

Lloyds Banking Group

From: Colin Garland
Director, Markets

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Lloyds Banking Group's breach 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 a breach by Lloyds Banking Group 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 exemption applies).

The breach

Lloyds Banking Group failed to provide around 360,000 former account holders with letters which explained how to access their Payment Transaction Histories. This failure lasted from April 2018 to October 2024. This was due to a flaw in the procedures for account closures which affected former customers who closed their PCA with zero balance.

Lloyds Banking Group self-identified the issue and notified the CMA of this breach on 21 October 2024.

The CMA's concerns

The requirement for providers to provide transaction history data to customers at the time of account closure is part of our reforms introduced following the [Market Investigation](#). This measure, in combination with other parts of our reforms, was designed to make switching between PCAs easier for customers. We found that some customers were concerned that, by moving to a new current account provider they would lose access to their banking history, which was required by lenders when offering credit. 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.

Lloyds Banking Group has taken action to put things right

I note that these breaches were self-reported by Lloyds Banking Group and that it has proactively taken steps to put things right and to prevent a recurrence. Lloyds Banking Group has told the CMA that:

- It will write to customers who should have received a Payment Transaction History in the final two years of the breach, but did not, with a letter explaining how to access their Payment Transaction History;
- The information on accessing the Payment Transaction History is now contained in the PCA closing statement, negating the need for a separate letter;
- It has made significant improvements to its general compliance regime over the last five years;
- The number of account closure statements will be reconciled with actual account closures, to ensure these two figures tally, which will in turn mean that each former customer will receive information on how to access their Payment Transaction History;
- It is introducing a new approach to managing risk across its portfolio, which should reduce the chances of non-compliance.

CMA assessment and next steps

Given the action that has been, and is being, taken by Lloyds Banking Group, the CMA does not consider it appropriate to take further formal enforcement action in relation to this breach at present. However, the CMA will consider such action in the event of any further breaches. The CMA will monitor Lloyds Banking Group's future compliance closely.

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

Yours sincerely

Colin Garland
Director, Markets