

[REDACTED]  
CEO and Chair  
Auden Group Ltd

By email: [REDACTED]

From: Adam Land  
Senior Director

Direct line: [REDACTED]

31 March 2023

Dear [REDACTED]

### **Payday Lending Market Investigation Order 2015**

I am writing to you on behalf of the Competition and Markets Authority (CMA) regarding breaches of Part 4 of the [Payday Lending Market Investigation Order 2015](#) (the Order) by Auden Group Ltd (Auden). As you will know, Part 4 the Order requires Payday Lenders to send a Summary of Borrowing to customers within specified circumstances and timeframes.

### **The breaches**

Following our consideration of all the information provided by Auden, the CMA has identified two breaches of the Order by Auden, affecting 166 customers in total. These are summarised as follows:

1. Failure to send Summaries of Borrowing to 20 customers on time due to 6 incidents relating to data management system issues and manual error, in breach of articles 11.2(a) and 12.1.
2. Failure to send notifications to 146 customers that their Summaries of Borrowing were available on time due to 5 data management system incidents, in breach of articles 11.2(b), 12.2 and 12.3.

## **The purpose of the Order and the CMA's concerns**

The provision of Summaries of Borrowing is an important element of our remedy package following the Payday Lending Market Investigation. This measure, in combination with other measures, was designed to encourage borrowers to actively shop around and provide them with comprehensive information about fees and charges. Summaries of Borrowing are provided at specific points in time in the lending cycle to give borrowers suitable information at key points to allow them to make timely and well-informed decisions.

Failure by lenders to comply with their legal obligation to provide Summaries of Borrowing at the specified times may affect decisions about borrowing and can lead to worse outcomes for borrowers. The CMA is concerned that borrowers who did not receive Summaries of Borrowing at the times they should have, in line with the Order, did not have all the information they needed to inform their decision-making. This is a particular concern, where people have taken out further payday loans without receiving the necessary information.

As you are aware, Article 11.1 of the Order prohibits lenders from entering into any payday loan agreement with borrowers in the UK unless a Summary of Borrowing is properly made available. This means that Auden is prohibited from supplying payday loans unless it consistently makes Summaries of Borrowing available and notifies customers of the availability of Summaries of Borrowing, in accordance with Articles 12 and 13. Given this, CMA colleagues have worked with Auden to understand the extent and causes of the recent breaches and the steps that you have taken to put them right.

## **Steps taken by Auden to put things right**

Breaching a CMA Order is a serious matter, and these are significant breaches affecting around 5.9% of Auden's Summaries of Borrowing during the relevant period. However, I note that Auden notified the CMA proactively about the breaches, has co-operated with the CMA's investigation, and has taken the following remedial and preventative steps:

Immediate remedial action taken on discovery of the breaches:

- Incidents have been logged and rectified, and additional controls put in place
- Auden has contacted all affected customers

Additional actions taken by Auden:

- Staff training

- Design improvements to Summary of Borrowing generation systems
- Additional process controls and Incident Management Framework

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

Given the above action being taken by Auden, and considering the nature and severity of the breaches, the CMA does not consider it necessary at this stage to take further formal enforcement action in relation to these breaches.

However, we will record it on the CMA's public register of breaches and we are publishing this letter to register our concern. The CMA will monitor Auden's future compliance closely. The public version of this letter has been copied to the Consumer Finance Policy Team at the Financial Conduct Authority for information.

Yours sincerely

Adam Land  
*Senior Director, RBFA*

