



## Consumer Rights Act 2015: private actions in competition law

On 26 March 2015, the Consumer Rights Bill received Royal Assent. Section 81 of the Consumer Rights Act 2015 ("CRA") brings into force Schedule 8, which contains amendments to the Competition Act 1998 and the Enterprise Act 2002. These changes reform the UK regime for private actions for breaches of competition law, and arguably make it even easier for parties to bring claims in the UK for damages.

Essentially, the CRA widens the types of cases that can be heard by the Competition Appeal Tribunal ("CAT"), and makes other procedural amendments. Some of the main changes include:

- **Stand alone claims:** actions for damages can now be brought on a stand-alone basis (i.e. for an alleged infringement) before the CAT. Previously the CAT was only able to hear follow-on actions;
- **Limitation periods:** the limitation periods for claims in the CAT is now the same as the High Court (six years instead of two);
- **Injunctions:** the CAT has new powers to grant injunctions to restrain on-going infringements or suspected anti-competitive behaviour. The CAT will apply the same principles as before the High Court;
- **Fast track procedure:** the CAT can also use a 'fast-track' procedure for 'simpler' cases. There will be a presumption that any claims brought by SMEs will benefit from this process.

These changes will require amendments to the CAT procedural rules and new rules will be in force later this year.

### Collective proceedings regime

The CRA also introduces an opt-out collective proceedings regime. Currently, only opt-in collective actions are permitted with claimants having to actively join the proceedings.

Where claims with the same, similar or related issues are categorised by the CAT as an opt-out action, potential claimants will automatically fall within the 'class' unless they take appropriate steps to 'opt-out'. Any damages would then be awarded to the class, but exemplary damages will not be available.

### Voluntary redress schemes

The CMA will also have the power to approve voluntary redress schemes. These schemes will allow companies that have infringed competition law to voluntarily agree to pay compensation to those harmed by their infringement.

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