

## **RETAIL BANKING MARKET INVESTIGATION**

### **Appointment of Charterhouse and SME survey methodology**

1. On 15 January 2015 the CMA published a notice of intention to conduct two quantitative sample surveys following-up small- and medium-sized enterprises (SMEs) who had recently taken part in Charterhouse's Business Banking Survey (BBS). The notice also highlighted the CMA's intention to conduct the BBS survey for a sample of SMEs in Northern Ireland.
2. The CMA has now appointed Charterhouse Research Ltd of 68 Lombard Street, London, EC3V 9LJ ([www.charterhouse-research.co.uk](http://www.charterhouse-research.co.uk)) (Charterhouse) to conduct both the follow-up surveys and the Northern Ireland survey.
3. The following note provides some technical details of the methodology we are planning to use for the follow-up surveys and the Northern Ireland BBS survey.

### **Methodology for follow-up surveys**

4. The first follow-up survey focuses on price transparency, choice and the price negotiation process for SMEs who have applied for finance in the last two years. These SMEs will be sampled from the last two quarters of the BBS (Q3 and Q4 2014) by selecting those who said they applied for finance in the last 12 months. This survey will comprise 250 telephone interviews.
5. The second follow-up survey focuses on the choice of Business Current Account (BCA) provider and consists of two different groups of SMEs. The first are new businesses (start-ups) which will be sampled from the 2014 BBS by selecting those businesses that started trading no earlier than January 2013. The second group of SMEs are more established businesses, many of whom will have finished their free banking period. The BBS will be used to select those who began trading between January 2010 and December 2012. This survey will comprise approximately 500 telephone interviews in total, split evenly between start-ups and established businesses.
6. The surveys will be approximately 10 minutes long on average.

7. Both surveys will be geographically proportionate to the population of interest. If there are more applications for finance (according to the BBS) in one particular devolved nation or region then more interviews will be attempted in that devolved nation or region. Northern Ireland will be included in the follow-up interviews, using the Northern Ireland BBS as the sampling frame (see below). It is expected that of the 750 telephone interviews in total approximately 20 will be with SMEs in Northern Ireland.

### **Questionnaires for follow-up survey**

8. The first survey covers the search, comparison, application, negotiation and decision experience of SMEs who have applied for finance in the last two years. The second survey focuses on the choice of BCA provider and is split into two questionnaires. The first questionnaire asks new businesses (start-ups) about how they chose their BCA, while the second questionnaire asks more established businesses (those who have been in operation for two to five years) what they have done since coming to the end of their free business banking period.
9. The draft questionnaires can be found on the [retail banking market investigation case page](#).

### **Northern Ireland BBS**

10. As noted in the SME survey notice the Northern Ireland BBS will employ the same sampling methodology and questionnaire as the GB BBS, and comprise approximately 1,150 telephone interviews.
11. We now welcome comments on the draft questionnaires to be used in each survey. Please note that these are draft questionnaires and survey routing between questions will be finalised at a later date. In accordance with the tight timetable which is necessary for this work, **the deadline for comments is by 5pm Wednesday 4 February 2015**. If parties have comments in relation to the above, please submit these to [retailbanking@cma.gsi.gov.uk](mailto:retailbanking@cma.gsi.gov.uk) or write to the team at:

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