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### **Construction industry launches competition law code of conduct**

The National Federation of Builders and UK Contractors Group have jointly launched a competition law code of conduct to help avoid breaches of competition law by the construction industry.

The code highlights the need for construction companies to have rigorous internal procedures to prevent anti competitive practices. For those companies who have not yet established internal compliance regimes, the Code will be backed up with guidance and training. The Code is being launched in response to the recent OFT investigation into “cover pricing” in the construction industry. A decision on fines is expected in September.

Speaking about the Code’s launch Julia Evans, Chief Executive of the NFB, said: “This Code of Conduct is an effective and visible way of demonstrating that the industry has understood the OFT’s message. We also hope it will provide some reassurance to public sector clients seeking evidence that contractors are aware of their obligations.”

The Code has been included in the NFB’s membership criteria and all members will be required to abide by its principles.

Stephen Ratcliffe, Director of UKCG, said: “The Code is not merely a statement of high level principles. On the contrary, it has real substance. All UKCG members have individual competition law compliance regimes within their businesses which ensure they are able to implement the Code’s principles.”

#### **Notes for editors**

The NFB represents some 1,500 small and medium sized builders and contractors across England and Wales.

The OFT investigation has focused on the practice of cover pricing, which was undertaken to avoid winning work without upsetting a client and so stay on future tender lists. The simple act of submitting a high bid to avoid winning work is not an infringement of winning work. However, if this artificially high tender is discussed with another contractor also bidding for the work – for example, to confirm it is high enough not to win – it would breach the law, even if the eventual price paid to the winning contractor was not affected.

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