

Lloyds Banking Group plc

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## **Lloyds Banking Group's breaches of The Retail Banking Market Investigation Order 2017 in relation to Open APIs under the Open Banking Remedy**

I am writing to you on behalf of the CMA regarding Lloyds Banking Group's (Lloyds) breaches of Part 2 of the [Retail Banking Market Investigation Order 2017](#) (the Order). Lloyds breached the Order ten times by failing to make continuously available accurate, comprehensive and up to date information on its products and services through the Open APIs<sup>1</sup> under Article 12 of the Order (Open Banking APIs) which form one part of the broader Open Banking provisions of the Order.

### **The breaches**

The Open Banking provisions of the Order require the largest GB and NI banks to make accurate, comprehensive and up to date product and service information continuously available through Open Banking APIs. In turn, this allows third-party app and website providers to make available personalised services and information to make it easy for people and business to, for example, find out which bank account and lending products are best for them. Lloyds breached the Order ten times through inaccurate publication of information through Open Banking APIs:

- Breach One: Lloyds published incorrect bank branch data for some of its branches between 20 March 2017 and 28 June 2021.
- Breach Two: Lloyds published an incorrect representative APR for some of its SME Loans between 22 March 2021 and 3 September 2021.
- Breach Three: Lloyds published incorrect branch opening hours for some of its branches between 30 March 2020 and 28 June 2021.
- Breach Four: Lloyds published incorrect mobile branch location and opening hours data for some of its mobile branches between 7 July 2021 and 16 August 2021.

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<sup>1</sup> Application Programming Interface.

- Breach Five: Lloyds over-stated the number of ATMs in its Halifax network by 24 between 22 April 2021 and 14 August 2021.
- Breach Six: Lloyds published an incorrect excess value for its Packaged Bank Account travel insurance details (it incorrectly referenced £40 rather than £75). This breach started on 21 November 2020 and was resolved on 20 August 2021.
- Breach Seven: Lloyds published an incorrect description of the Club Lloyds Platinum credit interest rate. The incorrect data showed AERs of 1% and 2% (depending on balance) when they should have shown 0.6% and 1.5%. The breach started on 1 October 2020 and was resolved on 20 August 2021.
- Breach Eight: Lloyds published incorrect cash withdrawn charges for both Lloyds and Bank of Scotland SME customers. The Cash Paid Out tariffs for Electronic Banking (EBT) and Business Extra (BX) were not updated when the tariffs were changed on 10 March 2021. The Lloyds BX tariff was published as £0.75 but should have been updated to £0.90; Lloyds EBT was published as £1.05 and should have been updated to £1.40; Bank of Scotland's EBT was published as £1.05 and should have been updated to £1.40. This breach started on 10 March 2021 and was resolved on 23 August 2021.
- Breach Nine: Lloyds did not publish information regarding £100 incentives to be paid to customers who switched to two Halifax personal current accounts. The information was missing for the duration of the time the incentives were offered, which was from 7 April 2021 to 4 May 2021 and 15 June 2021 to 12 July 2021.
- Breach Ten: Three links within the Open Banking APIs relating to T&Cs for Lloyds' Business Current Account, Credit Union Account and Treasurers Account products were broken. This meant that customers looking for the T&Cs would not have been able to access them directly from the API or third party site. This breach started on 4 March 2021 and was resolved on 13 October 2021.

## **The CMA's concerns**

Failure to make continuously available accurate, comprehensive and up to date information on products and services can mean that consumers take wrong decisions and they may therefore choose financial products or services which are not best suited to their needs.

For each breach Lloyds considers that the correct information was available elsewhere, often more prominently than the incorrect information provided through its Open Banking APIs. Despite this, the CMA remains concerned with the nature and extent of these breaches. The CMA considers that consumers should be able to rely on the accuracy of information provided by banks irrespective of how that

information is provided and that banks should be capable of providing accurate, comprehensive and up to date information through all channels and to all consumers, without exception.

Lloyds notified the CMA of the breaches between 8 June 2021 and 13 October 2021.

### **Voluntary action Lloyds has taken to end the breaches**

I note that Lloyds has taken the following actions to correct these ten breaches along with additional steps to seek to prevent a recurrence:

- For Breach One Lloyds has manually updated the incorrect information; started a systemic fix to the underlying controls; and introduced quarterly controls to ensure what has been published is correct.
- For Breach Two Lloyds has introduced additional compliance training; and an additional control point around the management of Lloyds staff working on Open Banking.
- For Breaches Three, Four and Five Lloyds has introduced improved frequency monitoring controls to ensure continued ongoing compliance, and continues to work towards a longer term, automated solution.
- For Breaches Six and Seven Lloyds has provided additional colleague training to help prevent human error. In addition, there will be independent checks to identify which information fields need to be updated prior to making changes.
- For Breach Eight Lloyds has introduced monthly controls that independently check any product changes and cross references to product API systems. Lloyds has also given guidance to technical teams on ensuring they understand when updates need to be made.
- For Breach Nine Lloyds has introduced an additional control for product management colleagues to check with technical teams that changes have gone live correctly.
- For Breach Ten Lloyds has provided additional guidance to its technical teams to ensure they understand the process when updates need to be made.

### **CMA's assessment and next steps**

Due to the comprehensive nature of the voluntary actions taken by Lloyds, the CMA does not consider it necessary to take further formal enforcement action at this time. The CMA notes the resolution of these ten breaches, in particular the specific actions and their timing. We reserve the right to take formal enforcement action if there is further non-compliance.

Yours sincerely

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