

Date
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THE UKCARDS ASSOCIATION

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Digital Comparison Tools Market Study
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Sent via email to: comparisontools@cma.gsi.gov.uk.

Dear Sir/Madam,

RE: CMA Market Study – Digital Comparison Tools

Further to the publication of the above on 29 September, The UK Cards Association (UK Cards) is pleased to provide its initial response at this early stage of the market study process.

UK Cards is the leading trade association for the cards industry in the UK. Its members account for the vast majority of debit and credit cards in the UK, issuing in excess of 59 million credit cards and 99 million debit cards, and cover the whole of the payment card acquiring industry. UK Cards promotes co-operation between industry participants in order to progress non-competitive matters and seeks to inform and engage with stakeholders to advance the industry for the ultimate benefit of its members' consumer and retail customers.

The scope of the Digital Comparison Tools (DCTs) market study is very comprehensive and we have not identified any potential gaps. UK Cards clearly has a particular interest in the fact that credit cards are formally in scope and we would be very happy to engage in the process as it moves forward. Whilst we do not have a direct involvement in the various relationships between firms and other parties, we are well equipped and experienced in facilitating, for example, round table discussions between participants.

The FCA's credit card market study (CCMS) interim report identified a healthy level of switching and choice across the sector, which compares favourably with other markets – DCTs have played an important role in this evolution, improving customers' awareness around types of product, their different features, eligibility etc. As part of its response to the interim report, UK Cards was supportive of the FCA's potential remedy around clearer standards for price comparison websites (PCWs). We signalled our willingness to assist in any useful way.

UK Cards fully supports the principle that customers should be able to shop around and innovative enhancements in the area of DCTs have raised the bar in this important area. Again linked to the remedies emerging from the CCMS, and also aligned to some concurrent work associated with the high-cost-short-term lending sector, UK Cards is working with the BBA and FLA, alongside a large number of member firms across the three associations, to consider market development across 'quotation search tools'. This work includes both tools which are designed to provide a 'price quotation' and those which focus more on 'eligibility'.

Details of the piece of work can be found on page 20 at the link below. It will be important to ensure that all parties understand where this piece of work may overlap with some similar aspects of the DCTs market study and UK Cards will be happy to work with the CMA team to facilitate this understanding.

<https://www.fca.org.uk/publication/policy/ps16-15.pdf>

Finally, we wanted to emphasise the cards industry's long standing commitment to its transparency and responsible lending agenda. This has included initiatives such as 'summary boxes' and a series of enhancements being introduced for credit cards, as part of the Government's (BIS) review of credit & store cards in 2009. More recently, we were pleased to work with the Personal Finance Research Centre at the University of Bristol on a research project which culminated in the creation of the 'CardCosts' website, designed to allow customers to gain a clearer understanding of the costs associated with using a credit card and how this differs with different repayment choices.

http://www.theukcardsassociation.org.uk/wm_documents/Good%20news%20for%20credit%20card.pdf

<http://www.cardcosts.org.uk/>

<http://youtu.be/CZepNRj-41w>

UK Cards looks forward to further engagement in due course.

Yours faithfully,

Paul McCarron
Principal Policy Advisor

Duncan McEwen
Principal Policy Advisor