

Head of Customer Solutions
Santander UK plc

From: Colin Garland

24 May 2019

Dear Sir

BREACH OF THE RETAIL BANKING MARKET INVESTIGATION ORDER 2017

I am writing to you to summarise the CMA's understanding of the action being taken by Santander UK plc (Santander) in response to a breach of Part 6 the [Retail Banking Market Investigation Order 2017](#) (the Order). Santander breached the Order by imposing unarranged overdraft charges on around 20,000 customers holding either an Everyday Current Account or an Essentials Current Account without first sending them an Alert. Both of these accounts are Personal Current Accounts (PCAs).

Part 6 of the Order includes Article 23.1, which states (in part):

“Providers shall . . . enrol all new PCA customers into the Programme of Alerts within three Working Days of the account being fully opened. Once enrolled PCA customers shall remain enrolled in a Programme of Alerts for each PCA unless they request not to be enrolled.”

The underlying purpose of Part 6 is to ensure that PCA customers should receive an Alert about unarranged overdraft charges before they incur them.

The underlying cause of the breach as explained to us by Santander was that new account openings for both products were omitted from the process for auto enrolment. This meant that customers who opened either an Everyday Current Account or an Essentials Current Account between 1 February 2018 and 20 February 2019 and who went into unarranged overdraft did not receive an Alert warning them of the possibility of charges.

To prevent any further breaches, Santander has:

- Put procedures in place to ensure that new customers of the Everyday Current Account and the Essentials Current Account are being enrolled into the Alerts programme;
- Enrolled all existing customers of the Everyday Current Account and the Essentials Current Account that were previously not enrolled due to the issue into the programme; and
- Introduced additional controls to ensure that there are no breaches of any Santander PCA products by;
 - reconciling numbers of PCA openings with numbers of customers enrolled in the Alerts scheme; and
 - reconciling numbers of open PCAs where contact details have been provided with numbers of customers enrolled in the Alerts scheme.

Further to the above, we welcome Santander refunding around £1.4m of charges levied on customers who should have received an Alert but did not, and who went on to receive charges for exceeding a pre-agreed credit limit.

This letter has been published on our website.

Yours sincerely

Colin Garland
Director
Remedies, Business and Financial Analysis