

**NatWest Group plc**

From: Colin Garland  
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15 August 2023

**NatWest Group plc's breaches of Part 3 and of Part 8 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 NatWest Group plc (Natwest) of Part 3 and of Part 8 of the [Retail Banking Market Investigation Order 2017](#) (the Order).

Part 3 of the Order requires surveys to be carried out of Personal Current Account (PCA) and Business Current Account (BCA) customers about the quality of service received from their bank. Banks are required to publish the results in a number of places, including prominently in their branches.

Part 8 of the Order requires providers of loans 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**

Firstly, NatWest breached Article 17 of the Order (Part 3) by failing to publish service quality information (SQI) posters prominently in 24 NatWest branches and 2 Ulster Bank branches between 15 August 2022 and 12 January 2023. A list of the branches affected, and whether the missing information related to PCAs, BCAs or both, is in the Annex.

NatWest notified the CMA of these breaches on 26 January 2023.

Secondly, NatWest further breached Article 17 by failing to publish SQI posters prominently in nine NatWest branches between 15 February 2023 and March/April 2023. A list of the branches affected, and whether the missing information related to PCAs, BCAs or both, is also in the Annex.

NatWest notified the CMA of these breaches on 23 May 2023.

Customers of NatWest who used branches affected by the breaches above may have not seen NatWest's position against its competitors in terms of quality of service.

Thirdly, NatWest breached Article 30 of the Order (Part 8) by, between 1 November 2022 and 24 January 2023, publishing the interest rate (11.7%) instead of the APR (12.35%) on one webpage for each of these three brands within its group: NatWest; Royal Bank of Scotland; Ulster Bank. As such, NatWest failed to keep the rates published on these pages accurate and up to date.

NatWest notified the CMA of the breaches of Part 8 on 1 February 2023.

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

The failure to publish SQI posters in branches may mean that customers who use those branches were not prompted to consider switching to a bank with a better service quality ranking.

The failure to publish the correct rate on all its webpages may have led some SMEs to take out a loan which was more expensive than they were expecting. While we note that the webpage which contained the incorrect information contained a click-through to a page where correct information was contained, we consider it important that all pricing information is correct.

The requirement to publish SQI posters in branches and to publish an APR for SME loans are important elements of our remedies to address the concerns found in the Retail Banking [Market Investigation](#). Part 3 of the Order, in combination with other remedies, was designed to make it easier for consumers to choose the best PCA or BCA for them. Part 8 was designed to make it easier for SMEs to choose the best loan or overdraft.

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

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

In relation to the Part 3 breaches NatWest has told the CMA that it has introduced:

- New communications emphasising the importance of the correct SQIs being displayed, which will be issued to Local Directors responsible for branches, and to branch staff. This is to be achieved through engagement sessions on marketing and through enhanced branch display guides;
- Self-certification by branches that SQI posters are being displayed correctly in conjunction with the February and August publication dates, and additionally two times a year to confirm that they are still on display;
- An increase in the frequency of third-party reviews of branches which check for compliance, with these being increased from twice-yearly to quarterly; and will be supplemented by additional checks by NatWest's central control team;

- Updates to the branch display guides used to guide staff on what branches should be displaying for customers, to make guidance for SQIs more prominent.

In relation to the Part 8 breach NatWest has told the CMA that it is:

- Introducing a detailed step by step guide for its Digital team for them to follow for pricing and rate updates.
- Introducing an additional review by product controls of amendments to webpages, to be built into monthly control checks.
- Considering the possibility of automated updating of APRs for business loans across the websites in its group.
- Extending refresher training sessions on the requirements of Part 8 of the Order to staff in its Digital team.

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

Given the action that has been, and is being, taken by NatWest, 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 NatWest's future compliance closely.

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

Yours sincerely

Colin Garland  
*Director, Remedies, Business and Financial Analysis*

## ANNEX – AFFECTED BRANCHES

November 2022 – January 2023 breaches

<b>Branch</b>	<b>Information Missing</b>
<b>NatWest</b>	
Ludlow	BCA
Worcester Cross	BCA
Ellesmere Port	BCA
Grimsby	BCA and PCA
North Evington	BCA
Long Eaton	BCA
Harrogate	BCA and PCA
Morley	BCA
Fishponds Bristol	BCA and PCA
Midsomer Norton	BCA and PCA
Salisbury	BCA and PCA
Staines	BCA and PCA
Sevenoaks	BCA and PCA
New England Peterborough	BCA and PCA
Gerrards Cross	BCA and PCA
Tottenham Court Road	BCA and PCA
Ryde	BCA
Barnstaple	BCA
Exeter	BCA and PCA
Urmston	PCA
Rothwell	PCA
Peckham	PCA
High Wycombe	PCA

### **Ulster Bank (NI)**

Andersonstown	BCA and PCA
Lurgan	BCA and PCA

February 2023 – March/April 2023 breaches

<b>Branch</b>	<b>Information Missing</b>
<b>NatWest</b>	
Dundee Chief Office	BCA
High Wycombe	PCA
Roath	BCA and PCA
Loughborough	PCA

Taunton Town	PCA
Ashton Gate	BCA
Bishopsgate	BCA and PCA
Woolwich	BCA and PCA

**Ulster Bank (NI)**

Andersonstown	BCA
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