# Retail banking market investigation provisional findings and notice of possible remedies

## Responses from members of the public

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***14 November 2015***

*Free Banking Accounts*

I was horrified and somewhat disturbed to read in the Daily Mail on Thurs 22nd October an article which seems to want bank customers to switch accounts more often and perhaps save 370 on the change! Whatever for? I run a current account always in credit and I fail to see where I am going to save £70 on a transfer as the article indicates, unless a Bank is going to be awfully generous and give me £70 for changing banks!! But why should they? The Banks definitely don't need to start giving £70 to everybody!! That might just end free banking and we don't want that!! I certainly don't!! I enjoy free banking and have done so for many years now, no problem! I most definitely say: "May free banking long continue!!" I can see that Banks make money on money held in current accounts but one must realise it is a current account receiving my periodic income and paying my standing orders, direct debits, cheques etc. all for free! Fantastic!! I don't mind my Bank earning money on my 'rolling' bank balance at all! Why shouldn't they, for the excellent service they give me! When the money in my account exceeds what I need to run the account then any surplus can easily be removed into an investment of some sort. All-in-all I am very happy with my Bank and definitely don't want to move my bank account and would think most bank customers are happy and don't want to move either and that is why I and they don't move. I fail to see why it is it that you should think that everybody should be moving banks!!

Now, if somebody wants to take a loan or overdraft that's fine but they have to pay for it, and rightly so, not expect those who enjoy free banking to pay towards it, as the article seems to suggest.

The Newspaper article states that: "Consumer campaigners last night said the move would finally 'shatter the myth' of free banking. But the CMA is expected to stop short of ordering banks to levy monthly charges for all current accounts". I say: "I should think so too". Viz. "ordering banks to levy monthly charges on current accounts". If one is in credit then it is 'free banking', full stop. After all, as I have said the banks make money on the money one has in one's account. If they are not then they are indeed incompetent. They definitely should not be encouraged to start charging customers with money in their account!

The Newspaper article says: 'Lloyds customers who breach their overdraft limit can be charged £10 up to eight times a month'. That is their fault. Are we to feel sorry for them and contribute? Certainly not. Anybody in that situation has clearly brought their predicament on themselves and they must pay for it, and the banks are right to charge them up for it. I am sure that banks set out their charges properly to those with overdrafts and loans. A person has the choice as to whether they take up a loan or overdraft. Again this is, in fact, where banks make their money.

All-in-all I think the banks do an excellent job. I fail to see why all us satisfied customers should have to suddenly have to want to move banks, switch accounts and perhaps incur charges as the newspaper article seems to indicate. I ask myself, as thousands of others must do: ‘Why should I want to change banks? I am happy!!’ I might be slightly disgruntled if I had run up a large overdraft but that would be my fault not the banks! May I say again: “I most definitely vote for the continuation of free banking as indeed it is at present!” Why should I or anybody else want to bring a good thing to an end!? Indeed let us celebrate ‘free banking’ and as I have already said: “May it long continue!!”

## Responses published on 2 December 2015

**G J Kosted**

***22 October 2015***

*Increased competition in retail banking*

Today I watched someone on BBC News 24, probably from your organisation describing how further misery should be piled on to the long suffering British public.

Do I think that the British banks are poor?  YES. BUT is more competition the answer? MOST CERTAINLY NOT.

If greater competition is encouraged we will suffer even more unwanted junk mail, e-mails and telesales. I already feel harassed enough by sales people.

With the current competition I once had 4 ongoing current accounts. I am just reducing this to 2.

I once went to Santander to change an ISA with a poor interest rate. They said that it required an interview later that day. We had other things to do. To meet the appointment time we rushed back across town from a shop. Having run to arrive on time, the appointment started 30 minutes late. I am 72 years old. What was behind this was a sales opportunity was for me to open a current account with them. I was very angry because this was an inconvenient appointment bur more to the point I had just closed a Santander current account. Most bank people only care about sales opportunities and bonuses. They should be trying to make life easier for the consumer.

I will be very angry if you inflict more unpleasant, intrusive, nasty, aggressive sales on s. If you do Santander are not a fit and proper organisation to benefit from it. Improve people’s lives by reducing competition please.

Please be on the side of the public and not aggressive businesses. Please do not increase out burdens.

Yours sincerely

**Member of the public 5**

***15 November 2015***

Dear Sir

Thought I have worked for an “SME” I do not have detailed knowledge of their banking arrangements which includes “BCA”.

My greatest knowledge, built up over very many years, is of “PCA-Personal Current Accounts” and it is about this aspect of your report that I wish to comment.

I have read the 32 pages of your Summary of the Retail Banking Market Investigation and feel that you are placing an undue importance to Account Switching and that customers are, in fact, in charge of their banking and that the existing marketplace is actually very competitive.

When did you last write to your bank to say how well they had done? A bank will be carrying out its job very efficiently for many years but you will only write when just one mistake is made. Over my many years with Lloyds, Abbey National/Santander, Halifax, TSB and Nationwide I have rarely, if ever noted any serious mistake and neither have I ever written to praise them.

I did carry out my own “switch” out of one of my 2 accounts with Santander when they failed to answer a very simple non-financial question (abut cheque books) and had no difficulty at all. Indeed I had more trouble, recently, when formally “switching” one account from Lloyds to TSB, though the 2 problems had nothing to do with either bank. In one case the Direct Debit went through before the retailer had been able to change the records at their end. Indeed if a small organisation which has a Direct Debit operation with just one person keeping the records up to date and they are on holiday or ill DD’s can be sent to the wrong bank very easily. In another case almost a year after formally switching with the DD properly set up with TSB the retailer (Johnson Press) had (as they put it) sensitive equipment at their end and tried collecting a DD from my old Lloyds account and they wrote to me querying as to whether I had stopped the DD. We had to set up a brand new DD instruction.

With the advent of the Internet and Internet banking anyone with a computer is able, very easily to compare banks and their accounts and the best thing that you could do is to ensure that the details and rules etc are in straightforward plain English (unlike some internet (T&C’s).

It is very easy to compare and I see no possible reason why the EU are wanting a Payments Account Directive and if my account is free then how can you compare it on a PCW-Price Comparison Website.

If you are attempting, on one hand, to spoon feed people with a PCW, what ability will people have (as in 30.d) to cope with mididata. Likewise what is the point of an "API" when all is viewable with a couple of clicks on a computer?

In paragraph 31 you refer to your examination of the overall profitability of UK banking which is needed because the Chancellor of the Exchequer wants to sell the remaining Lloyds shares that he holds back to the public but with the new 8% tax that after making the public sale offer he could then deviously increase.

If I have a free banking account (FIIC) (and all mine are) then in these days of very low interest rates I am not foregoing any interest at all. Indeed I know several people who are keeping more money in their current account because they get better interest there than on a deposit account (para 37).

I just cannot believe your so called statistics in para 48 since, for instance, in section "e" you cannot possibly know this. What is your sample? If I am happy with my bank what is the point of switching (section "c") if you don't need to? Paragraph 51.b at the top of page 15 is something that people can examine and you would not know a thing about it. Your section "c" of the same paragraph referring to a "saving" of £70 is not explained at all and with the amount of TV advertising I cannot imagine that there is anyone who has failed to see an advert abut interest bearing current accounts.

All in all you seem to concentrate on switching which, if satisfied, is pointless and by no means the solution and to that extent I find your report somewhat immature. Switching bank accounts is no way like changing electricity suppliers or churning a mobile phone.

Do not forget that local branches are needed to pay cheques and cash in, you may want competition but what is actually wanted in a small village/town is just any bank. There should be joint operations, eg in Whitby, I seem to recall, there is no Lloyds branch, but there is a Halifax (now same group) which could easily do Lloyds business, should you not be encouraging co-operation or is that against your somewhat misguided constant competitive philosophy. I look at the broader picture as to what is best for people and communities.

You would be better employed making sure that the T&C's are in plain English and that there are no misleading statements even if all the info is eventually given. [A Lloyds interest rate statement emphasising the higher rate for over 350,000 with the lesser rate for lesser amounts being in small print underneath is an example that I enclose (Halifax do it correctly same group!!]

You should also be remembering a vital "Golden Rule" that **People must take responsibility for their own actions** but that the teaching of Commerce and how to run a Bank Account (a far better subject for you to pontificate upon) should become within the school curriculum.

## Responses published on 19 November 2015

### David Cooper-Smith

***21 October 2015***

*Banking and utilities common feature*

I am aware CMA are currently investigating lack of competition in both banking and utilities. I think there is an important commonality in these.

A major impediment to effective competition in both areas is the sheer difficultness and stress involved in switching banks / utilities, which are powerful disincentives to do so. We really need a new way to switch around, sometimes on just short-term bases that obviate the requirements to cancell contracts and to set up new ones.

I am a retired private individual with no special interests to declare.

### Bryan Pollard

***24 October 2015***

I read with interest a news piece published by British Telecom on their web site regarding the above and noted you as saying – "We don't think that customers will truly benefit for a more competitive marketplace until they can compare accounts more easily and feel confident that they can switch without risk …"

I would like if I may, to expand on the works "… switch without risk …" in your statement and say, people have developed a naturally strong fear as to where their personal data is going to end up following the transfer of their accounts. Companies, banks etc now use a system where they obtain a prospective customer's personal data, with or without their consent, and share the information with any number of other companies both within the United Kingdom (UK) and outside. Hence people are justly concerned about the risk of disclosing their personal details.

Very briefly, my own experiences started when I transferred my account from HSBC to the Co-op Bank, following the publicity surrounding HSBC with regard to Libor etc.

Some months later following the transfer, it came to my attention that the Co-op Bank was sharing my personal details with third parties without my knowledge or consent and as far as I'm concerned, without any just cause.

I then made arrangements to transfer my accounts once more, for only the third time in over fifty years, to the Nationwide Building Society. I went to great lengths at initial interview to explain my objections regarding the Co-op Bank procedures, but clearly, my comments were totally ignored.

At the conclusion of the interview with the member of Nationwide staff, I was handed a large folder that contained a number of papers and leaflets. Days later I noticed one leaflet in particular, DP17, which showed on pages 10 & 11, details of eleven companies operating under the Nationwide banner that use the services of 13 United Kingdom and foreign based credit reference agencies and external database companies. Nationwide state they share personal customer data with all of them under the pretext of preventing fraud. On the contrary, I suggest it seriously increases the dangers of hacking by the sheer number of companies and personnel involved. It is clear, that the reasoning behind this action is the fact that banks favour current accounts because all the data they offer about spending patterns is extremely valuable to them and I suspect this applies to all companies dealing in lucrative marketing.

It is indeed strange that banks pay far more attention to sharing the personal data of their customers with third parties than they do with sharing relevant information with the police to assist in combating fraud crime.

Furthermore, the fact that banks and building societies have written off individual loans to the tune of £2,950 billion over the four quarters to quarter two of 2015, clearly demonstrates that the obsession with sharing personal data with countless third parties simply isn't working.

To add to that, there are 2,330 County Court Judgements issued every day. This really does give cause for concern as to what the role of credit reference agencies (CRA) is exactly …!

The mere fact that people are becoming more aware of the well documented problems that are increasing daily, especially in the world of finance where incorrect information is being stored on files with disastrous effects, is at the heart of their reluctance to make any changes in managing their finances. Any possible advantages, which can be quite considerable, are far outweighed by the potential risks involved with change.

Any number of companies whether it be insurance, phone companies or banks, are all sharing personal customer data irrespective of whether their credit history is good or poor. But more importantly, this action still applies even when there is no history of any description whatsoever. A further point that is affecting change with regard to Telecom company accounts in particular, is the imposed termination fee which customers naturally have difficulty in raising.

An example of this sharing of data is Thames Water (TW) who have decided to share customer data with Equifax, a multi-billion pound company whose headquarters is based in Atlanta, Georgia, United States of America;' well outside the jurisdiction of the UK legal system.

It is not clear exactly why TW have decided on this action but again, the suggestion is that the data is shared for marketing purposes.

Until the points I have raised are addressed the likelihood of there being an increase in customers moving accounts is I suggest, extremely remote, the risks are too great.

Thank you for your attention and I look forward to your comments.

**Philip Walford**

***15 November 2015***

Dear Sirs,

**Retail Banking Market Investigation**

I note that you are inviting comments on your provisional findings and notice of possible remedies. I should like to comment on two other disincentives to switching banks, which I should think could be fairly easily and cheaply addressed.

Credit scoring

A possible deterrent to changing banks is the potential for it to affect one's ability to obtain credit (or at least the perception that it does), e.g. see:

http://forums.moneysavingexpert.com/showthread.php?t=2972452

http://www.moneywise.co.uk/banking-saving/current-accounts/will-switching-damage-my-credit-rating

http://www.creditadvice.co.uk/guides/does-moving-your-bank-account-affect-your-credit-score/

There are two aspects to this. First, and less problematically, there is the potential for a credit search to be recorded by the new bank, e.g. if an overdraft is to be arranged. However, secondly, various application forms (e.g. for bank accounts, credit cards, mortgages, and for residential tenancies, etc.) ask for "time with bank". It seems to me that this may provide a disincentive to switching if one has been with one's bank for a long time. I should have thought that something might be done to address this, e.g. in some of the existing voluntary codes.

FSCS/institutional creditworthiness and reputation

I imagine that many persons decide to keep their banking with one of the big high street names because it seems safer to do so. Obviously the Financial Services Compensation Scheme ought to provide some reassurance. However, whilst individual FSCS information sheets are a step forward, these should also be complemented by authoritative, independently-produced information that is simply presented.

The FSCS website (http://www.fscs.org.uk/) could potentially provide this, but it does not seem to have been thought through from the point of view of someone thinking about opening a new bank account (and who may have clicked on a link expecting relevant information to be quickly obtainable). The website is not only a mix of information relating to various kinds of products, but it also mixes information for those checking to see whether an entity is covered, with information for those currently seeking to make a claim. Furthermore, the website does not list the deposit-taking institutions that are covered (merely providing a link to the FCA register, as well as somewhat confusingly also to the Bank of England’s list of banking brands). It could be overhauled and made friendlier and, for example, the home page menu could include a main option simply saying “Bank Accounts”, which then takes one to pages relating specifically to bank and building society accounts.

## Responses published on 6 November 2015

### Patrick Cook

***3 November 2015***

*PCA Remedies response*

I contributed a brief submission to your original consultation on PCAs and write to broadly support your conclusions that mandatory charging or imposed structural change are not remedies indicated by the evidence you gathered, whilst better information and easier switching are sensible starting suggestions.

Reading through the thorough methodology deployed it is perhaps inevitable, given the CMAs remit and resources, that the focus of the thinking is on conventional measures of competition, as particularly demonstrated in the theory of harm hypotheses you chose to test. The result is work covering the waterfront, strongly focused on the macro level and aiming towards measuring an average customer experience.  Now that work is done it is perhaps inevitable that it begs better questions than those originally formulated. Amongst them may be whether the scope of any competition problem is narrowly focused on a few market segments or “events”, whether certain customer service failings, when systemic, need to be reframed as being as much about competition (abnegation of costly responsibilities without concomitant consumer reprisal being the privilege of oligopolists, amongst others) as conduct regulation and whether the focus on switching lacks a certain savvy particularly when it comes to addressing the rare hard malfunction events.

There is particularly a danger in overly focusing on switching which needs to be acknowledged. It is well illustrated by recent savings account or utility company experience.  This generated a class of active switchers whilst the inert market looks like it is being gently fleeced. Inertia, indeed any form of stickiness, is a prized component of business models in most forms of commerce. However in other fields, equally adept at consumer trickery, like supermarkets, we also see competition driven gains in quality and pricing which feed through to consumers even if they always shopped in one place. Switching is therefore not the only measure of healthy competition; a race to adopt innovation to retain customers may sometimes be better.

Consumer benefit from competition is always limited at one end by the level of supply chain costs capable of being ground out, a low-ish figure for banking no doubt, but in the field of innovative added value it is less obviously constrained. Of course the banks have a strong record in innovation especially in IT which has benefitted customers (albeit the argument is clouded by the simultaneous cost benefits to the bank.) Measures to improve speed of response in recovering a misdirected payment, say, don't however seem, to an outsider, to have generated the same urgency for innovation in the banks. A published list of performance – or some aggregated score against such (maybe rare but catastrophic) events might have a better more lasting influence on consumer outcomes than yet another (temporarily) high interest account offer which will drive greater switching, or even a long list of charges – essential though that is.

The conclusion of better information is therefore to be welcomed. Ideas for greater transparency should be focused on what is not working well like overseas payment charges, numbers of gagging orders on customers defrauded, fraud events not reported to police. I appreciate that statutory timeframes must bring this work to a conclusion but hope that through the transparency recommendations can be adopted by regulators and include crowd sourced information which will allow them to be refreshed as issues evolve.

**Chris Baker**

***26 October 2015***

Dear Sirs,

I have read your Summary of Provisional Findings and Notice of Possible Remedies.

You have invited comments on

'…..the likely effectiveness of this package of measures overall, on additional measures that might be included or if there are particular remedies currently contemplated as part of the package that should be removed or modified'.

I am responding as a private individual and a consumer.

I offer for your consideration a proposal for a pragmatic low-cost solution. This could be an alternative, at least in the interim, to developing the more technically challenging and potentially costly Midata solution.

In essence, my proposal is for the banks to offer their customers a set of summary usage information as part of their current account statement. In parallel, the banks should provide a corresponding, standard product information 'fiche' for use in advertising. Both sets of consumer information should be capable of being used by price comparison web sites to find best match current accounts.

My background is that I am a retired Civil Servant having worked for many years in an obliquely related policy area, Market Transformation: encouraging industry to produce more energy efficient and sustainable products. The policy was to use labelling, standards, voluntary agreements and other forms of market information to communicate policy ambitions to suppliers and effectively, to drive market innovation and competition in that direction. Although my personal experience has been in that different field, perhaps the basics of the policy challenge are not too dissimilar.

The BBC's Moneybox Live programme scheduled for 28th October, I believe, might discuss your investigation. They are asking the question: 'what do you want from your bank?'. I have sent them the attached brief response, for your information. I doubt you are short of ideas but this is my two pennyworth:

*Solutions*

I am a bit worried, in your paper, that the CMA seems to be proposing a wide range of complex solutions to modify what is, perhaps by design, possibly driven by competitive pressures, a complex market full of complex products which are very difficult for consumers to compare and to make an informed choice. In other words, the consumer is not really driving innovation and competition in this market.

I feel that the solution lies less in trying to get the consumer to become more adept at understanding the complex information given by banks and more in finding a way to reduce the complexity. We should be aiming to establish a pragmatic framework which encourages innovation and competition and to provide more useful consumer information.

I have suggested two ideas which illustrate that thinking in my one-page answer to MoneyBox's apposite question: 'what do you want from your bank?'

*Transactional information*

The most important barrier to switching, in my view, is that consumers do not have a simple numerical representation of their use of their own current account. They have insufficient relevant information understand the true cost of their current account nor of the benefits. They have no real usage information to plug into a price comparison web site.

The CMA's proposed solution, in appreciation of the plethora of different accounts and their complexity, is to gear-up Midata to provide, for each customer, a detailed transactional file which, perhaps in a price comparison web site, could be fed into a numerical model of each available current account to return a comparative net cost. This is quite ambitious!

My suggestion, not least to avoid years of policy paralysis while you tackle seemingly intractable technical problems, would be to start small: firstly, to ask banks to begin to offer customers some basic current account usage data in a standard format.

In my illustrative paper, I've called this an **Account Use Profile (AUP)**. I've suggested some basic information to start:

- The **Average Account Balance (AAB)** – that is, the average amount deposited with the bank and used by the bank to finance the service and to generate profit; this is not currently available.
- The **net customer benefit or charge** – including, in particular, interest paid, additional service charges and overdraft charges which might also generate profit for the bank.

The AAB and this other information cannot be easily worked out by the customer but should be simple for the banks to calculate and to present, for example, as part of the monthly statement.

An Account Use Profile, even with this level of aggregated data, would be helpful in giving the customer at least some basic appreciation of the true net costs and benefits of the account. A basic AUP would have the potential to be used, at least as a preliminary filter, in a price comparison web site. More importantly, I believe **this would prompt the banks to begin to compete to offer improved net customer benefits for a given level of AAB** and would work towards an effective framework for competition.

*A standard presentational format for current accounts*

In parallel, I would propose that the regulator should encourage or make it mandatory for banks to adopt a standard presentational format or information 'fiche' to describe their current accounts in advertising.

That 'fiche' should provide sufficient information for price comparison web sites to enable consumers to compare, filter and select from the available products using a minimum of transactional information e.g. the customer's Account Use Profile (AUP).

Sorry, but I feel that the Midata approach is just too complicated and, without massive resources, the risks are high that it would fail to deliver a timely solution which would be both effective and attractive to consumers. Midata could have difficulty keeping up with the Banks ability to add complexity to their accounts. **The banks need to move in the direction of simplification**.

My own proposal for a new style of current account – a Credit Balance Account (CBA), illustrates this thinking. The main feature of my proposal is to rationalise and to structure the account so that it is easier for consumers to understand and to compare. The first innovation is to use the AAB as the principal financial reference for describing the account so, for instance, the AAB required to pay for various 'free' services or packages should be made clear. A secondary innovation is to propose that overdrafts should be free within limits so long as the AAB remains in credit.

Therefore, I propose that every bank should issue a standardised Current Account specification or 'Fiche' (CAF) to include, for example:

AAB: the Average Account Balance – the effective amount of cash deposited with the bank and which the bank has available to invest.

IBT: the Investment Bearing Threshold – the point or points at which the AAB is deemed to have paid for the 'free' services offered and above which benefits accrue to the customer, e.g. interest

Benefits: non-hidden benefits, not absorbed by the bank to provide services or profit i.e. principally, interest paid out but including all other fringe benefits such as discounts, insurance etc. etc.

OCT: Overdraft Charge Threshold – the cash credit limit for free overdrafts, if the AAB remains above £0

Charges: non-hidden charges, not paid for by the bank's use of the AAB e.g. a contribution towards account's running costs if the AAB

I believe this consumer information strategy could be put into place quickly and at low cost. It would require no complex transactional data or data interfaces to be developed. Conventional price comparison web sites could be adapted to use both the Bank's Current Account Fiche (CAF) and the customer Account Use Profile (AUP), in which the customer's Average Account Balance (AAB) is the key new data element.

Therefore I would invite you to consider and perhaps to present these ideas to the banks as a starting point and a challenge to simplify and improve consumer information about their current accounts.

With my kind regards

and best of luck!

**Member of the public 1**

***24 October 2015***

*Response to proposed remedies*

I am writing to express disappointment at the provisional remedies to the competition issues in the UK PCA/BCA market.

Making it easier to switch accounts does not deal with the underlying issue - lack of competition due to the dominance of the big four. What is more, consumers have little reason to switch as the products of the big four are poorly differentiated. This is typical of an oligopoly.

I am most surprised that the CMA has rejected structural solutions. A break up of the big four would ensure a better functioning market as would measures to break open their control over the payments system.

The UK banking sector has been the subject of many investigations over the years. This indicates that previous measures to promote an efficient market have been inadequate. I view this latest exercise as incremental in its approach and therefore inadequate.

The big four are the clear winners and consumers are again on the losing side. What has really been learned since 2008?

**Member of the public 2**

***23 October 2015***

*Submission in response to the provisional findings*

Your objective of making it easier for customers to take charge of their accounts is of particular interest, because I am losing control and a bank's response is that the cause is regulatory pressure.

I have several accounts with Lloyds, Nationwide and Norwich & Peterborough. I have used Internet banking since it started and have downloaded transactions on a weekly basis. NW and now N&P insist on sending me emails, saying that a statement is ready, despite my request to avoid this unnecessary mail. I route the messages automatically to my junk folder, without opening.

There are ways of stopping nuisance postal mail and telephone calls at source, which I use, but my PCA and SME providers say that sending these emails is a regulatory requirement. I seem to have been denied a fundamental option and would like to be able to unsubscribe from these reminders, as is possible with other senders. It would appear that the banks are being controlled from above, to exclude control from below.

Travelling a lot, I often find myself in situations with slow and expensive wifi connections and having my email stream handling spam is frustrating and blocks important communication, possibly from a bank. Can CMA please bear in mind that not all of its effect is positive?

For your information, as a retired computer systems manager, I can rate on-line user experience of each bank:

Nationwide are best, most of their links are available at the top of the initial page and the objective can be achieved with few mouse movements. N&P are quite good although there is no download facility, at present. This I have asked them to consider. Both of these banks can be contacted on-line and provide excellent response and action to suggestions.

Lloyds on-line service is abysmal, both in Personal and Business Banking. Their login system is badly designed and inefficient and the download feature requires multiple scrolling and mouse movements. Their contact system is via a call centre, which may be adequate for routine, simple problem handling but useless for providing constructive feedback. Their local branch is inefficient, with many staff wandering around but insufficient cashiers open. My reason for retaining Lloyds accounts is the travel insurance benefit provided, which will elapse in a couple of years.

I appreciate the need to protect the customer and feel sure that most of your initiatives are useful. Perhaps, however, there may be unperceived effects from too much control for customers who are informed enough to make their own decisions?

As a matter if interest, I changed my main account from Lloyds to NW ten years ago and have been delighted with the result. A few months ago I swapped energy suppliers from BGas to Co-op and am very disappointed.

**Mike Mahoney**

***23 October 2015***

*FREE BANKING*

Although I realise that my opinions – as an individual bank customer – will have no influence on anything you do, I am writing to express my opinion on the proposal that free banking should end. I have been a customer of the same bank for over 10 years. At present no charges are levied on my account. I never use my overdraft facility, I do not receive any interest on my current account, I receive a fairly low rate of interest on my savings account and I receive 0.5% cashback on my credit card spending (paid off at the end of each month). If I want to make any changes I am perfectly capable of doing so and have looked at the possibility of changing banks. At present I choose not to do so. Now you want me me to pay £10 a month(?) in order to help the financially illiterate who are unable to manage their own finances. A completely unfair and ridiculous proposal.

**Huw Jones**

***22 October 2015***

*The CMA issued a list of remedies to inject competition into a market*

As a retail customer and the owner of a small rural business, one of the main reasons that I don't switch my account is that I bank with the only company offering such a service in the nearby town. That branch is about to close, and by next year the nearest branch of any bank will be over 10 miles away. I won’t know the staff who work in any of the available branches, and they won’t know me.

I could make the 20 mile round trip, and pick up a leaflet, but it won’t really tell me anything other than the legally required information and the stuff that the publicity department would like me to believe. (In any case most leaflets say the same thing, offer accounts with almost the same benefits, most of which are removed after 12 months anyway. Most of us have more important things to do then go through this charade every 12 months. As branches get further away, even comparing banks takes longer) Having sorted through this sort of disinformation from the 2 or 3 banks in the town, I might choose to make an appointment with one of the banks' salesmen, or "personal banker" or whatever their sales staff are called these days. (We never get to talk to anyone with authority in the bank anyway.) If I sign up, and the bank accepts me, it will be on the basis, not of what my old bank knows about me, but rather what the credit reference agency knows about me.

Credit reference agencies are relatively new organizations, some with a rather awkward history. One appears to have gathered information on potential bank customers by miss-selling "store cards" while it owned a national retail chain. Its secretive behaviour, high charges to customers for checking data, and punitive scoring for each check made, do not add confidence. (This particular company now aggressively advertises a more customer friendly face, but for them the damage has been done.) Knowing how awful some of these credit reference agencies are, it might be helpful if the banks revealed which agencies they were using for particular purposes, so that we can avoid using those whose behaviour was certainly buccaneers, and probably criminal.

In our case even a local bank manager got angry enough to challenge the reference agency to reveal the reason for our bad score. It turned out that there were three "entities" registered on our postcode. One was the name of the property, one was the name of the business that we had bought when we moved here, and the third was the description that the county council had applied to our business, and which appeared on the Brown Tourist Board road signs. The post office were quite happy with the arrangement, and no one had suggested that there might be a problem. We couldn't get that information from the credit reference agency even when we paid them.

However a decade without capital made it very difficult to grow our business. For the first 5 years we broke attendance and sales records almost every month, but that meant working very long hours without help or enough income to pay ourselves. Any improvements were by our own labour. Most of the business was killed off by the recession which was caused by the banks.)

When my daughter graduated, she and her husband found that they could not afford accommodation at commercial rents, we had space for a static caravan, and if they paid half the commercial rent, they could pay for the 'van in a year. We did not have the capital, and approached the banks. They refused because of our low credit rating (bearing in mind that we had already bought and sold 3 houses and several cars over 30 years without any problems, and owned a small farm outright) so we borrowed money from the rest of the family. We paid them twice what they were getting from their deposit accounts, and after my daughter had lived in the van for a couple of years and saved a deposit on her new house, we were left with a van, which my son lived in for a year when he graduated. Unfortunately the credit reference agencies will know nothing about this very successful project. It does not matter how successful projects like this are, you get no credit from the modern banking system. It is fast becoming irrelevant.

The banks say that they do not need local branches as we can use mobile and internet banking, and some people in the major cities can. However in the country mobile phone signal is patchy at best, and broadband is relatively slow and unreliable. An inch of rain will cut our broadband connection completely, and it will taken several hours before it comes back again, and days before the speed rises to "normal" which is usually less than a third of the "guaranteed" speed that is promised. When I tried to sign up for internet banking the banks' servers repeatedly timed me out. And how many people my age are happy typing bank account numbers into a mobile phone? Even if the fingers can cope the eyes are struggling.

The banks often make mistakes, misdirecting payments, fail to keep proper records (or perform manual checks on computer records), take a very long time to complete transactions, but are very quick to charge people when the customer "takes only 5 working days to make a payment". (That last is not a problem that we have had, - we pay our bills early - but a lot of customers wish that the banks would allow them the sort of margin that the banks take for themselves!)

To summarise the senior management of all banks are greedy, lazy, bad managers, and behave as if they do not want any customers. The only reason that I still use banks is that my pension is paid into one. It is high time that these "too big to fail" companies were got rid of and were replaced by a better system of money management. (I say that with a certain amount of sorrow, as my sister in law was a bank manager until she was so disgusted by the senior management of her bank that she gave it all up to retrain as a teacher.)

I feel sure that I have covered areas that are not within the remit of your review, but I hope that by reading this, and, no doubt, many similar contributions the banking industry will get a clearer idea of the horrendous damage they are doing to the economy and the lives of individuals. It is no good getting the customers, employees and shareholders to pay the fines while those who had failed to ensure that the business was properly run carry on as usual. Leaders must be made to take responsibility, before I will look admiringly at any bank ever again.

**James Newby**

***22 October 2015***

Dear Sir/Madam

*Better Deal for Bank Customers*

I believe the CMA have missed an important barrier to switching accounts in their report which provides an easy opportunity to create a new remedy to add to the list of those proposed.

Whenever an individual applies for a mortgage or other form of long term or secured borrowing they obviously have to provide their current banking account details. But you are also always asked how long you have held your current account/main bank for and, if you state that the account has only been held for a short time you are then asked for information about your previous bank. This is similar to the question about your home address and is presumably to allow credit checking against all recent bank account details.

I strongly suspect that those who have not switched and who can state that they have remained with their current bank for many years (as I have) are favoured in these mortgage applications and that those who appear to be “promiscuous” in their use of banks are penalised. This will either be because you have to retain detailed account details for banks you no longer use or because those with stable and longer term banking relationships are likely to be considered a safer customer to lend to.

I believe that the CMA should recommend that lenders are only allowed to ask for bank details when it is necessary to administer the loan being applied for – eg to provide an account from which to collect repayments – but not for credit checking or scoring purposes. This would mean that you would only ever have to provide your current banking details which would not prejudice your application (unless, of course there are grounds from the poor state of your account).

The general view that those who stay with their bank are a better credit risk needs to be eliminated if switching is to be encouraged and this needs to be embedded in the application process for mortgages and other major financial borrowing.

Does the CMA know why lenders ask their customers how long they have held their current accounts for when they apply to borrow from them?

**Martin Wyatt**

***22 October 2015***

*Measures on retail banking*

I am not sure that it has occurred to the review team that one of the barriers to competition is that there appears to be only bank offering a current account with specified ethical standards.  As long as this situation continues, there is no alternative for those of us with a proper interest in knowing how our money is used when in the hands of the bank.  Other banks should be encouraged to develop their own current accounts with specified ethical standards.  Alternatively banks which have ethical standards but  do not at the moment offer a current account should have it made easier for them to do so.

**Member of the public 3**

***22 October 2015***

*Price Comparison Sites*

You are suggesting “Comparison Sites for banks.

If you check similar sites for Power Suppliers or Insurance Providers you should always get the same cheapest supplier from any site, but you do not.

How can that be? the cheapest is the cheapest but differing comparison sites give different best buys.

Also not all company's are on Price Comparison sites so it is not possible to get a true cost comparison.

Some of the big insurance company’s for instance are not included on some sites.

Do you intend to do anything about these problems especially the company's that are not included on these sites.

Until we can trust these sites what is the point of them?

**Member of the public 4**

***22 October 2015***

*Credit rating*

It isn't advisable to constantly keep changing as it has a negative impact on your credit rating. Most financial products score you on being with your current account holder for at least three years.

The way credit scoring is calculated needs to be addressed to facilitate consumers moving bank at the end of a promotional period (usually a year).

You get hit on your score twice, first for applying then a second time if the account gets opened.

To make financial markets more competitive the ability to have an accurate credit score is essential. Credit scoring is also calculated upto a month in arrears when it should be realtime.

Thanks for the opportunity to comment