

CMA LAUNCHES MARKET STUDY INTO THE ELECTRIC VEHICLE CHARGING SECTOR IN THE UK

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Legal Briefings

The CMA has today (2 December 2020) launched a market study into the electric vehicle charging sector in the UK. The study will consider two broad themes:

- how to develop a competitive sector while also attracting private investment to help the sector grow;
- how to ensure people using electric vehicle chargepoints have confidence that they can get the best out of the service

The scope of this market study is the supply of chargepoints for plug-in hybrid and all-electric 'passenger' electric vehicles, comprising cars and light vans. It will look at charging in a range of different settings including home and off-street parking; on-street parking; workplace; hub and destination; and en-route charging.

The market study is timely, given that the successful transition to electric vehicles (EVs) will play a key part in delivering the Government's commitment to net zero emissions by 2050, as shown by the recent Government announcement banning the sale of new petrol and diesel cars from 2030. Supporting this is a key priority area for the CMA, as reflected in its 2020/21 annual plan commitment on climate change.

A particular concern noted in the Invitation to Comment is the need to address consumers' 'range anxiety' around the ability to recharge EVs and the challenge of installing sufficient EV chargers within the UK.

The decision to conduct a market study in a nascent and developing sector is a fairly recent approach – historically, market studies have related to established markets which may not be working well for consumers due to structural issues which have developed over time. In this case the CMA is keen “to make sure the sector works well for consumers as it grows and prevent any competition problems before they become embedded”. However, this may well become a more common tactic for the CMA and other competition regulators, particularly in relation to fast-developing markets - for instance, in July 2020, the German Federal Cartel Office (“FCO”) launched a sector inquiry into the provision and marketing of publicly accessible charging infrastructure for electric vehicles, equally noting that it seeks to identify competition problems at an “early market phase” (see our blog post [here](#)).

The CMA has a statutory duty to conclude its market study within 12 months, but has indicated that it intends to do so “well within” this timeframe.

The invitation to comment window is open to any interested party and closes on 5 January 2021. However, the CMA also has compulsory powers of investigation and can, and most likely will, issue mandatory Requests for Information (RFIs) from targeted stakeholders using its powers under section 174 of the Enterprise Act 2002. It is crucial for relevant stakeholders to take such RFIs seriously, and to respond comprehensively and promptly, even if the requests come during the holiday season: earlier this year, the CMA fined a company for failure to respond fully and promptly to an RFI in relation to the CMA’s online platforms and digital advertising review (see our blog post [here](#)).

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



**KYRIAKOS
FOUNTOUKAKOS**

EMEA REGIONAL
HEAD OF PRACTICE –
COMPETITION,
REGULATION AND
TRADE, BRUSSELS
+44 7920 455 155
Kyriakos.Fountoukakos@hsf.com



DR MARCEL NUYS
PARTNER, GERMANY

+49 211 975 59065
Marcel.Nuys@hsf.com



PETER ROWLAND
OF COUNSEL,
BRUSSELS

+32 2 518 1847
Peter.Rowland@hsf.com



TOM KEMP
SENIOR ASSOCIATE,
LONDON

+44 20 7466 2388
Tom.Kemp@hsf.com



ANNE ECKENROTH
ASSOCIATE,
GERMANY

+49 211 975 59134
anne.eckenroth@hsf.com

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