

Starling Bank

From: Colin Garland
Director, Markets

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Starling Bank’s breach of the Retail Banking Market Investigation Order 2017 in relation to the Service Quality Indicator remedy

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning a breach by Starling Bank of Part 3 of the [Retail Banking Market Investigation Order 2017](#) (the Order).

Part 3 of the Order requires Business Current Account (BCA) providers with 20,000 or more SME customers in Great Britain to take part in a survey which assesses how likely those customers are to recommend that provider. The results – showing each bank’s score and its ranking compared with other BCA providers – are then published on providers’ websites, on their banking apps, and in branches (as appropriate). This is part of the Order’s Service Quality Indicator remedy. Participating providers must supply the market research company which carries out the independent survey with a list of SMEs to take part in the survey. That list should include all SMEs that hold Business Current Accounts with Starling Bank, subject only to very limited exclusions as defined in the agreed sampling techniques and data collection methods.

The breach

Starling Bank breached Part 3 of the Order by failing to provide the market research company with data on all the required businesses for the BCA SQI survey for Great Britain. The data provided to the market research company by Starling Bank did not include holders of the Starling Sole Trader Account (although it did contain businesses, which could include sole traders operating through a limited company, who held its other BCA account). None of the surveys published between August 2021 and August 2024 included responses of Starling Sole Trader Account customers. The February 2025 publication will include the views of Starling Sole Trader Account customers for only six months of the survey period. The cause of this breach was Starling Bank misunderstanding the requirements of Part 3 of the Order.

The CMA takes this opportunity to remind Starling Bank 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 to include all relevant SMEs in surveys which indicate the quality of a bank's BCA product(s), so those surveys can provide a comprehensive indication of a bank's offering compared to their competitors is an important element of our remedies to address the concerns found in the Retail Banking [Market Investigation](#). Part 3 of the Order, in combination with other remedies, is designed to make it easier for SMEs to choose the best current account for them, based on the extent to which each bank's SME customers would recommend aspects of its offering. If some SMEs are excluded from the survey it is not possible for SME's to get an accurate and comparable indication of a bank's service quality.

Starling Bank has taken action to put things right

I note that this breach was self-reported by Starling Bank and that it has taken proactive steps to end the breach, to prevent a recurrence and as far as possible to put things right:

- Starling Bank has revised its template submission to the market research company that carries out the surveys to include sole traders.
- Starling Bank has reviewed the data requirements for the surveys more widely to ensure there are no further omissions.
- Starling Bank will review its existing processes and controls relating to all requirements of the CMA's Order, including both Part 3 and Article 56.2.
- Starling Bank will provide further training and guidance on all relevant parts of the Order, including Part 3 and Article 56.2.
- Starling Bank commissioned a small survey of Starling Sole Trader Account customers on discovering that they had been missed from the survey mandated by the Order. This survey is similar in terms of the questions asked of respondents to the one used for the SQIs, but doesn't mention the CMA.
- Starling Bank has agreed to pay for a survey 'boost' which will involve additional Starling Sole Trader Account customers being surveyed in advance of the next publication of the survey results in February 2025.
- Starling Bank will ask its second-line Compliance Monitoring team to review compliance with various aspects of the Order in Q4 2024.

CMA assessment and next steps

The CMA has reviewed the evidence available to it at this stage and, based on this, is currently of the view that the Starling Bank results were unlikely to have been an overestimate. Given this and the action that is being taken by Starling Bank, the CMA does not consider it appropriate to take further formal enforcement action in relation to this breach at present. However, the CMA will monitor the results of the survey boost and consider whether any further action is required. The CMA will monitor Starling Bank'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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