



DETERMINATION OF MERGER NOTIFICATION M/17/061 - BOYLESports/BAMBURY BOOKMAKERS

Section 21 of the Competition Act 2002

Proposed acquisition by BoyleSports Unlimited Company of sole control of certain assets of Bamson Turf Limited

Dated 13 December 2017

Introduction

1. On 6 November 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”), a wholly owned subsidiary of BoyleSports Group Holdings Limited, would acquire sole control of certain assets and related goodwill of Bamson Turf Limited (“Bamson”) (the “Proposed Transaction”). The assets and related goodwill to be acquired include six licensed betting offices (“LBOs”) operating under the *Bambury Bookmakers* brand located in counties Limerick and Clare (the “Target Businesses”).
2. The Proposed Transaction is to be implemented pursuant to an asset purchase agreement (“APA”) dated 6 November 2017 between BoyleSports and Bamson.

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, mobile applications, by telephone and in 225 LBOs located in the State. 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. BoyleSports also provides mobile betting services through BoyleSports mobile and android applications.



4. For the financial year ending 25 December 2016, BoyleSports Group Holdings Limited's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.¹

The Vendor – Bamson

5. Bamson, a private limited company incorporated in the State, currently owns and operates 9 LBOs in the State, all trading as *Bambury Bookmakers*. As noted in paragraph 1 above, the Target Businesses comprise 6 of these LBO's. Following implementation of the Proposed Transaction, Bamson plans to either operate or offer for sale the remaining 3 LBOs that are not part of the Proposed Transaction. These 3 LBOs are located in: Roxboro Shopping Centre, Limerick; Groody Park, Limerick; and, Main Street, Cappamore, Co. Limerick. Bamson does not currently provide an online or telephone betting service to customers.

The Target Businesses

6. The Target Businesses comprise 6 LBOs (all trading as *Bambury Bookmakers*) in the following locations in the State:
- i. Unit 4, The Orchard, Kilmurry, Castletroy, Co Limerick;
 - ii. Unit 1, Millers Main Street, Oola, Co. Limerick;
 - iii. 6 Wolfe Tone Street, Limerick;
 - iv. 47 Main Street, Croom, Co Limerick;
 - v. Main Street, Six Mile Bridge, Co. Clare; and
 - vi. Unit 1 Courtfields Shopping Centre, Raheen, Co Limerick.
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 Limerick and Clare regions which will permit the BoyleSports group to attain efficiencies which will benefit its customers. The Target LBOs will become part of the BoyleSports group and therefore will benefit from access to much greater resources and technology offered by the acquiring group which will benefit consumers. BoyleSports’

¹ This figure includes the turnover of We Bet Limited for the year ending 25 December 2016, comprising €[...] (all of which was generated in the State). We Bet Limited is controlled by John Boyle, the majority shareholder in BoyleSports Group Holdings Limited, the ultimate parent company of BoyleSports.



intention is to invest in, and upgrade, each of the Target LBOs shortly after completion.”

Third Party Submissions

9. No submission was received.

Competitive Analysis

Horizontal overlap

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, namely 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, namely 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.”²

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
15. As previously mentioned, the Proposed Transaction involves the acquisition by BoyleSports of 6 LBOs, all trading as *Bambury Bookmakers*.
16. For the reasons set out in paragraphs 17-36 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 4, The Orchard, Kilmurry, Castletroy, Co Limerick

17. Bamson currently operates an LBO in Castletroy, Co. Limerick. BoyleSports does not currently own or operate an LBO within 400m of Bamson’s LBO in Castletroy, Co. Limerick. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from Bamson’s LBO in Castletroy, there is no horizontal overlap between the parties.
18. The nearest BoyleSports LBO to Bamson’s LBO in Castletroy is located on William Street, Limerick, which is a distance of approximately 4.9km. Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from Bamson’s LBO in Castletroy, there is no horizontal overlap between the parties.

Unit 1, Millers Main Street, Oola, Co. Limerick

19. Bamson currently operates an LBO in Oola, Co. Limerick. Within a radius of 400m from Bamson’s LBO in Oola, 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 Bamson’s LBO in Oola, there is no horizontal overlap between the parties.
20. The nearest BoyleSports LBO to Bamson’s LBO in Oola is located in Tipperary Town, Co. Tipperary, which is a distance of approximately 10km. Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from Bamson’s LBO in Oola, there is no horizontal overlap between the parties.

6 Wolfe Tone Street, Limerick

21. Bamson currently operates an LBO on Wolfe Tone Street, Limerick. Within a radius of 400m from Bamson’s LBO on Wolfe Tone Street, there are no BoyleSports LBOs

² The CMA’s report can be accessed at <https://assets.publishing.service.gov.uk/media/5797818ce5274a27b2000004/ladbroskes-coral-final-report.pdf>.

³ This follows the Commission’s approach in paragraph 14 of its determination in M/17/003 BoyleSports/Bambury which can be accessed at <https://www.ccpic.ie/business/wp-content/uploads/sites/3/2017/04/M-17-003-BoyleSports-Bambury-Public.pdf>.



currently active. Thus, on the basis of a geographic market comprising a catchment area within a radius of 400m from Bamson's LBO on Wolfe Tone Street, there is no horizontal overlap between the parties.

22. Within a radius of 3km from Bamson's LBO on Wolfe Tone Street, Limerick, there are 6 providers of betting services in LBOs currently active, namely:

- BoyleSports which owns and operates 1 LBO (located at 55 Upper William Street and a distance of approximately 1.2km from Bamson's LBO on Wolfe Tone Street);
- Paddy Power Betfair plc⁴ ("Paddy Power Betfair") which owns and operates 6 LBOs (located at the following locations with the following corresponding approximate distances from Bamson's LBO on Wolfe Tone Street: 28 Davis Street, 0.8km; 32-33 Upper William Street, 1.2km; Unit 3 Oak Service Station, Roxboro, 2km; St. Nesson's Road, Dooradoyle, 2.7km; 1 Sexton Street North, Thomondgate, 2.3km and, Springfield Retail Development, Singland 1.6 km);
- Ladbrokes plc which owns and operates 5 LBOs (located at the following locations with the following corresponding approximate distances from Bamson's LBO on Wolfe Tone Street: 33 Parnell Street, 0.7km; 7 Lower Cecil Street, 0.8km; 59 William Street, 1.1km; Unit 8a Parkway Shopping Centre, 3km and, 9 Johnsgate Village, 1.6km);
- Bar-One Racing Limited which owns and operates 3 LBOs (located at 6 Quinlan Street, 35 William Street and 19 Mulgrave St with distances of approximately 0.26km, 1.2km and 1.6km, respectively, from Bamson's LBO on Wolfe Tone Street);
- John Mulholland Bookmakers Limited which owns and operates 1 LBO (located at Greenpark Shopping Centre, a distance of approximately 1km from Bamson's LBO on Wolfe Tone Street); and
- Bamson which owns and operates 1 LBO⁵ (located at Roxboro Shopping Centre, a distance of approximately 2km from Bamson's LBO on Wolfe Tone Street).

23. Therefore, following implementation of the Proposed Transaction, there will remain 5 competing providers of betting services in LBOs, operating 16 LBOs in total, within a distance of 3km of the LBO on Wolfe Tone Street which will act as a competitive constraint on BoyleSports.

47 Main Street, Croom, Co Limerick

24. Bamson currently operates an LBO in Croom, Co. Limerick. Within a radius of 400m from Bamson's LBO in Croom, there are no other LBOs currently active. Thus, on the

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-notices/m15059-paddy-power-betfair>.

⁵ This LBO is not part of the Proposed Transaction, please see paragraph 5 above for more details.



basis of a geographic market comprising a catchment area within a radius of 400m from Bamson's LBO in Croom, there is no horizontal overlap between the parties.

25. The nearest BoyleSports LBO to Bamson's LBO in Croom is located in Adare, Co. Limerick which is a distance of approximately 10.2km. Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from Bamson's LBO in Croom, there is no horizontal overlap between the parties.

Main Street, Six Mile Bridge, Co. Clare

26. Bamson currently operates an LBO in Six Mile Bridge, Co. Clare. Within a radius of 400m from Bamson's LBO in Six Mile Bridge, 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 Bamson's LBO in Six Mile Bridge, there is no horizontal overlap between the parties.
27. The nearest BoyleSports LBO to Bamson's LBO in Croom is located in Ennis, Co Clare which is a distance of approximately 21.4km. Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from Bamson's LBO in Six Mile Bridge, there is no horizontal overlap between the parties.

Unit 1 Courtfields Shopping Centre, Raheen, Co Limerick

28. Bamson currently operates an LBO in the Courtfields Shopping Centre in Raheen, Co. Limerick. Within a radius of 400m from Bamson's LBO in Raheen, there are no other LBOs currently active. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from Bamson's LBO in Raheen, there is no horizontal overlap between the parties.
29. Within a radius of 3km from Bamson's LBO in the Courtfields Shopping Centre in Raheen, Co. Limerick, there are 2 providers of betting services in LBOs currently active, namely:
 - BoyleSports which owns and operates 1 LBO (located at Unit 22 Ballycummin Shopping Centre, a distance of approximately 1.7km from Bamson's LBO in the Courtfields Shopping Centre in Raheen); and
 - Paddy Power Betfair which owns and operates 2 LBOs (located at Unit 2, Racefield Centre, Father Russell Road, Dooradoyle and St. Nessan's Road, Dooradoyle, respectively). The former is located approximately 1.2km from Bamson's LBO in the Courtfields Shopping Centre in Raheen while the latter is located approximately 1.5km from Bamson's LBO in the Courtfields Shopping Centre in Raheen.
30. For the reasons set out below, the Commission considers that the Proposed Transaction raises no competition concerns in the potential market for the provision of betting services in LBOs located within a 3km radius of the Bamson LBO in the Courtfields Shopping Centre in Raheen, Co. Limerick.



31. First, the two LBOs that will be operated by BoyleSports following implementation of the Proposed Transaction (the current *BoyleSports* LBO located at Unit 22 Ballycummin Shopping Centre and the current *Bambury* LBO located in the Courtfields Shopping Centre in Raheen, Co. Limerick) will face competition from two LBOs operated by Paddy Power Betfair (located at Unit 2, Racefield Centre, Father Russell Road, Dooradoyle and St Nessian's Road, Dooradoyle, respectively).
32. Paddy Power Betfair is the largest provider of betting services in LBOs in the State. Estimated share data provided by BoyleSports to the Commission indicates that Paddy Power Betfair had a [40-45]% share in the provision of betting services in LBOs in the State in 2016 with BoyleSports having a [25-30]% share.⁶ The Commission considers that, following implementation of the Proposed Transaction, Paddy Power Betfair will continue to exert a competitive constraint on BoyleSports in the potential market for the provision of betting services in LBOs located within a 3km radius of the Bamson LBO in the Courtfields Shopping Centre in Raheen, Co. Limerick.
33. Second, information provided to the Commission indicates that the closest competitor to the Bamson LBO in the Courtfields Shopping Centre in Raheen is Paddy Power Betfair which operates two LBOs located in relatively close proximity to the Bamson LBO. The closest Paddy Power Betfair LBO to the Bamson LBO in the Courtfields Shopping Centre in Raheen, is located at Unit 2, Racefield Centre, Father Russell Road, Dooradoyle, a distance of approximately 1.2 km. The second Paddy Power Betfair LBO is located at St. Nessian's Road, Dooradoyle, a distance of approximately 1.5km from the Bamson LBO in the Courtfields Shopping Centre in Raheen. Paddy Power Betfair opened its LBO on St. Nessian's Road, Dooradoyle in February 2014.⁷ Bamson expressed the following view to the Commission about the impact of the opening of the Paddy Power Betfair LBO in St. Nessian's Road, Dooradoyle: "[...]".⁸
34. In contrast, information provided to the Commission indicates that the BoyleSports LBO in Unit 22, Ballycummin Shopping Centre is not as close a competitor to the Bamson LBO in the Courtfields Shopping Centre in Raheen as the two Paddy Power Betfair LBOs. The BoyleSports LBO in Unit 22, Ballycummin Shopping Centre is located approximately 1.7km from the Bamson LBO in the Courtfields Shopping Centre in Raheen. Bamson expressed the view to the Commission that due to the distance between the two LBOs "*customers would not generally switch from the Bambury LBO in Raheen to the BoyleSports LBO in the surrounding area.*"⁹

National Basis

35. On a national level, the Proposed Transaction raises no competition concerns in the potential market for the provision of betting services in LBOs. There are a number of competing fascia in the provision of betting services in LBOs in the State:

⁶ BoyleSports informed the Commission that its estimates of share data in the potential market for the provision of betting services in LBOs in the State in 2016 are based on estimates of turnover in each LBO for each provider in the State. BoyleSports informed the Commission that these estimates represent "*an overall estimate of the total retail bookmaking business in the State as estimated by the Irish Bookmakers Association*".

⁷ Paddy Power Betfair informed the Commission that this LBO was previously operated under the *Hackett Bookmakers* brand before being acquired by Paddy Power Betfair in 2013.

⁸ [...].

⁹ This information was provided to the Commission by Bamson in a phone call dated 16 November 2017.



- *Paddy Power Betfair;*
- *Ladbrokes;*
- *BoyleSports;*
- *Bar-One Racing;*
- *Bruce Betting;*
- *Mulholland Bookmakers;*
- *Bambury Bookmakers; and*
- *Tully Bookmakers.*

36. As noted in paragraph 32 above, BoyleSports had a [25-30]% share in the provision of betting services in LBOs in the State in 2016 while the Target Businesses had a share of less than [0-5]% in the provision of betting services in LBOs 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 in the State as a result of the Proposed Transaction will be minimal.

Vertical Relationship

37. The parties have stated in the notification that there is no vertical relationship between BoyleSports and the Target Businesses. Therefore, the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion

38. 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

39. The APA contains a number of restrictive obligations on Bamson. These include non-compete obligations and non-solicitation obligations regarding employees, customers and suppliers. These restrictive obligations do not exceed the maximum duration acceptable to the Commission.¹⁰ The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction.

¹⁰ 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, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby BoyleSports Unlimited Company would acquire sole control of certain assets and related goodwill of Bamson Turf 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

Brian McHugh
Member
Competition and Consumer Protection Commission