

**NatWest Group plc**

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## **NatWest Group plc's breaches of Part 2 and Part 10 of the Retail Banking Market Investigation Order 2017**

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning breaches by NatWest Group plc (Natwest) of Part 2 and Part 10 of the [Retail Banking Market Investigation Order 2017](#).

Part 2 of the Order requires the largest banks in Great Britain and Northern Ireland to ensure accurate, comprehensive and up to date product and service information is continuously available through Open Banking Application Programming Interfaces (APIs).

Part 10 requires lenders to share information on their Business Current Accounts (BCAs), Unsecured Loans and Unsecured Business Overdrafts with two or more independent comparison tools.

### **The breaches**

NatWest breached Article 12.1.1(a) of the Order by failing to update records between 15 June 2021 and 19 August 2021 to show that there had been 11 branch closures. Viewers of the API data may therefore have thought that these branches were open for business when they were not.

Natwest breached Article 12.1.1(c) of the Order by failing to update records between 15 June 2021 and 19 August 2021 to show that there had been 9 ATM closures. Viewers of the API data may therefore have thought that these ATMs were available for use when they were not.

NatWest breached Article 40 of the Order because, between 18/19 September 2021 and 2 February 2022, the information it shared with independent comparison tools on its small business loans included incorrect interest rates. As a result, small businesses accessing this information may have thought NatWest's rates for small business loans were more competitive than they actually were. The CMA notes that none of the referrals from the independent comparison tools for the affected products resulted in loans being drawn down by customers.

NatWest notified the CMA of the breaches on 1 February 2022.

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

The failure to make accurate, comprehensive and up to date product and service information continuously available through Open Banking APIs may result in consumers taking decisions that they would not have taken if they had access to the correct information. For example, third parties can use information from Open Banking APIs to comment on banks' branch networks. If these networks are smaller than reported, customers will not have an accurate understanding of the services available to them.

The requirement for details on loans to be shared with independent comparison tools is an important element of our remedies to address the concerns found in the Retail Banking [Market Investigation](#). This measure, in combination with other remedies, was designed to make it easier for small businesses to choose, through an independent comparison tool, the loan that best meets their needs.

### **NatWest has taken action to put things right**

I note that these breaches were self-reported by NatWest and that it has taken steps to end the breaches and to prevent a recurrence.

In relation to Part 2 of the Order, NatWest has told the CMA that it has introduced:

- Early identification of planned branch closures, so resource is allocated to ensure changes are implemented on time and without error with respect to ATM/branch location APIs.
- Improved Management Information with respect to branch/ATM API performance and operational awareness of system and validation errors.

In relation to Part 10 of the Order, NatWest has told the CMA that:

- The pricing change checklist for NatWest small business loans is to be enhanced to set out the full end-to-end process when it comes to updating API and third-party feeds.
- It has introduced a monthly third-party data feed check as part of its existing Order control activities.
- It plans to run a refresher training session to the business representatives responsible for inputting pricing change information into these third-party feeds.

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

Given the action that has been, and is being, taken by NatWest, the CMA does not consider it appropriate to take further formal enforcement action in relation to these breaches at present. However, the CMA will consider such action in the event of any further breaches. The CMA will monitor NatWest's future compliance closely.

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

Yours sincerely

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