

Bank of Ireland (UK) plc

From: Daniel Gordon
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Bank of Ireland's delay in implementation of the Retail Banking Market Investigation Order 2017 in relation to one item on the Roadmap

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning a breach by Bank of Ireland (UK) plc (Bank of Ireland) of Article 10.5 of the [Retail Banking Market Investigation Order 2017](#) (the Order). This relates to delays in implementing the Variable Recurrent Payments (VRPs) standard for sweeping as set out in the [Final Roadmap](#) by the Implementation Trustee on 15 May 2020.

This letter sets out the significance of the breach for Bank of Ireland's customers, the CMA's engagement with Bank of Ireland on its proposed delivery timeline and Bank of Ireland's commitment to the implementation of VRPs for sweeping, with voluntary additional regular reporting to the CMA on progress.

Background to Open Banking and Implementation Roadmap

Open Banking is part of a package of remedies adopted by the CMA following its market investigation into retail banking services and is governed by the Order. The Order provided for the appointment of an Implementation Trustee to drive forward the Open Banking remedy according to an agreed timetable and project plan (the Roadmap). The current Roadmap was amended on [15 May 2020](#). The CMA also published a [letter](#) on 15 November 2021, extending the deadline for implementing the Variable Recurrent Payments (VRPs) standard for sweeping to July 2022.

The CMA announced on 12 January 2023 that the [Roadmap was substantially complete](#) with six of the nine largest banking providers in Great Britain and Northern Ireland (Barclays, HSBC, Lloyds, Nationwide, NatWest and Santander) having

implemented all the requirements of the Roadmap. Bank of Ireland is still in the process of implementing the VRPs for the sweeping item of the Roadmap.

The breach

In May 2021, Bank of Ireland shared its delivery plan for implementing the Roadmap with the CMA. Between November 2021 and April 2022, Bank of Ireland varied this plan on a number of occasions to reflect expected delays to individual items, while maintaining its commitment to delivering the remaining Roadmap items. On 19 June 2023, the Implementation Trustee advised the CMA that the only outstanding Roadmap item was VRPs for sweeping, as Bank of Ireland had completed the International Payments item ahead of schedule on 18 June.

The CMA's concerns

The CMA is concerned that Bank of Ireland's personal current account and business current account holders have been unable to benefit from full Open Banking functionality.

The CMA notes that Open Banking has been a major success in improving competition in retail banking and securing positive outcomes for consumers and businesses. As of February 2023, there were over seven million users of services powered by Open Banking technology¹. This equates to over 10% of digitally enabled UK consumers making active use of Open Banking services², including services dedicated to improving financial decision-making to support consumers in keeping to their budgets, reducing unnecessary expenditure and minimising bank fees and charges.

Of particular importance to the CMA is to ensure that consumers and businesses in Northern Ireland have access to the same banking services, and can benefit from Open Banking, as those in the rest of the United Kingdom.

Bank of Ireland has engaged constructively with the CMA

Bank of Ireland has committed to providing additional reporting on its implementation progress alongside the existing Implementation Trustee's monthly monitoring mechanisms on a voluntary basis. Bank of Ireland has also agreed to have these signed off by George Higginson, Director of BOI Northern Ireland, Partnerships and Mortgages, who chairs the bank's internal project steering group.

¹ [UK reaches 7 million Open Banking users milestone - Open Banking Ltd](#)

² [New Impact Report sees significant growth in open banking payments and increased business use - Open Banking Ltd](#)

We expect Bank of Ireland to meet the milestones shared with the CMA (as set out in the [Action Plan](#)), by 21 August 2023.

We note that the [Action Plan](#) does not include the Managed Roll Out (MRO)³ process for the delivery of VRPs for sweeping. The CMA will only deem Bank of Ireland to have completed the implementation of the Roadmap when the CMA is satisfied, on advice from the Implementation Trustee, that the MRO process is complete.

CMA assessment and next steps

The CMA is committed to ensuring all banks continue to comply with the Order so that consumers and businesses across the United Kingdom can benefit from Open Banking services. We will keep these current arrangements under ongoing review and will consider whether to take further enforcement action should Bank of Ireland fail to complete the implementation of the Roadmap in a timely manner, which includes completing the MRO process for VRPs for sweeping.

Yours sincerely

Daniel Gordon
Senior Director, Markets



³ The MRO process is a testing stage in a controlled environment with third party providers to ensure that any faults that occur in the general operation of the capability are quickly identified and solved before the service is made available more widely