

BALFOUR BEATTY

Balfour Beatty court battle over ‘serious’ trucks cartel ends

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A legal battle in which Balfour Beatty was claiming damages from truck manufacturers operating a cartel has drawn to a close, *Construction News* understands.

The UK’s biggest contractor launched legal action against 14 firms – including Fiat Chrysler, Volvo, Renault and Daimler (see full list below) – in 2020, alleging they had operated a cartel to restrict competition in the trucking sector over 14 years.

Legal documents seen by *CN* show that Daimler, DAF Trucks and DAF Trucks Deutschland settled their cases with Balfour Beatty for undisclosed sums in 2023.

CN also understands that proceedings in 11 remaining cases are now over, though the contractor and defendants have remained tight-lipped over whether any financial settlement was involved.

Balfour Beatty’s claim was based on an investigation by the European Commission which concluded in 2016. Margrethe Vestager, the EU’s competition commissioner at the time, fined five truck manufacturers a total of €2.93bn (£2.44bn) for price collusion over a 14-year period.

Balfour Beatty was suing the 14 firms for damages, alleging that they breached Article 101 of the Treaty on the Functioning of the European Union, which bans any agreements between multiple firms in the same market that restrict competition.

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The contractor also alleged that the truck firms breached Article 53 of the European Economic Area Agreement, which prohibits price-fixing practices that limit competition.

The contractor was claiming that the cartel caused it to lose money “as a result of the payment by them of higher prices for the purchase and/or lease of such trucks” than they would have normally paid, during and after the cartel’s existence, legal documents show.

Balfour Beatty argued that it would have reinvested the sums it lost in its businesses, which would have generated further profits. It could also have reduced the amount it paid for its borrowing if it had the extra cash, Balfour Beatty said.

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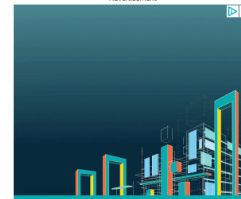
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The claim originated in the High Court, but was transferred to the Competition Appeal Tribunal – a UK body that decides cases involving competition or economic regulatory issues – in 2020.

Fourteen separate Balfour Beatty companies were involved in the dispute, including Balfour Beatty Group Ltd, Balfour Beatty Kilpatrick Ltd, Balfour Beatty Rail Ltd and Balfour Beatty Civil Engineering Ltd.

A 12-week hearing had originally been scheduled to start in September 2026.

A spokesperson for Volvo – which owns Aktiebolaget Volvo, Volvo Lastvagnar Aktiebolag, Volvo Group Trucks Central Europe GmbH and Renault Trucks SAS – provided a general comment on the case, declining to go into further detail.

They said that some individuals at large truck manufacturers “were involved in unlawful behaviour that included sharing information about gross prices and the timing of the introduction of new technology”.

The spokesperson added: “This conduct was deeply inappropriate and after these events took place, we have improved processes within our business and put in place measures to prevent something like this from happening again.”

CNH Industrial, Balfour Beatty, DAF and Stellantis (Fiat Chrysler’s parent company) declined to comment. Daimler did likewise, citing its policy to not comment on customer relationships to safeguard its company’s interests.

Iveco and Man also declined to comment.

‘A serious infringement’

The European Commission found in 2016 that Man, Volvo, Renault, Daimler, Iveco and DAF had colluded on truck pricing, and also on passing on the costs of compliance with stricter emission rules, for 14 years from 1997 to 2011.

The Commission said it imposed the “record fine” on all these firms apart from Man, which had revealed the existence of the cartel to the Commission and received “full immunity” from the investigation.

At the time, Margrethe Vestager, the then EU competition commissioner, said the Commission had “put down a marker” with what was then a record fine for “a serious infringement”. She added it was “not acceptable” that the firms – which manufactured nine out of ten medium and heavy trucks in Europe – were part of a cartel.

“This is also a clear message to companies that cartels are not accepted,” she said.

The investigation was specifically into the manufacturing of medium trucks – which weigh between 6 and 16 tonnes – and heavy trucks weighing more than 16 tonnes. The firms had coordinated the factory prices of trucks – known as “gross lists” – which typically is the basis of truck prices, with further adjustments based on local and national pricing.

Following Man’s application for immunity in 2011, the Commission carried out unannounced inspections on the firms, confirming the cartel’s existence.

The Commission also found that the trucking firms coordinated the timing of the introduction of emission technologies for the trucks, to comply with the new, stricter European standards, and also coordinated when customers would need to pay for the new emissions technologies.

Some of the firms’ senior managers held cartel meetings between 1997 and 2004, sometimes at trade fairs, according to the Commission.

It reduced the fines for Volvo/Renault, Daimler and Iveco by 40 per cent, 30 per cent, and 10 per cent respectively for cooperating with the investigation. The scale of the reductions, the Commission said, reflected the timing of their cooperation and how useful their evidence was in proving the cartel’s existence.

Additionally, the commission reduced the fines for all the firms (Volvo/Renault, Daimler, DAF and Iveco) by 10 per cent each, after they acknowledged “their participation in the cartel and of their liability in this respect”.

Firms Balfour Beatty started legal action against

- Fiat Chrysler Automobiles N V (owned by Stellantis)
- CNH Industrial N V
- Iveco Magirus
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