

Bank of Ireland UK plc

From: Colin Garland
*Director, Remedies, Business and
Financial Analysis*

22 June 2021

Dear Mr Carrie

The Bank of Ireland's four breaches of the Retail Banking Market Investigation Order 2017 in relation to Transaction Histories

I am writing to you on behalf of the CMA concerning Bank of Ireland's four breaches of the [Retail Banking Market Investigation Order 2017](#). These breaches have affected 1066 former customers of Bank of Ireland, who should have received a Transaction History when their personal current account (PCA) or business current account (BCA) was closed but did not. Breaches one and two lasted from 24 March 2020 to 30 June 2020. Breaches three and four lasted from 1 August 2019 to 1 April 2021.

The breaches

Bank of Ireland has breached Article 20.6.1 of the Order, which requires Transaction Histories to be provided to at least 95% of former customers within 10 working days of closing the account. Breach one affected 929 former customers. Bank of Ireland identified that the operational process for the provision of a five-year Transaction History to customers closing their accounts, was temporarily suspended between March and June 2020. Breach three affected 137 former customers. Bank of Ireland identified that as a result of a systems change the queue for sending Transaction Histories to former customers in Great Britain was not properly implemented. This did not affect Northern Irish accounts. Therefore, affected accounts did not receive their Transaction Histories within 10 working days. Bank of Ireland only provided Transaction Histories for 93% of account closures within this period.

Bank of Ireland has also breached Article 20.6.2 of the Order, which requires all Transaction Histories to be sent within 40 days of the PCA or BCA being closed (unless an exception applies). Breach two, which affected 62 former customers was caused by the same issue as breach one. Breach four affected 130 former

customers was caused by the same issue as breach three. Therefore, the 40-day requirement was missed for all these current accounts.

Bank of Ireland notified the CMA of breaches one and two on 1 February 2021 as part of its annual compliance report. For breaches three and four, Bank of Ireland notified the CMA on 10 June 2021.

The CMA's concerns

The requirement for current account providers to provide Transaction History data to customers who had their accounts closed is an important element of our reforms introduced following the [Market Investigation](#). This measure, in combination with other parts of our reforms, were designed to make switching between current accounts easier for consumers. We found that some consumers were concerned that, by moving to a new current account provider they would lose access to their banking history, which is often required by lenders when offering credit. The Order requires banks and building societies to provide each customer whose current account has been closed with a full Transaction History, so that consumers should not be worried that switching will make access to credit difficult. Failure to comply with the Order could make it difficult for former customers to obtain credit.

Bank of Ireland has taken action to put things right

I am pleased that Bank of Ireland has taken steps to end all four breaches, prevent a recurrence, and to put things right for affected former customers. Bank of Ireland has:

- Ended the breaches by sending Transaction Histories to former customers.
- Issued a notification including an apology for all impacted former customers and details of a £50 goodwill gesture for any distress and inconvenience caused to impacted former customers by breaches two and four.
- Committed to putting procedures in place to prevent a recurrence and 100% Quality Assurance checks as well as controls over this operational process. The assurances and controls include:
 - i. Staff training
 - ii. A lessons learnt guidance
 - iii. Improving operational procedures including a monthly key risk indicator
 - iv. Daily Quality assurance checks between Bank of Ireland and third-party supplier
 - v. Introducing many Quality Assurance manual checks of the production process.
- Planned a second line assurance review later this year.

CMA assessment and next steps

Given the action already being taken by Bank of Ireland, the CMA does not consider it appropriate to take further formal enforcement action in relation to these breaches. The CMA will monitor the resolution of these breaches and Bank of Ireland's future compliance closely.

Yours sincerely

Colin Garland

Director, Remedies, Business and Financial Analysis