

Barclays response to the CMA's notice of possible remedies under Rule 12 of the CMA's rules of procedure for merger, market and special reference groups in respect of the completed acquisition by Diebold, Incorporated of Wincor Nixdorf AG

GENERAL REMARKS ON FINDINGS

Barclays agrees that over the short term (1-2 years) the Merger could lead to potential increased cost for customers. However, in Barclays view it would and could over the medium term (2-5 years) work with global manufacturers to supply ATMs into the UK to offset any potential increase in costs, when it is next looking to refresh its ATM estate.

Barclays is not convinced that the Merger could lead to a lessening in the quality of ATMs in the UK. ATM manufacturers operate on a global scale and in Barclays' view it would be unlikely that, as a result of the Merger, an ATM manufacturer would produce an ATM of a lower quality for the UK market, given the likely cost implications of doing.

Barclays is generally supportive of the CMA's proposed remedies. Barclays has some additional points for consideration by the CMA in response to the specific questions raised in the proposed remedies notice.

STRUCTURAL REMEDY – SALE AND TRANSFER OF CERTAIN ASSETS AND RIGHTS

1. Is the scope of the remedy mentioned in paragraph 15 comprehensive? Should anything be added to or deleted from this list?

In Barclays' view the scope of the remedy is comprehensive provided that the access to relevant training, technical knowhow and R&D information provided to the prospective purchaser is sufficient to ensure that Barclays and other customers have access to the same level of support and expertise as is currently available.

For example, Barclays has direct experience of receiving support from Wincor's parent company's sizeable servicing and support team based in Germany to assist the UK Wincor teams where necessary in order to resolve issues efficiently. The support offered by the parent company of Wincor is invaluable to Barclays and Barclays considers it is imperative that access to the same level of support remains available to it going forward.

2. Should the Parties be allowed to propose which of the two businesses should be covered by the remedy? If not, which of the two Parties' (ie Diebold or Wincor) UK operations should be transferred under the remedy?

[✂].

[✂].

3. Should the purchaser be granted the right to be the sole user of the relevant brand name in the UK ie Diebold or Wincor, which is transferred under the remedy?

Barclays does not have a view on whether the prospective purchaser should be granted the right to be the sole user of the relevant brand; the duration of any licensing / distribution arrangements; or for how long the Parties should be required to continue to supply the ATM models covered by the remedy, related software and parts to the prospective purchaser.



IDENTIFICATION OF SUITABLE PURCHASER

Barclays is of the view that the prospective purchaser should be a global ATM manufacturer and servicing company, for example Nautilus Hyosung or GRG as it may give one of these entities the opportunity to enter the servicing market in the UK.

In choosing an ATM manufacturer Barclays will consider whether the ATM manufacturer has a global footprint of proven installations as well as significant experience in servicing. Alternatively, Barclays can see that large global servicing companies may also be interested in the business to be transferred under the remedy.

EFFECTIVE REMEDY PROCESS

Barclays does not have a view on the timescale for implementing the proposed remedy or whether the Parties should be required to appoint an independent external monitoring trustee or a divestment trustee to oversee the proposed remedy. However, Barclays is of the view that appropriate time should be taken to identify a suitable purchaser and some form of independent oversight would be beneficial to implement the remedy.

BEHAVIOURAL REMEDY – UNDERTAKINGS TO ASSIST ENTRY OR EXPANSION

Barclays is supportive of the CMA's proposed behavioural remedies either on their own or in support of a structural remedy. Barclays believes the scope of the behavioural remedies will encourage entry into the UK and are useful and proportionate to address the potential implications of the Merger.

Barclays does not have a view on the time period over which the behavioural remedy would need to be in place or what would be required for effective monitoring and enforcement.

CUSTOMER BENEFITS

Barclays recognises that there are benefits to the remedies on a medium to long term basis to ensure there is credible competition for servicing contracts in the future.

As noted above Barclays' [✂].