



Case M1726G

Proposed acquisition of Big Red Guernsey Ltd by R. W. Randall Limited

Decision

Date: 15 January 2026

Guernsey Competition & Regulatory Authority
Suite 4, 1st Floor,
La Plaiderie Chambers, La Plaiderie,
St Peter Port,
Guernsey, GY1 1WG
www.gcra.gg

Summary

1. R. W. Randall Limited (**Randalls**; the **Purchaser**) proposes to acquire all of the issued share capital in Big Red Guernsey Ltd (**Big Red**; the **Target**) from Guernsey Restaurants Limited (**Guernsey Restaurants**; the **Vendor**).
2. The transaction has been notified to the Guernsey Competition and Regulatory Authority (**GCRA**) pursuant to Section 16(1) of the Competition (Guernsey) Ordinance 2012 (the **2012 Ordinance**).
3. The GCRA has determined that the proposed acquisition will not lead to a substantial lessening of competition in any relevant market and hereby approves the notified transaction.

The Notified Transaction

4. On 3 December 2025, the GCRA received a joint application from the Purchaser and the Vendor (the **Notifying Parties**) for the proposed acquisition by the Purchaser of all the shares in the Target (the **Notified Transaction**).
5. The GCRA registered the application on its website with a deadline for comments of 17 December 2025. One submission was received.

The Parties

6. The Purchaser is a non-cellular company limited by shares incorporated in Guernsey with company number CMP111. It is active in the following areas:
 - a. The operation of hotels, bars and restaurants in Guernsey licensed under category A or category C, namely:
 - The Slaughterhouse (category A),
 - The Prince of Wales (category A),
 - The Rockmount (category A),
 - La Reunion (category A),
 - The Imperial Hotel and Restaurant (category C),
 - The Farmhouse Hotel and Restaurant (category C).
 - b. Importation and wholesale of beers, wines and spirits (**BWS**) (and a limited supply of soft drinks) into Guernsey.
 - c. Operation of off-licences in Guernsey.
 - d. Leasing of licensed bar and/or restaurant premises to tenants on a “tied” basis in Guernsey.
 - e. Manufacture of gin, vodka and draught beer.
 - f. Operation of the Guernsey Airport Duty Free concession.
7. The Target is a non-cellular company limited by shares incorporated in Guernsey with company number CMP59678. It is active in the operation of bars and restaurants in Guernsey, namely:

- Red,
- Tinto,
- Rosso,
- Red Cocktail Bar.

Requirement for GCRA Approval

- Pursuant to s.61(1)(b)(i) of the 2012 Ordinance, a merger or acquisition occurs for the purposes of that Ordinance when: *“an undertaking [...] directly or indirectly acquires or establishes control of another undertaking”*.
- An acquisition by one undertaking of the entire issued share capital of another undertaking amounts to an acquisition of control for the purposes of the 2012 Ordinance. In this case, the Purchaser is acquiring all of the shares in the Target. The notified transaction is therefore a merger, as defined by the 2012 Ordinance.
- Under Regulation 2(a) and (b) of the Competition (Prescribed Mergers and Acquisitions) (Guernsey) Regulations 2012 (the **Regulations**), an undertaking is involved in a merger or acquisition if it is acquiring, or being acquired by, another undertaking. On completion of the notified transaction, the Purchaser will acquire 100% of the shares in the Target. Both the Purchaser and the Target are therefore involved in a merger for the purposes of the Regulations.
- Under s.13(1) of the 2012 Ordinance, certain mergers must be notified to, and approved by, the GCRA before they can be put into effect. Regulation 1 of the Regulations provides that mergers must be notified to the GCRA for clearance if:
 - The combined Channel Islands turnover of the undertakings involved in the merger exceeds £5 million, and
 - Two or more of the undertakings involved in the merger have Guernsey turnover exceeding £2 million.
- According to information provided by the Notifying Parties, their combined and individual applicable turnover in the Channel Islands and Guernsey exceeds these thresholds. On this basis, the GCRA's approval is required before the acquisition is executed.

Market Definition

- Under s.13 of the 2012 Ordinance, the GCRA must determine if the merger would substantially lessen competition within any market in Guernsey for goods or services.
- As an initial step, the GCRA will identify the markets which are likely to be affected by the merger since market definition provides a framework within which the competitive effects of a merger can be assessed. However, the boundaries of the market do not necessarily determine the outcome of the analysis of the competitive effects of the merger. This is because there can be constraints on the

merging parties from outside the relevant market, segmentation within the relevant market or other ways in which certain constraints are more significant than others. The GCRA will, where appropriate, take these factors into account in its assessment.

15. When defining a market, the GCRA may take note of its own previous decision-making practice and/or market definitions applied by other competition authorities. However, these previous decisions are not precedents and are not binding, either on the merging parties or on the GCRA. Competition conditions may change over time, changing the market definition. Market definition will always depend on the prevailing facts.¹

Views of the Parties

The provision of restaurant and pub/bar services

16. The Notifying Parties submit that the relevant product market for the purposes of assessing the Notified Transaction may be the operation of restaurants and pubs/bars with a category A or C licence that serve alcohol to be consumed on the premises with or without food and in particular those that offer table service. They further consider that “quick service” restaurants, where food is mostly takeaway but there is an option to sit within the premises to eat, do not fall within the relevant product market.
17. The Notifying Parties do not consider that it would be appropriate to segment the product market any further, for example by reference to whether revenue is dry-led or wet-led, the types of cuisine offered, price point or the ambience/entertainment offered at an establishment.
18. Ultimately, the Notifying Parties argue that the relevant product market definition can be left open in this case, due to the large number of restaurants and pubs/bars in Guernsey.
19. The Notifying Parties consider that the relevant geographic market is Guernsey-wide.

B2B (Wholesale) supply of BWS

20. The Notifying Parties state that the relevant market for the B2B (wholesale) supply of BWS may be left open because the Notified Transaction would not lead to a substantial lessening of competition in that market segment on any reasonable basis and/or because the Target is not active in that market segment.

¹ This approach is consistent with that taken under EU law – see, for example, Joined Cases T-125/97 and T-127/97 [2000] ECR II-01733, paragraphs 81-82. Section 54 of the 2012 Ordinance states that when determining questions in relation to the merger and acquisition of undertakings, the GCRA may take into account the principles laid down by and any relevant decision of the Court of Justice or the General Court of the European Union in respect of corresponding questions arising under EU law.

GCRA Consideration

21. The relevant product market is defined primarily by reference to the likely response of consumers and competitors.² It will comprise products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the product's characteristics, prices and intended use. An undertaking cannot have a significant impact on the prevailing conditions of a market if customers can easily switch to other service providers.

The provision of restaurant and pub/bar services

22. The GCRA has looked at the restaurant and pub/bar market segments in a number of previous cases. It has considered several possible frames of reference, including:
- a. The provision of pubs/bars licensed under Category A, that serve alcohol with or without food in central St Peter Port.³
 - b. The provision of pubs/bars, with a further possible segmentation between wet-led and dry-led pubs with the relevant geographic market being based on drive times.⁴
 - c. The food and beverage services market for establishments offering table service on a Guernsey-wide basis.⁵
23. These frames of reference are broadly consistent with those considered by other competition authorities, including:
- a. A distinction between the provision of quick-service restaurants, which would include fast-food restaurants, self-service restaurants and home delivery/take-away outlets, and other segments within the field of restaurants not offering analogous meal services (e.g. more sophisticated or more expensive restaurants).⁶
 - b. The provision of "informal restaurants", which consists of quick-service restaurants, plus a wide selection of chained and independent informal restaurants, pizzerias, cafes, coffee shops, sandwich bars as well as take-away and home delivery outlets, which was likely to be national from a supply side perspective but local from a demand side perspective.⁷

² GCRA Guideline 7 – Market Definition

³ M984GJ – *The Liberation Pub Company (Jersey) Limited and The Liberation Pub Company (Guernsey) Limited and Sealyham Investment Ltd.*

⁴ M1501GJ – *The Guernsey Pub Company Limited (Randalls of Guernsey) and Sandpiper CI Castle Limited*

⁵ M1576G – *FV Holdings Limited and Vista Hotels Group Limited, Chalet Developments Limited and Sunnycroft Limited*

⁶ Case No COMP/M.2490 – *TPG Advisors / Goldman Sachs / Bain Capital Investors / Burger King*

⁷ Case No COMP/M.4220 – *Food Service Project / Tele Pizza*. In this case, the Commission noted that in *Burger King* (see footnote 6 above) the Commission drew a "general distinction between the segment of quick service and low-price restaurants and higher-priced and more sophisticated restaurants offering a full service" but ultimately left the exact market definition open (paragraph 8).

- c. The provision of pubs on a local basis (demand side) and a national basis (supply side).⁸
24. The precise market definition can be left open in this case since, for the reasons set out below, the Notified Transaction would not give rise to a substantial lessening of competition in this segment on any plausible basis.

B2B (Wholesale) supply of BWS

25. In previous cases, the GCRA has considered that there may be a single product market for the wholesale distribution of beverages (both alcoholic and non-alcoholic)⁹ or, alternatively, that there may be a narrower market for the wholesale distribution of alcoholic beverages (BWS) only.¹⁰ The decision making practice of other authorities suggests that a further subdivision on the basis of customer group might be appropriate^{11, 12} and the relevant geographic market may be national or narrower than national.^{13, 14}
26. The precise market definition can be left open in this case, since, for the reasons set out below, the Notified Transaction would not give rise to a substantial lessening of competition on any plausible basis.

⁸ Completed acquisition by Admiral Taverns of Hawthorn Leisure Topco Limited (ME/6934/21) (Competition and Markets Authority).

⁹ M1501GJ *Sandpiper and the Guernsey Pub Company Limited*, referred to by the Notifying Parties.

¹⁰ M1721G – *R.W. Randall Limited and Nut Tree Limited and Temk*.

¹¹ Anticipated acquisition by Carlsberg UK Holdings Limited of Britvic Plc (ME 7111/24) (Competition and Markets Authority).

¹² In case COMP/M.5035 – *RADEBERGER / GETRÄNKE ESSMANN / PHOENIX*, the Commission considered a possible market for the wholesale of beverages, without drawing a firm conclusion on whether further subdivision by customer type (on-trade vs. off-trade) would be appropriate.

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Effect on Competition

Horizontal effects

27. European Guidelines provide that where the combined market share of the merging undertakings does not exceed 25%, the concentration may be presumed not to impede effective competition.¹⁵

The provision of restaurant and pub/bar services

28. The Notified Transaction would not lead to a substantial lessening of competition due to horizontal effects on any plausible basis.
29. The Notifying Parties have provided the Authority with data on the number of pubs/bars and restaurants in Guernsey on a parish-by-parish basis and on a St Peter Port only basis. This data shows that there are at least 40 food and beverage providers (restaurants and pubs) offering table service in St Peter Port (where the Target's establishments are located), of which the Notifying Parties will control five (i.e. 12.5%) post-transaction. That percentage would be likely to fall further if a broader geographic frame of reference (e.g. Guernsey-wide) was adopted.
30. Adopting a narrower product market definition or series of product market definitions (e.g. informal restaurants; dry-led pubs; restaurants differentiated on the basis of price points) would be likely to lead to the conclusion that there were limited or no overlaps between the activities of the Target and the activities of the Purchaser (and thus that the 25% market share threshold would not be met). This is because the pubs/bars and restaurants operated by the Target offer different cuisines and/or different price points both from each other and from those operated by the Purchaser¹⁶ and so, on a narrow basis, would be likely to belong to different product markets.
31. The Notified Transaction will therefore not lead to a significant lessening of competition on the basis of horizontal effects.

Vertical effects

32. Vertical mergers are mergers where one party has a 'vertical' relationship with the other (for example, as a supplier to or customer of that party). The focus of control of these types of merger focuses on the ability and incentive to foreclose an actual or potential rival's access to supplies or markets as a

¹⁵ Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings, OJ C 31, 5.2.2004, p.5-18, paragraph 18.

¹⁶ Of the establishments being acquired, one is a tapas bar, one is a pizzeria and one is a "premium steakhouse and cocktail bar". None of the Acquirer's existing establishments in St Peter Port fall into any of these narrow categories (which are also each different from the other). This is alluded to in the Randalls' board paper assessing the Notified Transaction in which the executive director of Randalls recommend the purchase of the Target. It states that "[the Acquirer] has traditionally had a low footprint in central St Peter Port. The 3 restaurants which make up [the Target] either compete at a different price point in the market or offer a different cuisine from that which we currently offer."

result of the merger and whether such a strategy would have a significant detrimental effect on competition either up or downstream.

33. European Guidelines on non-horizontal mergers (**Non-Horizontal Guidelines**)¹⁷ state that competition concerns are unlikely to arise in respect of non-horizontal mergers where the market share post-merger of the new entity in each of the markets concerned is below 30%.

Market shares of the parties

34. The Purchaser supplies independent third parties as well as its own tied houses with BWS and soft drinks.¹⁸ It has provided estimates of its market shares (current and post-merger) on a number of bases, as set out below:¹⁹

	Sales to independents only		Sales to independents and to Purchaser's tied houses	
	Pre-merger	Post-merger	Pre-merger	Post-merger
Supply of BWS only	32.5%	32.3%	37.3%	37.1%
Supply of BWS + soft drinks	16.2%	16.0%	20.9%	20.8%

35. Two of the bases above, namely the supply of BWS only to (a) independents and (b) independent and tied houses, are narrower than the frame of reference considered in some previous cases (wholesale supply of alcoholic and non-alcoholic drinks). However, on those narrower possible markets, both of which are upstream of the activities of the Target, the Notified Transaction will fall outside of the “safe harbour” of 30% set out in the Non-Horizontal Guidelines.
36. It is therefore necessary to assess whether the Notified Transaction may give rise to a substantial lessening of competition on the basis of vertical anti-competitive foreclosure.

¹⁷ Guidelines on the assessment of non-horizontal mergers under Council Regulation on the control of concentrations between undertakings (OJ C 265/6, 18.10.2008, p.6 – 25).

¹⁸ The Purchaser does not require its tenants to purchase from it their requirements of soft drinks. This is because the Purchaser is unable to match the prices offered by another wholesaler (VWT).

¹⁹ The GCRA does not consider that the Purchaser's self-supply of BWS and soft drinks (i.e. those products that it supplies to its own managed houses) should be taken into account for the purposes of calculating market shares as those “sales” are not contestable.

Anti-competitive effects

37. A vertical merger may give rise to anti-competitive effects where it leads to:

- a. Input foreclosure – where the merged entity restricts supplies to its rivals in the downstream market segment (in this case, restricting access to the supply of BWS to its competitors for the supply of restaurants and pub/bar services), and/or
- b. Customer foreclosure – where a supplier merges with an important customer in the downstream market, thereby removing access to a sufficient customer base to its rivals in the upstream market segment (in this case, removing access to the Target for competitors for the supply of BWS).

38. For reasons set out below, the GCRA is satisfied that the Notified Transaction will not give rise to a substantial lessening of competition on the basis of anti-competitive vertical effects.

39. According to information supplied by the Notifying Parties:

- a. In its last financial year, the value of the Purchaser's sales of BWS on a wholesale basis to independents was approximately [X].²⁰ The value of BWS supplied to its tied estate at wholesale prices was [X]. The combined value of the Purchaser's sales of BWS on a wholesale basis was therefore approximately [X] million.
- b. The value of the Target's total purchases of BWS and soft drinks in Guernsey in its last financial year was [X], of which [X] was purchased off-island by the Target direct from UK and French wholesalers and producers and was almost entirely made up of the specialist/unique wines that are supplied by the Target in its restaurants. The remaining [X] of purchases (BWS and softs) were made from the Purchaser ([X]), the Liberation Group (estimated [X]) and VWT ([X]).

40. In terms of potential input foreclosure, the Notified Transaction will result in the Purchaser taking "in house" approximately [X] of sales to the Target which are currently made by the Purchaser's wholesale competitors.^{21, 22} This increase in revenue corresponds to a very small percentage of the sales currently made by the Purchaser to its downstream rivals (approximately [X]%). As such, the

²⁰ Merger Application Form, section 4.1. According to information provided by the Notifying Parties, soft drinks account for a fraction of this amount. The broken-out figure for soft drinks was not provided.

²¹ The GCRA is treating this turnover as generated entirely through the sales of BWS for the purposes of this assessment, although this will overstate the impact of the transaction since a proportion of that turnover will have been generated by the sales of soft drinks.

²² The GCRA is excluding from this calculation the £371,051 accounted for by the specialist/unique wines sourced by the Target directly from UK and French producers/wholesalers; this arrangement is expected to continue post-transaction.

GCRA considers it unlikely that this increase in revenue would give the Purchaser either the ability or the incentive to foreclose the market to its downstream rivals.

41. In terms of potential customer foreclosure, the Notified Transaction will remove approximately [X] of “contestable” revenue from the BWS wholesale market segment.²³ This is equivalent to less than 1% of the value of that market segment. The removal of the Target as a potential customer will not therefore prevent other wholesalers of BWS from selling their output on any plausible basis; there will be sufficient customers remaining post-merger. This approach is confirmed by the Non-Horizontal Guidelines, which state that “for customer foreclosure to be a concern, it must be the case that the vertical merger involves a company which is an important customer with a significant degree of market power in the downstream market”.²⁴ In this case, the Target does not have a significant degree of market power in the downstream market and customer foreclosure will therefore not arise.

Decision

42. Based on the preceding analysis, the GCRA concludes that the acquisition will not substantially lessen competition within any market in Guernsey for goods or services.
43. The GCRA is also satisfied that the merger would not be to the prejudice of:
- (a) consumers or any class or description thereof;
 - (b) the economic development and well-being of the Bailiwick; or
 - (c) the public interest.
53. The merger is therefore approved under s.13 of the 2012 Ordinance.

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²³ The same assumptions and reasoning as set out in footnotes 21 and 22 apply here.

²⁴ Non-Horizontal Guidelines, paragraph 61.