

## PRESS RELEASE

### **COVID-19 Complaints and queries involving the application of competition rules**

- The CNMC has received more than 50 complaints in the first week of operation of the mailbox that was set up to handle questions and complaints on anti-competitive practices involving COVID-19.
- As a result of these complaints, the CNMC has initiated investigations in the markets for financial services, funeral services and the manufacture of healthcare products.
- The CNMC is continuing to appeal to citizens to help it identify anti-competitive practices.

**Madrid, 7 April 2020** - The CNMC has received more than 50 enquiries and complaints from individuals and companies at the mailbox set up specifically to report anti-competitive practices stemming from the health crisis created by COVID-19. Some of these complaints have given rise to investigations, specifically in the financial and funeral services markets.

On 31 March, the CNMC announced the launch of a mailbox (covid.competencia@cnmc.es) to gather all the complaints and questions related to the application of competition rules in the context of Covid-19.

This mailbox was specifically set up for citizens and companies to send in any complaints about anti-competitive behaviour in the current context of the pandemic, such as, for example: abuses of dominant positions through price gouging; anti-competitive agreements between operators; or unfair conduct consisting of massive fraud involving those goods and services affected by the health crisis.

This mailbox is also available to companies that want to enquire about possible agreements made with other operators (including competitors) in order to deal with the effects of the crisis, and thus ensure that any such agreements are consistent with competition rules.

Since the launch of this mailbox, just a week ago, the CNMC has received fifty questions and complaints sent in by individuals and companies. The complaints mostly refer to possible anti-competitive behaviour in the financial sector and in the marketing of basic goods and services.

### **Start of investigations**

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In view of these complaints, the CNMC has opened several investigations into potential anti-competitive practices.

With regard to the financial sector, the CNMC is analysing the **demands being made by some financial entities for an additional guarantee** (in particular, the purchase of life insurance) before granting loans backed by the State (ICO credit facilities) and other financial aids associated with the extraordinary law that was enacted to manage the health crisis caused by COVID-19. Specifically, the CNMC is analysing whether such a requirement could constitute unfair conduct that, by distorting free competition, affects the public interest during the COVID-19 crisis.

The CNMC is further investigating whether the **prices being charged by various funeral companies** during this health crisis could be the result of anti-competitive agreements between competitors or of unfair and aggressive practices that are objectively contrary to the requirements of good faith and capable of significantly diminishing the freedom of choice of customers (relatives of the deceased).

Elsewhere, the increased global demand for certain healthcare products, such as **sanitising gels**, is causing **substantial increases in the prices of these products and of the raw materials used to manufacture them (ethanol)**, as well as shortages in the market. Because of this, the CNMC is closely monitoring the evolution of these markets in Spain so as to identify and, where appropriate, sanction any anti-competitive behaviour that results from said price increases.

### **Questions from companies**

Some **questions have also been received as to the legality of trade agreements made between operators** to deal with the effects of the COVID-19 crisis. The CNMC has resolved these queries as quickly as the situation demands, reminding operators of the limits that the law imposes on said agreements, and that any temporary measures intended to deal with the exceptional situation that we are experiencing must be immediately abolished once the capacity for self-organisation and entrepreneurial freedom are restored to the affected sectors.

The CNMC recalls that this mailbox was set up **exclusively** for questions regarding the **application of competition rules or complaints about anti-competitive behaviour** during the current COVID-19 crisis.

For any other query and, in particular, to report potential violations of the extraordinary law that imposed the state of emergency, citizens and companies are

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asked to use the mailboxes enabled for this purpose by the relevant ministerial bodies and departments.

[More information](#): COVID-19 and the Protection of Competition

covid.competencia@cnmc.es

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