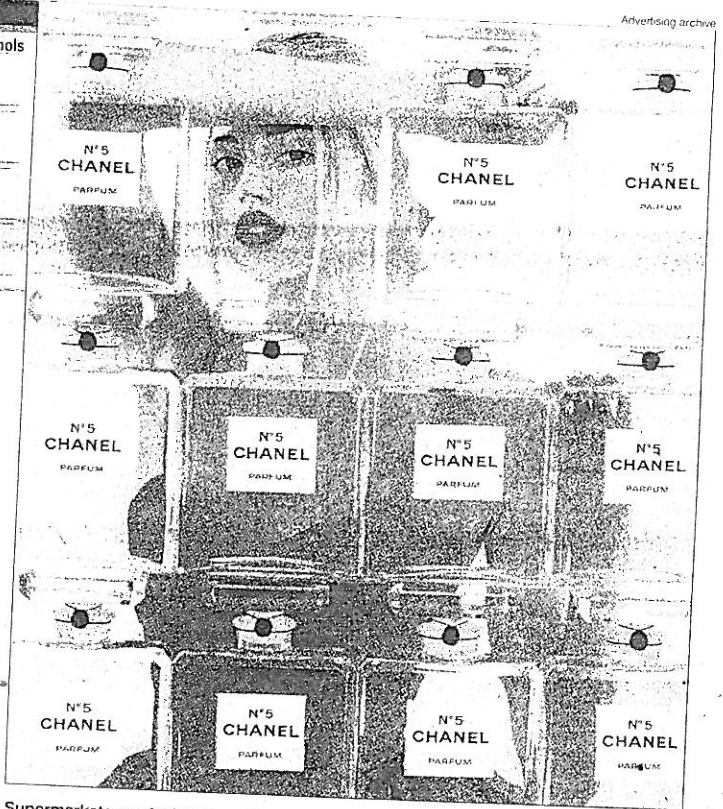


HOW COSMETIC PRICES COMPARE

	Boots	John Lewis	Harvey Nichols
YSL L'Eye liner liquid eyeliner	£18.50	£18.50	£18.50
Chanel Ligne Extreme eyeliner	£15.00	£15.00	£15.00
Chanel 'Vitalumiere fluide' foundation	£22.00	£22.00	£22.00
Estée Lauder Double Wear foundation	£21.00	£21.00	£21.00
YSL 'Touche Blushe' blusher	£23.50	£23.50	£23.50
Lancôme 'Blush Focus' blusher	£15.00	£14.00	£14.00
Dior 'Mascara Maximaeye'	£18.00	£17.00	£17.00
Estée Lauder 'Magnascopic'	£16.50	£16.50	£16.50

Whiff of price rigging on the beauty shelves



Supermarkets are denied cosmetic supplies, while department stores have similar prices

LEADING cosmetics companies have been accused of rigging the prices of luxury beauty products in Britain, as research disclosed that rival stores are selling top-range cosmetics at identical prices.

Supermarkets said they were being refused supplies of the products by fragrance houses determined to maintain high margins at customers' expense. Meanwhile, department stores are coming under scrutiny because of their willingness to accept the demands of the beauty industry.

Concern about the practices of the fragrance and cosmetics houses follows an inquiry in France in which 13 leading brands were fined £32m for price fixing after they were found using heavy-handed tactics to rig the market.

A price comparison by The Sunday Times into cosmetics from five brands — Chanel, Christian Dior, Estée Lauder, Lancôme and Yves Saint Laurent (YSL) — found an uncanny uniformity in the prices. A survey by Which?, the consumer association, found a similar pattern.

Edward Davey, the trade and industry spokesman for the Liberal Democrats, called on the Office of Fair Trading to conduct an investigation into the industry. "It looks like women across Britain are being denied value for money when they buy cosmetics because competition and choice are being stifled," he said.

The OFT said it would consider any evidence. Under European case law, cosmetics houses are allowed to choose who sells their products to protect the brand's luxury image.

British supermarkets are forced to turn to the "grey market" — where surplus goods from European outlets are sold in Britain.

The department stores are given recommended retail prices for every product. House

Steven Swinford and Jonathan Milne

of Fraser said that it negotiated with the cosmetics firms before it offers discounts.

The uniformity of prices found by researchers suggests that recommended retail prices are being rigorously enforced in Britain.

A survey carried out by The Sunday Times on five products in London stores found that there was no point in shopping around. Top end brands of eyeliner, foundation, blusher, concealer and eyeshadow from YSL and Chanel were the same price across the capital, in stores ranging from Harvey Nichols to Boots, House of Fraser and John Lewis.

YSL's L'eye liner cost £18.50 in every store and Chanel's Vitalumiere fluide foundation cost £22 everywhere. Estée Lauder's Pure Colour liquid eyeliner cost £17 in every store and Dior's Crayon à Sourcils eyeliner cost £12.50 in the four stores where it was available. The largest price difference found for any product was £2.

Estée Lauder, YSL and Chanel last week denied any suggestion that they rigged their prices, insisting that the pricing of products was down to the discretion of the retailer.

L'Oréal, which owns Lancôme, said there was "great diversity" in retail prices. Louis Vuitton Moët Hennessy, which owns Dior, declined to respond.

Simon Williams, senior health and beauty buying manager at Tesco, said: "Because the continental cosmetics houses know Tesco will sell their brands at very competitive prices, they won't supply us."

David Miles, business director of health and beauty products at Asda, said: "I think consumers are being ripped off. These companies are operating a closed shop where they are hiding behind strict criteria to

stop retailers like us discounting products."

Euromonitor, the research firm, estimates that the average mark-up for premium skincare products and cosmetics is 78%.

