



**NFRN**  
*The voice of the independent retailer*

## **Submission from the NFRN to the Competition and Markets Authority's statement of interest on its retail banking market investigation**

### **Introduction**

The National Federation of Retail Newsagents (NFRN) would like to thank the Competition and Markets Authority for the opportunity to present the views of its members on the issue of its retail banking market investigation.

The NFRN is one of Europe's largest employers' associations, representing over 16,000 fee paying members from approximately 18,000 independent retailers across the UK, Channel Islands and the Republic of Ireland. We are a membership led organisation that is democratically structured; policy is made by annual conference and its implementation is overseen by National Council.

The NFRN assists the independent retailer to compete more effectively in today's highly competitive market through the provision of practical help and assistance, commercial support, product deals and buying opportunities, training, expertise and services. It also represents its members' interests at governmental and parliamentary level, as well as within the news and magazine industry.

### **Response**

#### **Introduction**

The NFRN has no comments on the 'introduction' section of the statement of issues.

#### **Background**

The NFRN agrees with the terms of reference regarding the prescribed size of an SME. However, we are keen to ensure that differences between SMEs are taken into consideration. Our members are classified as micro businesses and are often owner-operators that do not employ more than one or two staff members. As a result this has an impact on their relationship with the banking market as they don't have ample resources, such as time or expertise, to expend on researching different bank accounts, financial products and services.

#### **Our Approach**

The NFRN has no comments on the 'our approach' section of the statement of issues.



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## **Sector Characteristics**

The NFRN believes that merchant service charges and charges for cash handling should both be included in the investigation. Our members are unable to negotiate with their bank on these charges, yet they would likely lose business if they did not provide card facilities.

## **Market Definition**

The NFRN questions how many SMEs, particularly of a smaller size, such as our members, would use substitute products as a first option for financing their business. We believe that information about these products has, until recently, been very limited and as such we feel this investigation should focus on PCAs, BCAs and SME business loans only.

## **Hypotheses for Investigation (Theories of Harm)**

In theory of harm three we would like to see the issue of agency transaction charges included when considering barriers to entry. If a bank does not have many branches, the option to pay in via another bank is a viable option, however we feel some new banks may not benefit from this option due to high agency transaction charges.