



Colin Garland
Director Remedies, Business and Financial Analysis
Competition and Markets Authority

Date: 12 July 2019

Dear Colin,

PART 6 OF THE RETAIL BANKING MARKET INVESTIGATION ORDER 2017

Thank you for your letter of the 1st July 2019 which was received by email. We have had the opportunity to review its content and reply to your specific questions as follows:

At the time of the publication of the Santander breach we conducted a review of our own internal process and procedures and as a result concluded that we have sufficient processes and controls in place which would prevent a similar issue arising.

In respect of the example scenarios you outlined in your letter, our response to each is listed below. In brief we believe we are compliant with both the detail and spirit of the regulation and our commitment to yourselves as our regulator:

1. Our procedures for launching a new Personal Current Account (PCA) have been updated to ensure the account is included for auto enrolment of text alerts. We have not launched any new PCA products since the introduction of text alerts.
2. We are confident that the design of our text alert solution has the capacity to deal with existing volumes of alerts and any future increase in requirements. Our business requirements for the addition of the new authorised overdraft text alerts, detailed the requirement for additional volumes of alerts. Our IT team have confirmed the system implemented has the capacity to deal with the additional volume of alerts.
3. Our alerts are generated at 7am every day and issued to customers before 10am, we have controls/escalation procedures in place should a problem arise. We have had no issues since the launch of the service in terms of customer notification.
4. To date we have had no system outages since the introduction of this service. In the event of a system outage we have procedures in place to identify and refund any fees which would apply prior to posting.
5. Our wording is clear and consistent with the requirements of the order.
6. Our alerts reflect the correct position i.e. customer balance and limit (where applicable) at the start of each working day.
7. The design of our alerts includes all items that we know are posting to a customer's account at the start of each working day e.g. cheques, card transactions and any regular payments including direct debits and/or standing orders.
8. We had one self identified issue at the end of 2018, which impacted a small number of customers. Once identified we quickly applied a fix to resolve the issue. All impacted customers have been identified and have been remediated in full.

We note the requirement to contact you within 14 days and if we become aware of any future issue will advise you in line with this timeframe.

Responsibility for Alerts moving to the FCA

Given the nature of the reforms proposed by the FCA as part of their High Cost of Credit review covers all PCA providers and not just the CMA9. The move of responsibility for monitoring these provisions to the FCA appears sensible at this stage, seems timely and proportionate and in line with the evolution of the orders objectives. We will await to hear the outcome of your considerations until such point we will continue to operate as is.

Kind regards,

Anne Bryce
Head of Risk Governance & Assurance
UK Products and Customer Advocacy