

**Metro Bank plc**

From: Dipesh Shah  
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22 July 2022

## **Metro Bank plc's breach of Part 7 of the Retail Banking Market Investigation Order 2017**

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning one breach by Metro Bank plc (Metro Bank) of Part 7 of the [Retail Banking Market Investigation Order 2017](#) (the Order).

Part 7 of the Order requires banks and building societies to specify for each Personal Current Account (PCA) product they offer, the maximum Relevant Charges<sup>1</sup> that could accrue in relation to that PCA in any month as a result of exceeding or attempting to exceed a Pre-agreed credit limit<sup>2</sup> on the PCA. This is known as the Monthly Maximum Charge (MMC). Providers shall not impose any further Relevant Charges in excess of the MMC on customers in relation to a PCA in any month.

### **The breach**

Metro Bank breached Article 28.4 of the Order by charging 92 customers more than Metro Bank's £60 MMC. The breach was ongoing between August 2017 and January 2022. Metro Bank has refunded a total of £20,773.59 to affected customers, which includes the amount Metro Bank overcharged its customers, in addition to the 8% simple interest rate, where applicable, to remedy this breach.

Metro Bank notified the CMA of this breach on 5 January 2022.

### **The CMA's concerns**

The requirement for PCA providers to specify their MMC and not impose further Relevant Charges in relation to a PCA in any month is an important element of our remedies to address the concerns found in the Retail Banking [Market Investigation](#).

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<sup>1</sup> As defined in Article 28.5.2 of the Order.

<sup>2</sup> As defined in the Order.

This measure, in combination with other remedies, was designed to make it easier for consumers to be aware of the charges they may be liable to pay and compare this information easily against other PCA providers, in order to enable consumers to choose the PCA product that best meets their needs.

The CMA is concerned that Metro Bank was unaware that customers were being charged more than the MMC from August 2017 until January 2022.

### **Metro Bank has taken action to put things right**

I note that the breach was self-reported by Metro Bank, and Metro Bank has taken steps to end the breach and prevent a recurrence. Metro Bank has:

- Refunded customers a total of £20,773.59, which includes the amount customers were overcharged and 8% simple interest, where applicable.
- Implemented a control to ensure any accounts which have not had the £60 MMC cap applied correctly are rectified before the customers are charged more than the £60 MMC.
- Implemented a new monthly check of a sample of accounts to ensure that the £60 MMC cap has been applied.
- Identified the root cause of the breach and expects to implement a fix by the end of August 2022.

### **CMA assessment and next steps**

Given the action already taken by Metro Bank, the CMA does not consider it appropriate to take further enforcement action in relation to this breach at present. The CMA will monitor Metro Bank's future compliance closely.

The CMA also takes this opportunity to remind Metro Bank that it is necessary to report all breaches of the parts of the Order which apply to Metro Bank to the CMA within the annual reporting obligations under Part 12 of the Order.

The public version of this letter has also been copied to the Financial Conduct Authority.

Yours sincerely,

*Dipesh Shah*  
*Director, Remedies, Business and Financial Analysis*