



by email

**Alasdair Smith**

Chair, Retail Banking Market Investigation  
CMA  
Victoria House  
37 Southampton Row  
London WC1B 4AD

27 June 2016

**Dear Alasdair**

In July 2016 FfreES will go live with the UK's first pure digital fully functioned current account. Our very specific target audience is those people being hurt by the egregious charges of the retail banks for straying into unauthorised overdraft and our commercial model is built around enabling people to pay bills, budget and avoid debt. We do not ourselves lend or provide credit. Customers may choose to pay a monthly fee or transaction charges or a blend for our current account.

You might therefore expect me to join the clamour for the CMA to deal far more strongly with the charging model of the banks where the socially and financially disadvantaged appear to subsidise both the banks and their more advantaged customers. **We do not.**

Our view is that, subject to a level playing field, *the model of the banks needs to be changed or disrupted by innovation, technology, and free-market economics, not by regulatory intervention* which may itself have unintended consequences for the very people that it seeks to help. We would encourage you to continue to seek for fairness and clarity (which I believe your current direction of travel will bring), but also to look to companies like ourselves (and indeed to support them in so doing) to aggressively innovate. I can see far greater impact and far less potential for harm from a strategy that both maintains service-as-usual, whilst simultaneously promoting competitive new models from new digital providers.

By "subject to a level playing field", we propose that the banks are no longer allowed to call their standard accounts "Free if in credit". This phrase is not conducive to clarity. We propose that the word "free" never be allowed to be used in this context. It would be clearer to refer to such accounts as costing "a range of £0.00 to £85.00pcm" or "upto £85pcm" (or whatever their upper ceiling might be). Indeed I find it hard to understand why this has not already been suggested.

If you would be interested in any further discussion, please don't hesitate to contact me and meantime good luck with the report's publication in August.

Yours sincerely

**Alex Letts**

Chief Unbanking Officer, FfreES Family Finance  
Ltd |