

First Ever European Commission Fine for No-Poach Cartel

19 June 2025

On 2 June 2025, the European Commission [fined](#) Delivery Hero and Glovo, two of the largest food delivery companies in Europe, €329 million for their participation in a cartel in the online food delivery sector. Over a four-year period, the two companies engaged in anti-competitive practices including a no-poach agreement, the exchange of commercially sensitive information and the allocation of geographic markets within the European Economic Area (the “EEA”). Both companies acknowledged their roles in the cartel and consented to a settlement.

The Investigation and Key Findings. In July 2018, Delivery Hero acquired a minority stake in Glovo and subsequently increased its shareholding through additional investments. By July 2022, Delivery Hero had obtained full control of Glovo.

The Commission initiated its investigation in the food delivery sector following a market-monitoring exercise, which was prompted by information from a national competition authority and anonymous whistleblower reports. The Commission conducted unannounced inspections at the companies’ premises in June 2022 and November 2023 and commenced its formal investigation in July 2024.

According to the Commission’s investigation, from July 2018 to July 2022, Delivery Hero and Glovo systematically eliminated competitive pressures between them, substituting genuine competition with coordinated behaviour. The identified anti-competitive practices included

- **No-poach agreement:** The companies agreed not to actively recruit each other’s employees, initially through limited reciprocal no-hire clauses in the shareholders’ agreement and subsequently through a broader arrangement.
- **Exchange of sensitive information:** The parties shared commercially sensitive information, such as commercial strategies, pricing, capacity, costs and product characteristics, enabling alignment of market conduct.

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- **Geographic market allocation:** Delivery Hero and Glovo agreed to divide national markets for online food delivery in the EEA, avoiding entry into each other's markets and coordinating market entry strategies.

The Commission noted that these practices were facilitated by Delivery Hero's minority shareholding in Glovo, which enabled access to sensitive information and influence over Glovo's decision-making. While minority shareholdings in competitors are not inherently unlawful, the Commission emphasized that such cross-ownership can raise antitrust concerns when used to facilitate collusion.

Fines and Settlement. The Commission determined the fines in accordance with the Commission's 2006 Guidelines, taking into account the cartel's multifaceted nature, its EEA-wide scope, duration and varying intensity over time. Both companies admitted their involvement and liability and settled the case, receiving a 10% reduction in fines under the Commission's settlement procedure.

Increased Scrutiny of Anti-Competitive Agreements in Labour Markets by National Competition Authorities. The Commission's decision is in line with the increased scrutiny of anti-competitive agreements in labour markets by national competition authorities across the European Union, the United Kingdom and the United States, which have recently taken significant enforcement action against such anti-competitive practices. For example:

- **France:** The French Competition Authority (*Autorité de la concurrence*) has imposed fines totalling [€29.5 million](#) on three companies active in the engineering sector for engaging in no-poach practices. The fourth company involved was granted full immunity from the fines for reporting the violation to the authority. The French competition watchdog has made clear that such agreements, which restrict employee mobility and suppress wages, are an enforcement priority.
- **United Kingdom:** The UK Competition and Markets Authority (the "CMA") has also been at the forefront of tackling anti-competitive conduct in labour markets. In a recent high-profile [case](#), the CMA fined sports broadcast and production companies a total of £4 million for colluding on the pay rates of freelance workers. The investigation revealed that the companies had exchanged sensitive information and coordinated on how much to pay freelancers, thereby undermining competition for freelance talent.
- **Hungary:** The Hungarian Competition Authority (the "GVH") has also relatively recently taken decisive action against cartels in the HR sector. It imposed a fine of [HUF 1 billion](#) on a group of HR consultants for operating a cartel that included both

price-fixing and no-poach provisions. The authority found that the cartel restricted competition for recruitment services and limited the mobility of employees.

- **USA:** This trend in Europe mirrors developments in the United States, where enforcement against no-poach agreements has been particularly vigorous. U.S. authorities, including the Department of Justice, have pursued both civil and criminal actions against companies entering into naked no-poach or wage-fixing agreements, treating such conduct as per se illegal under antitrust law (for more details, see our [client update](#)).

These cases illustrate a growing consensus among competition authorities that anti-competitive agreements in the labour market—whether in the form of wage-fixing, no-poach or information sharing—are a serious threat to both employee welfare and market competition. Enforcement is no longer limited to traditional product or service markets but now extends squarely to employment practices.

Significance of Commission's Decision. This **case** marks several firsts for EU competition enforcement:

- It is the first time the Commission has sanctioned a no-poach agreement, addressing collusion in the labour market that restricts worker mobility.
- It is also the first instance of the Commission penalising the anti-competitive use of a minority shareholding to facilitate cartel conduct.

The Commission's decision underscores the increasing importance of competition law within labour markets and substantial risks associated with no-poach agreements. It further demonstrates that significant antitrust risks may arise from minority shareholdings. In particular, in dynamic markets like online food delivery, minority interests may facilitate anti-competitive practices, including market allocation and collusion in labour markets.

This case also highlights the critical importance of strict compliance with competition law, especially in relation to labour market practices and the handling of sensitive information. Non-compliance can lead to severe penalties and lasting reputational damage.

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Please do not hesitate to contact us with any questions.



Timothy McIver
Partner, London
+ 44 20 7786 5488
tmciver@debevoise.com



Sergej Bräuer
Counsel, Frankfurt
+ 49 69 2097 5241
sbraeuer@debevoise.com



Anne-Mette Heemsoth
Counsel, London
+ 44 20 7786 5521
amheemsoth@debevoise.com



Lina Hamidou
Associate, London
+ 44 20 7786 9165
lhamidou@debevoise.com



Dimitra Karakioulaki
Associate, Frankfurt
+ 49 69 2097 5288
dkarakioulaki@debevoise.com



Megan MacDonald
Associate, London
+ 44 20 7786 9047
mmacdonald@debevoise.com