

Member of the public 1

18 May 2016

Sirs,

Retail Banking Proposals to Increase Competition - or not!

When the country's fundamental economic problems, at all levels, Government, Corporate and Individuals is caused by DEBT, it is incomprehensible that you should be proposing yet more regulation pandering to the debtors. Britain's economic problems will never be resolved until everybody pays off their debts. It's not complex mathematics, Do not spend more than you have credit and, by credit, I actually mean cash not yet more loan facilities.

Going overdrawn at your bank, whether arranged or unarranged is a personal decision and a personal responsibility. If you KNOW that you don't have enough assets, in cash or in hard assets which can be used to guarantee a loan, on the clear understanding that falling into arrears will result in forfeiture of the asset, DO NOT INCUR THE EXPENSE. Why should those of us who manage our finances debt free have to continue to support these wasters?

The banks should charge reasonable arrangement fees and interest on arranged loans. Unarranged overdrafts should carry a punitive charge to discourage further violation in the future.

The term "Credit Card" should be outlawed, they do not offer credit, they offer debt, so call them what they are "Debt Cards". Also regulate against the term "Credit Card Interest" - the interest rate on most such cards is zero, just pay off the full balance by the due date. If YOU CHOOSE to avail yourself of the unsecured extended loan period offered by these cards, that is YOUR CHOICE and YOUR RESPONSIBILITY. You decide whether to accept the terms of such unsecured loans or not.

Should the big banks be broken up? Of course not, they got to be big by delivering a level of service at an acceptable cost to their customers.

> Breaking them up would lead to loss of economies of scale and would inevitably bring about a higher incidence of bank failures. We do not need any more Northern Rock debacles. We have too many non-viable banks, not too few.

As you see, I am disappointed with your proposals, pandering once again, as they do, to irresponsible debtors. Fix the problem, not the symptom.

Regards,

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