

Response to Provisional Decision received from IWOCA, 1 October 2025

I am writing in support of Innovate Finance's submission (attached) on the provisional decision to remove the Limitation on Bundling Provisions (LOBP) under the SME Banking Undertakings 2002.

As CEO and co-founder of [iwoca](#), one of Europe's largest SME lenders, I see every day how vital it is that SMEs have real choice in their financial partners. SMEs make up over 99% of UK businesses and more than half of all employment. Yet, far too often, (and as your research suggests) their growth has been constrained by a financial system dominated by a small number of high street banks.

The current bundling restriction has been critical in creating the space for challenger banks and specialist non-bank lenders like iwoca to innovate and offer more choice in the market. In the last year alone, my company's £1.1 billion in lending to UK SMEs supported £2.3 billion in economic value and over 41,000 jobs. These numbers represent entrepreneurs who are seizing opportunities, hiring staff, and strengthening their communities.

Removing the LOBP now would risk reversing hard-won progress across our industry. We see in other markets, for example in Germany, how lending products are used as anchor products to win or retain customers and lock them into current accounts which they are expected to maintain despite elevated fees.

We believe competition in SME finance is not only good for businesses but also for the wider economy. Challenger banks and fintechs have brought transparency, innovation and inclusivity into a sector that had long been closed. To remove safeguards at this stage would entrench the dominance of a handful of large banks and diminish the international competitiveness of the UK's fintech sector.

I therefore urge the CMA to reconsider its provisional decision and maintain the limitation on bundling provisions. Doing so will protect choice and foster healthy competition. But, more importantly, give UK SMEs better access to finance so that they can grow.

I would be very happy to discuss this further and to provide more detail on iwoca's experience lending to over 100,000 SMEs in the UK and Germany.