

Nationwide Building Society

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Nationwide Building Society's breaches of Part 5 of the Retail Banking Market Investigation Order 2017

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning breaches by Nationwide Building Society (Nationwide) of Part 5 of the [Retail Banking Market Investigation Order 2017 \(the Order\)](#).

Part 5 of the Order requires banks and building societies to send Payment Transaction Histories to any personal current account (PCA) customer who closes their PCA (unless an exception applies).

The breaches

Nationwide failed to provide an estimated 51,185 Payment Transaction Histories to former PCA holders between 2 February 2018 to 17 May 2023. This was due to Nationwide putting 'no trace' markers on certain PCAs where it was concerned that addresses were out of date. On removing the 'no trace' marker Nationwide failed to check that impacted customers received information on how to download Payment Transaction Histories.

Article 20.1 of the Order requires a Payment Transaction History to be provided free of charge at the time of account closure. Article 20.7 of the Order enables providers to meet that requirement by making the Payment Transaction History available for download and providing notice to the customer of how to download it. Each time Nationwide failed to notify customers of how to download their Payment Transaction History in accordance with Article 20.7, or provide a Payment Transaction History (and no exception applied), it breached Article 20.1 of the Order.

The CMA's concerns

The requirement for current account providers to provide transaction history data to customers who had their accounts closed is an important element of our reforms introduced following the [Market Investigation](#). This measure, in combination with other parts of our reforms, were designed to make switching between PCAs easier for consumers. We found that some consumers were concerned that, by moving to a new current account provider they would lose access to their banking history, which is often required by lenders when offering credit. The Order requires banks and building societies to provide each customer whose current account has been closed with a full Payment Transaction History, so that consumers should not be worried that switching will make access to credit more difficult. Failure to comply with Part 5 of the Order could make it difficult for former customers to obtain credit and it could also deter PCA holders from switching to a provider that it is more suitable for their needs in future.

These breaches of the Order represent a substantial failure by Nationwide to ensure that it complies with all of its regulatory obligations. The CMA is concerned that Nationwide failed to implement an effective process to ensure that customers who closed their accounts would be provided with notification of how to download their Payment Transaction History.

Nationwide has taken action to put things right

I note that these breaches were self-reported by Nationwide and that it has proactively taken steps to prevent a recurrence. Nationwide has told the CMA that it has:

- fixed the breaches.
- conducted regression testing to ensure that all flags and markers placed upon accounts operate correctly in its IT system design.
- Initiated a project to improve its communication reconciliation controls to ensure that source IT systems are selecting the correct members, and these align to the volumes of dispatched communications.
- committed to write to all members who closed accounts in the last 12 months notifying them of full access to 5 years of Payment Transaction Histories and how to access them.

CMA assessment and next steps

Given the action that has been, and is being, taken by Nationwide, the CMA does not consider it appropriate to take further formal enforcement action in relation to these breaches at present. However, the CMA will consider such action in the event of any further breaches. The CMA will monitor Nationwide's 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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