

Barclays Bank PLC & Barclays Bank UK PLC

From: Colin Garland
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Barclays' breaches of the Retail Banking Market Investigation Order 2017 in relation to the publication of rates for SME lending products

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning breaches by Barclays Bank PLC (Barclays International) and Barclays Bank UK PLC (Barclays UK) (together, Barclays), of Part 8 of [the Retail Banking Market Investigation Order 2017](#) (the Order).

Part 8 of the Order requires providers of business overdrafts to small and medium-sized enterprises (SMEs) to publish a representative rate for those products. The representative rate must be set at a rate that the bank reasonably expects a majority of SMEs would be offered at the date of publication. Rates published must be displayed prominently and kept accurate and up to date.

The breaches

Barclays breached Article 30.3.2 of the Order by failing to keep representative effective annual rates (EAR) on two of its webpages accurate and up to date.

Barclays failed to keep the representative EARs accurate and up to date on its Business Banking [agricultural overdraft](#) webpage between 2 August 2018 and 17 December 2021. The main [Business Banking](#) overdraft rates page was correct throughout this period. Barclays also failed to keep the representative EARs accurate and up to date on its [Corporate Bank rates](#) webpage between 26 April 2021 and 17 November 2021, although Barclays' Corporate customers would have been advised of the correct rates on enquiring about taking on an overdraft.

Barclays notified the CMA of these breaches on 11 January 2022.

The CMA's concerns

The requirement for providers to display the cost of unsecured overdrafts prominently on their websites, and for this information to be kept accurate and up to date, is an important element of our remedies to address the concerns found in the [Retail Banking Market Investigation](#). This measure, in combination with other remedies, was designed to make it easier for SMEs to compare the cost of unsecured overdrafts and choose the best product for their needs.

Barclays' failure to keep the representative EARs accurate and up to date may have led to SMEs making an incorrect comparison of available overdrafts and the associated costs, and not chosen the best product for their needs as a result.

Barclays has informed the CMA that from 14 July 2022, Corporate Banking will no longer offer overdrafts up to and including £25,000, with SME customers for such a product referred instead to Business Banking.

Barclays has taken action to put things right

I note that the breaches were self-reported by Barclays and that it has taken steps to end the breaches and prevent a recurrence. Barclays has:

- Updated its agricultural overdraft webpage on 17 December 2021 to reflect the correct representative EARs.
- Updated its Corporate Bank rates webpage on 17 November 2021 to reflect the correct representative EARs.
- Carried out a review to ensure there were no similar pages to the agricultural overdraft webpage.
- Tightened its procedures for when there is a pricing change. This includes:
 - Tracking all Business Banking and Corporate Banking pages displaying overdraft rates.
 - Communicating rate changes centrally to page owners.
 - Page owners must confirm that a change has been made.
 - Page owners must note that a change has been made in a tracker.

CMA assessment and next steps

Given the action already taken by Barclays, the CMA does not consider it appropriate to take further formal enforcement action in relation to these breaches at present. The CMA will monitor Barclays' future compliance closely.

The public version of this letter has been copied to the Financial Conduct Authority.

Yours sincerely

Colin Garland
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