

**AIB Group (UK)**

From: Daniel Turnbull  
*Senior Director, Markets*

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**AIB Group UK's breaches of Parts 2 and 8 and Article 56.2 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 AIB Group (UK) of Parts 2 and 8 and Article 56.2 of the [Retail Banking Market Investigation Order 2017](#) (the Order).

Part 2 of the Order requires the nine largest banks in Great Britain and Northern Ireland to ensure accurate, comprehensive and up to date Read-only product and reference information is continuously available through Open Banking Application Programming Interfaces (APIs).

Part 8 of the Order requires providers of loans and overdrafts 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.

Article 56.2 of the Order states that if a bank 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 breaches of Part 8**

AIB breached Part 8 of the Order by: (1) publishing the incorrect Equivalent Annual Rate (EAR) on two webpages for its Business Current Account (BCA) product; and (2) publishing the incorrect Annual Percentage Rate (APR) on two webpages for one of its loan products. In each case, the published incorrect representative rate was lower than the correct representative rate. For the EAR breach, the first webpage was affected between 1 July 2022 and 28 August 2023. The second webpage showed an incorrect EAR between 1 January 2023 and 29 September 2023. For the

APR breach, both webpages were affected between 1 January 2023 and 28/29 September 2023.

## **The breaches of Part 2**

AIB breached Part 2 (Article 12.3) of the Order through failing to keep the information required to be released under Article 12.1.2 up to date. The same information that failed to meet the requirements under Part 8 was also out of date on AIB's Open Banking channel. For the EAR breaches, the data was incorrect between 1 July 2022 and 7 November 2023. For the APR breaches, the data was incorrect between 1 January 2023 and 7 November 2023.

## **The breach of Article 56.2**

AIB received a customer query about the Representative Rate for the loan APR in late July 2023 and became aware of the breach when it had analysed the query, which was 11 August 2023. The duration from 11 August 2023 to 9 October 2023 when the CMA was first informed was 59 days. This exceeds the 14 days permitted in Article 56.2. Therefore, AIB breached Article 56.2.

## **The CMA's concerns**

Providing consistent and accurate information to customers on the representative APRs and EARs for loans and overdrafts is a fundamental requirement to allow them to select an appropriate product and provider. Providing rates which understate the representative rates may have prevented SMEs from making informed choices about which were the best loans and overdrafts for them.

The requirement to make available through APIs information on product information and to publish information on APRs or EARs for SME loans and overdrafts are important elements of our remedies to address the concerns found in the Retail Banking [Market Investigation](#). These initiatives were designed to provide important information to consumers and SMEs about services and products to assist their choice in who to bank with.

The requirement to inform the CMA of breaches within 14 days of becoming aware of them is important as it allows the CMA to review the matter promptly, in turn allowing us to ensure things are put right without delay.

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

These breaches were self-reported by AIB and it has taken steps to end the breaches and to prevent a recurrence of them.

AIB has told the CMA that it has:

- Introduced staff training, which will involve:
  - A full review with UK Credit Products of staff knowledge and training requirements specific to Parts 2 and 8 of the Order.
  - All staff in that team to be provided with refresher training on Parts 2 and 8 of the Order.
  - All staff in that team and wider stakeholder groups to be provided with refresher training on the reporting obligations (Part 12) under the Order by end November 2023.
- Introduced enhanced procedural oversight with evidence of the outputs on quarterly CMA assurance exercise to be reviewed and signed-off by Senior Management.
- Carried out a review of risk controls, and control dependencies and associated assurance activity relating to obligations under the Order.
- Introduced a set of procedures which cover the end to end process for changes to interest rates.
- Committed to undertake a full review of the components of the Open Banking APIs to ensure that all relevant individual teams are engaged on an annual basis.
- Commenced writing with an apology to customers who may have seen the misleading information and subsequently taken out a loan. AIB will also offer each of those customers a £30 goodwill gesture.

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

Given the actions that have been, and are being, taken by AIB, the CMA does not consider it appropriate to take further formal enforcement action in relation to these breaches at present. However, the CMA will monitor AIB's future compliance closely.

This letter has been copied to the Financial Conduct Authority.

Yours sincerely

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