

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

By email: [remedies.reviews@cma.gov.uk](mailto:remedies.reviews@cma.gov.uk)

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Dear Team,

Thank you for the opportunity to comment on the *Provisional decision: review of the SME Banking Undertakings 2002*.

We endorse Innovate Finance's response, citing that a maximum of a 20% competitor market share gain over 23 years does not indicate thriving competition. The data shows that market share remains concentrated in the Bound Banks, with some continuing to hold substantial dominant positions. Further, several of the key factors cited as indicating a change of circumstances do not hold up to further scrutiny. It is not a level playing field between the Bound Banks and competitors.

We restate ClearBank's significant interest in this matter. As of July 2025, we now hold a 13% market share (750,000 accounts)<sup>1</sup> of UK business current accounts (BCAs) through our Embedded Banking arrangements with Tide<sup>2</sup> and we provide through Embedded Banking services to other firms another 750,000 current and savings accounts to consumers and SMEs. ClearBank and Tide received £85m in grants (£60m under Pool A, and an additional £25m under Pool E) in the Banking Competition Remedies (BCR) package<sup>3</sup> to help develop our capabilities to compete with incumbent banks. However, Clearbank does not provide loans which means our BCA business is at risk of migration if a customer requires a fixed-term loan. A return to bundling among the Bound Banks will exclude key competitors such as ourselves, eroding the innovative and competitive BCA market that has developed and reducing Bound Banks' incentives to provide competitive pricing and service.

A repeal of the ban risks undermining the substantial government interventions required to create and sustain competition in this market: the launch of the British Business Bank in 2014, the CMA's own BCR initiative in 2016<sup>4</sup>, including Open Banking, and HM Treasury's (HMT) current Leeds Reforms which address regulatory barriers to growth for fintech firms. HMT's Industrial Strategy highlights the government's support for fintech as a material source of innovation, jobs and growth:

*"The government's vision is for the UK to be the world's most technologically advanced global financial centre, remaining a leading jurisdiction for Fintech firms to start up, scale and list. The government will therefore deliver the environment necessary for firms to invest and innovate with confidence so they can develop, scale and sell the financial services products of the future..." (p32)*

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<sup>1</sup> [Tide now supports over 1.5 million small businesses globally | Tide Business](#)

<sup>2</sup> [Open a business bank account online | Tide Business](#)

<sup>3</sup> [ClearBank | BCR Commitments](#)

<sup>4</sup> [Banking Competition Remedies Ltd \(BCR\) announces the awards of Capability and Innovation Fund Pool C](#)

We would support removal of the bundling restriction if the data showed that the Bound Banks had over time substantially reduced their market share and factors such as SME customer behaviour supported more robust competitive conditions. But the data in the Decision does not support these findings. Given the continued market dominance of the Bound Banks, their advantages in terms of scale and branding recognition and trust, and the lack of strategies for competitors to offset bundling, we believe it is critical for the bundling restriction to remain.

Thank you for your consideration. We would be happy to discuss further any of these points.

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ClearBank