

## Consumer 8

Dear Sir/ Madam,

As context, I have a number of years experience working in payments and banking. In reading some of the documentation from the PCA market investigation, it seems that an important perspective / opportunity could be over looked.

In documentation to-date, the PCA appears to be seen as one, "indivisible", product, ignoring the possibility of considering it as a bundle of linked services (e.g. secure store of value, credit facility/overdraft, various payment methods out, various payment methods in...). This "bundle" perspective could offer insights into possible ways to improve competition.

Also, it seems that a potentially important aspect of "un-bundling" has been missed from documentation to-date. Specifically, page 100 of the PCA market study update, which describes the "Proposed amendment of the Payment Services Directive" (commonly referred to as PSD2) does not mention the PSD2's key innovation of mandating third-party access to PCAs.

## Consumer 9

Dear Mr Jackson

### **Retail Banking Market Investigation: No Ban on Non-Charging ('free') Current Bank Accounts, please**

I am writing to ask the Authority not to agree to the proposal from the challenger banks that banks and other financial institutions should be barred from offering free current accounts.

The proposal is against the consumer interest and would be widely deplored by the many bank customers who have this facility. It is being proposed by the challenger banks to facilitate their entry into this lucrative market. They claim that they have insufficient funds to 'subsidise' what they call free banking, they state that this disadvantages them and that they would like the law to intervene on their behalf. Obvious alternatives, such as business loan to launch the activity, or providing only charging accounts, have apparently been rejected.

Non-charging current accounts are not free. Firstly, banks earn interest on the often substantial sums which people keep in their current accounts. Secondly, there is a variety of services for which charges are made, including for loans and overdrafts, along with commission-earning products on products such as travel insurance. Plenty of opportunities for new entrants.

The fact that many accounts do not charge what might be called membership fees is no deterrent to banks offering charging accounts. These accounts, which offer a variety of products and services covered by the monthly fee, such as travel insurance, legal services etc. have encouraged large numbers of customers to switch from the 'no-membership-charge' accounts to this new, and growing, market. All this without the law intervening to ban 'free' accounts.

In conclusion, the proposal would be an unjustified intervention in a free market economy. We do not have a state-controlled economy. Why should I and many others have to pay charges in order to provide Richard Branson with the opportunity to expand his business empire? Surely the consumer interest should take priority over that of the providers?