

JD Sports says car park meeting not suspicious after footage published

JD Sports has said it is not “suspicious or illegitimate” for its executive chairman Peter Cowgill to meet his opposite number at rival Footasylum – as it responds to the publication of footage in a newspaper.

The Sunday Times said the footage showed Mr Cowgill meeting Barry Bown in a car park near Bury in July this year.

JD Sports has been involved in a protracted regulatory battle over its 2019 takeover of Footasylum, a smaller rival, for £90m and was [last week ordered](#) by the Competition and Markets Authority (CMA) to sell it.



Image:

Peter Cowgill, executive chairman of JD Sports, has known Mr Bown for more than 25 years, the company said

An enforcement order bans the two firms from integrating

Footasylum into JD Sports.

JD Sports said the CMA was “fully apprised” of the meeting between Mr Cowgill and Mr Bown.

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The CMA is understood to be investigating whether there has been a breach of its enforcement order.

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A spokesperson for the watchdog said: “These rules are put in place to protect consumers and other businesses operating in that market as we investigate a merger.

“We take compliance very seriously and thoroughly investigate any potential breaches.

“Where there is clear evidence that a breach has occurred we do not hesitate to take action.”

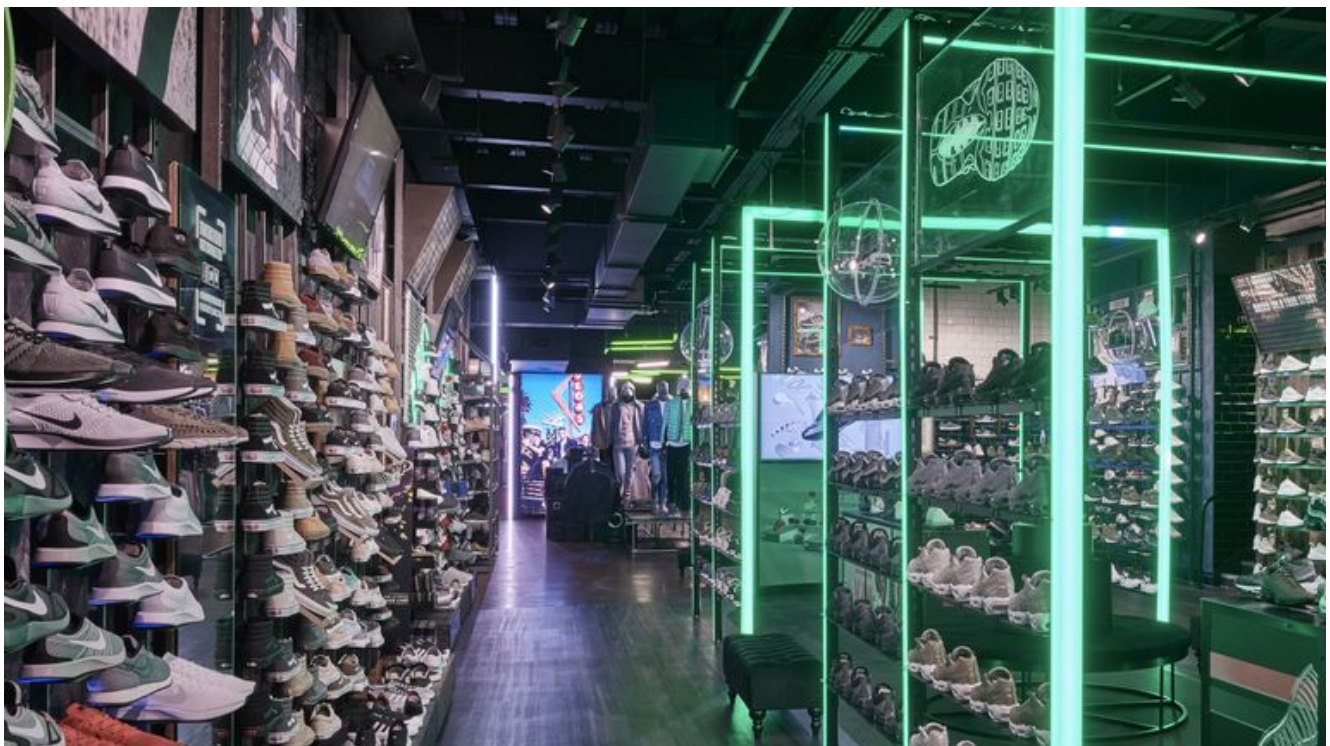


Image:

The takeover of Footasylum has been the subject of a prolonged battle with regulators

In a statement to the stock market on Monday, JD Sports said Mr Cowgill and Mr Bown had known each other “on a business and personal basis” for more than 25 years.

“As a result, it is not unusual, or in any way suspicious or illegitimate, for them to meet from time to time, including in relation to the ongoing review by the Competition and Markets Authority of JD’s acquisition of Footasylum.”

It said the newspaper report omitted to mention JD’s obligation under the enforcement order to take steps to ensure

key staff – ensuring Mr Bown – remain with the business.

“The CMA has already been fully apprised of the content of the meeting on 5 July 2021 and the reasons for it and JD firmly believes that its actions in participating in this meeting do not amount to wrongdoing or a breach of the order and does not see how it would be reasonable to accuse JD of such,” the statement added.

It also raised concerns about the “highly irregular” way the footage was obtained.

JD Sports added: “Any suggestions with regard to corporate governance breaches are totally refuted.

“JD’s stakeholders are very aware that the chairman and the board treat governance matters extremely seriously and with the utmost transparency.”

The company said it had previously committed to divide the roles of chairman and chief executive – with Mr Cowgill effectively responsible for both at present and that “this process is progressing with a view to optimising the outcome for all stakeholders”.

Shares were 1% lower in morning trading.

JD Sports last week said, after the competition watchdog’s final ruling in its probe into the Footasylum takeover, that the decision “defied logic” and it was considering its options.