# [GB] Competition Commission Finds that BSkyB Acquisition of 17.9% of ITV Restricts Competition

**IRIS 2007-10:1/23**

*Tony Prosser*
*University of Bristol Law School*

The British Competition Commission has issued a provisional finding that the pay-TV operator BSkyB's acquisition of a 17.9% share in the largest commercial free-to-air broadcaster, ITV, would be likely to lead to a significant lessening of competition by giving it the opportunity to influence ITV's strategy. A final report is expected in December, and the minister will then decide what action to take (which could include requiring divestment of the stake or restrictions on behaviour, such as on the exercising of voting rights).

The Secretary of State for Trade and Industry referred two questions to the Competition Commission for investigation under the Enterprise Act 2002. The first was whether there was a "relevant merger situation" between BSkyB and ITV, and whether it would be likely to result in a significant lessening of competition. The second was whether this would affect media plurality.

On the first question, the Commission found that BSkyB would be able to block special resolutions proposed by ITV management. The latter's future strategy would require substantial investment, and BSkyB could limit ITV's strategic options through restricting its ability to raise funds. BSkyB could influence investment in content production and commissioning, restrict the ability to purchase additional spectrum for high-definition TV services, and in other ways weaken the constraint that free-to-air services would otherwise place on BSkyB's pay-TV service. This would result in a loss of rivalry in the all-TV (both pay TV and free to air) market between ITV and BSkyB. However, the Commission felt that there would be no substantial lessening of competition in joint bidding for sports rights or in the advertising market as a result of the acquisition, nor on the supply of national news services.

On the plurality question, the Commission decided that there was insufficient evidence to suggest that BSkyB would exert editorial influence over ITV's news output, nor that the acquisition would result in the favouring of Sky News over the ITN service. The regulatory mechanisms, together with a strong culture of editorial independence within television news production, were likely to be effective in preventing BSkyB from prejudicing the quality and independence of ITV news. Thus, the acquisition was unlikely to have an adverse effect on the sufficiency of plurality, and so would not operate against the public interest.

© European Audiovisual Observatory (Council of Europe) 2026

***Competition Commission, "CC Provisionally Finds BSkyB/ITV Acquisition Restricts Competition", 2 October 2007***

http://www.competition-commission.org.uk/press_rel/2007/oct/pdf/57-07.pdf

***Acquisition by British Sky Broadcasting Plc of 17.9 per cent of the Shares in ITV Plc, Provisional findings report, 4 October 2007***

http://www.competition-commission.org.uk/inquiries/ref2007/itv/pdf/prov_find_report.pdf

© European Audiovisual Observatory (Council of Europe) 2026

© European Audiovisual Observatory (Council of Europe) 2026