

Retail banking market investigation

Business current account and personal current account pricing analysis

7 August 2015

This is one of a series of consultative working papers which will be published during the course of the investigation. This paper should be read alongside the updated issues statement and the other working papers which accompany it. These papers do not form the inquiry group's provisional findings. The group is carrying forward its information-gathering and analysis work and will proceed to prepare its provisional findings, which are currently scheduled for publication in September 2015, taking into consideration responses to the consultation on the updated issues statement and the working papers. Parties wishing to comment on this paper should send their comments to retailbanking@cma.gsi.gov.uk by **Friday 21 August 2015**.

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The Competition and Markets Authority has excluded from this published version of the working paper information which the inquiry group considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [✂]. Some numbers have been replaced by a range.

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Introduction

1. Appendix C of our updated issues statement (UIS) set out our approach to the comparison of prices across personal current account (PCA) and SME banking providers. We noted there were two main approaches to comparing prices of complex bundled products such as PCAs and business current accounts (BCAs):
 - (a) A bottom-up comparison of the amount paid by representative customers.
 - (b) A top-down comparison of net revenue per account.
2. In this paper, we provide an update on the bottom-up comparisons for BCAs and PCAs.¹

Business current accounts (BCAs)

3. In this section we describe our comparisons of the monthly cost of BCAs for a number of different customer profiles, based on published prices.
4. We asked the five largest banks to submit five representative BCA customer profiles together with weightings showing the proportion of their BCAs that these profiles reflected.
5. The following sections cover: BCA pricing, representative customer profiles, our methodology for making comparisons, our results and a discussion of the interpretation of our results.

BCA prices

6. BCAs, in their simplest form, provide everyday banking services to businesses, similar to those provided to personal customers by PCAs. These services are: payment transactions, store of value, and borrowing facilities (overdrafts). However, not all BCA customers have an overdraft facility.
7. BCAs often include charges for transactional services and for use of overdraft facilities. Some BCAs pay interest on in-credit balances. Appendix A sets out information available on overdraft charges and credit interest rates.

¹ The UIS included our 'top-down' revenue analysis for PCAs and BCAs, see UIS Appendix C paragraphs 15 to 21 and Annex 4. We noted in UIS Appendix C paragraph 21 that we were carrying out similar exploratory analysis for other SME products. Any relevant results from this analysis will be included in our provisional findings.

8. Our analysis covers charges for transactional services (including any monthly charges) and focuses on BCAs identified by the banks in response to the market questionnaire. We excluded BCAs aimed at a particular type of enterprise, such as charities, clubs and societies as these account for a relatively small proportion of all BCAs. Our analysis is also limited to current BCA tariffs and excludes legacy tariffs. Many banks offer incentives to new customers, which often differ between startups and switchers – details of these incentives are set out in Appendix A.
9. Business banking transactions used in our analysis can be divided into electronic transactions – such as auto credits and direct debits – and branch transactions – such as depositing or withdrawing cash over the branch counter. The analysis includes the most important transactions for which pricing data was readily available.
10. We included the following electronic transactions:
 - (a) auto credit – an electronic credit paid into the account;
 - (b) bill payment – a bill payment which is debited to the account via telephone or internet banking service and credited to a recipient;
 - (c) debit card – a debit to the account following a business debit card payment;
 - (d) direct debit – a direct debit payment made from or returned to the account; and
 - (e) standing order – a standing order payment made from the account.
11. We also included the following branch/other transactions:
 - (a) branch paying-in – credits paid in over the branch counter (containing cash and/or cheques);
 - (b) branch withdrawal – cash withdrawal over the branch counter (ie when cashing a cheque);
 - (c) branch cash-in – a charge in addition to the branch paying-in charge for cash paid in at branch (as a percentage of the value deposited);
 - (d) branch cash-out – a charge in addition to the branch withdrawal charge for cash withdrawal over branch counter (as percentage of the value withdrawn);

- (e) ATM cash-out – charge for debit associated with a cash withdrawal from self-service machine (one debit per withdrawal) and an additional charge for cash amount withdrawn from self-service machine (as a percentage of the value withdrawn);
 - (f) cheques paid-in – a charge in addition to the branch paying-in charge for cheques paid in at branch; and
 - (g) cheques issued – cheques written.
12. We used pricing data published on the Business Moneyfacts website in January 2015.²

Customer profiles

13. We asked the five largest banks³ to submit five transactional profiles⁴ which were broadly representative of their SME BCA customers on standard tariffs, together with weightings showing the proportion of BCAs that these profiles reflected.
14. We asked the banks to exclude SMEs with an annual turnover larger than £2 million as these SMEs tend to negotiate their prices and, therefore, published prices are less relevant to this segment.
15. According to one bank ([X]), approximately [X] of all transactions (by volume) were covered by those included in the analysis (see paragraphs 10 and 11 above). The remaining less common transactions include: first party transfers, bank initiated charges, unpaid and paid referral fees, branch bill payments, CHAPS and unallocated transactions.
16. We received five transactional profiles from Barclays and four usable transactional profiles from HSBC, RBS Group (RBSG), and Santander.⁵ These can be found at Appendix B. Lloyds Banking Group (LBG) did not submit any profiles as it did not believe that meaningful representative customer profiles could be provided given SMEs' diversity in cost to serve,

² [Business Moneyfacts](#) presents BCA tariffs for around 130 different BCAs. Pricing data for Handelsbanken is not available from the Business Moneyfacts website. We obtained its pricing data separately from Handelsbanken.

³ Barclays, HSBC, Lloyds Banking Group (LBG), RBS Group (RBSG) and Santander.

⁴ By transactional profile, we mean the number of transactions set out above that a representative customer would make.

⁵ Of HSBC's five profiles, one was simply the aggregate of the other four. In the case of RBSG and Santander, we excluded one profile as it related to SMEs with turnover in excess of £2 million.

risk, average and range of balances, transaction volumes, channel preference and need for relationship support.⁶

17. Table 1 below shows an illustrative set of transactional profiles.

Table 1: An illustrative set of transactional profiles

Transaction	Weighting	50%	20%	15%	10%	5%
	Description	£0–150k	£150–500k light branch user	£1500–500k heavy branch user	£500k–2m light branch user	£500k–2m heavy branch user
	Profile	Profile 1	Profile 2	Profile 3	Profile 4	Profile 5
<i>Electronic</i>						
Auto credit		1	6	2	15	5
Bill payment		0	0	0	0	0
Debit card		2	7	3	6	4
Direct debit		1	2	1	3	5
Standing order		0	6	1	15	1
<i>Branch/other</i>						
Branch paying-in		0	0	5	2	8
Branch withdrawal		0	0	0	0	1
Branch cash-in		£20	£70	£1,520	£315	£4,300
Branch cash-out		£20	£30	£275	£50	£470
ATM cash-out		£15	£55	£130	£65	£70
Cheques paid-in		0	1	5	1	11
Cheques issued		1	1	3	2	8

Source: CMA analysis.

Methodology

18. For each profile, we calculated the monthly cost for each relevant tariff of each bank by multiplying the number of transactions by the price per transaction. Where monetary values were submitted, such as on cash deposited and withdrawn, we divided the amount by 100 and rounded it up to the nearest whole number to account for parts of £100 deposited or withdrawn. We then multiplied this number by the fee applied to each £100 deposited/withdrawn.
19. Banks may have more than one relevant tariff, for example one tariff aimed at SMEs with mainly electronic transactions and one aimed at those with more branch transactions. Where this was the case, we took the tariff with the lowest monthly cost overall. This assumes that SMEs choose the cheapest tariff available for their pattern of transactions⁷. While this may not be true in

⁶ LBG considered that we should carry out analysis for BCAs using transactions data, similar to that for PCAs (see paragraphs 30 to 34 below). However, as noted in the UIS Appendix C (paragraph 14), in contrast to PCAs we did not already have transactions data and we considered the costs of obtaining such data would not be proportionate to the potential benefits, given also that we had obtained representative profiles together with weightings from four banks.

⁷ One bank ([X]) stated that it 'reviews each customer's price plan on an annual basis. Where it considers that a customer will be better off on a different payments plan, it will notify the customer and move them onto that price plan.'

every case, we considered it more plausible than alternative assumptions, for example assuming that SMEs choose at random (ie taking a simple average across relevant tariffs).

20. When banks submitted their transactional profiles, in some cases they specified the SME turnover band to which each profile related.⁸ Banks' tariffs also sometimes have a turnover restriction (for example, the January 2015 TSB tariffs apply to SMEs with a maximum turnover of £0.5 million⁹). We only included tariffs which applied within the turnover band of the profile.¹⁰
21. Barclays offers discounts on monthly charges according to the length of time its customers have been with Barclays. These discounts range from 5 to 30% and depend on the customer's turnover and on the length of its relationship with Barclays. We calculated the weighted average discount rate for each profile and applied it to Barclays' monthly prices.¹¹
22. We then calculated a weighted average monthly BCA price for each bank and banking group by applying the weightings to the profiles.¹²

Results

23. As shown in Table 2, there is significant variation between banks' charges. The variation in monthly charges across banks is illustrated for one set of profiles in Appendix C.

⁸ See Appendix B.

⁹ TSB now opens accounts for businesses with turnovers up to £2 million

¹⁰ As the TSB tariffs had a maximum turnover of £0.5 million, this meant we could not calculate a TSB price for profiles applying to SMEs with turnover above £0.5 million. As a consequence, TSB was excluded from some results.

¹¹ We weighted discount rates in each turnover and tenure category by the number of customers in this category.

¹² We calculated a weighted average price for LBG and RBSG using the proportion of these groups' active BCAs in Scotland (from these groups' responses to the market questionnaire) as a proxy for the number of accounts at Bank of Scotland and RBS respectively.

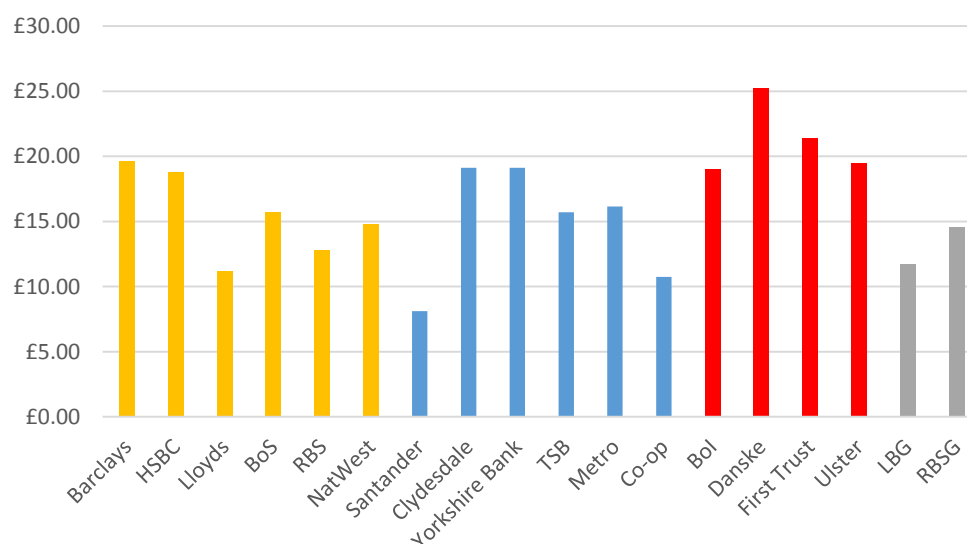
Table 2: Variation between lowest and highest monthly cost (highest as % of lowest monthly cost)

	%			
<i>Profiles</i>	<i>Barclays</i>	<i>HSBC</i>	<i>RBS</i>	<i>Santander</i>
<i>Great Britain</i>				
Profile 1	256.8	221.2	273.7	210.0
Profile 2	248.2	358.4	237.3	404.3
Profile 3	267.5	266.2	335.2	189.6
Profile 4	308.3	201.7	251.2	173.2
Profile 5	366.8	n/a	n/a	n/a
<i>Northern Ireland</i>				
Profile 1	164.2	262.3	215.9	131.8
Profile 2	282.6	329.4	272.9	401.4
Profile 3	308.0	258.7	341.6	166.6
Profile 4	334.6	137.9	149.6	137.8
Profile 5	357.4	n/a	n/a	n/a

Source: CMA analysis.

24. Figures 1 to 4 below show each bank's weighted average prices calculated by weighting the individual profiles. Four banks provided profiles; hence, there are four sets of profiles and four sets of results.¹³

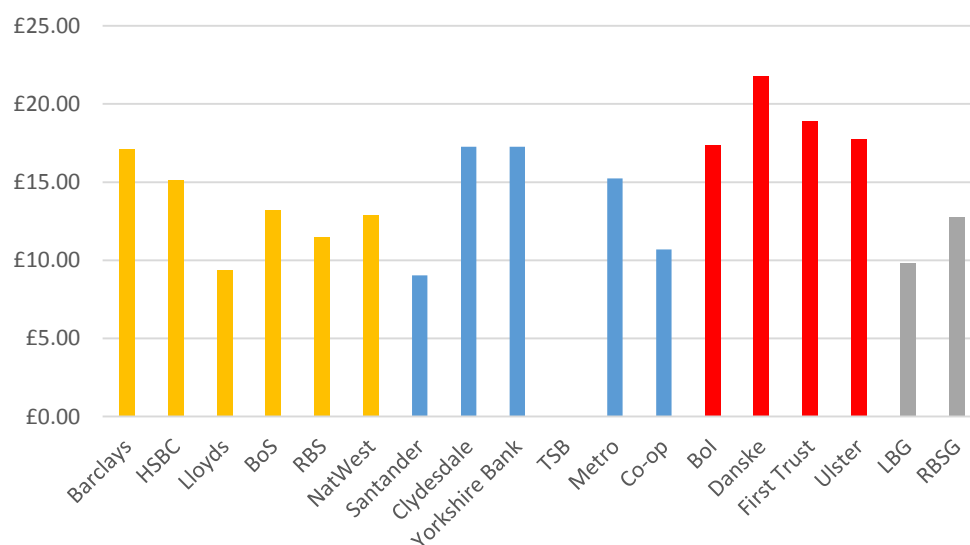
Figure 1: Weighted average prices by bank based on Barclays profiles



Source: CMA analysis.

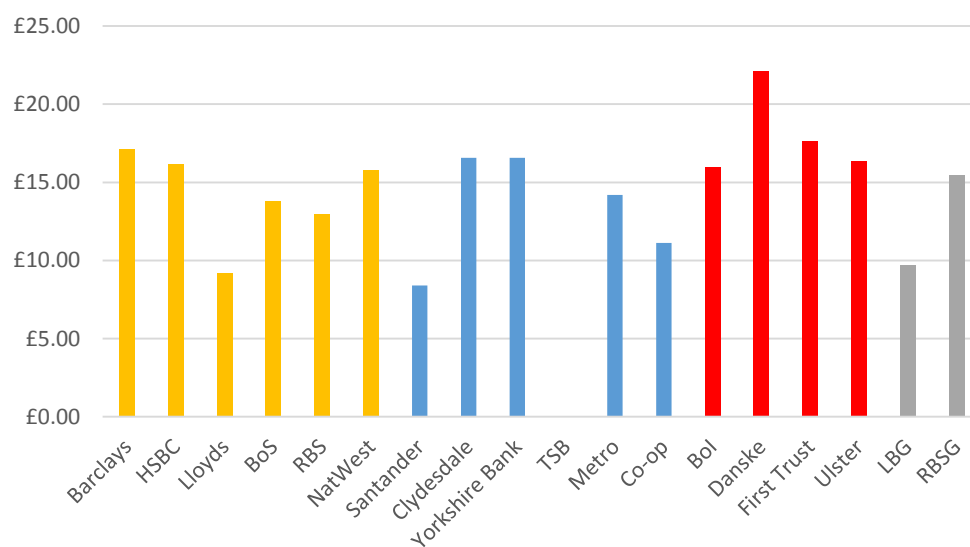
¹³ Yellow bars show larger banks, blue bars show smaller banks, red bars show Northern Ireland banks and grey bars show weighted averages for the two banking groups whose constituent banks have different weighted average prices. TSB is excluded from some results since we were not able to calculate a weighted average price for TSB where at least one profile related to SMEs with turnover in excess of £500,000.

Figure 2: Weighted average prices by bank based on HSBC profiles



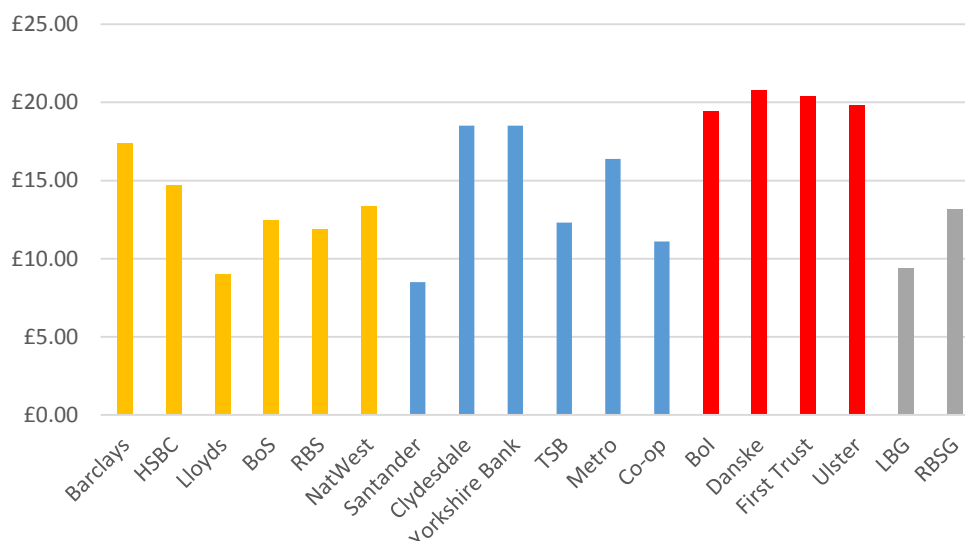
Source: CMA analysis.

Figure 3: Weighted average prices by bank based on RBS profiles



Source: CMA analysis.

Figure 4: Weighted average prices by bank based on Santander profiles



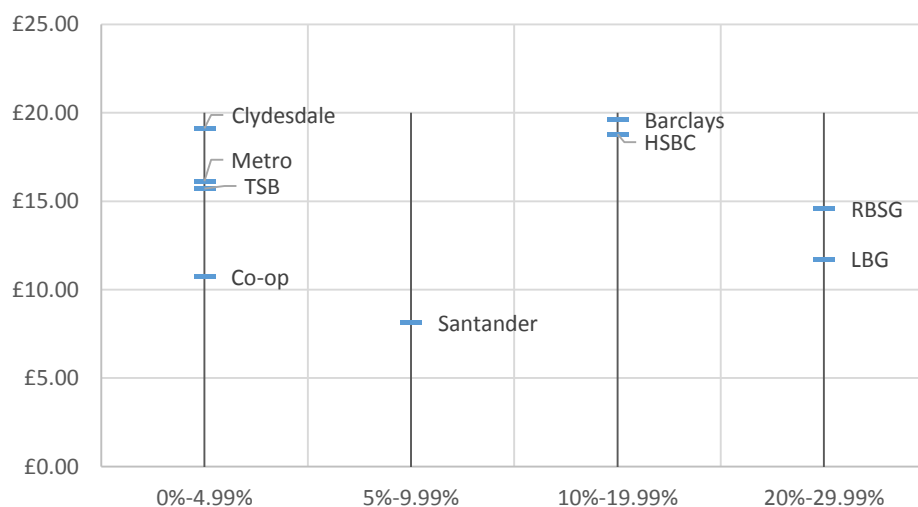
Source: CMA analysis.

25. We note that the relative prices are broadly similar for all four sets of results.
26. Handelsbanken was not included in the above analysis as its prices are not published. Handelsbanken provided us with its guide prices and we used these to calculate indicative weighted average prices on a similar basis to the other banks. Based on these guide prices, Handelsbanken's prices are above those of the other banks.¹⁴
27. As set out in the UIS, one of the questions we are addressing with our pricing analysis is whether banks with a higher market share tend to charge higher prices than smaller banks.¹⁵ Figures 5–8 below show the weighted average price against market share in Great Britain (market shares are shown in ranges as a number of parties said their market shares were confidential). These do not show any clear association between price and market share, though Santander's prices are consistently amongst the lowest. Appendix D shows weighted average price against market share in NI and these similarly do not show any clear association between price and market share.

¹⁴ This reflects in particular Handelsbanken's indicative monthly charge of £50, but this is a guide price only and its branch managers can set their own prices for bespoke products and services.

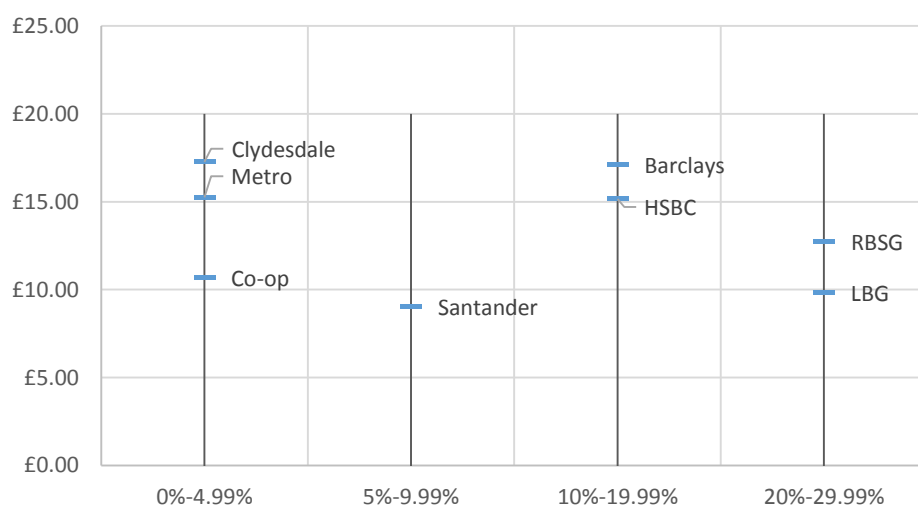
¹⁵ See UIS, Appendix C paragraph 3.

Figure 5: Weighted average monthly BCA price in GB, based on the profiles submitted by Barclays



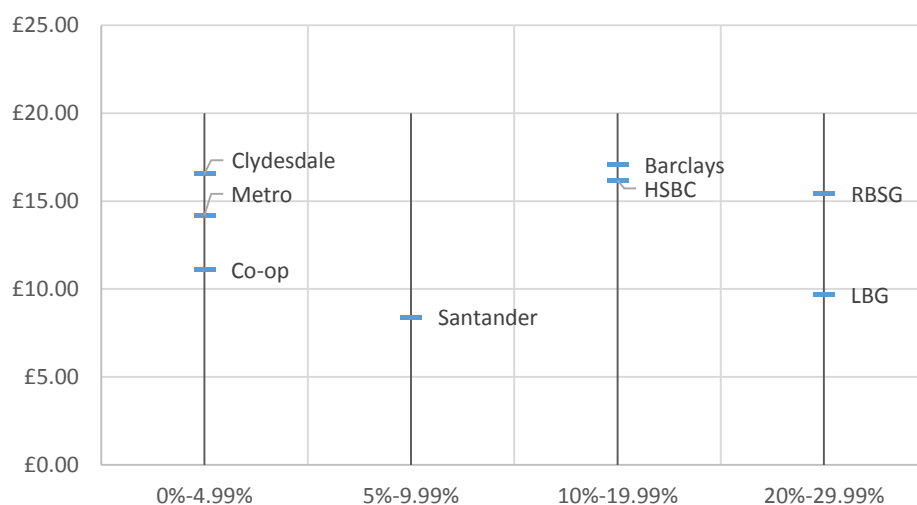
Source: CMA analysis.

Figure 6: Weighted average monthly BCA price in GB, based on the profiles submitted by HSBC



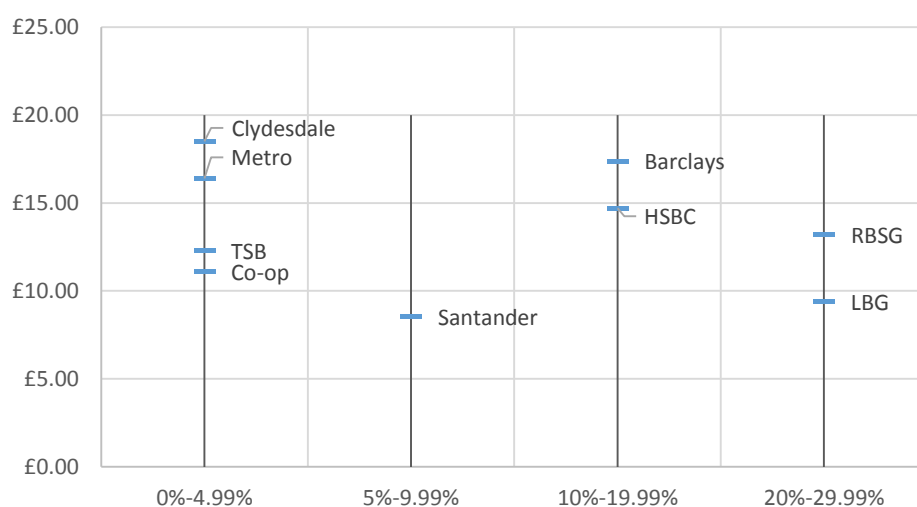
Source: CMA analysis.

Figure 7: Weighted average monthly BCA price in GB, based on the profiles submitted by RBS



Source: CMA analysis.

Figure 8: Weighted average monthly BCA price in GB, based on the profiles submitted by Santander



Source: CMA analysis.

Interpretation of the analysis

28. As discussed in the UIS Appendix C,¹⁶ any comparison of prices needs to be interpreted with caution for a number of reasons. These include:

- (a) There are limitations in the coverage of the analysis, in particular it does not take into account differences in credit balances, overdrafts and

¹⁶ See paragraph 22.

incentives (see Appendix A). It is also limited to SMEs under £2 million turnover.

- (b) The analysis is based on a small number of profiles and may not be fully reflective of all SMEs. As noted by RBS in its response to the UIS, SMEs are a diverse customer group and designing representative user profiles is a particularly difficult challenge.¹⁷ The analysis is also based on the assumption that SMEs are on the lowest priced available tariff (see paragraph 19). It also does not take account of any negotiation of prices (though this is less prevalent for SMEs under £2 million turnover).
 - (c) Differences in prices may reflect quality of service differences. RBS said that the relationship and service components were typically more valued by SME customers and the particular service given to SMEs was tailored to the particular needs of the business, which will be determined by its size, the sector in which it is active and the nature of the SME business.¹⁸ Similarly, Barclays said that any pricing analysis needed to also take into account differences in quality of service.¹⁹ As noted in the UIS, we are looking separately at data on quality of service, and differences in quality of service will need to be borne in mind when considering any price differences. We do not consider that the value to consumers of quality of service differences can be calculated with sufficient accuracy to calculate prices adjusted for quality of service. Therefore, the results of pricing and quality of service comparisons will need to be considered together.
29. Any differences in average prices between providers may have a number of explanations, including growth strategy (an expanding bank may have lower prices because it has more active and fewer inactive customers) and balance sheet strategy.

Personal current accounts (PCAs)

30. We set out the results of our initial comparison of PCA prices based on six illustrative profiles in the UIS (see Appendix C, Annex 2): figures C1 to C12 showed weighted average price against market share. These figures were excised from the published version of the UIS as a number of parties said their market shares were confidential. Appendix E shows revised versions of these figures using ranges for market shares.

¹⁷ RBS response to UIS, section 3.1.3.

¹⁸ RBS response to UIS, section 3.2.2 ii) b).

¹⁹ Barclays response to UIS, paragraph 4.5.4.

31. We stated in the UIS that we intended to extend this analysis using transactions data for a representative, large sample of PCA customers.
32. We issued a consultation paper on how we proposed to do this on 23 June 2015.²⁰ This set out how we intended to carry out the analysis using transactions data and explained that we intended to contract the calculation of monthly PCA costs to Runpath Digital Ltd (Runpath).
33. In response to this consultation, a number of parties supported this further analysis as it was likely to provide more robust results than our initial analysis based on six illustrative profiles. One Northern Ireland bank ([REDACTED]) said it believed that we would not be able to draw any reliable conclusions because of limitations in the transactions data. We acknowledge there are limitations in the data for some Northern Ireland banks and that this may affect the robustness of comparisons which include customers of the Northern Ireland banks; however, it would not affect comparisons for customers in Great Britain. We stated in the UIS and the consultation that price comparisons need to be interpreted together with quality comparisons,²¹ and this point was emphasised by some parties. We will include our comparisons of quality indicators with our provisional findings report.
34. We considered that we should proceed with the analysis using transactions data and we have now issued the contract to Runpath. We are considering with Runpath the detailed suggestions made by parties in response to the consultation. The results of the analysis will be included in our provisional findings.

²⁰ PCA pricing analysis using transactions data.

²¹ See UIS Appendix C paragraph 22 and consultation on PCA pricing using transactions data, paragraph 24.

Appendix A: BCA credit interest rates, overdraft charges and customer incentives

Interest rates on credit balances

- As noted in paragraph 7 of the main working paper, some banks offer interest on credit balances. 8 out of 32 tariffs used in our analysis offer interest on in-credit balances. The interest rate (AER) for these 8 tariffs varied from 0.05% to 0.25%, see Table 1 below. We were not able to include interest on credit balances in our weighted average prices as we did not have average credit balances for the profiles obtained from the four banks.²²

Table 1: Interest rates offered on credit balances

Bank	Tariff								%
		Balances < £999	Balances £1,000– £4,999	Balances £5,000– £9,999	Balances £10,000– £24,999	Balances £25,000– £99,999	Balances £100,000– £249,999	Balances >£250,000	
RBS	Business Plus	0.05	0.05	0.05	0.05	0.05	0.05	0.05	
RBS	Royalties	0.05	0.05	0.05	0.05	0.05	0.05	0.05	
NatWest	Business Plus	0.05	0.05	0.05	0.05	0.05	0.05	0.05	
NatWest	Advantage	0.05	0.05	0.05	0.05	0.05	0.05	0.05	
Santander	Business Current	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
Santander	Corporate Current	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
Santander	Corporate Current +	0.15	0.15	0.15	0.15	0.15	0.15	0.15	
Co-op*	Business Direct Plus	0	0.12	0.15	0.18	0.21	0.25	0.28	

Source: Business Moneyfacts

* New rates and tiers were introduced in July 2015

²² Metro Bank does not pay interest on credit balances but offers a reduction in fees for accounts with a balance which stays above £5,000 for the whole month. For accounts which meet this condition, the monthly fee is waived and they are entitled to 50 free day to day transactions. As we do not have credit balances, this waiver has been excluded from our calculations.

Overdrafts

2. BCAs may include a facility to apply for arranged overdrafts and this is a significant source of revenue for banks,²³ though survey evidence suggests only around 15% of SMEs have overdrafts.²⁴ As with PCAs, banks may allow SMEs to make payments even when this would take them beyond their borrowing limit, but such unauthorised overdrafts are a less important source of revenue for BCAs than PCAs.²⁵
3. Table 2 shows published prices on overdrafts from Business Moneyfacts.
4. We were not able to include overdrafts in our weighted average prices as published prices for arranged overdrafts are in many cases unavailable (see Table 2).

²³ See UIS, Appendix C, Annex 4.

²⁴ BDRC/BIS SME Finance Monitor.

²⁵ See UIS, Appendix C, Annex 4.

Table 2: Overdraft charges

	<i>Authorised</i>			<i>Unauthorised</i>		
	%pm	%*	Arrangement fee	%pm	%*	Extra fee
Barclays	Negotiable	Negotiable	Negotiable	n/a	29.5%	Negotiable
HSBC	Negotiable	Negotiable	Tiered/varies	1.63%	21.34%	£4 per working day debit balance is over existing formally arranged overdraft or £8 per working day account is overdrawn with no formally arranged overdraft limit in place
LBG†	0.88%	10.56%	Negotiable	2.20%	26.4%	£15 per day if overdraft increases by £50 or more
RBS/NatWest	Negotiable	Negotiable	Tiered/varies	n/a	29.5% APR**	£30 per day capped at £120 per month
Santander	n/a	5% ABR§	1% (subject to minimum charge of £50)	n/a	25% ABR§	Nil
Clydesdale	Negotiable	Negotiable	Negotiable	n/a	33.51%	£25 per day
TSB	0.88%	10.56%	1.5% (Min £100)	2.20%	26.4%	£15 per day if overdraft increases by £50 or more
Metro‡	0.80%	10%	1.75% (Min £50)	1.88%	25%	Nil
Co-op#	Negotiable	Negotiable	Negotiable	1.92%	25.6%	£20 per day if overdraft increases or £20 per month if overdraft occurs
Bank of Ireland	Negotiable	Negotiable	Tiered/varies	Negotiable	Negotiable	Nil
Danske	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	Nil
First Trust	Negotiable	Negotiable	Tiered/varies	1.50% (subject to a minimum charge of £2/month)	Base rate plus 12%	Nil
Ulster	Negotiable	Negotiable	Negotiable	n/a	17%	Nil

Source: Business Moneyfacts.

* Effective Annual Rate unless otherwise specified.

† Rates are for Tracker overdrafts. Base rate overdrafts are individually negotiated and are typically below the Tracker overdraft rate.

** Annual Percentage Rate

§ Above Base Rate

‡ Rates are for overdraft with a limit of up to £25,000. For amounts over £25,000, a fixed or variable margin over the Metro Bank Base Rate (currently 0.50%) and an arrangement fee of 1.25% of the limit.

#These are the overdraft terms for the Co-op's standard current account, not those of Co-op's other BCAs such as Business Direct.

Incentives offered to new customers

- As illustrated in Table 3 below, banks typically offer incentives to new customers. The impact of such incentives on the average price paid by SMEs depends on how long the customer continues to hold the account with the

bank concerned. We have not included such incentives in this analysis. We noted that, in principle, this could be done by calculating total cost over different periods of holding a BCA (eg two years, five years, ten years) but we considered it would make the analysis excessively complex.

Table 3: BCA incentives offered by banks to startups and switchers, January 2015

<i>Bank</i>	<i>BCA incentives</i>	
	<i>Startups* (period with no monthly/ standard transaction charges)</i>	<i>Switchers (period with no monthly/ standard transaction charges or cash payment)</i>
Barclays	12 months	†
HSBC	18 months‡	6 months**
Lloyds	18 months§	6 months§
Bank of Scotland	18 months	6 months
RBS, NatWest	24 months#	£150–£250##
Santander	12 months¶	
Clydesdale	24 months§§	18 months§§
Yorkshire Bank	24 months§§	18 months§§
TSB	18 months	6 months~
Metro		
Co-op	Special offer to members of Federation of Small Businesses††	
Bank of Ireland	No transaction charges for 12 months and a 50% discount for a further 12 months\$	‡‡
Danske Bank	12 months~~	6 months***
First Trust	For those with certain loan types, 12 months free banking	
Ulster Bank	24 months	

Source: Banks' responses to Question 11 in SME MQ (January 2015), supplemented by bank websites.

* Typically businesses in first year of business, setting up their first BCA.

† [3x]

‡ £2 million turnover or below (startups with annual turnover above £2 million are offered bespoke terms that are negotiated with their relationship manager and may include a period of free banking).

** Turnover up to £0.5 million (now increased to 12 months). Switchers with turnover of £0.5 million to £2 million may be offered a period of free banking following a discussion with their relationship manager and those with annual turnover above £2 million are offered bespoke terms that are negotiated with their relationship manager and may include a period of free banking.

§ Also offers fee-free overdrafts.

Up to £1 million turnover. Also offers a fee free overdraft facility of £500 for the first 12 months.

For customers with turnover of up to £2 million, accounts are credited £150 (or £250 if the customer also switches an overdraft) by the end of the fourth full month after account opening.

¶ Additional six months if customer has PCA with Santander, or switches to it.

§§ Increase to 25 months for startups and switchers with effect from 4 May 2015.

~ Changed from 6 to 18 months effective from 15 June 2015.

†† Co-op offers FSB Business Banking Account customers free banking, £25 annual loyalty reward and a fee free overdraft.

\$ Except for cash deposits greater than £10,000 per quarter.

‡‡ No free banking offer for switchers, but a three year package for growing businesses.

~~ Extended to 24 months if the business owners/directors have/switch to a PCA with Danske.

*** Extended to 12 months if the business owners/directors have/switch to a PCA with Danske. Also offers 12 months free Business e-Banking (payments module) and no arrangement fees on certain products during the first 12 months.

Appendix B: BCA customer profiles

Table 1: Barclays transactional profiles

	Weighting					
	Description					
Transaction	Profile					
<i>Electronic</i>						
Auto credit						
Bill payment						
Debit card						
Direct debit						
Standing order						
<i>Branch/other</i>						
Branch paying-in						
Branch withdrawal						
Branch cash-in						
Branch cash-out						
ATM cash-out						
Cheques paid-in						
Cheques issued						

Source: Barclays.

* [X]

Table 2: HSBC transactional profiles

	Weighting				
	Description				
Transaction	Profile				
<i>Electronic</i>					
Auto credit					
Bill payment					
Debit card					
Direct debit					
Standing order					
<i>Branch/other</i>					
Branch Paying in					
Branch Withdrawal					
Branch Cash In					
Branch Cash Out					
ATM Cash Out					
Cheques Paid In					
Cheques Issued					

Source: HSBC.

Table 3: RBS/NatWest transactional profiles*

	Weighting	[X]	[X]	[X]	[X]
	Description	[X]	[X]	[X]	[X]
Transaction	Profile	[X]	[X]	[X]	[X]
<i>Electronic</i>					
Auto credit (includes BIB BACS)		[X]	[X]	[X]	[X]
Bill payment		[X]	[X]	[X]	[X]
Debit card/Other auto debits		[X]	[X]	[X]	[X]
Direct debit		[X]	[X]	[X]	[X]
Standing order		[X]	[X]	[X]	[X]
<i>Branch/other</i>					
Branch paying-in		[X]	[X]	[X]	[X]
Branch withdrawal		[X]	[X]	[X]	[X]
Branch cash-in		[X]	[X]	[X]	[X]
Branch cash-out		[X]	[X]	[X]	[X]
ATM cash-out‡		[X]	[X]	[X]	[X]
Cheques paid-in		[X]	[X]	[X]	[X]
Cheques issued		[X]	[X]	[X]	[X]

Source: RBS.

* The figures refer to the median (50th percentile) usage of each transaction type by SMEs falling within each turnover band.

‡ [X]

Table 4: Santander transactional profiles

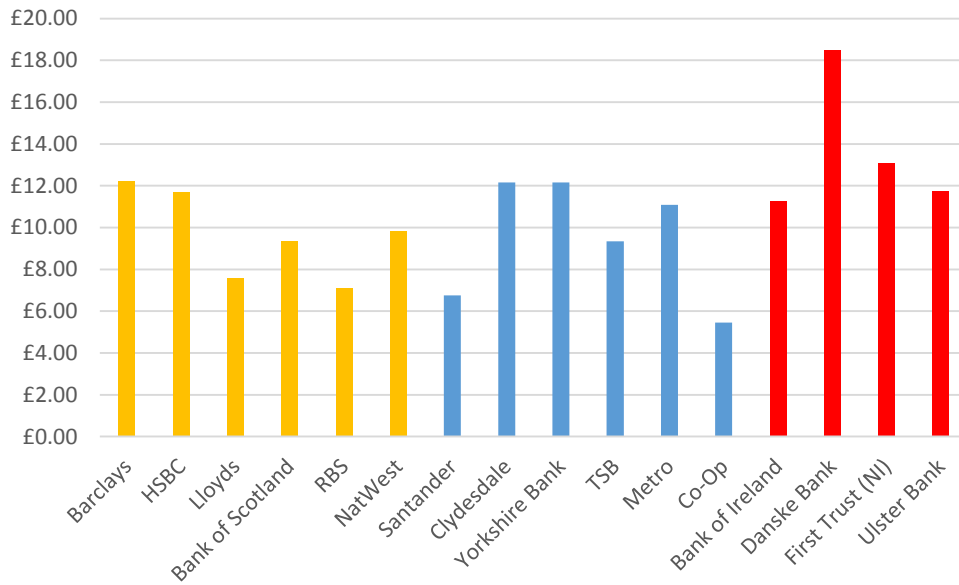
	Weighting	[X]	[X]	[X]	[X]
	Description	[X]	[X]	[X]	[X]
Transaction	Profile	[X]	[X]	[X]	[X]
<i>Electronic</i>					
Auto credit		[X]	[X]	[X]	[X]
Bill payment		[X]	[X]	[X]	[X]
Debit card		[X]	[X]	[X]	[X]
Direct debit		[X]	[X]	[X]	[X]
Standing order		[X]	[X]	[X]	[X]
<i>Branch/other</i>					
Branch paying-in		[X]	[X]	[X]	[X]
Branch withdrawal		[X]	[X]	[X]	[X]
Branch cash-in		[X]	[X]	[X]	[X]
Branch cash-out		[X]	[X]	[X]	[X]
ATM cash-out		[X]	[X]	[X]	[X]
Cheques paid-in		[X]	[X]	[X]	[X]
Cheques issued		[X]	[X]	[X]	[X]

Source: Santander.

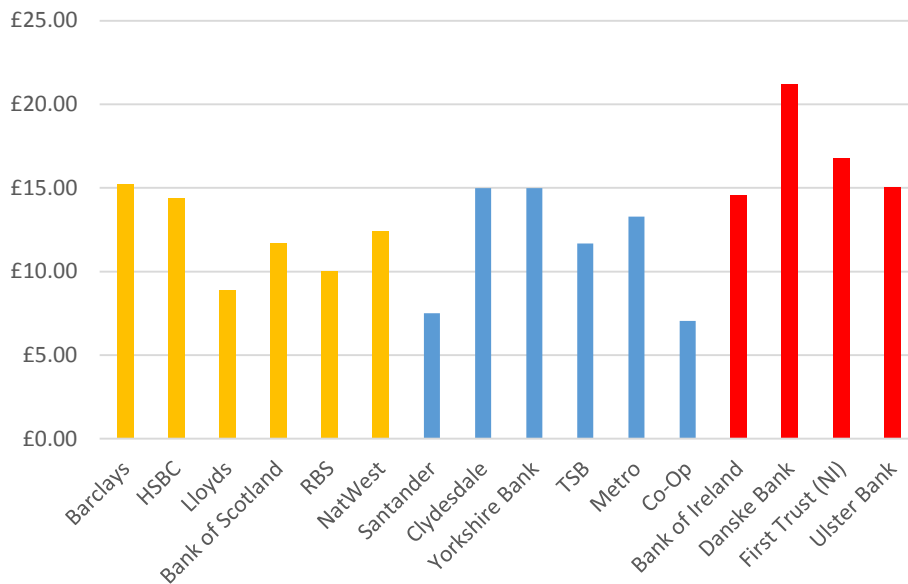
Appendix C: Figures by profile for the BCA monthly charge

The figures below are based on the profiles submitted by Barclays.

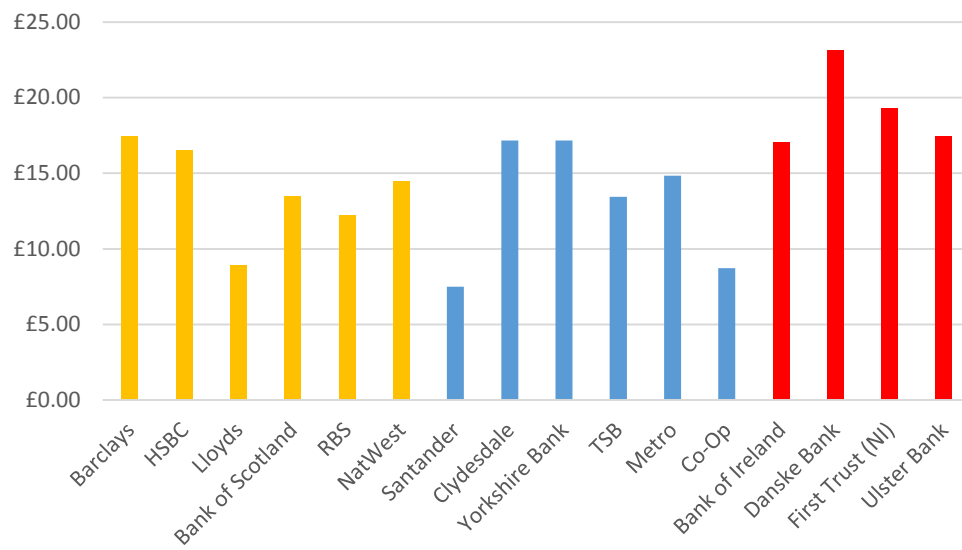
Profile 1



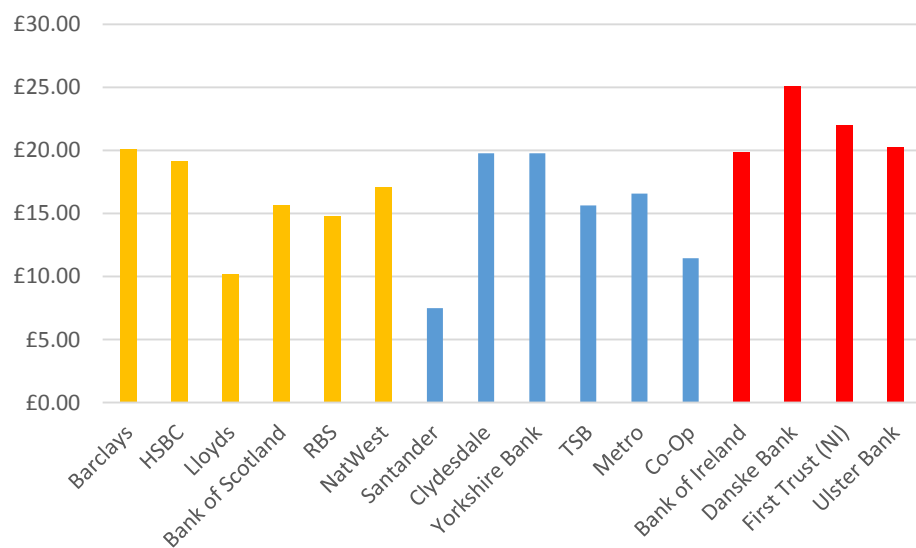
Profile 2



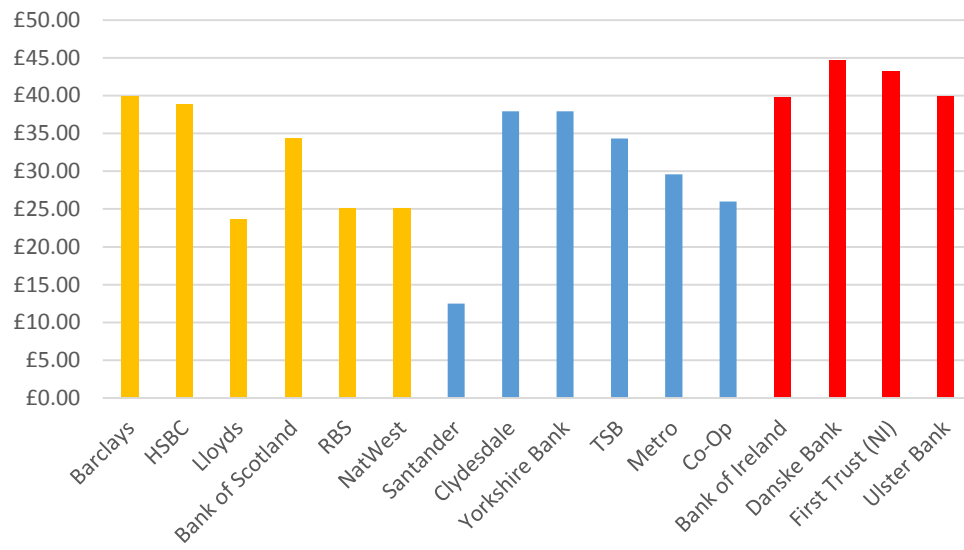
Profile 3



Profile 4



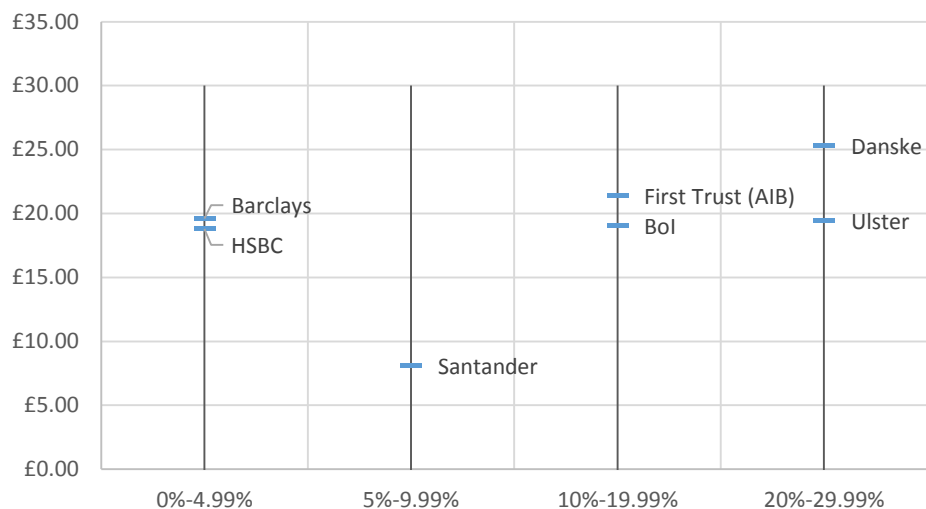
Profile 5



Source: CMA analysis.

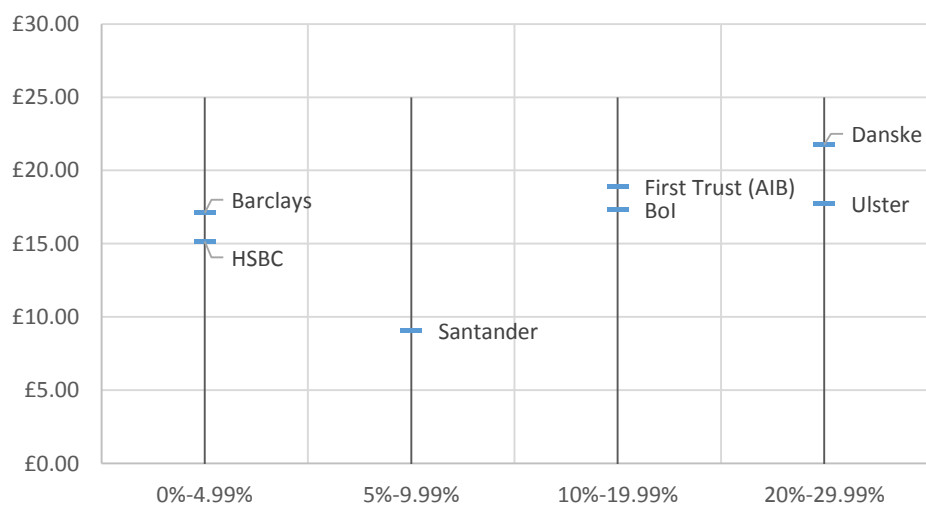
Appendix D: Weighted average BCA price in Northern Ireland

Figure 1: Weighted average monthly BCA price in Northern Ireland, based on the profiles submitted by Barclays



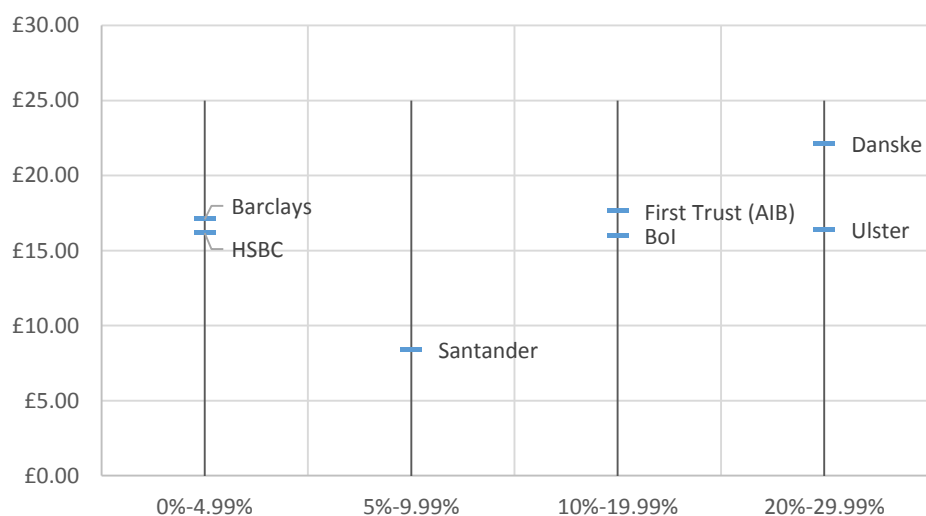
Source: CMA analysis.

Figure 2: Weighted average monthly BCA price in Northern Ireland, based on the profiles submitted by HSBC



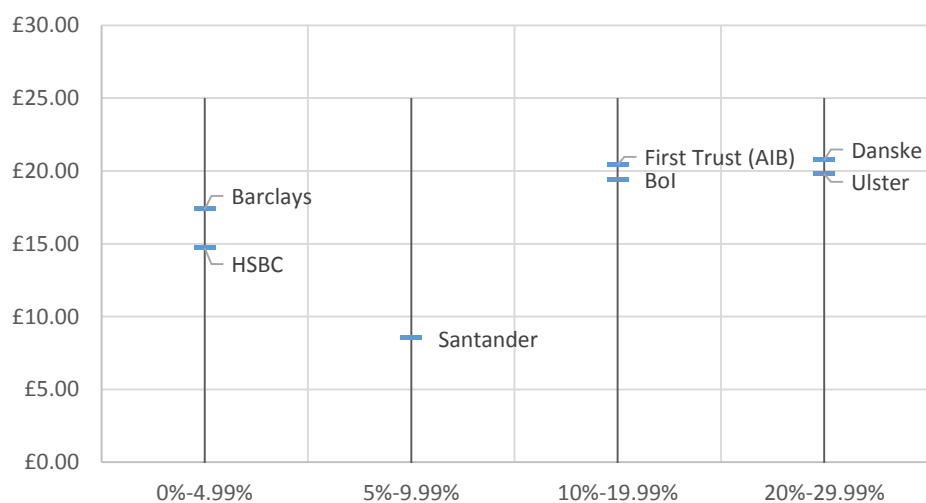
Source: CMA analysis.

Figure 3: Weighted average monthly BCA price in Northern Ireland, based on the profiles submitted by RBS



Source: CMA analysis.

Figure 4: Weighted average monthly BCA price in Northern Ireland, based on the profiles submitted by Santander



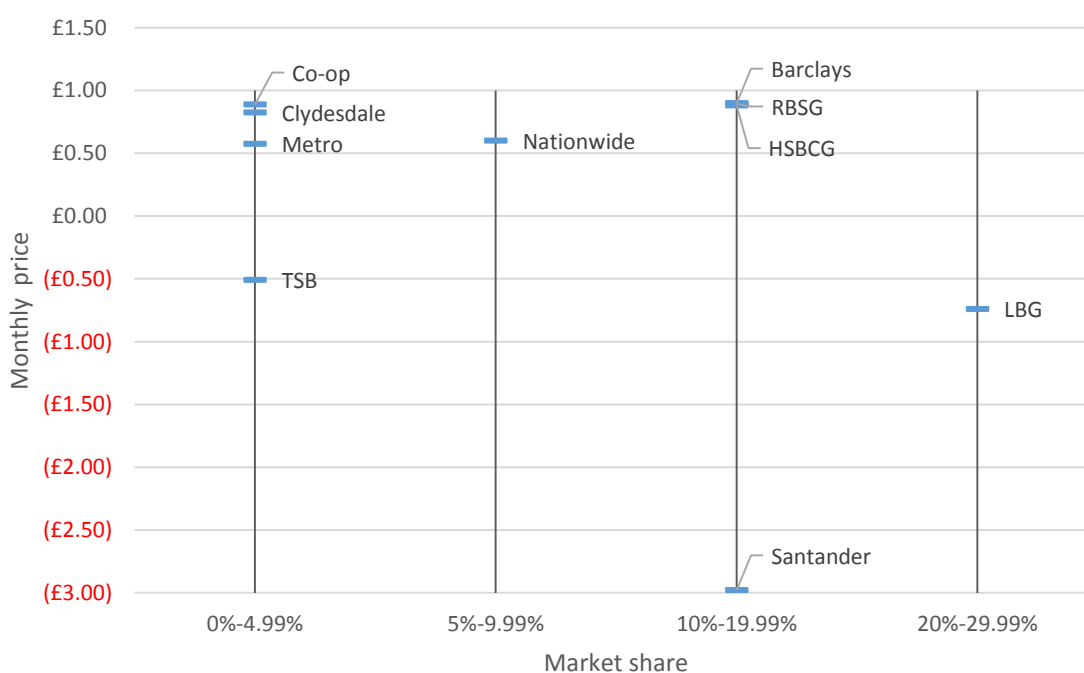
Source: CMA analysis.

Appendix E: PCA monthly price against market share

- Figures 1 to 12 below compare each banking group's average price for each of the six profiles against its market share for Great Britain (Figures 1 to 6) and Northern Ireland (Figures 7 to 12). These are the same as Figures C1 to C12 in UIS Appendix C Annex 2 except that only the market share ranges are shown.
- As explained in UIS Appendix C, these results relate to the monthly cost for each customer profile of standard and interest-paying or 'reward' PCAs.²⁶ The monthly price for each banking group in the charts below is a weighted average of these monthly costs where the weights are the number of active accounts for each relevant PCA offered by that banking group.

Great Britain

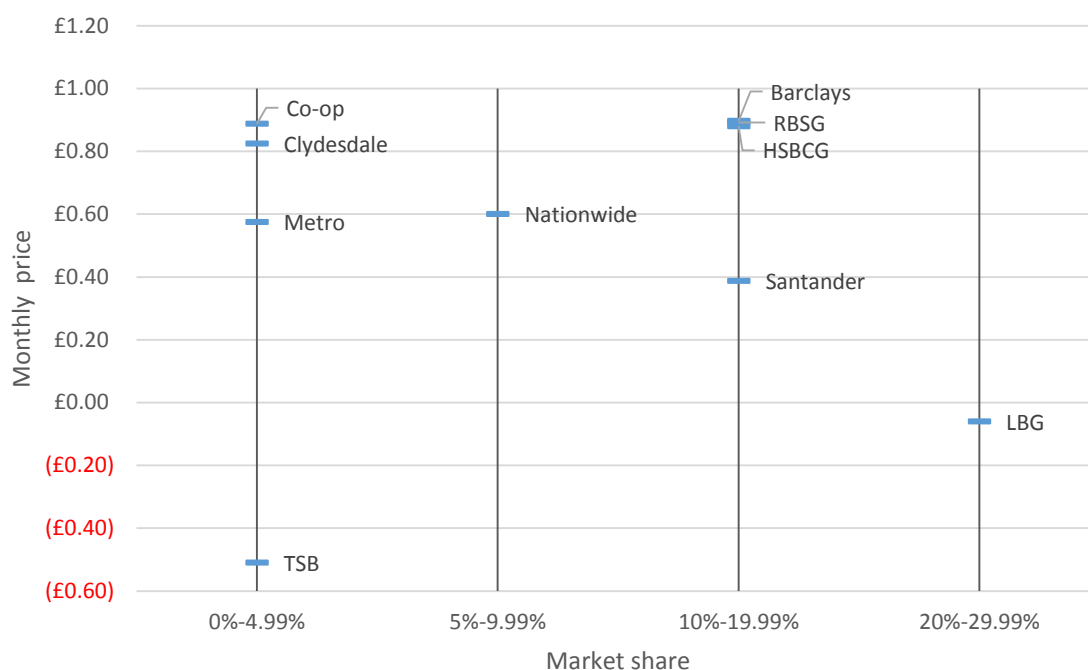
Figure 1: Monthly GB prices for profile 1: no overdraft and average credit balance of £5,000



Source: CMA analysis.

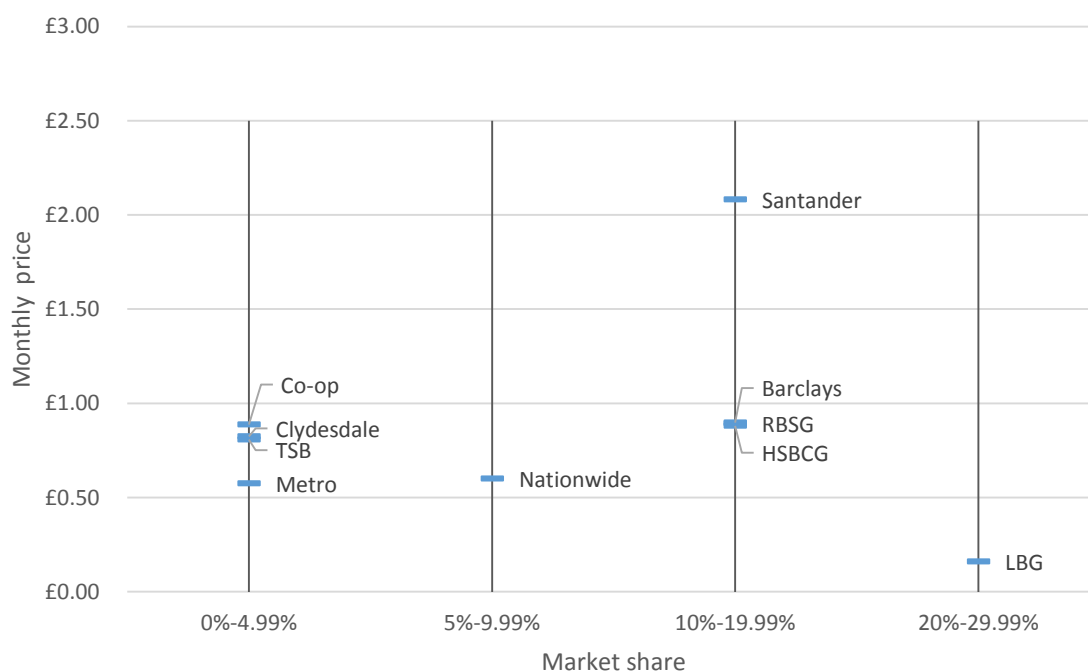
²⁶ Where a bank brand had more than one relevant PCA, we took the one with the largest number of active accounts – an active PCA is defined as one which has at least one customer-generated payment or transfer (including SO and DD, but excluding charges and interest on the account) coming into, or leaving, the account in the previous 12 months.

Figure 2: Monthly GB prices for profile 2: no overdraft and average credit balance of £2,500



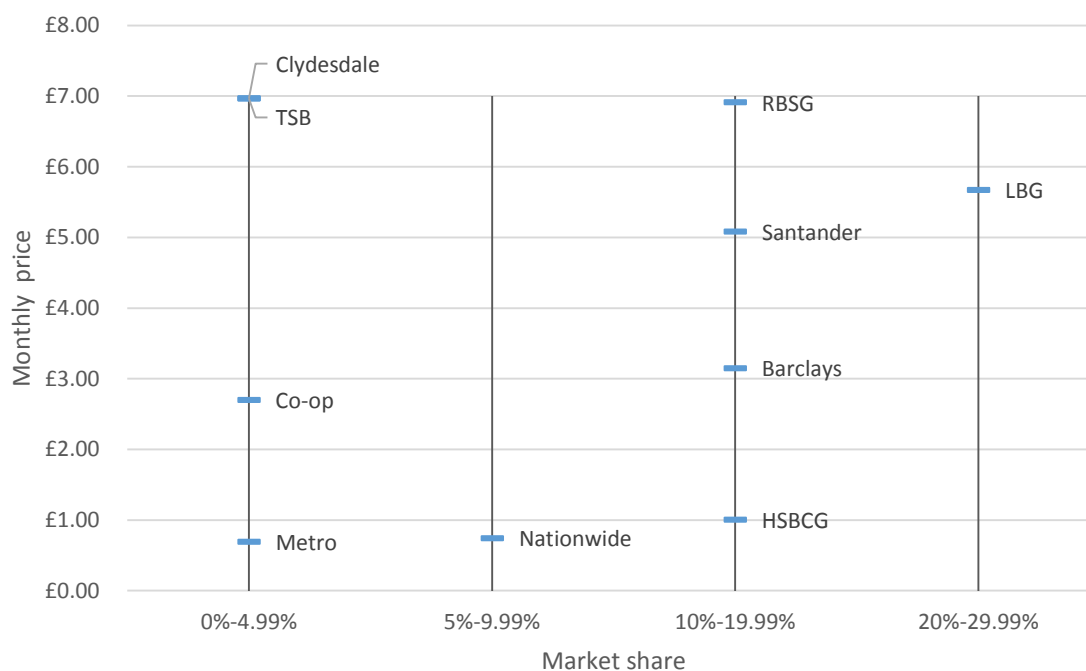
Source: CMA analysis.

Figure 3: Monthly GB prices for profile 3: no overdraft and average credit balance of £500



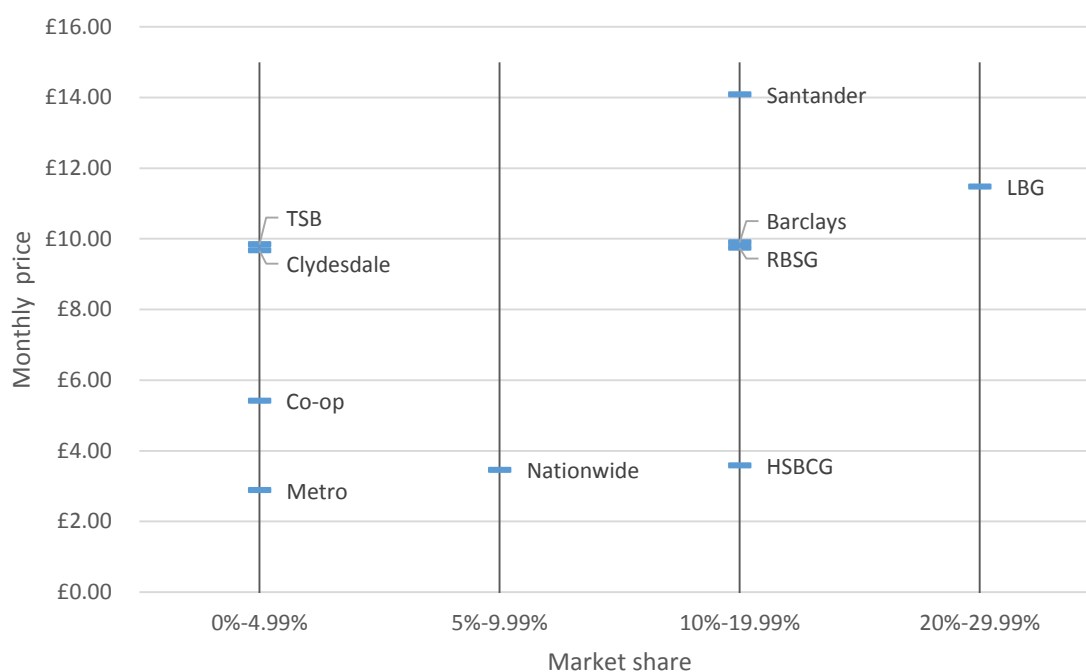
Source: CMA analysis.

Figure 4: Monthly GB prices for profile 4: three consecutive days in arranged overdraft of £100 and average credit balance of £500 for the remainder of the month



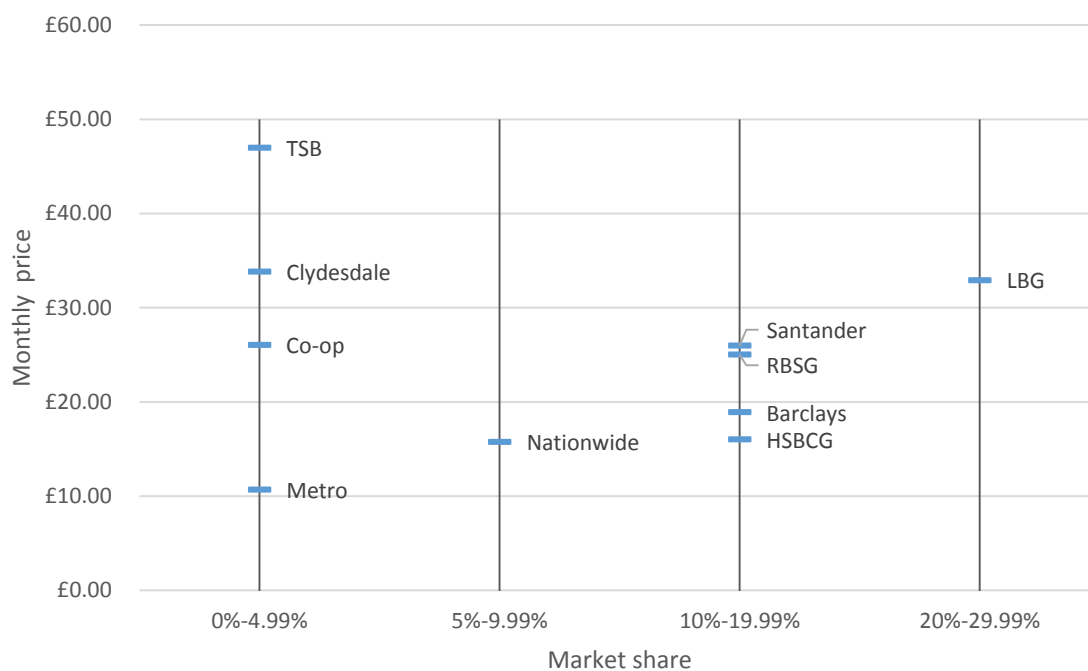
Source: CMA analysis.

Figure 5: Monthly GB prices for profile 5: 12 consecutive days in arranged overdraft of £500 and average credit balance of £500 for the remainder of the month



Source: CMA analysis.

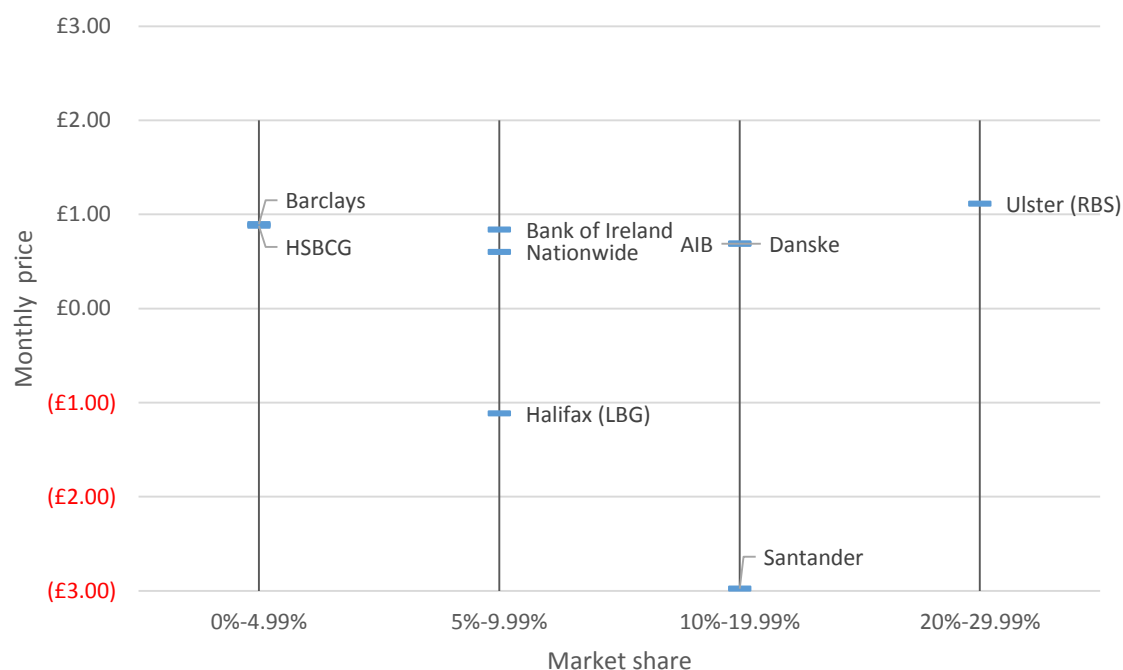
Figure 6: Monthly GB prices for profile 6: three consecutive days in unarranged overdraft of £100 and average credit balance of £500 for the remainder of the month, and one unpaid item totalling less than £50



Source: CMA analysis.

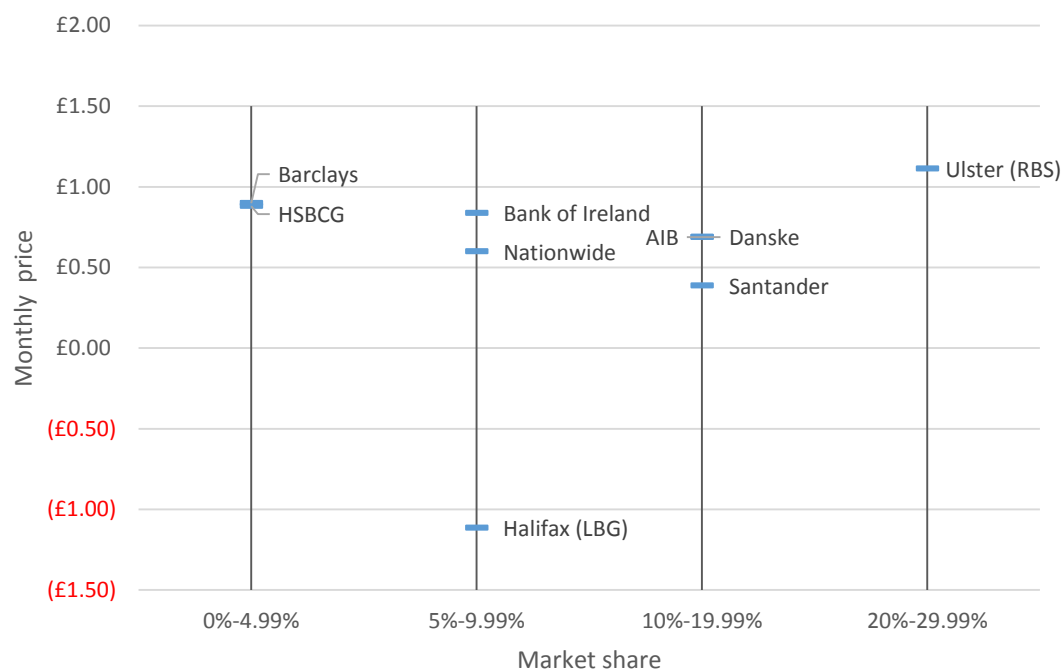
Northern Ireland (NI)²⁷

Figure 7: Monthly NI prices for profile 1: no overdraft and average credit balance of £5,000



Source: CMA analysis.

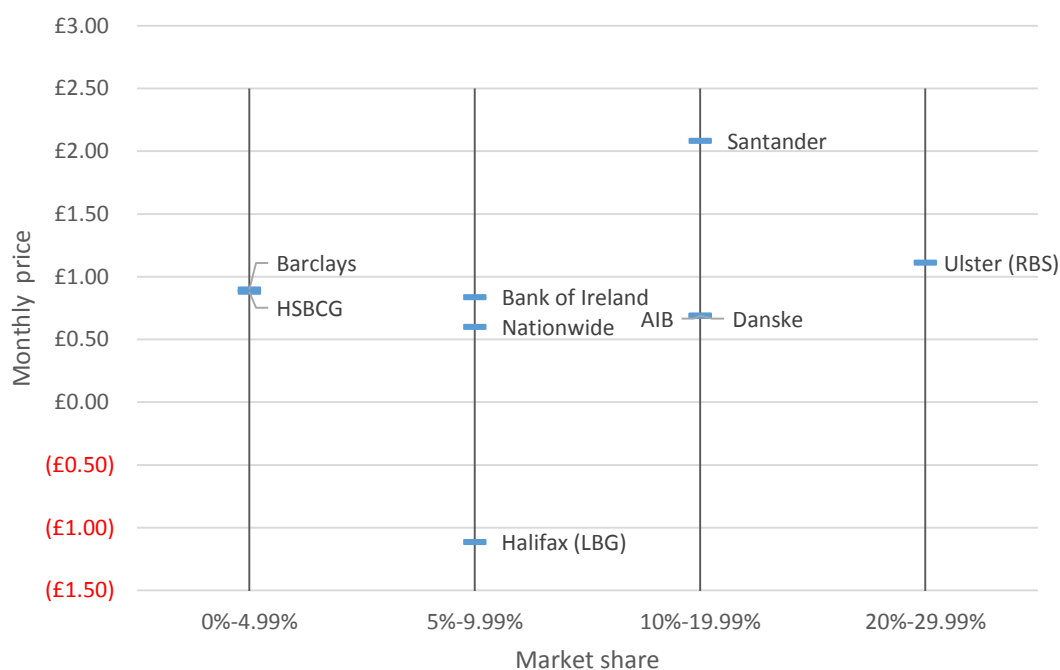
Figure 8: Monthly NI prices for Profile 2: no overdraft and average credit balance of £2,500



Source: CMA analysis.

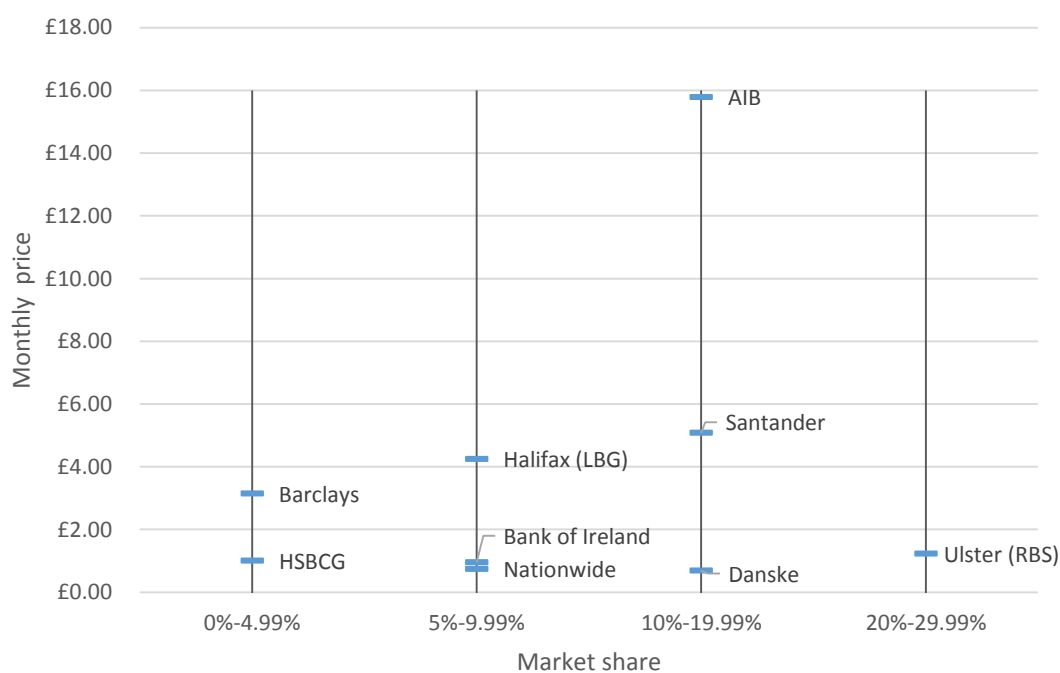
²⁷ The charts show weighted average price for banks with a material number of accounts in Northern Ireland against their market share in Northern Ireland.

Figure 9: Monthly NI prices for profile 3: no overdraft and average credit balance of £500



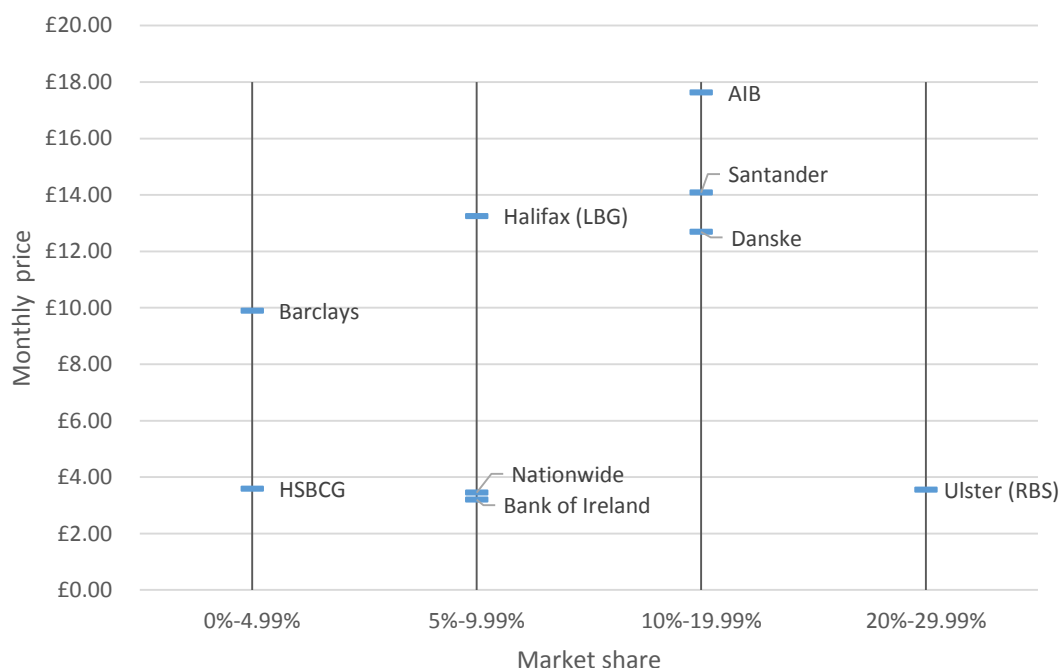
Source: CMA analysis.

Figure 10: Monthly NI prices for profile 4: three consecutive days in arranged overdraft of £100 and average credit balance of £500 for the remainder of the month



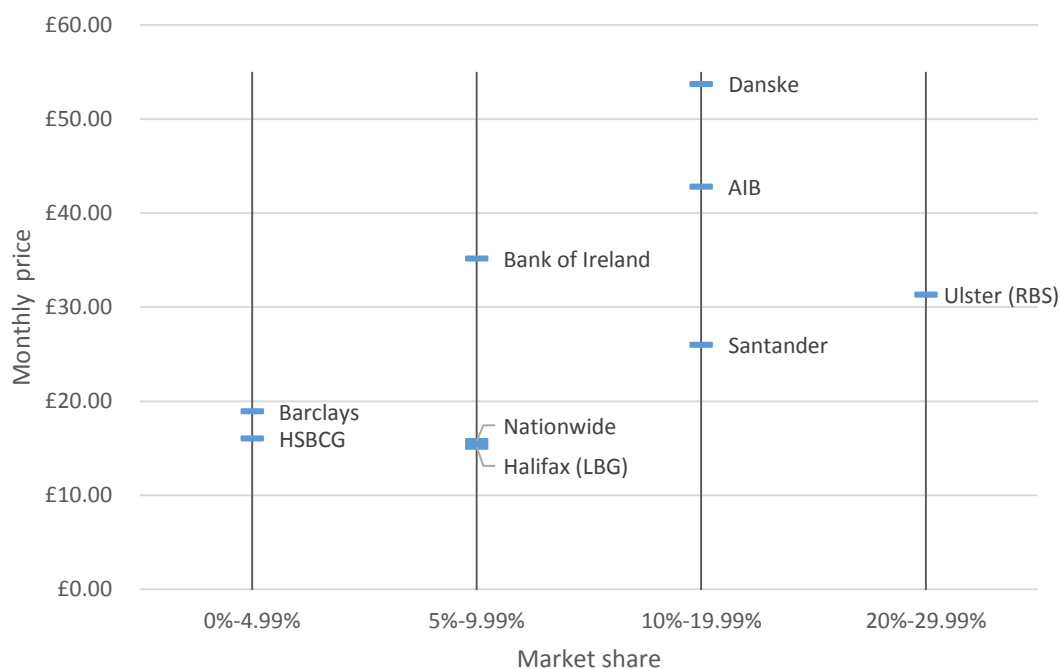
Source: CMA analysis.

Figure 11: Monthly NI prices for profile 5: 12 consecutive days in arranged overdraft of £500 and average credit balance of £500 for the remainder of the month



Source: CMA analysis.

Figure 12: Monthly NI prices for profile 6: three consecutive days in unarranged overdraft of £100 and average credit balance of £500 for the remainder of the month, and one unpaid item totalling less than £50



Source: CMA analysis.