

# U.K. Toy Stores Slammed for Price-Fixing

The OFT found that Argos and Littlewoods, Britain's largest toy stores, had made an agreement with Hasbro, which controls nearly one-fifth of the country's toy market, not to discount the price of its products, the *Independent* reported. The agreement meant inflated sales and profits for the companies.

The expensive slap on the hand came from the U.K. Office of Fair Trade and is the highest fine ever assessed.

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Argos was fined more than \$27 million and Littlewoods more than \$8 million.

The *Independent* said the fines were based on the companies' respective turnovers.

According to the OFT, the companies agreed in 1999 to block discounts on several Hasbro products, including Monopoly, Scrabble, Trivial Pursuit and its Harry Potter merchandise.

Hasbro, which blew the whistle on itself, was granted a reprieve for its help and escaped a \$24.5 million fine, [\*Guardian\*](#) reported.

Argos and Littlewoods both denied the charges and pledged to appeal the fines and challenge the judgment at the Competition Commission tribunal, according to the *Independent*.

Argos claimed the charges were based on "unreliable and contradictory

testimonies provided solely by Hasbro, which has been found guilty in a prior case and has negotiated full leniency in return for supporting the OFT's unfounded case against Argos," according to the *Independent*.

Hasbro was fined \$7.93 million last November for preventing 10 distributors of its products from selling them below list price, *Guardian* reported.

"Price-fixing by companies is theft from the consumer and the fine imposed by the OFT on Argos and Littlewoods is good news for consumers," OFT spokeswoman Emma Harrison told *Guardian*. "It sends a strong message to retailers that price-fixing will not be tolerated and that the cynical manipulation of prices will not go unpunished."

*Jodi Mathews is BCE's communications director.*