

Retail banking market investigation: provisional findings report

Glossary

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2002 SME Undertakings	CC investigation in 2002 into the supply of banking services by clearing banks to SMEs .
Account fee	A fee that you pay regularly for your account or account package.
ACH	Automated Clearing House. A computerised facility used by member depository institutions to electronically combine, sort and distribute inter-bank credits and debits.
Active PCA	An account that has had at least one customer-generated payment or transfer (including standing order and direct debit, but excluding charges and interest on the account) coming into, or leaving, the account in the previous 12 months.
AER	Annual equivalent rate.
Aggregators	An aggregator is a service that collects and collates information from a number of sources. There are two main types of aggregators: comparison aggregators (collect and display the same information for a similar product or service for comparison purposes, eg a PCW) and account aggregators (account aggregators are intended to help customers manage their personal finances and monitor their spending and saving patterns. These aggregators may collate information from across multiple accounts, in order to provide customers with a consolidated overview of their finances. Some aggregators go further and also allow users to manage their accounts directly through the service).
AIB	Allied Irish Bank, the trading name of AIBG in Great Britain.
AIBG	AIB Group, the parent company of AIB and First Trust Bank .
Aldermore	A retail bank which provides financial services to SMEs .
AML	Anti-money laundering.
API	Application programming interface, technology enabling software and systems compatibility and integration.

Apple Pay	A mobile payments service and digital wallet app.
APR	The annual percentage rate of interest, usually on a loan or mortgage, usually displayed in brackets and representing the true cost of the loan or mortgage as it shows any additional payments beyond the interest rate.
Arranged overdraft	A type of overdraft facility that is agreed by the customer with their bank, allowing them to borrow money up to a certain amount if there is no money left in the account. This is put in place by the customer prior to needing to use funds that exceed their account balance.
Atom	Atom is a digital-only bank for both PCA and BCA customers.
Bacs	Bacs Payment Schemes Limited. The company that is responsible for the schemes behind the clearing and settlement of automated payments in the UK.
Bacs Direct Credit	An electronic payment processed by Bacs and made directly to a bank or building society account. It takes three days to clear.
Bank	Includes banks and building societies for the purposes of this report.
Barclays	A major UK retail bank.
BBA	Basic bank account.
BBB	British Business Bank.
BCA	Business current account.
BCA market study report	Banking services to small and medium-sized enterprises: a CMA and FCA market study.
BCBS	Basel Committee on Banking Supervision.
BCCA	BCCA Limited (formerly the British Cheque and Credit Association), a trade association for providers of unsecured short-terms loans such as payday, instalment and guarantor loans; credit brokerage; and third party cheque cashing services.

BCOBS	The FCA 's Banking: Conduct of Business sourcebook.
BIS	The Department for Business, Innovation and Skills.
BoE	Bank of England.
BoI	Bank of Ireland, a retail bank operating in the Republic of Ireland and Northern Ireland.
BoS	Bank of Scotland, a subsidiary banking brand of LBG .
British Bankers' Association	The British Bankers' Association is a trade association for the UK banking sector with 200 member banks headquartered in over 50 countries with operations in 180 jurisdictions worldwide.
CA98	Competition Act 1998.
CASS	Current Account Switch Service.
CBI	Confederation of British Industry.
CC	Competition Commission. (As of April 2014, the functions of the CC, including those in relation to pre-existing market investigations, were transferred to the CMA .)
CCTA	Consumer Credit Trade Association, a trade association representing all businesses involved in consumer credit.
CHAPS	Clearing House Automated Payment System.
Charterhouse	Charterhouse Research, a company specialising in financial research.
Charterhouse follow-up surveys	Charterhouse follow-up surveys comprise the following areas of the Charterhouse BBS : <ol style="list-style-type: none"> 1. SMEs applying for finance 2. How start-ups choose their business bank account (BCA) 3. What happens after the end of the free banking period
Charterhouse BBS	Charterhouse Business Banking Survey.
Charterhouse NI BBS	Charterhouse Business Banking Survey undertaken in Northern Ireland.

Citizens Advice	A registered charity and government-funded provider of consumer education, providing advice, advocacy and education to consumers in Great Britain.
Clydesdale	Clydesdale Bank, a brand of the Clydesdale Group .
Clydesdale Group	A wholly owned subsidiary of NAB , comprising the Clydesdale and Yorkshire Bank brands.
CMA	Competition and Markets Authority.
Co-op	The Co-operative Bank, a retail bank operating in the UK.
CRA	Credit reference agency.
CRD	Capital requirements directive.
CRD IV	An EU legislative package covering prudential rules for banks, building societies and investment firms.
Cross-selling	Where a company uses its existing relationship with a customer of one product or service to sell additional products or services
Crowd-funding	To fund a project or venture by raising money from a large number of people, each of whom contributes a relatively small amount, typically via the internet.
CRR	Capital requirements regulations.
Customer	A recipient of personal or SME /business banking services.
Danske	A retail bank operating in Northern Ireland.
DD	Direct debit, a facility whereby someone else (usually a company) can take money from your account on agreed dates. The amount can vary (eg mobile phone bills).
Deloitte innovation report	A report commissioned by the CMA and undertaken by Deloitte, a large global professional services firm.
Digital wallet	A service that facilitates the storage of (potentially multiple) payment credentials and enables payments either online (eg Paypal) or via a mobile device (eg Apple Pay).
DPA	Data Protection Act 1998.

Dutch case study	A case study undertaken by the CMA of the Dutch retail banking market.
EA02	Enterprise Act 2002.
EBA	European Banking Authority.
FCA	Financial Conduct Authority.
FCA CASS report	A report by the FCA into the effectiveness of CASS , published (March 2015).
FCA CASS qualitative research	The FCA's CASS qualitative research: Optima research (March 2015), Engagement with current accounts and the switching process .
FIIC	Free if in credit.
First Direct	A subsidiary bank brand of HSBCG .
First Trust Bank	The trading name of AIBG in Northern Ireland.
FLS	Funding for Lending scheme.
FOS	Financial Ombudsman Service.
FPS	Faster Payments Service, operated by the Faster Payments Scheme Limited.
FSA	Financial Services Authority (replaced by the FCA in April 2013).
FSB	Federation of Small Businesses.
FSBRA	Financial Services (Banking Reform) Act 2013.
FSMA	Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012).
FTP	Funds transfer price.
GfK	A global market research company.
GfK FRS	GfK Financial Research Survey, which annually undertakes interviews with 60,000 GB consumers in the home or online.

GfK PCA consumer survey	A large-scale quantitative survey undertaken by GfK on behalf of the CMA .
GfK PCA qualitative research	Qualitative research undertaken by GfK on behalf of the CMA .
GfK PCA report	The published report containing both the quantitative and qualitative work undertaken by GfK for the CMA .
Halifax	A subsidiary bank brand of LBG .
Handelsbanken	A retail bank offering PCAs and services to SMEs operating in the UK. Owned by Svenska Handelsbanken AB (publ), a Swedish banking group.
HBOS	Halifax Bank of Scotland, a wholly owned subsidiary of LBG , comprising the Halifax and BoS brands having been taken over in January 2009.
HHI	Herfindahl-Hirschman Index. A measure of market concentration.
HMT	HM Treasury.
HSBC	HSBC Bank, a subsidiary of HSBCG .
HSBCG	HSBC Group: the parent company of HSBC , First Direct and M&S Bank .
HSBCG survey 2014	Research on SMEs commissioned by HSBCG and carried out by BDRC Continental during the CMA's market study update .
HSBCG survey 2015	Further research on SMEs commissioned by HSBCG and carried out by BDRC Continental during the CMA's retail banking market investigation .
ICB	Independent Commission on Banking.
IFRS	International financial reporting standards.
Internal switching	Switching a PCA within a customer's existing bank.
IRB approach	Internal ratings-based approach, a method by which banks may calculate the credit risk capital that prudential regulation requires them to hold.

IS	Issues statement published by the CMA on 12 November 2014.
KYC	Know Your Customer is the process of a business verifying the identity of its clients.
LBG	Lloyds Banking Group, the parent company of HBOS and Lloyds .
LDR	Loan-to-deposit ratio.
LGD	Loss given default.
LINK	The name of the provider and the network of the UK's cash machines.
Lloyds	Lloyds Bank, a subsidiary bank of LBG .
LTV	Loan-to-value.
M&S Bank	Marks and Spencer Bank, a subsidiary of HSBCG .
Main PCA	A PCA which the GfK PCA consumer survey respondent identifies as their main account; and when data from banks is used we define a main account as one where there is at least an average of £500 credit turnover per month in the previous 12 months (or since the account was opened if less than 12 months).
Metro	Metro Bank, a retail bank operating in the UK.
Midata	Part of the UK government's consumer empowerment strategy, a project aiming to help consumers utilise their data (eg bank data, energy bills) to search for suitable products.
Moneydashboard	A free online personal financial management service.
MoneySavingExpert.com	A PCW .
Multi-banking	When a customer holds more than one (current) account with different banks.
NAB	National Australia Bank Group.

Nationwide	Nationwide Building Society, the largest building society in the UK.
NatWest	A subsidiary bank of RBSG .
NI Order	The Northern Ireland PCA Banking Market Investigation Order 2008 was put in place following a review by the CC into the PCA banking market in Northern Ireland in 2006. It was reviewed and varied in 2011.
NPS	Net promoter score, a measure of customer satisfaction focused on whether customers would recommend a brand to a friend or colleague.
OakNorth	A new specialist bank for SME customers.
OFT	Office of Fair Trading. (As of April 2014, most of the functions of the OFT were transferred to the CMA .)
Overdraft	When a customer has no money left in their account but their bank provides them with a limited extension of credit enabling the customer to continue to withdraw money or make payments. They can be arranged or unarranged .
P2P lending	Peer-to-peer lending, the practice of lending money to unrelated individuals, without going through a traditional financial intermediary such as a bank or other financial institution. This lending takes place online on P2P lending companies' websites using various different lending platforms and credit checking tools.
PAD	Payment Accounts Directive, EU legislation that sets common regulatory standards that EU member states must meet in order to improve transparency and comparability of fees related to current accounts; facilitate switching of those accounts; and ensure access to bank accounts with basic features.
Paragon Bank	A retail-funded lending bank with a direct-to-consumer internet platform for savings and loan products distributed via intermediaries.
Paym	Mobile payment service launched in April 2014 that enables consumers to send and receive payments directly to a

current account held with a participating bank or building society using just a mobile number.

PCA	Personal current account.
PCA market study update	Personal current accounts market study update 2014.
PCW	Price comparison website.
Pingit	Service offered by Barclays to consumers which enables them to send and receive payments directly to a current account using a mobile phone number.
PRA	Prudential Regulation Authority, part of the BoE .
PSD/PSD2	Payment Services Directive and PSD 2.
PSP	Payment services provider.
PSR	Payment Systems Regulator.
RBS	Royal Bank of Scotland, a UK retail bank and subsidiary of RBSG .
RBSG	Royal Bank of Scotland Group, the parent company of RBS , NatWest and Ulster . RBSG is used to refer to the RBS Group including RBS , NatWest and Ulster bank brands. However, in many cases RBSG distinguishes Ulster from RBS and NatWest . This is explained in the text where appropriate.
Research Works	A qualitative research company.
Research Works SME qualitative research	SME qualitative research undertaken by Research Works for the CMA .
RoU	Review of Undertakings.
Runpath	Runpath Digital Ltd, a financial technology company.
Runpath PCA analysis	Runpath's calculations of the value of different PCA products for a sample of account holders provided by the CMA (see Appendix 5.4).

SaaS	Software as a Service.
Santander	Santander UK. A retail bank operating in the UK, a subsidiary of Santander Group, a Spanish banking group.
Secure Trust	Secure Trust Bank, a retail bank operating in the UK.
Shawbrook	A UK bank which specialises in lending to SMEs and consumers.
SIB	Systemically Important Bank.
SIFI	Systemically Important Financial Institution.
SMEs	Small and medium-sized enterprises.
SO	Standing order, when a customer asks their bank to make regular payments of a fixed amount to another UK bank account.
Starling	A digital-only bank applying for its banking licence.
Tesco Bank	Tesco Bank, a retail bank operating in the UK, and a wholly owned subsidiary of Tesco.
ToDDaSO	An electronic payments service for retail bank customers to transfer Direct Debit, Standing Order and Bill.
TSB	TSB Bank, a retail bank operating in the UK.
TSC	Treasury Select Committee.
UIS	Updated issues statement published by the CMA on 21 May 2015.
Ulster	Ulster Bank, a subsidiary bank of RBSG .
Unarranged overdraft	A type of overdraft where the customer borrows money when there is no money left in their account (or has already gone past their arranged overdraft limit) which has not been agreed with their bank in advance. An overdraft facility put in place by the bank at the point when a customer withdraws funds that exceed their account balance.
Virgin Money	Virgin Money, a new entrant to the banking market.

Which?	The Consumers' Association, which uses the brand 'Which?' is a registered charity.
Yorkshire Bank	A bank brand subsidiary of Clydesdale Group .
Zapp	A mobile payment app which offers a digital wallet service.