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Dear Sir

#### **CMA Retail Banking Market Investigation**

Freedom Finance is a Fintech business which works with alternative lenders to provide loans for consumers who may find it difficult to get finance from a high street bank. Customers come to us from many different sources and we successfully help thousands of people get loans for a range of everyday needs. As such we are very supportive of the CMA's aim to open up competition across the SME and PCA markets. We already use API's to move data around with the express aim of getting the consumer the best loan product and we agree that similar competitive dynamics would be helpful in these two markets.

We note that the CMA's terms of reference are limited to personal current accounts (PCA's) and do not explicitly include standalone consumer credit products. However, we also note the statement in its Provisional Findings Report that the CMA's duty is also to consider the wider impact of its proposed remedies on other affected parties, including parties active upstream or downstream. As a credit finance broker we believe we are such a party and wish to impress upon the CMA the need to consider any impact in our market. We also believe that there is a strong read across from SME loans to consumer loans and in due course the API will be extended to cover these other markets.

Our concern is not one of competition but more about fairness to all participants in the market. In particular, we believe that certain sections of the report infer a bias towards Price Comparison Websites (PCW's). For example, section 3.35 states: The use of API technology would remove the need for customers to download and then upload their transaction data as they currently have to when using Midata. Instead, it would enable their bank's systems to communicate directly with those of the PCWs, or whichever entity the customer had consented to share their data with, and permit only information specified by the customers to be shared.

In direct response to this section we would like to ensure that the CMA does not distinguish between the different types of intermediaries working in this space and ensures that there is no positive bias given to Price Comparison Sites. The very nature of the wording infers that PCWs will be given a pivotal role in this market and may well have undue influence over the control of access to the API.

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Our concern is further endorsed by the Figure 3.3 of the CMA's Provisional Decision on Remedies: This diagram paints a picture of the proposed framework which is excessively focused on the role of banks and price comparison websites ("PCWs"). While the illustration does refer at stage 1 to customers visiting a third-party site and does state at stage 4 that the data shared over the API may be *"used by third party for a variety of functions and benefits"*, it is not clear which third parties would be involved and what their exact role would be.

We believe it is critical that the governance of the API (through the Implementation Entity) should involve representatives from third party providers and that all providers of credit products participating in or using the API are represented on that body. At the moment it appears that only the major banks will participate and there is currently no reference to non-bank third parties being involved.

We therefore urge the CMA to clarify which parties shall be given access to customer data (with the customer's consent) through the API and we seek assurance that fair access will be given to all market participants on equal terms. As the largest loan broker in the UK we would be delighted to assist the CMA in ensuring that unintended consequences are avoided.

Yours Faithfully

Brian Brodie  
Chief Executive Officer  
Freedom Finance