

**Tesco Bank**

From: Colin Garland  
*Director, Remedies, Business and  
Financial Analysis*

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## **Tesco Bank's breach of The Retail Banking Market Investigation Order 2017 in relation to Service Quality Indicators**

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning one breach by Tesco Bank of Part 3 of the [Retail Banking Market Investigation Order 2017](#). This requires banks and building societies that offer Personal Current Accounts (PCAs) to publish four Service Quality Indicators (SQIs). These indicators show whether surveyed account holders would recommend certain aspects of the quality of service offered by a bank or building society to friends or family. Information must be published on the bank or building society's main personal or business banking website page and within two steps of the Brand's primary mobile banking app screen (if any). The information must be updated twice a year.

### **The breach**

Tesco Bank breached Article 17.1.3(e) of the Order, which requires the publication of up to four SQIs, within two steps of the Brand's primary mobile banking app screen. Tesco Bank published the SQIs three steps away from its primary mobile banking app screen, and the number of customers who accessed the information was lower during the period of the breach. The breach was identified by Tesco Bank through its own internal controls and lasted for a minimum of 59 days. The breach was ongoing between 24 July 2021 and 21 September 2021. However, the harm could be exacerbated through slow up-take since customers need to update their app for the relevant changes to be implemented.

Approximately 544 fewer customers saw this information during the period of the breach, compared to when the information was published in the correct place.

### **The CMA's concerns**

The requirement for current account providers to publish SQIs where customers are likely to see them is an important element of our reforms following the [Market Investigation](#). This measure, in combination with other parts of our reforms, was designed to make it easier for consumers to switch between PCA providers and choose the best PCA for them. If the SQIs are not published in the correct place, consumers may miss important information that enable them to make informed decisions. For example, approximately 544 Tesco Bank customers may have missed that, of the 17 largest PCA providers whose customers were surveyed for the August 2021 SQI results, Tesco Bank ranked 16th for Overall Quality of Service, 17th for Online and Mobile Banking Services and 17th for Overdraft Services. The information that was not as prominent as it should have been is here:



Further, the CMA is concerned that customers need to update their mobile banking app to view the SQIs within two screens of the primary mobile banking app screen. Customers using an old version of the app for a prolonged time may suffer continued indirect harm as a result.

### Tesco Bank has taken action to put things right

I note that Tesco Bank has taken steps to end the breach and to prevent a recurrence. Tesco Bank has:

- Updated its app between 13 September 2021 and 21 September 2021 to rectify the breach. However, the changes will only be visible to customers after they update the app on their own devices.
- Reviewed the governance procedures for changes to its app, including impact assessment and sign off processes.
- Reminded all Digital colleagues of the importance of including the full suite of stakeholders, regardless of the size and nature of the app change.
- Delivered refresher training to teams to reinforce this.
- Adapted its process to include key colleagues from the Regulatory team within the weekly mobile app working group forum.

- Carried out a full review of its compliance with Part 3 of the Order relating to SQIs from the point Tesco Bank fell into the scope of the Order to date.

### **CMA assessment and next steps**

Given the action already being taken by Tesco Bank, the CMA does not consider it appropriate to take further formal enforcement action in relation to this breach at present. The CMA will monitor Tesco Bank's future compliance closely.

Yours sincerely

Colin Garland  
*Director, Remedies, Business and Financial Analysis*