



DETERMINATION OF MERGER NOTIFICATION M/20/003 – LINK GROUP/PEPPER

Section 21 of the Competition Act 2002

Proposed acquisition of sole control by Link Group Administration Limited of Pepper Ireland Finance Holdings Limited, Pepper Cyprus Holdings Limited, Pepper (UK) Limited and Pepper Spanish Servicing S.L.U.

Dated 22 July 2020

Introduction

1. On 10 February 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 a notification of a proposed acquisition whereby Link Group Administration Limited (“Link”) would acquire sole control of Pepper Ireland Finance Holdings Limited, Pepper Cyprus Holdings Limited, Pepper (UK) Limited and Pepper Spanish Servicing S.L.U (collectively “Pepper”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of a share purchase agreement dated 30 January 2020, whereby Link would acquire sole control of the entire issued share capital of Pepper.

The Undertakings Involved

The Acquirer

3. Link is a wholly-owned subsidiary of Link Admin[i]stration Holdings Limited (“Link Group”), a publicly listed company on the Australian Stock Exchange. Link Group is a multinational provider of financial administration services.



4. In the State, Link is active in the provision of corporate market services such as shareholder communications and investor relations, as well as fund solutions and outsourced financial services including outsourced credit management services (“CMS”).
5. Link provides outsourced CMS to customers such as banks, alternative lenders (e.g., credit unions) and loan portfolio buyers (e.g., private equity funds).
6. In the State, Link has offices in Dublin and Kildare.
7. For the financial year ending 30 June 2019, Link Group generated worldwide turnover of €867 million, of which €[...] was generated in the State.

The Target

8. Pepper constitutes a wholly-owned standalone business within Pepper Group Pty Limited (“Pepper Group”). Pepper Group is an international consumer finance business, third party loan servicer and asset manager.
9. In the State, Pepper is active in the provision of asset management and advisory services, and outsourced CMS, to banks, alternative lenders and loan portfolio buyers.
10. Within the State, Pepper has offices in Dublin and Shannon, Co. Clare.
11. For the financial year ending 31 December 2019, Pepper generated worldwide turnover of €[...], of which approximately €[...] was generated in the State.

Investigation

12. On 20 March 2020, the Commission served Requirements for Further Information (“RFIs”) on Link ASI Limited t/a Link Asset Services and Pepper Finance Corporation (Ireland) DAC t/a Pepper Asset Servicing, pursuant to section 20(2) of the Act. The issuance of the RFIs adjusted the deadline within which the Commission was required to conclude its assessment of the Proposed Transaction in Phase 1.
13. During the Phase 1 investigation, the Commission requested and received, on an ongoing basis, further information and clarifications from the notifying parties.



14. During the Phase 1 investigation, the Commission engaged with third parties in relation to concerns over the effects of the Proposed Transaction. The Commission also conducted market enquiries which included circulating questionnaires to customers and competitors of the parties, as well as to other industry stakeholders.

Analysis

15. The Commission is unable, at this stage, to reach a determination that the Proposed Transaction will not lead to a substantial lessening of competition in any market for goods or services in the State. Accordingly, it intends to carry out a full investigation under section 22 of the Act.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(b) of the Competition Act 2002, as amended (the “Act”), has determined that it intends to carry out a full investigation under section 22 of the Act in relation to the proposed acquisition whereby Link Group Administration Limited would acquire sole control of Pepper Ireland Finance Holdings Limited, Pepper Cyprus Holdings Limited, Pepper (UK) Limited and Pepper Spanish Servicing S.L.U.

For the Competition and Consumer Protection Commission

Brian McHugh
Member
Competition and Consumer Protection Commission