

To:

Retail Banking Market Investigation

Competition & Markets Authority (CMA)

Dear Sir/Madam

Retail Banking Market Investigation Draft Order: Response by Funding Options

I write as Chief Executive of Funding Options, which is the UK's leading specialist business finance comparison site and a Finance Platform designated by HM Treasury under the Small Business, Enterprise and Employment Act 2015¹. Funding Options believe that the CMA's draft Order delivers practical measures to foster market-led choice and comparability in SME finance.

In particular, Funding Options are pleased that our concerns that the requirement in Article 39.1.2 for Providers to "display Prominently on their websites hyperlinks to the Finance Platforms on which their products are listed" has taken on board our prior feedback² that such prominence must be clearly defined to ensure this remedy is not undermined (whether through bad execution or intent).

However, we would add that our early experience as a designated Finance Platform² has shown significant performance variation between banks, which shows the vital importance of how such remedies are delivered and communicated to SMEs. As such, we reiterate our prior recommendation² that an independent body such as the Behavioural Insights Team (BIT) support implementation of this remedy. Or, the CMA should ensure it has robust monitoring rights (such as click-through volumes and percentages) to track relative Provider performance.

Secondly, we would reiterate our belief that the British Banking Insight (BBI) data in Article 38.1 should explicitly be 'open sourced' - meaning made available explicitly without any copyright restriction for use by all comparison services such as Funding Options - to increase reach and impact. If not already, a lack of copyright restriction should also explicitly apply to service quality indicators.

Funding Options look forward to making a success of the CMA's remedies for SME banking, not just those specific to designated Finance Platforms, but also to the wider Open Banking remedies where we intend to play a leading role in new marketplace services. In 2013 I met with Mark Carney shortly after his appointment as Bank of England Governor to discuss barriers to competition in SME banking, and it is satisfying to reread my follow-up letter³ from that meeting and see so many points now becoming real.

Yours sincerely,

Chief Executive
Funding Options



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References

¹ November 2016: “The new bank referral scheme: an insider's view”

<https://www.thegazette.co.uk/all-notices/content/100897>

² June 2016: “Provisional Decision on Remedies: Response by Funding Options”:

<https://assets.publishing.service.gov.uk/media/5761335540f0b652dd000040/funding-options-response-to-pdr.pdf>

³ September 2013: Post-meeting letter to Mark Carney, Bank of England Governor:

https://www.fundingoptions.com/static/common/misc/Letter_to_Mark_Carney_18092013.pdf

ENDS

