

Loan Servicing Firms Terminate Acquisition During CCPC Investigation

Link Group has informed the Competition and Consumer Protection Commission (CCPC) that it has decided not to proceed with acquiring Pepper and considers the proposed transaction to be withdrawn. The CCPC will now close its investigation into the proposed transaction and no determination will be issued.

Link Group and Pepper are both leading providers of loan servicing in the State. Since the proposed transaction was notified on 10 February 2020, the CCPC undertook an extensive, two phase examination to determine whether or not the transaction would likely result in a substantial lessening of competition in any market for goods or services in the State.

As part of this examination, the CCPC gathered and analysed information from a wide range of sources to assess how closely the two companies compete and what competition they would face from other businesses, both in today's loan servicing market and in the future. After completing its initial Phase 1 investigation in July 2020, the CCPC was unable, at that stage, to reach a determination that the merger would not lead to a substantial lessening of competition in any market for goods or services in the State. Accordingly, the CCPC opened a full investigation and issued substantial requirements for further information to the merging parties.

Following its analysis of the likely impact of the proposed transaction, the CCPC identified preliminary competition concerns and communicated those to the parties. The CCPC had been engaging with the parties in discussion of these competition concerns. It is during this process that the parties announced that they were withdrawing from the proposed acquisition.