

Remedies Monitoring and Enforcement Team
Competition and Markets Authority
The Cabot
25 Cabot Square
London
E14 4QZ

By email: remedies.reviews@cma.gov.uk

7 May 2025

Dear Team,

I am writing to express ClearBank Limited's (ClearBank) support for Innovate Finance's response to the Competition and Markets Authority (CMA) consultation on the review of the "Limitation on Bundling Provisions" under the SME Banking Undertakings 2002.

ClearBank is a new bank which began operating in 2017. ClearBank was created to deliver 21st century technological capabilities and competition in the UK payments clearing market, and to meet demand for collaboration between FinTechs and the UK banking sector. ClearBank provides payments clearing services to more than 250 financial institutions and FSCS protected bank accounts to more than 1.7m individuals and small businesses under our Embedded Banking arrangements.

In 2019 ClearBank in partnership with Tide was granted £60m from the RBS Alternative Remedies Package, backed by the government and overseen by Banking Competition Remedies, expressly to help us to challenge the oligopoly in the business current account (BCA) marketplace. Today ClearBank has a 10% (650,000 accounts) market share of the BCA market through our Embedded Banking arrangements with Tide¹.

ClearBank agrees with Innovate Finance's recommendation that the Limitation on Bundling Provisions must be retained. This undertaking has been essential in creating and sustaining a competitive retail banking environment.

The CMA's 2016 review of the undertakings discusses the strong product linkages between BCAs and small and medium sized enterprise (SME) lending and that this favours the longer-established banks². Under a bundled product scenario, lending rates would take precedence over BCA interest rates as the basis for BCA selection, reducing and potentially entirely omitting BCA providers who do not provide SME lending from competing in this market. This would reduce the choice that the government has expressly worked to create and likely result in less competitive BCA interest rates for SMEs.

¹ [Major milestones passed in 2024, and a look ahead to 2025: a letter from our CEO | Tide Business](#)

² [Review of 2002 SME banking undertakings Final decision](#), CMA, 2016

In summary, removing the bundling restriction will reduce choice and value for SMEs, jeopardise the government's substantial investment in creating a competitive SME banking market, and potentially the viability of the UK challenger bank sector. The bundling restriction must be continued to ensure a competitive, innovative, and inclusive financial services ecosystem for SMEs in the UK.

The UK economy stands at a critical juncture where productivity and growth are paramount. SMEs are the backbone of this growth, and it is essential to maintain a competitive and dynamic financial services sector that supports their needs. Retaining the Limitation on Bundling Provisions is vital to achieving this objective.

I urge the CMA to carefully consider Innovate Finance's response and the broader implications of removing the bundling limitation.

Thank you for your attention to this important matter.

Betsy Dorudi
Head of Public Policy
ClearBank