

HSBC UK Bank plc

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HSBC UK Bank plc's breaches of Part 2, 8 and 10 of the Retail Banking Market Investigation Order 2017

I am writing to you on behalf of the Competition and Markets Authority (CMA) regarding HSBC UK Bank plc's (HSBC) breaches of Part 2, 8 and 10 of the [Retail Banking Market Investigation Order 2017](#) (the Order). HSBC breached the Order eleven times by failing to make continuously available accurate, comprehensive and up to date product and service information, through Application Programming Interfaces (APIs), to Third Parties and to comparison tools.

The breaches

The Open Banking provisions in Part 2 of the Order require the largest Great Britain (GB) and Northern Ireland (NI) banks to ensure accurate, comprehensive and up to date product and service information is continuously available through Open Banking APIs. HSBC breached Article 12 of the Order six times by failing to publish or publishing incorrect information through Open Banking APIs. Specifically:

- From 22 October 2020 – 20 January 2022, HSBC incorrectly referenced the charges in relation to its Kinetic Business Current Account (BCA) as nil in the product information made available through Open Banking APIs.
- From 26 July 2021 – 20 January 2022, HSBC omitted the daily fee charge in relation to its Kinetic Overdraft in the product information made available through Open Banking APIs.
- From 16 December 2021 – 20 January 2022, HSBC incorrectly referenced the Effective Annual Rate (EAR) in relation to its Kinetic Overdraft in the product information made available through Open Banking APIs.

- From 8 March 2021 – 14 December 2021, HSBC omitted the product information in relation to its Kinetic Credit Card from the information made available through Open Banking APIs.
- From 14 December 2021 – 18 January 2022, HSBC incorrectly referenced the Annual Percentage Rate (APR) in relation to its Kinetic Credit Card in the product information made available through Open Banking APIs.
- From 14 December 2021 – 18 January 2022, HSBC incorrectly referenced that its Kinetic Credit Card customers did not have access to any HSBC branches through Open Banking APIs.

In addition, some of the above information was presented to third parties (for the purpose of Part 8 of the Order) and independent price comparison tools (for the purpose of Part 10 of the Order), resulting in:

- Two additional breaches of Part 8, Article 32 of the Order relating to the Kinetic Overdraft information outlined above over the same period; and
- Three additional breaches of Part 10, Article 40 of the Order relating to the Kinetic BCA and the Kinetic Overdraft information outlined above over the same period.

HSBC notified the CMA of these breaches on 26 January 2022.

The CMA's concerns

The failure to make accurate, comprehensive and up to date product and service information continuously available may result in consumers taking decisions that they would not have taken if they had access to the correct information. For example, consumers may have chosen financial products or services which are not best suited to their needs.

The CMA is specifically concerned with the robustness of HSBC's governance processes, whereby its internal guidance documents were not specific enough to ensure compliance with the Order, and access rights sat with individuals, rather than being centrally owned.

Voluntary action by HSBC to end the breaches

I note that HSBC has taken the following action to end the eleven breaches and prevent a recurrence:

- Ensured that all the information made available through Open Banking APIs to TPPs and to comparison tools in relation to its Kinetic products is correct and up to date.

- Kinetic products are now managed by BAU teams and are therefore subject to a more robust set of controls to ensure compliance with the Order.
- Carried out a read-across exercise of its Product Data Management tool (PDM) and did not identify any further errors.
- Reviewed and amended Product Governance Change Management Checklists which are used for any product amendments or for new products and are applicable to all Kinetic products in scope of the Order.
- Created a more detailed and centrally managed checklist for Kinetic product owners and managers.
- Delivered refresher awareness sessions with the relevant Kinetic product owner and product manager teams.

CMA's assessment and next steps

Due to the comprehensive nature of the voluntary action taken by HSBC, the CMA does not consider it necessary to take further formal action at this time. The CMA will monitor HSBC's compliance with the Order closely and reserves the right to take formal enforcement action if there is non-compliance in the future.

Yours sincerely,

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