

CASE C1441G -THE MEDICAL SPECIALIST GROUP

CASE DECISION STATEMENT

Following an investigation conducted under section 22(1) of the Competition (Guernsey) Ordinance, 2012 (2012 Ordinance), the Guernsey Competition and Regulatory Authority (GCRA; the Authority) has found that the Medical Specialist Group LLP (MSG) has entered into agreements with its consultants, which prevent those consultants from supplying medical services to Guernsey consumers for a period of time after leaving MSG. The GCRA has found that these restrictions (Non-Compete Clauses) infringe section 5(1) of the 2012 Ordinance, which prohibits agreements between undertakings which have the object or effect of preventing competition within any market in Guernsey for goods or services.

Following a decision by the Authority, the GCRA opened an investigation into MSG's Non-Compete Clauses and a <u>case opening statement</u> was placed on the GCRA's website. Subsequently, the Authority sent information requests to a number of parties, including MSG, and conducted statutory interviews.

After considering the evidence gathered, and pursuant to section 43(2) of the 2012 Ordinance, the GCRA sent to MSG a notice in writing (**Statement of Objections**) setting out its preliminary conclusions in respect of the Non-Compete Clauses. MSG made oral and written representations to the GCRA in respect of the matters set out in the Statement of Objections and, following its oral representations, was invited to submit any further observations in writing if it wished to do so. MSG was also invited by Authority officers to comment specifically on certain pieces of relevant evidence.

Having taken into account the evidence provided and having heard and taken into account the representations of MSG, the Authority has decided that the Non-Compete Clauses are restrictions of competition by object and so prohibited by section 5(1) of the 2012 Ordinance. It has directed MSG to remove these clauses from its agreements with its consultants and to inform former consultants still subject to a Non-Compete Clause, in writing, that those clauses are void and unenforceable.

The Authority will be minded to impose a financial penalty where it finds a restriction of competition by object, such as the Non-Compete Clauses. It will therefore now consider whether it would be appropriate to issue a draft penalty statement to MSG in respect of the Non-Compete Clauses. In carrying out this assessment, the GCRA will follow the approach set out in its <u>Guideline on Financial Penalties</u>.

16 September 2021