from customers in the State (2018 and 2019)

Number of visits	2018		2019		Market share based on total	
	Avg monthly	Total	Avg monthly	Total	2018	2019
attheraces.com	[...]	[...]	[...]	[...]	[50-55]%	[35-40]%
racingpost.com	[...]	[...]	[...]	[...]	[20-25]%	[25-30]%
oddschecker.com	[...]	[...]	[...]	[...]	[10-15]%	[15-20]%
racingtv.com	[...]	[...]	[...]	[...]	[0-5]%	[10-15]%
olbg.com	[...]	[...]	[...]	[...]	[0-5]%	[5-10]%
racinguk.com	[...]	[...]	[...]	[...]	[0-5]%	[0-5]%
oddsshark.com	[...]	[...]	[...]	[...]	[0-5]%	[0-5]%
oddsportal.com	[...]	[...]	[...]	[...]	[0-5]%	[0-5]%
geegeez.co.uk	[...]	[...]	[...]	[...]	[0-5]%	[0-5]%
easyodds.com	[...]	[...]	[...]	[...]	[0-5]%	[0-5]%
bestbetting.com	[...]	[...]	[...]	[...]	[0-5]%	[0-5]%
betbrain.com	[...]	[...]	[...]	[...]	[0-5]%	[0-5]%
ukhorseracing.co.uk	[...]	[...]	[...]	[...]	[0-5]%	[0-5]%

(Source: the Parties with data from SimilarWeb)

98. Table 5 above shows that *Oddschecker* had a share of the provision of online odds comparison services in the State of [10-15]% and [15-20]% in 2018 and 2019 respectively, based on the total number of visits to the website from customers in the State. In addition, other odds comparison websites active in the State appear to have had more customer visits than *Oddschecker*, in particular *attheraces.com* (which had a share of [50-55]% and [35-40]% for 2018 and 2019 respectively), and *racingpost.com* (which had a share of [20-25]% and [25-30]% for 2018 and 2019 respectively).



99. On this basis, the Commission considers that these competitors are likely to continue to pose a competitive constraint on *Oddschecker* in the State following implementation of the Proposed Transaction.
100. The Commission also considered whether Flutter would have the ability or the incentive to foreclose competitors in online betting services by changing their positioning on, or removing them from, the *Oddschecker* website following implementation of the Proposed Transaction.
101. The Parties submit that [...] moved positions on the *Oddschecker* grid in 2017, 2018 and 2020 respectively. Following approaches by these online betting operators to *Oddschecker*, these online betting operators moved closer to the left of the grid, which resulted in other online betting operators moving towards the right of the grid. The Parties submit that these changes occurred due to commercial appetite from the online betting operators in question. Approaches to *Oddschecker* by online betting operators to change their position on the grid would generally only happen two to three times a year. The Parties submit that [...] ¹⁶ [...] as a result of these changes.
102. In relation to whether the Parties would have any incentive to remove Flutter and Stars brands from rival odds comparison websites and thus attempt to foreclose them from the market in the State, in response to a questionnaire issued by the Commission one competitor stated:
- “... it wouldn't be in the operators' best interest to do so, given we act as an important customer acquisition and retention channel for them.”*
103. In response to a questionnaire issued by the Commission, one competitor stated:
- “If Oddschecker were to remove other operators from its product, it would be less compelling from a consumer proposition.”*
104. Based on the information available to it, the Commission is of the view that the Proposed Transaction is unlikely to lead to foreclosure of rival online betting services providers from accessing odds comparison services in the State as: (i) there are rival online odds comparison services providers active in the State, and (ii) *Oddschecker* would be a less compelling customer proposition if it were to remove rival online betting services providers from its listing.
105. Based on the information available to it, the Commission is also of the view that the Proposed Transaction is unlikely to lead to the foreclosure concerns in relation to online

¹⁶ 100 basis points equals 1 percentage point.



odds comparison services in the State as: (i) rival online odds comparison services providers in the State provide an important customer retention and acquisition channel for Flutter and Stars' online betting services brands, and (ii) as discussed in paragraphs 32 to 36, there are a number of online betting providers active in the State.

106. Based on the above, the Commission is of the view that the Proposed Transaction is not likely to lead to vertical competition concerns in the provision of odds comparison services in the State.

(ii) Online affiliate marketing services

107. Stars owns iBus media, which sells to online gambling operators advertising space on various websites which are specifically devoted to online gambling.

108. In the notification, the Parties note that, following implementation of the Proposed Transaction, competing online gambling service providers in the State would continue to have access to over 35,000 online marketing affiliates specialising in the gambling sector operating over 60,000 unique websites. The Parties submit that iBus media generates limited revenue in the State (approximately €[...] in 2018).

109. In its determination in *M/18/038 – Stars Group/Sky Betting (Cyan Blue)*, the Commission assessed whether the merger between the relevant parties could result in a situation where competing online fixed-odds betting providers would be prevented from accessing online affiliate marketing services in the State and/or the foreclosure of competing online affiliate marketing services providers in the State. The Commission noted that there were a number of international operators specialising in the market for the provision of online affiliate marketing services in the gambling sector. The Commission concluded:

“..., the Commission considers that, following implementation of the Proposed Transaction, the parties will neither have the ability nor the incentive to foreclose any competing online fixed odds betting providers ... accordingly, that the Proposed Transaction is not likely to lead to any vertical foreclosure concerns in the State in relation to the provision of online affiliate marketing services.”

110. In light of the above, the Commission considers that access to Stars' online affiliate marketing services is not essential for an online gambling service provider to be able to compete effectively in the provision of online gambling services in the State, because there will be a sufficient number of competing affiliate marketing services providers following implementation of the Proposed Transaction.



111. Based on the information available to it, the Commission considers that the Parties will have neither the ability nor the incentive to foreclose rival online gambling service providers in the State by restricting access to Stars' online affiliate marketing services following implementation of the Proposed Transaction. The Commission also considers that the Proposed Transaction will not foreclose rival providers of online affiliate marketing services providers in the State because, as discussed in paragraphs 32 to 36 and 64 to 68, there will be a number of online betting services providers active in the State following implementation of the Proposed Transaction.
112. Based on the above, the Commission is of the view that the Proposed Transaction is not likely to lead to vertical competition concerns in the provision of online affiliate marketing services in the State.

(iii) The provision of horse racing and football data

113. Flutter's *Timeform* brand provides horse racing data to a range of betting companies, broadcasters, media outlets and administrative authorities.¹⁷ Flutter's *Infogol* brand provides football data and analysis for Flutter and is not currently sold to third parties. The Commission is of the view that the Proposed Transaction is unlikely to lead to foreclosure concerns in respect of the services provided by *Infogol* as Flutter provides these services in-house and not to third parties.
114. With regard to Flutter's *Timeform* brand, the Parties state in the notification that *Timeform* provides a broad range of products and services – derived from content created in-house and commercial data feeds – relating to horse racing and greyhound racing to a broad range of operators. These include free and premium digital business-to-customer (“B2C”) products and business-to-business (“B2B”) services and a print B2C operation (books and Race Cards sold by mail order and on racecourses).
115. The Parties state in the notification that Flutter generates [...] revenue from customers in the State from the provision of this service as the total amount of revenue generated by *Timeform* from customers in the State was approximately €[...]¹⁸ in 2018. Furthermore, there are a number of alternative horse racing and football data providers that include *Racing Post* and PA Media which generated £61.7 million and £70.2 million respectively in 2018. The Commission did not identify any barriers that would preclude online betting operators in the State from using the services of these competitors. Therefore, these companies are likely to exert competitive constraint on Flutter following implementation of the Proposed Transaction.

¹⁷ The data provided by *Timeform* and *Infogol* is utilised by the end users to help inform their customers. For example, online betting operators may display *Timeform* horse racing tips, form and statistics on their website and app to assist their users in making their betting decisions.

¹⁸ Estimate based on conversion of £[...] applicable on the exchange rate at time of notification.



116. In light of the above, the Commission considers that the Proposed Transaction is unlikely to raise any vertical competition concerns with respect to the provision of horse racing and football data in the State.

(iv) The provision of gaming development services

117. There is a potential vertical relationship between the Parties in relation to the provision of gaming development services. Flutter is active in the supply of gaming development services, in relation to the supply of casino software, via its *Cayetano* brand. Flutter does not sell gaming development services actively in the State, but several of its wider EMEA and Asia customers have a presence in the State, meaning that some *Cayetano* content is available on smaller operators' sites in the State. The Parties stated in the notification that Flutter does not currently provide such services to Stars and the *Cayetano* brand is primarily focused on creating games for internal use on Flutter's platforms. Globally, in 2018, *Cayetano* generated revenue from sales to third parties of €[...].

118. Stars is active in the supply of gaming development services, specifically for online slots, via its *Core Gaming* brand. The Parties state in the notification that *Core Gaming* is primarily focused on creating games for internal use on Stars' platforms. [...]. There is no ongoing supply of games to Flutter by *Core Gaming*. Globally, in 2018, *Core Gaming* generated revenue from the provision of services to third parties of approximately €[...].

119. In light of the above, the Commission considers that the Proposed Transaction is not likely to raise any vertical competition concerns with respect to the provision of gaming development services in the State.

(v) The provision of online betting exchange data

120. There is a potential vertical relationship between the Parties in the potential market for the provision of exchange data because Flutter currently supplies betting exchange data via its *Betfair* brand to providers of online betting services active in the State. This data is used by online betting services providers for odds compilation and risk management activities.

121. In its determination in *M/15/059 – Paddy Power/Betfair*, the Commission assessed whether a merger between the relevant parties could lead to a situation where the merged entity would have the ability to foreclose rival online betting service providers from the market by restricting access to exchange data. The Commission considered in that case that the relevant merged entity would not have the ability to foreclose a rival as there were a number of other sources of betting data available, such as competing online betting exchanges, odds comparison websites, "screen-scraping", and business-to-business intermediaries.



122. Based on the information available to it, the Commission considers that online betting exchange data is not an essential input for online betting operators in the State. This is evidenced by the fact that a number of online betting operators active in the State do not purchase online betting exchange data from any provider.

123. The Parties state in the notification:

[...]"

And:

"Stars does not purchase exchange data from Betfair. A number of rival operators also do not purchase exchange data from Flutter, with [...] currently contracted"

124. In light of the above, the Commission considers that access to Flutter's live betting exchange data is not essential for an online betting service provider to be able to compete effectively in the provision of online betting services in the State. The Commission therefore considers that the merged entity will not have the ability to foreclose rival online betting service providers in the State by restricting access to Flutter's online betting exchange data.

125. Based on the above, the Commission is of the view that the Proposed Transaction is not likely to lead to vertical competition concerns in the provision of online betting exchange data in the State.

Adjacent market

Matched betting services

126. The Proposed Transaction may have a potential impact on the adjacent market for matched betting services in the State. Matched betting services providers aggregate combinations on backed bets (where a bettor bets that an event will happen) on online fixed-odds betting services providers' platforms and lay bets (where a bettor bets that an event will not happen) on online exchange betting services providers' platforms. By utilising tools provided by matched betting services providers customers are guaranteed to profit.

127. In general, matched betting services providers do [...].

128. The Commission considered whether the Parties would have the ability or the incentive to foreclose matched betting services providers from the market in the State following implementation of the Proposed Transaction.



129. The Commission considers that the Parties would not have the ability or the incentive to foreclose matched betting services providers from the market in the State. The Commission formed this view on the basis that: (i) the matched betting services providers have the ability to gather data on odds and promotions from online exchange betting services providers in the same way as they do from online fixed-odds betting services providers (i.e., through screen-scraping or through third party services providers); and (ii) the matched betting services providers provide a method of customer acquisition for online betting services providers in the State.
130. In light of the above, the Commission considers that the Proposed Transaction is not likely to raise any competition concerns with respect to the provision of matched betting services in the State.

Conclusion

131. In light of the above, the Commission considers that the Proposed Transaction is not likely to substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

132. No ancillary restraints were notified.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed merger of Flutter Entertainment plc (“Flutter”) and The Stars Group Inc. (“Stars”), to be implemented by way of the acquisition of Stars by Flutter, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the merger may be put into effect.

For the Competition and Consumer Protection Commission

Brian McHugh

Member

Competition and Consumer Protection Commission