

**TSB Bank plc**

From: Colin Garland  
*Director, Remedies, Business and  
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## **TSB'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 TSB Bank plc (TSB) of the [Retail Banking Market Investigation Order 2017](#) (the Order). TSB breached Part 5 of the Order.

Part 5 of the Order requires banks to send Payment Transaction Histories to any business current account (BCA) customer with a turnover of less than £6.5 million or any personal current account (PCA) customer who closes their BCA or PCA (unless an exception applies).

### **The breaches of Part 5**

TSB failed to send 105,607 Payment Transaction Histories to former BCA and PCA customers between April 2022 and 20 March 2023. This was due a change being made to its internal procedures without the appropriate governance checks being followed.

Article 20.1 of the Order requires a Payment Transaction History to be sent free of charge at the time of account closure. Each time TSB failed to send a Payment Transaction History at all (and no exception applied) it breached Article 20.1 of the Order.

TSB became aware that it was not sending Payment Transaction Histories on 8 March 2023, and confirmed internally that it had breached the Order on 30 March 2023. TSB notified the CMA of these breaches on 19 April 2023. The CMA takes this opportunity to remind TSB that under Article 56.2 of the Order, if it is aware that it is not compliant with any part of the Order, it must report this non-compliance to the CMA within 14 days of becoming aware that it is not compliant.

### **The CMA's concerns**

The requirement for current account providers to provide Payment Transaction Histories to BCA and PCA customers that closed their accounts is an important element of our reforms introduced following the [Market Investigation](#). This measure, in combination with other parts of our reforms, was designed to make switching BCAs and PCAs easier for small and medium-sized enterprises (SMEs) and consumers. We found that some SMEs and 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 BCA and PCA has been closed with a full Payment Transaction History, so that they should not be worried that switching will make access to credit more difficult. Failure to comply with the Order could make it difficult for former customers to obtain credit and it could also deter customers from switching to a provider that it is more suitable for their needs in future.

These breaches represent a significant failure, not only in carrying out processes which will comply with legal requirements, but also of management oversight.

### **TSB has taken action to put things right**

I note that TSB has proactively taken steps to end the breaches and to prevent a recurrence through:

- Introducing a 'letter printed validation control'. This is a system which separates the stages of print pending and print complete. This enables management oversight of completion.
- Enhanced quality checking. TSB has introduced a daily desktop check that letters have been printed. A sample of documents that should be printed and sent according to the system are reconciled to the actual items being printed before they are sent.
- Enhancements to letter change controls. Policies and technical standards have been updated.
- Reviewing its annual compliance report process. TSB is reviewing how it complies with its responsibilities under the Order.
- Enhancing processes so that any future breaches of the Order will be notified to the CMA within 14 days of identification.
- Engaging TSB's Internal Audit team to request an independent review of the embedding of customer communications control enhancements, including in the account closure process.

- Sending a compliance reminder, including on the purpose and importance of Payment Transaction Histories, to relevant staff.

### **CMA assessment and next steps**

Given the action that has been, and is being, taken by TSB, 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 TSB'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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