

**STRICTLY EMBARGOED 10AM WEDNESDAY APRIL 29**

## **“Nip any poor behaviour in the bud now” – private schools warned by competitions watchdog about price-fixing amid coronavirus**

Private schools have been sent a warning letter from the competitions watchdog over colluding to fix their fees during the coronavirus outbreak.

The Competition and Markets Authority (CMA) has sent a strongly-worded letter to private school representatives saying it has “become aware that individuals at some schools may be engaging in discussions with each other” about discounts and refunds on school fees.

The letter, sent on April 17 and obtained exclusively by thinktank Private Education Policy Forum, accepts that increased collaboration might be necessary in times of crisis.

But it adds: “However, this does not give a ‘free pass’ to businesses to engage in non-essential collusion, even where such businesses are charitable in nature.”

Agreeing prices and exchanging commercially sensitive information where not necessary would “almost certainly infringe competition law”, it states.

“It is therefore vital that any poor behaviour is nipped in the bud now.”

Those schools found to have fixed their fees can be fined as much as 10 per cent of their turnover, the CMA warns. For the wealthiest schools that could mean fines running into several millions of pounds.

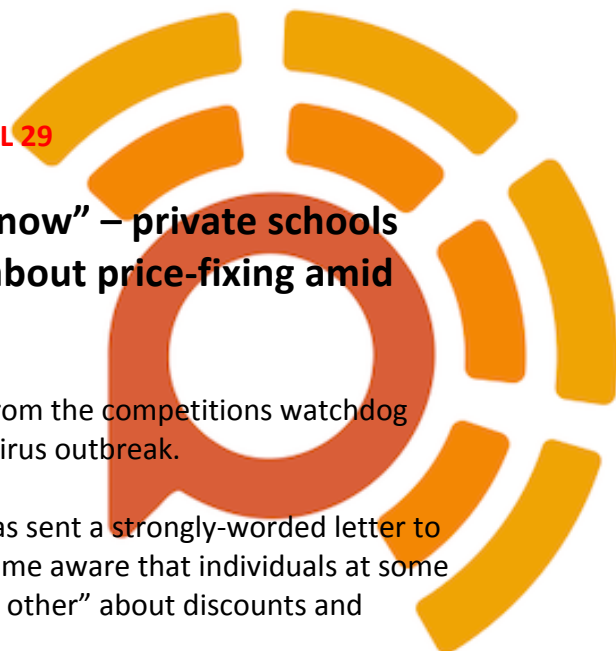
The warning shot comes as parents paying for private schools withhold payment or request fee refunds as their children are stuck at home amid the coronavirus lockdown. Some sector leaders have warned many private schools will close.

Robert Verkaik, cofounder of Private Education Policy Forum, said families who paid school fees would be dismayed by the revelation.

“Those parents who have spent tens of thousands of pounds to send their children to an independent school will be rightly very angry if some of the schools are working against their interests by setting uncompetitive fees.”

Many private schools today are really multi-million-pound corporations masquerading as charities.

“Instead of worrying about how much profit they are making, the private schools would serve their communities much better by opening up their classrooms and



large playing fields to less wealthy children, both during this crisis and beyond. It is what their founders would have wanted.”

The letter from Howard Cartlidge, senior director for cartels at the CMA, has been sent to the Independent Schools Council (ISC), the Headmasters’ and Headmistresses’ Conference, the Independent Schools’ Bursars Association and the Independent Schools Association UK.

Between them they represent more than 1,300 private schools.

However it is not the first time ISC schools, whose average fee has consistently risen above inflation and now stands at £17,000 a year, have been accused of price-fixing.

In the letter, Cartlidge reminds private school representatives of a similar incident in the mid-2000s when schools were found guilty by the Office of Fair Trading of fixing fees.

Fifty private schools were found to have broken competition law in 2006 by exchanging information about future pricing intentions “on a regular and systematic basis”, he states.

The country’s best-known public schools, including Eton College, Harrow, Westminster, Rugby and Winchester College, had to each pay £10,000 fines and collectively agreed a compensation deal of £3 million.

The CMA letter adds: “We are in unprecedented times, during which the need for all sections of society to pull together for the good of all will be significant.

“The services provided by independent schools are important to the lives of many children and their parents and guardians, and it is vital that trust can be maintained as we move through this time of crisis together.”

**ENDS**

Private Education Policy Forum (PEPF) is a thinktank that platforms debate, research and information on the UK’s private school system, and advocates for evidence-based policy research on the sector.