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Professor Sir John Vickers FBA
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27 May 2016

Professor Alasdair Smith
Chair of the CMA Retail Banking Market Investigation
Victoria House
37 Southampton Row
London WC1B 4AD

Dear Alasdair

The Bank of England's framework for the systemic risk buffer

As you know, on 23 February I sent your inquiry team a memorandum on possible competition concerns arising from the BoE's proposed framework for the systemic risk buffer for major ring-fenced banks. Some of those concerns related to the Regulations themselves, not just the proposed policy settings within them.

On 15 April the CMA published an *Addendum to Provisional Findings* about the capital requirements regulatory regime. At paragraph 23 of Appendix 1 the Addendum says that the CMA has not considered my (and another) submission in detail 'given that the proposals are still being consulted upon'.

The BoE consultation ended on 22 April and yesterday the BoE published *The Financial Policy Committee's framework for the systemic risk buffer*. In the relevant respects the BoE's policy is identical to the proposal upon which it consulted, and therefore so are my concerns.

The way is now clear for more detailed CMA consideration of the points at issue. They seem potentially quite important for competition retail banking markets and therefore squarely within the remit of your inquiry.

I hope you will look into them and please let me know if I can be of any assistance

Yours sincerely

John Vickers