

From: Daniel Gordon
Senior Director, Markets

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Dear Sir/Madam

An open letter to the pharmaceutical and food and drink industries

We are in unprecedented times, during which the need for all sections of society to pull together for the good of all will be significant. The services provided by your sectors are important to the lives of many people at the current time, and it is vital that trust can be maintained as we move through this time of crisis together. While most businesses are striving to do the right thing under very challenging circumstances, we have received reports that a minority of firms in your sector are seeking to capitalise on the current situation by charging unjustifiably high prices for essential goods or making misleading claims around their efficacy.

We are sure that you share our concerns not just about the unacceptability of such practices in the current circumstances, but also the risk of undermining public trust more widely across these sectors. If appropriate, the CMA has recourse to a range of competition and consumer powers to tackle bad behaviour. It is therefore vital that any poor behaviour is nipped in the bud now and we will use all of the powers available to us to ensure that markets continue to work well during the coronavirus outbreak.

We are determined to ensure that consumers are treated fairly through these difficult times. We are therefore keen to work with you to ensure that the approach firms take is clear, fair and supportive of trust among the wider public

We understand that some price rises may result from constraints further up the supply chain. For example, if an individual firm raises its prices as a result of passing on increased prices from wholesalers or suppliers, then this may be unavoidable. However, where this is happening, we would like to hear from you about any information relating to such price increases by wholesalers or suppliers, so that we can investigate these issues further up the supply chain. Please send any such information in writing to covid.monitoring@cma.gov.uk.

The food and drink and pharmaceutical industries are hugely important to the UK economy and consumers and it is essential that these markets function well in the months ahead. I urge firms to read and act on this letter to help ensure that the harmful practices by a minority of bad apples are identified and stamped out quickly so that consumers can rely on these vital markets when they need them most.

Yours sincerely,

Daniel Gordon
Senior Director, Markets