

# EU opens probe into possible online food-delivery cartel

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Delivery Hero warned this month it faced a possible fine of more than may exceed 400 million euros (\$434 million).

The EU launched an investigation on Tuesday to determine whether online food-delivery companies Delivery Hero and Glovo engaged in anti-competitive practices.

The [probe](#) comes after surprise raids at the firms, which are two of the largest food delivery companies in Europe, in June 2022 and November 2023.

From July 2018, Delivery Hero, based in Germany, held a minority share in Glovo, and in July 2022 it acquired sole control.

The European Commission is concerned that before the takeover, the two companies "may have allocated geographic markets and shared commercially [sensitive information](#) (e.g., on commercial strategies, prices, capacity, costs, product characteristics)", it said.

Delivery Hero's then minority share could have "facilitated" these practices.

Earlier this month, Delivery Hero warned that it faced a possible fine of more than 400 million euros (\$434 million) for allegedly violating antitrust rules.

Delivery Hero and Glovo said in separate statements they were "fully" cooperating with the EU and "committed to meeting all compliance and regulatory requirements".

"The opening of an investigation does not mean that the European Commission has concluded on whether an actual infringement of competition law may have occurred," Delivery Hero said.

The commission said the probe was part of the powerful EU competition regulator's "efforts to ensure that online food delivery and the groceries sector deliver choice and reasonable prices to consumers".

The EU is also suspicious the firms agreed not to poach each other's workers, and said this probe was the first on "no-poach agreements

formally initiated by the Commission".

"This investigation is also part of the Commission's efforts to ensure a fair labor market where employers do not collude to limit the number and quality of opportunities for workers but compete for talents," it added.

## **'Negative effects' on prices?**

The opening of a probe does not prejudge its outcome and there is no deadline for the investigation to be completed.

The companies risk fines of up to 10 percent of their annual worldwide turnover if found at fault.

"Online food [delivery](#) is a fast-growing sector, where we must protect competition," said EU antitrust chief Margrethe Vestager.

"If confirmed, such conduct may amount to a breach of EU competition rules, with potential negative effects on prices and choice for consumers and on opportunities for workers," she added.

Delivery Hero, listed on the Frankfurt Stock Exchange, operates in more than 70 countries while Glovo is present in 25 nations.

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