

The Belgian Competition Authority fines Securitas, G4S and Seris over 47 million euros to sanction their participation in a complex cartel scheme in the private security sector

The Belgian Competition Authority ("BCA") has imposed fines totaling 47 095 112 euros on Securitas, G4S and Seris to sanction their participation in various cartel practices in the private security services sector. These practices consisted in price fixing agreements, the distortion of public procurement ("bid rigging") and other tender procedures, as well as no-poaching arrangements, and lasted from 2008 until 2020.

In its decision, the BCA finds that the various conducts in question distorted competition in the supply of private security services in Belgium and infringed Belgian and EU competition rules. The companies involved acknowledged their participation in the infringement and accepted the terms of a settlement proposed by the BCA's Investigation and Prosecution Service.

The Prosecutor General of the BCA, Damien Gerard, states:

"Today's decision of the BCA concerns severe and longstanding cartel practices whereby the major players in the security industry endeavored to limit competition between them in various ways, to the detriment of their customers and the economy as a whole. These types of practices constitute the most serious breaches of the competition rules. Prosecuting bid rigging practices is a top priority for the BCA. And for the first time, the BCA is making clear that naked no-poaching practices whereby companies mutually agree not to hire each other's personnel, are unacceptable given their adverse effects on workers and the proper functioning of the economy. When competition rules are infringed to such an extent, the BCA does not hesitate to respond effectively by taking all necessary actions."

In summary, the infringement consisted in the following conducts:

- First, the three companies applied minimum hourly rates for security guards, as established within the framework of a professional association to which they belonged.
- Second, the companies in question entered into various agreements regarding public procurement and other tender procedures. Besides coordinating bidding intentions with respect to certain procedures, they also sought to ensure that specific contracts would remain in the hands of particular suppliers. In addition, prices were also agreed upon between the security companies involved.
- Third, the infringement also included arrangements not to hire each other's employees. On this topic, the BCA's decision contributes to the development of a growing body of precedents in Europe that makes clear that such no-poaching practices are illegal by object under the competition rules.

The case came to light in February 2020, at the beginning of the Covid pandemic. The subsequent lockdown and related measures significantly complicated the investigation progress. In July 2023, the BCA Investigation and Prosecution Service was nonetheless able to complete its investigation. Based on the findings of that investigation, a statement of objections was drawn and communicated to the companies involved after they indicated their willingness to engage in settlement discussions.

Under the leniency program, Securitas benefits from full immunity of fines. G4S and Seris also sought the benefit of the leniency program, which resulted in reduced fines of €35 895 112 for G4S and €11 200 000 for Seris. These amounts include a 50% and 40% reduction of the amount of their fine, respectively, after these companies contributed to establish certain facts underlying the infringement, as well as a 10% settlement reduction.

Finally, 11 individuals requested and obtained immunity from prosecution. At present, proceedings remain pending with respect to one other individual.

The decision will soon be published on the website of the Belgian Competition Authority.

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The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)