



COMPETITION APPEAL TRIBUNAL

NOTICE OF A CLAIM UNDER SECTION 47A OF THE COMPETITION ACT 1998

Case No: 1597/5/7/23

Pursuant to Rule 33(8) of the Competition Appeal Tribunal Rules 2015 (S.I. 2015 No. 1648) (the “Tribunal Rules”), the Registrar gives notice of the receipt of a claim for damages (the “Claim”) on 13 July 2023, under section 47A of the Competition Act 1998 (the “Act”), by (1) GLOBAL-365 plc, and (2) Global Prepaid Solutions Limited (the “Claimants” / “GLOBAL-365”) against (1) PayPoint plc, (2) PayPoint Collections Limited, (3) PayPoint Network Limited, and (4) Paypoint Retail Solutions Limited (together, the “Defendants” / “PayPoint”). The Claimants are represented by Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC4Y 4AG (Reference: Paul Chaplin).

The Claimants are companies within an undertaking referred to in the Claim as GLOBAL-365. which has developed a system known as ‘SMARTprepay’ that enables energy customers whose premises are served by a smart meter to pre-pay for their energy consumption by a variety of means, including an online customer portal, via online banking and in retail premises.

Following the commencement of the smart-meter rollout in Great Britain, GLOBAL-365 planned to launch its product in or around 2019 by contracting with energy suppliers to process their smart meter customers’ pre-payments using the SMARTprepay system. However, the Claim states that GLOBAL-365 was effectively prevented from entering the market because PayPoint, which processes pre-payments made by customers with legacy (non-smart) meters, had entered into certain exclusivity arrangements with most of the major energy suppliers in Great Britain (“the exclusivity arrangements”), which prevented those suppliers from contracting with alternative providers of pre-payment processing services.

According to the Claim Form, in 2017, after the exclusivity arrangements had come to light, GLOBAL-365 made a complaint to Ofgem which led to a decision dated 23 November 2021 (the “Commitments Decision”) in which Ofgem provisionally concluded that the arrangements amounted to an abuse by PayPoint of its dominant position on the market for the provision of over the counter (“OTC”) payment services to energy suppliers in Great Britain who have customers who pay for their gas and electricity through a prepayment meter, contrary to section 18 of the Act. By the Commitments Decision, Ofgem accepted commitments from PayPoint to abandon those exclusivity arrangements and to pay some £12.5 million into a voluntary redress scheme.

The Claimants now bring the Claim seeking damages in respect of alleged losses suffered by the Claimants by reason of the Defendants’ anti-competitive conduct. The Claimants state that as the Commitments Decision concerned Ofgem’s acceptance of commitments from PayPoint, there is no final finding of infringement against PayPoint in relation to the matters to which these proceedings relate. These proceedings are therefore a standalone action although brought with the benefit of Ofgem’s provisional analysis and conclusions as set out in the Commitments Decision.

According to the Claim Form, the Defendants’ anti-competitive conduct not only delayed GLOBAL-365’s market entry, but it is likely to mean that GLOBAL-365’s SMARTprepay product will capture a lower total market share upon entry than it would have had it been able to enter the market, as planned, in 2019.

The Claimants seek:

- (1) A declaration that the Defendants (as individual companies belonging to and forming part of the PayPoint undertaking) abused their dominant position in breach of section 18 of the Act;

- (2) Damages (including both the principal sum by way of damages and compound interest on such principal, also by way of damages) in the sum of £172.2 million or such other sum as the Tribunal may determine;
- (3) In the alternative to compound interest, simple interest under section 35A Senior Courts Act 1980 or Rule 105 of the Tribunal Rules;
- (4) Costs; and
- (5) Such further and other relief as the Tribunal may think fit.

Further details concerning the procedures of the Competition Appeal Tribunal can be found on its website at www.catribunal.org.uk. Alternatively, the Tribunal Registry can be contacted by post at Salisbury Square House, 8 Salisbury Square, London EC4Y 8AP, or by telephone (020 7979 7979) or email (registry@catribunal.org.uk). Please quote the case number mentioned above in all communications.

Charles Dhanowa OBE, KC (Hon)
Registrar

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