



## DETERMINATION OF MERGER NOTIFICATION M/26/006 – UNITED HARDWARE/DERMOT KEHOE SUPPLY & DIY

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### Section 21 of the Competition Act 2002

**Proposed acquisition by United Hardware Designated Activity Company, through its wholly owned subsidiary Ardentia Limited, of sole control of Kehoe’s Homevalue Limited**

**Dated 06 March 2026**

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### Introduction

1. On 26 January 2026, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification (the “Merger Notification Form”) of a proposed acquisition whereby United Hardware Designated Activity Company (“United Hardware”), through its wholly owned subsidiary Ardentia Limited (“Ardentia”), would acquire the entire issued share capital, and thus sole control, of Kehoe’s Homevalue Limited (which trades as Dermot Kehoe Supply & DIY) (“Kehoe’s”) (the “Proposed Transaction”).<sup>1</sup>

### The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a Share Purchase Agreement, which is currently being negotiated by United Hardware and two natural persons (the “Sellers”).<sup>2</sup> The Commission considers that the undertakings involved have demonstrated a good faith intention to conclude an agreement for the purpose of section 18(1A)(b)(ii) of the Act.

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<sup>1</sup> United Hardware and Kehoe’s are collectively referred to as the “Parties” hereafter.

<sup>2</sup> The Sellers are Dermot and Oonagh Kehoe who each hold 50% of the issued share capital of Kehoe’s. The Parties have provided the signed “[REDACTED]” at Annexes 1 and 15 to the Merger Notification Form, which confirm the Parties’ agreement to [REDACTED].



## The Undertakings Involved

### The Acquirer – United Hardware

3. United Hardware is a co-operative buying group which represents independent builders' merchants, DIY, home and garden, and plumbing retail stores. United Hardware's buying group is currently comprised of 185 individual member stores such as builders' merchants and retail stores throughout the State (together, the "Members").
4. As a co-operative buying group, United Hardware provides its Members with increased purchasing power as well as marketing support and business advisory services. In particular, United Hardware:
  - (i) purchases building and DIY products from manufacturers outside the State, which it in turn distributes nationally to its Members on an invoiced order basis; and
  - (ii) negotiates order terms with product manufacturers and distributors in the State on behalf of its Members.<sup>3</sup>
5. United Hardware also manages and supplies the "Homevalue" brand on behalf of its Members, whereby:
  - (i) Members may choose to operate under the Homevalue brand, subject to a licence fee and compliance with the applicable terms and conditions;<sup>4</sup> and
  - (ii) United Hardware provides the Homevalue branded product range, which is supplied exclusively to its members.<sup>5</sup>

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<sup>3</sup> Such terms relate to rebates, levies, settlement discounts, payment terms and marketing support. Members order the required products [REDACTED]. [REDACTED] then [REDACTED] United Hardware for the [REDACTED] and United Hardware in turn [REDACTED].

<sup>4</sup> Eighty-eight of United Hardware's 185 members have elected to operate under the Homevalue brand.

<sup>5</sup> United Hardware's Homevalue-branded product range is sold under the following labels: "The Garden Collection"; "Love Nature-Wild Bird Feed"; "Home Collection"; "Christmas Collection"; "The Major Collection"; "Acquaflex-Premium Garden Hose"; "The Bathroom Collection"; "PAINTZONE"; "SuperStrong"; "THE GIFT COMPANY"; "WeatherForce"; "HOME DÉCOR"; and "Milla".



6. United Hardware was the subject of notified transaction M/22/062 – *Associated Hardware limited/National Hardware*, whereby Associated Hardware Public Limited Company and National Hardware Designated Activity Company formed United Hardware as a joint venture, which became the single buying group for the merging entities' Members.<sup>6</sup>
7. For the financial year ending 31 December 2024, United Hardware's worldwide turnover was ██████████,<sup>7</sup> all of which was generated in the State.

### Ardentia

8. Ardentia is a wholly-owned subsidiary of United Hardware and was incorporated as an acquisition vehicle for the purposes of the Proposed Transaction. As such, Ardentia does not generate any turnover in the State.

### The Target – Kehoe's

9. Kehoe's is a supplier of building materials and DIY products based in New Ross, County Wexford. Kehoe's product range offering includes: bathroom products; building materials; DIY products; doors & floors; fireside, heating and plumbing products; gardening products; homeware and giftware; paint; safety and workwear; and outdoor living.
10. Kehoe's is a United Hardware Member and also operates under the Homevalue brand.<sup>8</sup> Kehoe's currently purchases approximately ██████ of its DIY products and building materials from United Hardware.<sup>9</sup>
11. For the financial year ending 31 December 2024, Kehoe's worldwide turnover was ██████████, all of which was generated in the State.<sup>10</sup>

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<sup>6</sup> [M/22/062 – Associated Hardware/National Hardware](#), paragraph 6.

<sup>7</sup> Merger Notification Form, Annex 7.

<sup>8</sup> Merger Notification Form, paragraph 4.2.2.

<sup>9</sup> ██████ suppliers currently provide ██████████ of Kehoe's stock. By value, ██████ of this alternatively sourced stock pertains to DIY products and ██████ is attributable to building materials.

<sup>10</sup> Kehoe's was incorporated in 2025 and has no annual report. Its turnover is that of Dermot Kehoe Supply & DIY Ltd, following the transfer of the trade of this entity to Kehoe's on 1st March 2025 upon its incorporation.



## Rationale for the Proposed Transaction

12. The Parties state the following in the Merger Notification Form:

*“From the perspective of [United Hardware], [United Hardware] currently operates as a distributor and buying group of building materials and DIY products. The primary strategic objective of the Proposed Transaction is to provide the [Sellers] with [REDACTED], while preserving [REDACTED].*

*From the perspective of [Kehoe’s], the [Sellers] of [Kehoe’s] are retiring, and the Proposed Transaction offers a commercially sound and strategically appropriate succession plan for the business.”<sup>11</sup>*

## Third Party Submissions

13. No third-party submissions were received.

## Competitive Analysis

### Horizontal Overlap

14. In the Merger Notification Form, the Parties state that there is no horizontal overlap between United Hardware and Kehoe’s. The Commission has confirmed that there is no horizontal relationship between the Parties.

15. Therefore, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns.

### Vertical Relationship

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<sup>11</sup> Merger Notification Form, paragraphs 2.6.1 and 2.6.2.



16. There is an actual vertical relationship between the activities of the Parties, as United Hardware provides buying group services (i.e., the supply of DIY products and building materials, as well as branding services) to Kehoe's.<sup>12</sup>

## Industry Background

### Retail supply of building materials and DIY products

17. Hardware stores such as Kehoe's supply a large range of building materials and DIY products. Building materials include timber products, plumbing and heating supplies and cement products. DIY products typically refer to decorating supplies, paint and tools. Hardware stores can source their products directly from manufacturers or indirectly through buying groups as discussed above. Customers of retail suppliers of building materials and DIY products are made up of both 'trade' customers and 'non-trade' customers. Trade customers refer to trade professionals such as joiners and plumbers.

### Buying group services

18. Buying groups negotiate prices and terms with product manufacturers, on behalf of the buying group's members. By leveraging the scale of their combined membership, buying groups are often able to negotiate better prices and terms than its members would be individually. Members of buying groups typically include independent builders' merchants and independent retail stores, e.g., hardware and/or DIY stores. Membership of a buying group offers enhanced purchasing power, marketing support, logistics and business advisory services.

### Branding services

19. Suppliers of branding services provide their customers with the license to use its branded store name subject to certain terms and conditions. For example, the terms and conditions of branding services can include the use of the brand, logo and trade name, as well as stocking branded products and using advertising and promotional materials of the brand. As such, the retail customer will benefit from the brand

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<sup>12</sup> Kehoe pays a membership fee of █████ per annum to United Hardware.



recognition and brand loyalty associated with the typically widely known and reputable brand name.

## Market Definition

### Relevant Market

#### Views of the Parties

20. In the Merger Notification Form, the Parties state that the precise market definitions could be left open in this case but nevertheless provided information by reference to the following potential relevant markets:

- the retail supply of building materials within a 40km radius of Kehoe's;
- the retail supply of DIY products within a 20km radius of Kehoe's;
- the provision of buying group services for building materials and DIY products in the State;
- the supply of building materials in the State; and
- the supply of DIY products in the State.<sup>13</sup>

#### *Product markets*

##### The retail supply of building materials and DIY products

###### Previous decisions of the Commission

21. The Commission has considered the building materials sector on a number of occasions. In M/04/051 – *Grafton/Heiton*, the Commission's predecessor, the Competition Authority (the "Authority") identified the supply of building materials by builders' merchants as a distinct product market to the "DIY superstore" retail market.<sup>14</sup> This distinction was based on "*significant structural and strategic*

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<sup>13</sup> Merger Notification Form, paragraph 1.1.21.

<sup>14</sup> [M/04/051 – Grafton/Heiton](#), paragraph 7.1 and 7.2. The Authority included both "lightside" and "heavyside" building materials in its assessment, identifying lightside products as including plumbing, heating and electrical products, and heavyside products as including concrete blocks, bricks, cement, roofing products and timber, among others. The Authority noted that many lightside products may be available in DIY stores.



*differences, in terms of customer profile, product offering, terms of trade, opening hours and methods of delivery, and business infrastructure*”, as well as *“distinct pricing policies”* between the two segments.<sup>15</sup> The Authority categorised DIY superstores as ranging in size from 2,800-10,000m<sup>2</sup> and offering five broad product categories: building (bricks, cement, timber); DIY (tools, equipment); decorative (paint, wallpaper, tiles); housewares (furniture, kitchen utensils, soft furnishings); and gardening (plants, fertilisers, outdoor furniture).<sup>16</sup> The Authority also considered a wider potential product market including sourcing directly from manufacturers. However, the Authority found that for customers it was *“not practical for them to purchase from manufacturers”*. As such, the Authority concluded that manufacturers or other methods of distribution did not exert a sufficient competitive constraint on builders’ merchants to be part of the potential product market. Furthermore, the Authority identified a distinct product market for the retail supply of DIY products by *“DIY superstores”*, as distinct from hardware, homeware or tile stores.<sup>17</sup>

22. In subsequent decisions, while ultimately leaving the precise product market definition open, the Commission assessed the following potential relevant product markets:

- the supply of building materials; and
- the supply of DIY products (i.e., by all retailers, including DIY superstores).<sup>18</sup>

23. The Commission, while keeping the precise definition open, has also considered narrower potential product market definitions, including (i) the supply of architectural hardware products in M/20/040 – *Chadwicks/Haylen*; (ii) the distribution of construction accessories in M/21/080 – *Grafton Group (Chadwicks)/Sitetech*;<sup>19</sup> and (iii)

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<sup>15</sup> [M/04/051 – Grafton/Heiton](#), paragraph 1.13.

<sup>16</sup> [M/04/051 – Grafton/Heiton](#), paragraphs 3.2 and 3.5.

<sup>17</sup> The Authority considered ‘DIY superstore’ characteristics, consumer surveys, competitors’ views and the parties’ internal documents in coming to this view.

<sup>18</sup> [M/16/012 Home Project Centre/Saint-Gobain Building Distribution \(ROI\)](#), [M/23/051 – Chadwicks/Rooney’s](#), [M/24/082 – B&Q/Certain Assets of Homebase](#).



the retail supply of plumbing and heating products to professional customers in *M/22/020 – Wolseley Group/Cooperstorm*.<sup>20</sup>

#### Views of the Commission

24. The Commission, in light of the above decisional practice, as well as the information available, has assessed the competitive effects of the Proposed Transaction by reference to a potential market for the retail supply of building materials and by reference to a potential market for the retail supply of DIY products, by all retailers including DIY superstores.
25. The Commission considers that assessing the transaction against any of the potential narrower markets for types of building products would not alter the conclusions of the Commission's assessment of the competitive effects of the Proposed Transaction. Therefore, the Commission has not found it necessary to conclude on the precise product market definition.

#### The provision of buying group services for building materials and DIY products

##### Previous decisions of the Commission

26. In *M/22/062 – Associated Hardware/National Hardware*, while ultimately leaving the precise product market definition open, the Commission considered whether there was a specific product market for buying group services for building materials and DIY products that was separate from a broader potential product market for the distribution of building materials and DIY products.<sup>21</sup> The Commission ultimately did not assess a potential product market for buying group services for building materials and DIY products (i.e., separate to potential markets for the supply of building materials and DIY products) as it did not affect the conclusions of the Commission's analysis of the competitive impact of the proposed transaction.

##### Views of the Commission

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<sup>20</sup> [M/22/020 – Wolseley Group/Cooperstorm](#), paragraph 21.

<sup>21</sup> [M/22/062 – Associated Hardware limited/National Hardware](#), paragraph 20.



27. The Commission understands that providers of buying group services for building materials and DIY products provide those services for building materials and DIY products *together* (i.e., not specific to some subcategory of those), and that these buying groups do not provide those services for a wider set of products than building materials and DIY products. As a result, the Commission considers that the provision of buying group services for building materials and DIY products represents the appropriate scope of the product market. In any event, the Commission considers that the conclusions of its analysis would not change if the Proposed Transaction were assessed with respect to a narrower or wider potential product market.
28. Therefore, in light of the above decision, as well as the information available, the Commission has assessed the competitive impact of the Proposed Transaction by reference to the provision of buying group services for building materials and DIY products.

#### The provision of branding services for retail suppliers of building materials and DIY products

##### Previous decisions of the Commission

29. The Commission notes that in previous decisions, in markets unrelated to those in which the Parties are active, it has considered buying group services and branding services as two separate product markets.<sup>22</sup> In *M/21/079- Uniphar/NaviCorp*, the Commission cited “*differences in functionality and pricing*” as to why the provision of buying group services is not in the same potential market as the provision of branding services.<sup>23</sup>

##### Views of the Commission

30. The Commission understands that, for each provider of these services, the branding services for retail suppliers of building materials and DIY products are available separately to buying group membership, and are an optional extra for each member, with the exception of Expert Hardware, for whom all members avail of branding

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<sup>22</sup> For example, see [M/21/079-Uniphar/NaviCorp](#), paragraphs 3.36-3.44, 3.65-3.76.

<sup>23</sup> [M/21/079-Uniphar/NaviCorp](#), paragraph 3.71.



services. Nevertheless, the Commission considers that, given the functional difference in the services, and that not all providers of buying group services for building materials and DIY products also supply branding services, the provision of these branding services should be assessed as a separate potential product market to that of buying group services for building materials and DIY products, as a conservative approach.

31. The Commission further considers that, as the suppliers of these branding services do not provide these services to businesses in other markets, that the supply of branding services to retail suppliers of building materials and DIY products is the appropriate scope of the potential product market. For completeness, the Commission notes that the conclusions of its analysis would not change if considered with respect to a narrower potential product market for the provision of branding services (i.e. branding services specifically for suppliers of building materials or DIY products).
32. Therefore, in light of the above decision, as well as the information available, the Commission has assessed the competitive impact of the Proposed Transaction by reference to the provision of branding services for retail suppliers of building materials and DIY products.

### *Geographic Market*

#### The retail supply of building materials and DIY products

##### Previous decisions of the Commission

33. In M/04/051 – *Grafton/Heiton*,<sup>24</sup> the Commission assessed the supply of building materials (by builders' merchants) on a local basis within a catchment area of 5-10 miles in the case of Dublin and Cork cities, and 20-25 miles radius elsewhere in the State. In that case, the Commission considered a local market due to "*customer preference to source locally and an absence of national pricing.*"<sup>25</sup> In this merger, the Authority also adopted two relevant geographic markets for the retail supply of DIY

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<sup>24</sup> [M/04/051 – Grafton/Heiton](#), paragraphs 7.7-7.9.

<sup>25</sup> [M/04/051 – Grafton/Heiton](#), paragraph 7.9.



products by DIY superstores with different catchment areas based on location, i.e., 4-5 miles for large urban areas and 10-15 miles elsewhere in the State.<sup>26</sup>

34. In each of M/20/040 – *Chadwicks/Haylen*;<sup>27</sup> M/21/080 – *Grafton Group (Chadwicks)/Sitetech*;<sup>28</sup> and M/22/020 – *Wolseley Group/Cooperstorm*,<sup>29</sup> the Commission followed the same approach to the geographic market as in M/04/051 – *Grafton/Heiton*. In M/23/051 – *Chadwicks/Rooney's*,<sup>30</sup> the Commission assessed the transaction by reference to the supply of building materials in both (i) a 40km (i.e., 20-25 mile) radius of the target store; and (ii) the State. In that case, the Commission noted that due to the “*target store’s rural location in Kells, Co. Meath,*” it did not consider the “*smaller radii of the catchment areas*” previously considered in M/20/040 – *Chadwicks/Haylen* for example, as “*they related to urban settings.*”<sup>31</sup>
35. In each of M/16/012 – *Home Project Centre/Saint-Gobain Building Distribution (ROI)*; M/23/051 – *Chadwicks/Rooney's*; and M/24/082 – *B&Q/Certain Assets of Homebase*, the Commission assessed the competitive effects of the proposed transaction by reference to both a local geographic market (i.e., the retail supply of DIY products within a 20km radius of the target) and a broader geographic market (i.e., the State).<sup>32</sup>

#### Views of the Commission

36. The Commission, in light of the above decisional practice, the rural location of the Kehoe’s store and the information available, has assessed the competitive effects of the Proposed Transaction by reference to:

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<sup>26</sup> [M/04/051 – Grafton/Heiton](#), paragraphs 3.16-3.17.

<sup>27</sup> The Commission assessed the transaction by reference to the potential market for the supply of architectural hardware products. [M/20/040 – Chadwicks/Haylen](#), paragraphs 16-22.

<sup>28</sup> The Commission assessed the transaction by reference to the potential market for the distribution of construction accessories. [M/21/080 – Grafton Group \(Chadwicks\)/Sitetech](#), paragraphs 20-28.

<sup>29</sup> The Commission assessed the transaction by reference to the potential market for the retail supply of plumbing and heating products to professional customers. [M/22/020 – Wolseley Group/Cooperstorm](#), paragraph 21.

<sup>30</sup> [M/23/051 – Chadwicks/Rooney's](#), paragraph 34.

<sup>31</sup> [M/23/051 – Chadwicks/Rooney's](#), paragraph 33.

<sup>32</sup> [M/16/012 Home Project Centre/Saint-Gobain Building Distribution \(ROI\)](#), paragraph 16. [M/23/051 – Chadwicks/Rooney's](#), paragraph 38. [M/24/082 – B&Q/Certain Assets of Homebase](#), paragraphs 31-33.



- a potential national market and to a potential market for the retail supply of building materials within 40km of Kehoe's store; and
  - a potential national market and to a potential market for the retail supply of DIY products within a 20km radius of Kehoe's store.
37. The Commission considers that assessing the Proposed Transaction on the basis of a different geographic frame of reference (i.e. narrower or wider local market) will not alter the conclusions of the Commission's assessment of the competitive effects of the Proposed Transaction. Therefore, it is not necessary to conclude on the precise geographic market definition.

#### The provision of buying group services for building materials and DIY products

##### Previous decisions of the Commission

38. The Commission did not consider it necessary to define a precise geographic market as it would not alter the conclusions of the Commission's assessment of the competitive impact of the proposed transaction.<sup>33</sup> The Parties submit that buying group services for building materials and DIY products are supplied nationally.

##### Views of the Commission

39. The Commission considers that it is not necessary in the present case to conclude on the precise geographic market definition as doing so will not alter the Commission's assessment of the competitive impact of the Proposed Transaction. On the basis of the information received from the Parties, third parties, and the Commission's own research, the Commission understands that buying groups for building materials and DIY products in the State operate on a national basis.<sup>34</sup> Accordingly, the Commission has assessed the competitive effects of the Proposed Transaction by reference to the provision of buying group services on a national basis, i.e., in the State.

#### The provision of branding services for retail suppliers of building materials and DIY products

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<sup>33</sup> [M/22/062 – Associated Hardware limited/National Hardware](#), paragraph 22-24.

<sup>34</sup> For example, [Allied Merchants Buying Association](#); [Amalgamated Hardware plc \(Topline\)](#) and [Expert Hardware Limited](#).



#### Views of the Commission

40. The Commission considers that it is not necessary in the present case to conclude on the precise geographic market definition as doing so will not alter the Commission's assessment of the competitive impact of the Proposed Transaction. As with buying groups, the Commission understands that suppliers of branding services for retail suppliers of building materials and DIY products and suppliers of building materials and DIY products in the State operate on a national basis. Accordingly, the Commission has assessed the competitive effects of the Proposed Transaction by reference to the provision of branding services for retail suppliers of building materials and DIY products on a national basis, i.e., in the State.

#### *Commission's conclusion on relevant markets*

41. The Commission defines markets to the extent necessary, depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define the precise relevant markets, as the Proposed Transaction is unlikely to raise concerns when assessed against any potential relevant market.
42. For the purposes of carrying out its competitive assessment of the Proposed Transaction, the Commission has assessed the Proposed Transaction by reference to the following potential markets:
- (i) the provision of buying group services for building materials and DIY products in the State;
  - (ii) the provision of branding services for retail suppliers of building materials and DIY products in the State;
  - (iii) the retail supply of building materials in the State;
  - (iv) the retail supply of building materials within a 40km radius of Kehoe's;
  - (v) the retail supply of DIY products within a 20km radius of Kehoe's; and
  - (vi) the retail supply of DIY products in the State.



## Competitive effects

### Vertical effects

43. As stated above, there are actual vertical relationships between the Parties as United Hardware provides buying group services as well as branding services to Kehoe's.
44. Kehoe's sources █████ of its DIY products and building materials either directly from United Hardware or via terms negotiated by United Hardware.<sup>35</sup> United Hardware also provides Kehoe's with branding services as a Member.<sup>36</sup>

### The provision of buying group services for building materials and DIY products in the State

#### Input foreclosure

45. Table 1 (below) lists estimated market shares in the supply of buying group services for DIY products and building materials in the State.

Table 1: The supply of buying group services for DIY products and building materials in the State in 2024

Buying Group	Estimated Retail Value of Stock Negotiated and/or Purchased by Buying Groups (€ million/per annum)	Share (%)
United Hardware	████	[30-35]
Amalgamated Hardware plc (Topline) ("Topline")	████	[40-45]
Allied Merchants Buying Association ("Allied Merchants")	████	[20-25]

<sup>35</sup> Merger Notification Form, paragraph 1.1.19. This relationship amounted to a value of €6,173,240 in the most recent financial year.

<sup>36</sup> Merger Notification Form, paragraph 1.1.19. Kehoe's pays an annual membership fee of €9,000 to United Hardware.



<b>Expert Hardware Limited ("Expert Hardware")</b>	■	[0-5]
<b>Total</b>	■	100

Source: The Parties

46. While United Hardware had a share of [30-35]% of supply of stock negotiated and/or purchased, by value, in 2024, the Commission considers that the Proposed Transaction is unlikely to create any incentive or ability for United Hardware to foreclose retailers from access to buying group, for the following reasons:

- a) Rival buyer groups Topline and Allied Merchants also operate nationally and offer viable alternatives for retailers. Topline is a buying group with approximately 90 members and a share of [40-45]% in supply of stock negotiated and/or purchased, by value, in 2024, across 160 independently owned and operated stores located in the State,<sup>37</sup> and also offers branding services. Allied Merchants is a buying group with 23 members spanning across 193 local stores in the State and had a share of [20-25]% of supply of stock negotiated and/or purchased, by value, in 2024.<sup>38</sup> Members would be able to switch to an alternative buyer group if United Hardware were to engage in any foreclosure strategy.
- b) United Hardware is a co-operative buying group owned by its members. The acquisition by United Hardware of one member retail store would not materially affect United Hardware's core purpose, which is to supply its members. This purpose will not be affected by the Proposed Transaction.
- c) While it is true that, following the Proposed Transaction, other members of United Hardware will also be downstream rival retailers, the Commission does not consider that the acquisition of a single member would give United Hardware an incentive to engage in input foreclosure. Even if United Hardware would consider foreclosing its members, Kehoe's only accounts for a small proportion of United

<sup>37</sup> [About Us – Topline.](#)

<sup>38</sup> [About Us - Allied Merchants.](#)



Hardware's total supply, and a small share of the retail supply of building materials and DIY products at either local or national level. United Hardware therefore would have no incentive to attempt a foreclosure strategy, as the amount it would gain on the downstream markets would be highly unlikely to make up for losses and reputational damage from input foreclosure.

#### Customer foreclosure

47. Similarly, the Proposed Transaction is unlikely to increase the incentive or ability for United Hardware to foreclose wholesalers or rival buying groups from access to Kehoe's as a customer.
48. United Hardware, through its ■■■ member stores, accounts for approximately [10-15]% of the supply of building materials in the State and approximately [10-15]% of the supply of DIY products in the State. The change of one store from being an independently owned member (which already obtains ■■■ of its supply through United Hardware's buying group), to being under the control of the buying group, would not give the merged entity the ability to engage in customer foreclosure, nor would it materially affect wholesalers' ability to access customers. Kehoe's, as a single retail supplier of building materials and DIY products, is too small for a customer foreclosure strategy to have any impact on upstream suppliers' ability to compete. Further, rival buying groups are owned by their respective members, and no foreclosure strategy pursued by United Hardware could limit these rivals' access to their member customers or foreclose any wholesalers that supply through these rival buying groups or directly to their members.

#### The provision of branding services for retail suppliers of building materials and DIY products in the State

##### Input foreclosure

49. The Commission does not have exhaustive market share estimates for the market for the provision of branding services for retail suppliers of building materials and DIY products in the State. However, the Commission considers that, on the basis available to it, the Proposed Transaction would not create any incentive or ability for United



Hardware to foreclose retailers from access to buying group or branding services, for the following reasons:

- a) United Hardware supplies branding services to ■■ retailers, out of ■■ members in total in the State. It is therefore the case, for at least some large proportion of United Hardware members, that not availing of branding services (and operating as an own-brand retailer) is a viable option. For those members for whom branding services is an essential service, rival buyer groups Topline and Expert Hardware also operate nationally and offer viable alternatives for retailers. Topline is a buying group with approximately 90 members and a share of [40-45]% in supply of stock negotiated and/or purchased, by value, in 2024, across 160 independently owned and operated stores located in the State,<sup>39</sup> and also offers branding services. Expert Hardware, while having a membership consisting of generally smaller retail hardware stores, also operates nationally and provides branding services to ■■ stores in the State.
- b) United Hardware is a co-operative owned by its members. The acquisition by United Hardware of one member retail store would not materially affect United Hardware's core purpose, which is to supply its members. This purpose will not be affected by the Proposed Transaction.
- c) While it is true that, following the Proposed Transaction, other members of United Hardware will also be downstream rival retailers, the Commission does not consider that the acquisition of a single member would give United Hardware an incentive to engage in input foreclosure. Even if United Hardware would consider foreclosing its members, Kehoe's only accounts for a small proportion of United Hardware's total supply, and a small share of the retail supply of building materials and DIY products at either local or national level. United Hardware therefore would have no incentive to attempt a foreclosure strategy, as the amount it would gain on the downstream markets would be

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<sup>39</sup> [About Us – Topline](#).



highly unlikely to make up for losses and reputational damage from input foreclosure.

#### Customer foreclosure

50. Similarly, the Proposed Transaction is unlikely to increase the incentive or ability for United Hardware to foreclose wholesalers or rival suppliers of branding services from access to Kehoe's as a customer. The Commission notes that Kehoe's currently receives all its branding services from United Hardware. As such, the Commission considers that this reduces the impact of customer foreclosure on the merged entity as Kehoe's are not currently receiving branding services from any of United Hardware's competitors for branding services. The change of one store from being an independently owned member, to being under the control of United Hardware, would not give the merged entity the ability to engage in customer foreclosure, nor would it materially affect other providers of branding services ability to access customers.

#### Conclusion on vertical effects

51. Therefore, for the reasons set out above, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

#### Conclusion of Competitive Analysis

52. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

#### Ancillary Restraints

53. No ancillary restraints were notified.



## **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby United Hardware Designated Activity Company, through its wholly-owned subsidiary Ardentia Limited, would acquire the entire issued share capital, and thus sole control, of Kehoe's Homevalue Limited (which trades as Dermot Kehoe Supply & DIY) will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

**Geoffrey Gray**

**Member**

**Competition and Consumer Protection Commission**