

[NL] The Authority for Consumers and Markets permits KPN acquisition of telecom provider Youfone

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On 21 March 2024, the *Autoriteit Consument en Markt* (the Netherlands Authority for Consumers and Markets – ACM) issued a significant decision, granting an acquisition licence for Dutch telecom provider KPN to acquire rival telecom provider Youfone Nederland. This followed a decision by the ACM in September 2023 that the acquisition needed “further investigation”, as the acquisition “could result in a loss of significant competitive pressure” in the budget segment of the market for mobile telecommunication services, and “could lead to higher prices or a reduced selection for consumers” (see IRIS 2023-9/16). However, following the investigation, the ACM has now granted a licence for the KPN takeover of Youfone, finding that “competition will not be reduced significantly as a result of the acquisition”.

KPN’s services consist of offering electronic communications services via its fixed and mobile networks, including telephony, data, internet, and television services; Youfone Nederland meanwhile is a mobile network operator that uses KPN’s network, and offers mobile telecommunications services, internet, television, and telephony services. Youfone is a “small yet fast-growing provider of sharply priced mobile plans”, primarily targeting consumers, and which are known as “no-frills plans”. The ACM’s investigation followed KPN’s notification in June 2023, asking the ACM for permission for the takeover of Youfone Nederland.

In its March 2024 decision, the ACM stated that it had analysed the acquisition’s consequences for mobile services and particularly the “more economically priced services”. The decision held that “even post acquisition, consumers will still have sufficient options”, as next to Youfone, “numerous other providers are active, offering competitively priced mobile plans”. Moreover, an economic study had revealed that “consumer prices are not expected to change significantly”, and the acquisition of Youfone was “therefore not expected to produce any negative effects”. In addition, the ACM concluded that the acquisition “does not significantly affect KPN’s incentive to provide access to other mobile providers without networks of their own (so-called mobile virtual network operators – MVNOs) to its network”. The ACM investigation did show that MVNOs “face considerable switching barriers, and that they have not switched during the past ten year”. Crucially, however, the ACM stated that “[n]onetheless, it appears they have been effective at threatening to switch networks”, and such threats “ensure

that MVNOs are able to secure better terms in the negotiations with KPN".

Finally, and notably, the ACM did emphasise that its "sees considerable switching barriers for MVNOs" and that it will continue to "keep a close watch" on the market for mobile telecommunication services.

Autoriteit Consument en Markt, KPN krijgt vergunning voor overname Youfone (eindmededeling), 25 maart 2024

<https://www.acm.nl/nl/publicaties/kpn-krijgt-vergunning-voor-overname-youfone-eindmededeling>

Netherlands Authority for Consumers and Markets, KPN receives permit for Youfone takeover (final announcement), 25 March 2024

Autoriteit Consument en Markt, KPN mag Youfone overnemen, 21 maart 2024

<https://www.acm.nl/nl/publicaties/kpn-mag-youfone-overnemen>

Netherlands Authority for Consumers and Markets, KPN may take over Youfone, 21 March 2024

