

**AVERAGE TIED LESSEE OVERCHARGED BY PUBCOS BY AROUND £12,000 PER ANNUM OR £230 PER PUB PER WEEK ACCORDING TO OFT REPORT SAYS GMB**

**If the pub tenants were able to add this £12,000 to their income it would go a long way to resolve the situation whereby according to BEC two-thirds of tenants were earning less than £15,000 a year**

GMB has carefully studied the OFT report on pub companies and the tie released on Thursday 22 October.

Martin Smith GMB National Organizer commenting on the report said **“The three conclusions that summarise the core of the OFT report are contentious and open to challenge.**

**The OFT concluded that the average tied lessee is being overcharged by pubcos by around £12,000 per annum or £230 per pub per week, after higher “wet rents” and lower “dry rents” are factored into the equation(pages62 to 64). The OFT concluded that this overcharging has not resulted in higher retail prices to consumers and attributes higher retail prices in tied pubs as being down to them being nicer pubs (page 60). The OFT also concluded that lessees being overcharged by pubcos is something that is outside the remit of the competition authorities to remedy (page 6).**

**However, whatever the outcome of further refinement on the above three conclusions, tied tenants should pay particular heed to the OFT’s other conclusion that the contractual relationship that gives rise to this overcharging has to be dealt with in negotiations between pubcos and lessees (page12). Tied tenants need also heed the earlier conclusion of BEC regarding the inequality of bargaining power between pubcos and lessees (page24).**

**The only solution that arises from both these conclusions is that lessees need to combine into a democratic trades union and seek bargaining rights with pubcos to remedy the overcharging. GMB is ready to enable that combination and to offer tied tenants scope to organize into autonomous local and regional branches that can deal with the matter in all it’s complexity. This will involve using all fronts to campaign for a decent deal and does not rule out direct and other lawful action.**

**If the pub tenants were able to add this £12,000 to their income it would go a long way to resolve the situation whereby according to BEC two-thirds of tenants were earning less than £15,000 a year.”**

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Martin Smith 07974 251 722 or GMB press office