



Competition law compliance by PHV operators

The Office of Fair Trading (OFT) has recently become aware of a number of cases where private hire vehicle (PHV) operators have had, or appear to have had, discussion to fix or co-ordinate prices for services in their region.

The OFT is concerned there may be a particular lack of awareness among PHV operators of the stringent civil and criminal laws against price fixing and has now launched a campaign to ensure PHV operators across the UK understand competition rules. The OFT has asked the PCO to bring the campaign to the attention of licensed PHV operators in the capital.

Discussing pricing, in particular price fixing, amongst competing firms is illegal under UK competition law. Individuals may face criminal liability for price-fixing, including fines and even the possibility of imprisonment. In addition businesses could be fined up to 10 per cent of their total turnover.

PHV operators should not engage in discussions with their competitors in relation to price, and any such conduct should cease immediately. That is not to say that operators cannot change the price of their services, but such pricing decisions must be made independently without any collusion with competitors.

During the campaign the OFT is working with trade associations, the Licensed Private Hire Car Association (LPHCA), the Private Hire Board and the National Private Hire Association to spread awareness of the rules.

Further information can be found on the OFT's website at www.oft.gov.uk/pricefixing

A handwritten signature in black ink, appearing to read "Mary Dowdye", written over a circular stamp or seal.

Mary Dowdye
Head of Standards & Regulations

1 December 2008

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