

## **RETAIL BANKING MARKET INVESTIGATION**

### **Notice of the CMA's intention to hold response hearings and a data room**

#### ***Response hearings***

1. The CMA is working towards its provisional findings (PFs) in the retail banking market investigation and expects to publish these, and if required a notice of possible remedies, in October 2015.
2. We are now seeking to arrange response hearings with a number of parties. As is our usual practice, in order to ensure the availability of the Market Investigation Group (the Group) and representatives of a range of parties who we are currently considering may be invited to attend hearings, we are seeking to discuss arrangements for response hearings prior to publication of the PFs. Such discussions should not be seen as pre-judging the outcome of the PFs.
3. We wish to ensure that we obtain useful and salient evidence from a sufficiently broad and representative range of parties through the consultation process following PFs. Whilst written submissions will be the primary means by which parties should respond to PFs and, if required, any notice of possible remedies, we propose to hold a combination of joint and individual response hearings as part of the consultation process.
4. The precise details of these arrangements will be finalised after publication of the PFs, once it is confirmed to what extent response hearings are in fact required, and with which parties. However, we anticipate the format to run broadly as follows:

#### ***Round table sessions***

- A series of joint hearings in a round table format.
- We previously held round table sessions with a number of groups (Welsh representatives, SMEs, consumer groups and new entrant/smaller banks) in June and July 2015. We found these sessions to be particularly informative, as they provoked debate amongst parties, provided useful

evidence, and enabled parties who had not made written submissions and who may, for whatever reason, be unwilling to do so to express their views. We are seeking to encourage discourse and engagement on, in particular, any potential remedies included in the remedies notice (if required), through a similar round table format.

- We have currently identified four possible roundtable sessions involving incumbent banks (potentially two sessions involving four or five banks and building societies), one in Northern Ireland involving banks primarily based in Northern Ireland and a new entrants/small challenger bank roundtable.
- We also propose to hold two roundtables similar to the ones previously held involving consumer and SME representative bodies.
- We will identify in advance three to four issues to explore with the attendees at each round table session. It will be necessary to limit the number of attendees from each party at such roundtables for practical reasons.

#### *Short individual hearings*

- Following the round table sessions, we intend to offer a series of shorter<sup>1</sup> individual hearings to a more limited number of parties.
  - These shorter individual hearings are intended to give relevant parties the opportunity for us to explore any issues that they were unable to raise during the round table session, and any particular points they wish to highlight from their written submission on the PFs.
5. All parties and stakeholders will of course as usual have the opportunity to respond in writing to the PFs (and remedies notice, if required), and we would ask parties to ensure that any written representations they wish to make are comprehensive.
  6. We consider that these proposals represent the best way of ensuring that we obtain useful and salient evidence from a wide range of parties also bearing in mind the large number of parties in this case and the time constraints of the statutory timetable.
  7. The above proposals are all necessarily provisional in nature at this stage until the content of the PFs is determined and responses are received, and we

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<sup>1</sup> Lasting no more than 45 minutes each.

may wish to alter the above format, or to hold additional hearings or meetings if appropriate.

8. We will be writing to relevant parties in the next few days to identify possible dates and to confirm whether the relevant party wishes to attend the roundtable sessions and/or, if relevant, an individual hearing. As noted above, we will review final decisions on hearings, including invitees, following submissions from parties.

### ***Data room***

9. We are proposing to hold a data room following publication of our full PFs report. Whilst at this stage we cannot confirm precise dates, we are currently envisaging that the data room will open in the week beginning 26 October and will close at the end of the consultation period for our PFs. Whilst we are still reviewing what should be included in the data room, our current view is that the following data is likely to be included:
  - Customer transactional data obtained from banks and survey data used in our [analysis of actual v perceived behaviour of PCA customers](#) and our [analysis of PCA customer switching behaviour](#). For further details on these analysis please see our two working papers.
  - Data received from banks on branches also used in our switching analysis
  - Data relevant to our [analysis on PCA prices](#), undertaken by Runpath.
10. The data room will likely only be accessible by independent advisers of the parties. We will nearer the time publish a more detailed notice on the arrangements for the data room including data to be included and the rules for the operation of the data room inviting expressions of interest.