

**Nationwide Building Society**

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**Nationwide Building Society's breaches of Part 2 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 Nationwide Building Society (Nationwide) of Part 2 of the [Retail Banking Market Investigation Order 2017 \(the Order\)](#).

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).

**The breaches**

Nationwide breached Part 2 of the Order by publishing inaccurate information through its Open Data APIs on ten occasions. Nationwide has reported that the following breaches relate to the personal current account (PCA) Product Information API:

- Between 3 June 2020 and 26 February 2021, the Non-Sterling transaction fee rate for cash withdrawals in foreign currency and debit card payments in foreign currency were incorrectly quoted as 2.75% rather than 2.99% in relation to Nationwide's FlexAccount, FlexDirect and FlexBasic PCA products.
- Between 31 March 2017 and 26 February 2021, the fee for sending CHAPS payments was incorrectly quoted as £20 rather than £0 for Nationwide's FlexBasic PCA product.

- Between 29 January 2020 and 26 February 2021, the non-UK ATM fee was incorrectly quoted as £1 rather than £0 for Nationwide's FlexAccount, FlexDirect and FlexBasic PCA products.
- Between 29 January 2020 and 26 February 2021, a £9 fee was quoted for Euro payments to a country in the Single Euro Payments Area (SEPA) Region made by SEPA Credit Transfer for Nationwide's FlexPlus, FlexDirect, FlexAccount and FlexBasic PCA products when this fee had been removed.
- Between 1 July 2020 and 26 February 2021, the in-credit interest fee was incorrectly quoted as 1% AER variable for balances up to £1000 rather than 0% AER for all balances for Nationwide's FlexStudent PCA product.
- Between 1 August 2019 and 26 February 2021, the Non-Sterling Transaction Fee for debit card foreign currency payments was incorrectly quoted as 2.75% rather than 0% for Nationwide's FlexPlus PCA product.
- Between 1 February 2022 and 17 May 2022, the in-credit interest rate was incorrectly quoted as 0.1% rather than 0.25% for Nationwide's FlexOne PCA product (Youth account).
- Between 31 March 2017 and 17 May 2022, the fee for sending UK Pounds via Swift to countries outside of the EEA were incorrectly quoted as £0 rather than £20 for Nationwide's FlexBasic PCA product.
- Between 11 November 2019 and 23 September 2022, the overdraft rate data point for the FlexDirect PCA product during the 12 month promotional period was incorrectly shown as 39.9% rather than 0% and the credit interest rate data point for the regular marketing state was shown as 2% or 5% (dependent on product iteration) instead of 0.25%.
- Between 19 September 2019 and 7 October 2022, one of the benefit notes referenced that holding a FlexOne PCA product gave access to a FlexOne Regular Saver Account. However, the FlexOne Regular Saver has not been available as a new product since 19 September 2018.

Nationwide notified the CMA of the breaches on 27 May 2022 and 14 October 2022. The CMA considers that each of the above amounts to a breach of Article 12.1.2(b) of the Order except for the last listed breach, which the CMA considers to be a breach of Article 12.1.2(c) of the Order.

### **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' accounts. If the information is not correct, customers can have an incorrect or incomplete understanding of the products available to them.

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

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

Nationwide has told the CMA that it:

- Is reviewing its product change management checklist process.
- Is checking, through its legal team, that any product amendments are reflected in the open data APIs before signing off product changes.
- Has developed a viewing utility for PCA Product Information API and for all their remaining Open APIs to enable more regular and thorough quality checking of the information contained in the API.
- Is introducing monthly reviews of the PCA Product Information with the Open Data API information to ensure they remain aligned.
- Has improved its first line of defence procedures to confirm that processes and training are operating effectively as part the CMA Order annual attestation process.
- Is reviewing the documented procedures for each of their remaining open data APIs to confirm they are robust.
- Is providing refresher training to all product owners and support communities to ensure they understand and follow the processes for all remaining Open Data APIs (Industry API Team and Current Account Product Team).
- Is providing training annually to the Current Account Product Team and Industry API Team and overseen by members of its controls community.
- Is implementing changes recommended through a review of processes, procedures and Open Data API accuracy which was completed in May 2022.

## **CMA assessment and next steps**

Given the action that has been, and is being, taken by Nationwide, 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 Nationwide's future compliance closely.

The CMA takes this opportunity to remind Nationwide that under Article 56.2 of the Order, if it is aware that it is not compliant with any part of the Order, it must report any non-compliance to the CMA within 14 days of becoming aware that it is not compliant.

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

Yours sincerely

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