

## CMA RETAIL BANKING MARKET INVESTIGATION ORDER 2017

### RBS RESPONSE TO PROVISIONAL DECISION OF PART 6

11 OCTOBER 2019

RBS welcomes the CMA's provisional decision and notice of intention to vary Part 6 of the Retail Banking Market Investigation Order 2017 (the "**Order**") and is grateful for the chance to comment.

RBS agrees with the decision that the new FCA rules on alerts coming into force from December 2019 represent a change of circumstances that will render the continued application of Part 6 of the Order no longer appropriate. As RBS has previously stated, we believe it is important to revoke Part 6 to avoid regulatory duplication and the potential downstream risk when it comes to firms understanding their obligations in respect of alerts where there are inconsistencies between the two rule sets.

We are supportive of the approach taken under the proposed variation to the Order, subject to the following comments:

- In paragraph 28 of the Provisional decision the CMA suggests that the list of information required for the annual compliance report is currently spread across Article 50.2 and 50.3 of the Order. Article 3.2 a) ii of the Retail Banking Market Investigation Order 2017 Variation Order 2019 (the "**Variation Order**") accordingly replaces Article 50.2 with a single article that covers the list of information covered by those existing articles. We would observe that our interpretation of the Order is that the information required under Article 50.2 is only required to be submitted to the CMA as part of the first compliance report after the effective date for Part 6. Subsequent compliance reports are required to cover the information set out under Article 50.3 only. Whilst we will be in a position to supply the CMA with the amalgamated list of information requested as part of the Part 6 Final Report, we request that the CMA clarifies in its final decision if the intention is in fact to require firms to produce full information about their enrolment processes and procedures, communications and alert triggers as opposed to just changes that have been made to these aspects over the last annual reporting period.
- We would recommend that the proposed definition of "Near limit alert" under the Variation Order is amended so that it is constructed in the present tense by replacing "informed" with "informs". This is consistent with the definition for "Retry alerts" and reflects that some providers will continue to offer "Near limit alerts" after Part 6 of the Order has been revoked.

Finally, we note the CMA's comments in relation to proposals that the scope of this review be widened to include a review of Part 7 of the Order. Whilst RBS remains of the view that the FCA's High Cost of Credit proposals will build on and potentially, once fully implemented from 6 April 2020, reduce the effectiveness and value of Part 7 of the Order, we are pleased to read that the CMA will liaise further with the FCA in coming months in order to determine whether further review should be prioritised.