Strategic Review of CMA Markets Remedies

NatWest Group Response

2 March 2026

NatWest Group plc ("**NWG**") welcomes the opportunity to respond to the CMA's strategic review of markets remedies. This response solely relates to the review of the Retail Banking Order (the "**RBO**").

Since the RBO came into force in 2017, the retail banking market has changed significantly compared to 2014–16, when the CMA conducted the market investigation ("**MIR**"). NWG believes those findings are now outdated, due to increased competition from new entrants, especially neo banks, and shifts in customer behaviour toward digital services.

In 2024, 50% of UK adults held a relationship with neo banks, up from 16% in 2018.[1] UK neo banks also in 2024 surpassed incumbent banks when it came to banking app downloads, where they added 18.6 million users compared to incumbent banks adding 7.5 million.[2] In 2024, 76% of adults who opened their day to day account in the preceding 3 years did so digitally.[3]

Customer engagement has become significantly stronger in recent years. In 2024, over half of customers opening a new personal current account reported actively comparing providers.[4] A similar story is seen for SMEs with over 73% of SMEs in 2025 considering switching their main bank.[5]

NWG experiences intense competition from challengers and neo banks across the personal and business current account and SME lending markets. [✂].[6]

Such a significant change in the competitive landscape and customer behaviour amounts to a clear change in circumstances, which means the RBO is outdated. **NWG therefore considers that the requirements in scope of this review within the RBO should be revoked in full.** [7]

Revoking these now outdated requirements would also be in line with the Government's strategic steer to the CMA, to focus on pro-growth and pro-investment interventions.[8] The RBO instead now acts primarily as a regulatory burden on the retail banking industry and delivers limited customer benefits.

[1] https://www.finextra.com/newsarticle/45461/uk-neobanks-take-market-share-from-incumbents
[2] https://www.financemagnates.com/fintech/payments/revolut-leads-digital-banking-surge-in-the-uk-as-downloads-top-legacy-banks/
[3] https://www.fca.org.uk/publication/financial-lives/fls-2024-retail-banking.pdf, slide 87
[4] https://www.fca.org.uk/publication/financial-lives/fls-2024-retail-banking.pdf, slide 95
[5] https://www.currentaccountswitch.co.uk/news-insights/latest-news/current-account-switch-service-unveils-sme-and-charity-switching-trends/
[6] [✂]
[7] In respect of Part 3 (Service Quality Indicators) whilst NWG does acknowledge the benefits this has brought, the underlying framework and methodology applied is outdated and should be revoked so this can then be reformed to appropriately reflect the retail banking market today, with a switch in regulatory oversight to the FCA.
[8] Para 2.1, https://www.gov.uk/government/publications/strategic-steer-to-the-competition-and-markets-authority/strategic-steer-to-the-competition-and-markets-authority

This submission consists of three sections: Annex 1 provides a high-level summary of NWG's views on each part of the RBO and outlines the relevant changes in circumstances, Annex 2 gives detailed reasoning and supporting evidence, and Annex 3 offers specific comments relating to Coutts as a private banking brand caught by aspects of the RBO.

Part 2 (Open Banking) would remain in force, subject to the outcome of the separate development of a Longer Term Regulatory Framework ("**LTRF**") being put in place. NWG currently understands that a Statutory Instrument ("**SI**") is expected to be laid in Q4 2026, with the FCA consulting on the rules for the LTRF shortly after.[9] We would urge the CMA to launch an equivalent consultation in parallel to the SI being laid and accelerate the review of aspects of Part 2 and look at ways the revocation process can be expedited.[10]

NWG would be very happy to discuss this submission further with the CMA, or provide additional evidence.

[9] https://www.fca.org.uk/publications/corporate-documents/regulatory-initiatives-grid/dashboard

[10] For example, the release and use of the Open Data aspects under Article 12 (e.g. branch location APIs) we see as having very limited customer benefit, given these are barely used by customers, would merit more immediate review and revocation.

Annex 1[11] - Overview of NWG position

Part of RBO	Rationale for the Remedy in the MIR[12]	NWG view	Change of Circumstances Applying[13]
3 (Service Quality Indicators)	To provide reliable and comparable information on providers' service quality to help PCA customers and SMEs choose between providers.[14]	Should be revoked in full, reviewed, amended, and handed over to FCA supervision	*Age and Impact* The SQI survey approach is outdated and needs to be redesigned to better reflect current retail banking and customer interactions. The FCA should also provide regulatory oversight, rather than the CMA, to establish a unified service quality framework focused on retail banking.
4 (Prompts)	To prompt customers, both periodically and at key milestones throughout their relationship with their current account provider.[15]	Should be revoked in full	*Market developments* Rising customer numbers for challengers, neo banks, and new entrants show greater engagement by customers with considering their banking needs. *Age and impact* Requirements are inactive, and NWG is not aware of any prompt research or activity being undertaken in recent years.
5 (Transaction History Lists)	To provide assurance to PCA and BCA customers who are considering switching, or have switched accounts, that their transactions history will continue to be available to them, thus	Should be revoked in full	*Market developments* Growth in challenger, neo bank, and new entrant market share shows that previous switching barriers no longer exist.

[11] The Parts of the RBO listed are those that still remain in force and do not include those which have been revoked or are time lapsed (e.g. Parts 6, 10 and 11)
[12] As set out in the Retail Banking Market Investigation Final Report 9 August 2016, https://assets.publishing.service.gov.uk/media/57ac9667e5274a0f6c00007a/retail-banking-market-investigation-full-final-report.pdf ("**FR**")
[13] These have been prepared and classified in accordance with para 10 of the consultation, https://connect.cma.gov.uk/strategic-review-of-cma-markets-remedies
[14] Para 13.91 of FR
[15] Para 13.167 of FR

Part of RBO	Rationale for the Remedy in the MIR[12]	NWG view	Change of Circumstances Applying[13]
	reducing this barrier to switching.[16]		Transaction histories are of limited use for opening or switching accounts, which primarily require identification, verification, and credit checks if overdrafts are needed. *Age and impact* Customers can now more easily access their transaction history online due to increased digital banking activity. *Regulatory landscape* Open Banking regulations enable, with customer consent, transaction data to be shared more easily with providers.
7 (Maximum Monthly Charge ("**MMC**")	The MMC was designed to help address the detriment arising from the limited constraints on unarranged overdraft facilities, in particular the significant charges that heavier unarranged overdraft users can build up over time. A cap addressed the complexity in allowing customers to make like for like comparisons between providers.[17]	Should be revoked in full	*Regulatory landscape* The FCA's 2019/20 High Cost Credit Review ("**HCCR**") led to rules that standardised pricing and disclosures, making the MMC unnecessary. The MMC was initially introduced to address varied charging models among firms, but this need has been eliminated by the HCCR reforms. The FCA's Consumer Duty already covers customer understanding and fair value, overlapping with MMC's purpose. Removing MMC would streamline and improve the navigability of regulation, simplifying regulatory oversight.

[16] Para 14.96 of FR
[17] Para 15.71 of FR

Part of RBO	Rationale for the Remedy in the MIR[12]	NWG view	Change of Circumstances Applying[13]
			Age and impact The MMC is outdated and risks customer confusion given it only covers costs for unarranged borrowing, where customers could incur costs for arranged as well.
8 (Representative rates for SME lending)	Required lenders to publish rates and contextual information for unsecured loans and overdraft products in a standard format to reduce the time and effort involved when SMEs search for loans and overdrafts, reducing search costs and promoting greater customer engagement.[18]	Should be revoked in full	*Market developments* The rise of challengers, neo banks, and new entrants has greatly intensified competition among SME lending providers. *Age and impact* Live pricing tools have enabled SMEs to access real-time, personalised prices, decreasing dependence on representative pricing. *Regulatory landscape* Open Banking regulations have made it easier for customers to compare pricing and offerings across providers. FCA Consumer Duty requires lenders to present product pricing clearly and fairly in line with the original rationale.
9 (Indicative Pricing and Eligibility Tools)	The loan price and eligibility indicators developed by NWG, LBG, Barclays and HSBC would provide further clarity and certainty on the cost of lending,	Should be revoked in full	*Market developments* The rise of challengers, neo banks, and new entrants has greatly increased competition among SME lending providers.

[18] Para 16.24 (a) and (b) of FR

Part of RBO	Rationale for the Remedy in the MIR[12]	NWG view	Change of Circumstances Applying[13]
	and the likelihood of being accepted in advance of an SME making a loan or overdraft application.[19]		*Age and impact* Introduction of live pricing tools have given SMEs greater access to live and personalised pricing. Expecting SMEs to rely on the tools (and cross compare offers) of four lenders is an outdated concept as the level of choice for SMEs is far broader today. Low customer usage indicates these tools are not valued or relied upon. *Regulatory landscape* Open Banking regulations have made it easier for customers to compare prices and offerings from different providers. FCA Consumer Duty requires lenders to present product pricing clearly and fairly, in line with the intended purpose.

[19] Para 16.24 (c) of FR

Annex 2 – Supporting Evidence

This section provides further evidence supporting the comments provided in the table in Annex 1. These are provided by relevant part of the RBO.

- **Part 3 – Service Quality Indicators ("SQIs")**

NWG recognises that the SQIs have effectively standardised service quality measures in retail banking, allowing regular updates and enabling new entrants, including challengers and neo banks, to participate in the process. With experience across both digital (Mettle) and established brands (NatWest, Royal Bank of Scotland, Ulster Bank), NWG brings a broad perspective to this process.

However, NWG has concerns with the underlying process and methodology used, which we consider is outdated both from an incumbent and digital/neo bank brands perspective.

Part 3 should be revoked in light of the age of the requirements, which can then allow for the SQI framework to then be revisited and be updated. The new approach should reflect current retail banking practices and customer engagement, which differ from when the RBO was first introduced.

NWG also measures service quality performance through the net promoter score ("**NPS®**[20]") framework. There are best practices and approaches which can be taken from this framework. The CMA SQI process has the following limitations in comparison,

- **Sample size** – currently approximately 1,000 customers per provider are surveyed in Great Britain and 500 in Northern Ireland. For NWG, [✂] these are very small samples in context. Samples of this size have higher margins of error, meaning year-on-year movements often reflect natural fluctuation rather than true changes in customer experience. The NPS surveys by contrast have sample sizes of approximately 10 times more. This produces more robust results.
- **Interviewing approach** – the CMA surveys are conducted by telephone, whilst NPS is undertaken online. The online approach generates more effective outcomes and higher customer response rates. NWG also receives questions, and even complaints, from customers who have been called as part of the survey, which can be based on concerns that these are fraudulent or scam calls. An online approach would be more appropriate to adopt going forward.
- **Measurements** – CMA assesses likelihood to recommend using a 4-point scale (extremely likely, very likely, fairly likely, unlikely) and reports a top 2 box. In contrast, NPS uses an 11-point advocacy scale (0-10) and reports NPS calculated as Promoters (9-10) – Detractors (0-6). The 11 point NPS scale is widely recognised as an industry standard. With more response options it has greater sensitivity to change, improving the ability to detect small but meaningful shifts that better reflect changes in experience. The more limited CMA scale by contrast requires major events to drive shifts in performance/SQIs.
- **Limited Diagnostics** – NPS allows additional insights to be gained by asking customers why they have given a particular score. The CMA SQIs do not allow this, which makes it difficult to identify improvement areas and take action. Although the CMA process offers driver analysis,

[20] *Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld*

limited brand participation and an outdated methodology made the results unreliable, which is why NWG unsubscribed in 2023.

- **Presentation of the SQIs** – some of the requirements on where the SQIs are displayed should also be reconsidered. For example, we see limited value in the SQIs being two clicks away from a mobile banking app homepage.

The regulatory oversight of SQIs and the CMA's role should be re-evaluated, particularly if the CMA eventually revokes all parts of the RBO except Part 3. Retaining only Part 3 would be sub-optimal from a regulatory simplification perspective.

Instead, there is an opportunity for the revised requirements to instead now pass over to the FCA for regulatory oversight. This would align with the wider set of service quality metrics relating to performance on key account services (e.g. account opening times).[21] The FCA also run similar surveys in financial services, which provides them with experience in running large scale surveys and studies.[22]

Having one regulator for all service quality indicators related to retail banking would ensure consistent oversight and enforcement, complementing the FCA's broad remit. It would also allow the introduction of a review mechanism to ensure timely updates could be made, to the SQI framework and methodology, to keep pace with future changes in retail banking.

- **Part 4 - Prompts**

These requirements have been inactive for years, and the FCA does not appear to run a prompts research programme or require provider engagement, indicating the requirements are outdated. The original purpose of these requirements are outdated, given increased competition in retail banking and the rise of digital challenger banks with higher customer engagement.

These developments represent changes in circumstances meaning the full revocation of this requirement is appropriate.

- **Part 5 - Transaction History Lists**

NWG has previously provided evidence supporting the request to revoke this requirement and cross refers the CMA to this.[23]

There has been a significant change in circumstances since these requirements came into force related to market developments, the age and impact these requirements have and in light of regulatory developments.

Market developments

The original rationale for introducing Part 5 was to reduce barriers to switching in PCAs and BCAs. Structurally both the PCAs and BCAs markets have seen rapid change in recent years, driven by the growth of challengers, neo banks and new entrants as customers have switched more readily and easily to such providers.

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[21] https://www.fca.org.uk/data/mandated-voluntary-information-current-account-services/providers-links
[22] For example, the Financial Lives survey, https://www.fca.org.uk/financial-lives
[23] NWG response to CMA questions on Parts 5, 8 and 9 submitted on 22 September 2025

The Current Account Switcher Service ("**CASS"**) has made it easier for customers to switch accounts, driving higher numbers than before. CASS operates independently of Transaction History Lists (**THLs**), so eliminating the THL requirement would not affect its effectiveness. Data from CASS, which covers personal and SME customers, demonstrates increased switching, consumer confidence and competition. Since its 2013 launch, CASS has enabled 12.4 million switches.[24] Customers can also remain multi banked outside of the CASS process too (e.g. if they wish to open a new account with a neo bank for budgeting purposes).

The CMA's press release when opening this review, noted that it may be appropriate to revoke these requirements due to advancements in digital banking, allowing customers easier access to transaction histories online.[25] NWG agrees as customer engagement with digital banking is rising, with UK neobanks surpassing incumbents in app downloads—18.6 million versus 7.5 million in 2024. This shift away from traditional methods provides customers with better access to information, making THLs less beneficial today.

Age and impact

THLs have become less of a dependency from our perspective when a new customer is looking to open a PCA and BCA. Whilst transaction history can be relevant when a customer is looking to take an overdraft with their PCA/BCA, THLs are an outdated concept, as lenders tend to rely more on information provided by Credit Reference Agencies ("**CRAs**").

PCA customers who already have an existing relationship with the bank (e.g. through another product) and are opening or switching their PCA via the CASS, do not require their THL for the banks to initiate and onboard them prior to the account opening or switch.

When a new customer wants to switch their PCA, the CASS process handles eligibility, focusing on identification, verification, and fraud checks—not on THLs or legacy transactions. For overdrafts, we check eligibility using CRA data, not THLs. We only review THLs to spot gambling or payday lending if the customer is opening a PCA with an overdraft, but not for accounts without overdrafts.

For BCAs, THLs are also shifting to becoming more of an outdated and less effective requirement for SMEs. For account openings and completing verification of identification, customers can provide various pieces of evidence (e.g. utility bill, tax return and public liability/insurance documents). They can also provide their transaction history but this is not the only piece of evidence required. For existing and new customers opening a BCA, lenders also rely on CRAs more, especially where a customer also wants to open an overdraft.

Bank statements may be required in limited circumstances for between one and six months, where enhanced due diligence may be required for financial crime purposes (e.g. if a very high deposit is placed or there are links to a politically exposed person), but not for the majority of SMEs. CRAs are used, where possible, to check identification and verification and eligibility but this is not possible for all SMEs, since not all SME lenders report such data to CRAs.

[24] https://www.wearepay.uk/wp-content/uploads/2026/01/CASS-Dashboard-Q4-2025.pdf
[25] https://www.gov.uk/government/news/cma-regulatory-review-aims-to-ease-the-burden-on-businesses

CRA reporting can also be more challenging where the SME is unincorporated (e.g. sole trader/partnership) where there can be difficulties to identify and match the entity. For incorporated companies, the company registration number makes this process easier. There is a trend underway that more SME lenders are providing more information to CRAs.

In September 2025, HMT issued a consultation which issued a range of proposals aimed at enhancing the UK's Commercial Credit Data Sharing scheme.[26] The consultation acknowledges that as challenger and specialist lenders have gained market share, consideration has to be given to expanding the scheme out to a wider range of finance providers to reflect the greater level of choice and competition in SME banking. The current focus on designating incumbent banks creates gaps in the data pool available and HMT are now looking at how to assess potential enhancements to this process, which would ensure all CRAs have broader access to such data.

Regulatory landscape

We have called out the impact of CASS and it's growth and success, which was ultimately an industry driven initiative on the back of previous studies of PCAs by the Office of Fair Trading.[27] The success and additional engagement by customers with CASS has been driven too by the 2017 CASS Undertakings.[28] These have made improvements by extending the payment redirection services and facilitating greater public promotion of CASS which have helped to drive the greater levels of switching seen in recent years via CASS.

Open Banking has enabled customers to better control and access their transaction data through read/write APIs. This regulated approach offers customers improved access and management of their banking histories compared to Part 5, making it easier for them to use their transaction information when evaluating banking options.

These developments also support the position that there has been a change in circumstances meaning Part 5 can be revoked in full.

- **Part 7 – Maximum Monthly Charge**

NWG has previously provided evidence supporting the request to revoke this requirement and cross refers the CMA to this.[29]

There has been a significant change in circumstances, since these requirements came into force, predominantly given the change in regulatory landscape on the back of the HCCR. From an age and impact perspective, Part 7 no longer addresses the original issues identified in the MIR when it comes to concerns on unarranged overdraft pricing.

Given these developments, Part 7 should be revoked in full.

Regulatory landscape

[26] https://assets.publishing.service.gov.uk/media/68d56a95e65dc716bfb1ddf6/Commercia-_Credit-Data-Sharing.pdf
[27] Review of personal current accounts in the UK
[28] Notice of acceptance and final undertakings given by Bacs Payment Schemes Limited
[29] NWG submission on MMC submitted to CMA on 27 November 2024

The MMC was introduced because firms used various charging methods, making it hard for customers to compare costs, and some did not cap unarranged overdraft fees. By requiring an MMC, consumers could more easily see and compare the maximum monthly charge if they exceed their overdraft limit.

The HCCR tackles this issue by mandating standardised overdraft pricing and consistent disclosure across firms. These changes have practical effects, including:

- Firms must charge a single interest rate for arranged and unarranged overdrafts (the unarranged rate cannot exceed the arranged rate though can be lower).
- Firms must provide a representative APR to enable product cost comparisons.
- New guidance was introduced for setting unpaid transaction fees, which must be cost-orientated.

The HCCR has simplified everyday overdraft cost comparisons and lowered unarranged overdraft fees for consumers. However, the MMC may now confuse customers about overdraft costs, as it only addresses unarranged borrowing while customers might face both arranged and unarranged charges.

Firms also have overarching obligations under the FCA's Consumer Duty, to deliver customer understanding and price and fair value outcomes. Firms are now required to take steps to ensure customers are getting value for money and that they understand the costs associated with a product.

So whilst the MMC was a useful tool to aid comparability and limit consumer costs when it was first introduced, HCCR and the FCA's Consumer Duty have subsequently made the MMC redundant and it now has the potential to mislead rather than inform.

Age and impact

In addition to being an outdated concept, the impact of MMC when it comes to delivering customer benefit has also diminished over time. At NWG, the MMC acts as a price cap for a very small number of customers. [✂]. This is in line with the trends in recent years since HCCR came into force. [✂].

If Part 7 was revoked, the HCCR would continue to ensure good customer outcomes and protections for these customers. CONC 5D aims to limit harm from frequent overdraft use, which can lead to high charges and financial difficulties. Firms must monitor customers' repeat usage patterns, identify those affected, act to change usage, and monitor and periodically review the effectiveness of its policies, procedures and systems, updating or adjusting them as appropriate. In addition, where a firm proposes to update its policies, procedures and systems, it must submit a report to the FCA containing a description of any substantial changes. report their strategies and monitoring results to the FCA.

Firms also must follow CONC 7 by having clear policies for customers in or near arrears or default. They should show forbearance, such as waiving extra interest. If a repayment arrangement is arranged, and the customer is meeting the terms of that arrangement, the firm must reduce, waive or cancel any further interest or charges to the extent necessary to ensure the level of debt does not rise for the period of that arrangement.

The table below summarises additional requirements put in place by HCCR which have enhanced pricing disclosure across arranged and unarranged overdrafts.

CONC 3.5.3R	Requires the inclusion of a representative example in financial promotions that indicate a rate of interest or amount relating to the cost of credit. Following HCCR authorised non-business overdrafts now have to include a representative APR as part of the representative example.
CONC 3.5.7R	Requires a representative APR when a financial promotion includes other triggers such as an incentive to apply for credit.
CONC 3.5.9R	Whenever a representative APR is quoted the statement "*How does our overdraft compare*?" plus an explanation of the purpose of the representative APR must be included.
BCOBS 2.2B	Requires the inclusion of general information about overdrafts in direct offer financial promotions, including the availability of the overdraft cost calculator required by BCOBS 8.2 and the overdraft eligibility tool if required by BCOBS 8.3.
BCOBS 4.4	Requires the inclusion of explanatory information about overdrafts at the application stage, including sign-posting to the overdraft cost calculator.
BCOBS 8.2	Sets out the requirements of the cost calculator tool that must be made available continuously on the firm's website enabling the customer to understand exact costs for both on-sale and live, off-sale products, including the sum of charges relating to both arranged and unarranged borrowing (where selected)
BCOBS 8.4	Provides for automatic enrolment of customers to receive alerts, including unarranged overdraft alerts and alerts for attempting to go into overdraft without prior arrangement.

Revoking Part 7 would simplify regulatory oversight. Currently, firms must follow two overlapping rule sets enforced by separate regulators with differing approaches.

The FCA, as our sector regulator, is better suited than the CMA to supervise overdrafts. Removing MMC would ease firms' compliance by streamlining rules, aligning with the FCA's aim for international competitiveness and growth.

The CMA should also reflect on the previous decision to revoke Part 6 (overdraft alerts) of the RBO as this has not resulted in customer detriment, and enabled NWG to apply HCCR regulations in relation to alerts, without the incremental burden of cross-referencing CMA rules. [30]

- **Parts 8 and 9 – SME representative rates and lending tools**

NWG has previously provided evidence supporting the request to revoke both of these requirements and cross refers the CMA to this.[31]

There has been a significant change in circumstances since these requirements came into force related to market developments, the age and impact these requirements have and in light of other regulatory developments.

Given these developments Parts 8 and 9 should be revoked in full.

Market developments

[30] Final decision
[31] NWG response to CMA questions on Parts 5, 8 and 9 submitted on 22 September 2025

Parts 8 and 9 have different requirements, but both aimed to standardise pricing and eligibility comparisons for unsecured SME loans up to £25,000.

Since the RBO was put in place, the SME banking market has changed significantly, as shown by the greater number of providers in the market and the more personalised level of pricing information made available to SMEs by third parties. Parts 8 and 9 provide representative and indicative pricing information, which we consider is of limited value to SMEs given the greater level of choice and tailored pricing information now available for SMEs.

In 2024, challenger and specialist banks held 60% of total SME lending[32], a major shift from 2015 when incumbents held about 75%[33]. [✂]. [34] The rise of CASS has further boosted customer switching to neobanks. [35]

These market changes highlight the increased competition and choice compared to what the CMA previously reviewed for Parts 8 and 9. SMEs are increasingly switching to non-incumbent providers.

Parts 8 and 9 haven't driven these changes, as customers are using more live personalised pricing rather than indicative tools. Third-party fintech companies like Loan Tube, Compare My Funding, Funding Xchange, Swoop, Iwoca, Funding Circle, and Funding Options have introduced these solutions, expanding SME lending options. For instance, Iwoca has lent over £4.5 billion since it's launch in 2012[36] and £1.3 billion in the prior 12 months to October 2025.[37]

Our understanding is that these tools use Open Banking APIs to connect with lenders. SMEs can submit their business details and requirements, allowing operators to instantly access their transaction history and lender product data. This enables the tools to generate personalised indicative pricing, so SMEs can compare real-time offers across lenders.

These propositions deliver better results for SMEs, unlike Part 8, which requires them to manually compare rates across lenders—a less effective approach. Part 9 only covers the four major banks and fails to reflect the broad competition in SME lending, making it outdated.

Age and impact

Both sets of requirements deliver limited customer benefit or positive impacts, in light of the changes in customer behaviour seen since the RBO was put in place.

SMEs now show stronger engagement, with over 73% of UK SMEs in 2025 considering switching their main bank.[38] This shift and surge in SME switching is driven by increased reliance on digital banking and personalised pricing tools offered by challengers and fintechs, rather than based on a dependency

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[32] See page 125, British Business Bank's Small Business Finance Markets 2025 - https://www.british-business-bank.co.uk/sites/g/files/sovrnj166/files/2025-02/small-business-finance-market-report-2025.pdf. Specialist banks defined as those other than the biggest 5 UK banks.
[33] Appendix 7.1, para 27 of FR
[34] [✂]
[35] Current Account Switch Service unveils SME and charity switching trends
[36] https://www.iwoca.co.uk/news/research-finds-sme-revenues-grow-by-a-fifth
[37] https://insights.iwoca.co.uk/hubfs/news/2025%20SME%20impact%20report.pdf
[38] https://www.currentaccountswitch.co.uk/news-insights/latest-news/current-account-switch-service-unveils-sme-and-charity-switching-trends/

of the traditional relationship-focused approach of incumbent banks.[39] This marks a clear contrast from the environment when the RBO was implemented and its original requirements established.

Brokers also don't rely on the output of these requirements. They are predominantly focused on SMEs in the mid-large SME market, rather than the lower end Parts 8 and 9 are focused on.[40]

SME reliance on these requirements is very low in our experience. For example, in our annual compliance reports we have previously provided data on the number of customers who use the Part 9 pricing tools and fell into the various eligibility categories.

[✂]. This low usage has been a trend for some time since the RBO came into force and demonstrates their minimal impact and benefit for customers.

Regulatory Landscape

Open Banking and the FCA's Consumer Duty have brought important changes benefiting SMEs, as covered in Parts 8 and 9. Open Banking enables SMEs and intermediaries to share data for more accurate lender price comparisons. The FCA has also recently outlined that it intends to prioritise SME lending as part of the acceleration in the delivery of Open Finance.[41] The FCA's Consumer Duty also mandates clear, fair pricing and transparency from lenders.

[39] https://www.wearepay.uk/the-current-account-switch-service-records-surge-in-sme-switches/
[40] For example, the National Association of Commercial Finance Brokers found in 2023 that the average loan size brokered was £509,000 https://nacfb.org/brokers-bridge-finance-gaps-for-smes-with-38-billion-in-loans/
[41] https://www.fca.org.uk/news/news-stories/fca-announces-partnership-accelerate-delivery-open-finance

Annex 3 – Coutts and Private Banking

Coutts is a private banking brand within NWG, which just exceeded the relevant BCA account de minimis threshold at the end of 2024, which has brought it into scope of Parts 2, 3, 5, 8 and 9 of the Order.[42] Private banking was not in scope of the original MIR, so the adverse effect on competition conclusions made in respect of retail banking, do not read across to it.

Coutts has discussed with the CMA the impact of these requirements, noting that applying remedies to private banking is disproportionate since the MIR did not include this sector, and the benefits to private banking clients are limited.

Coutts supports fully revoking the RBO. If the CMA keeps any part of it, private banking brands should be explicitly excluded. This would mean revoking Article 5 and removing the de minimis exemption.

If the CMA keeps Article 5, Coutts would ask for a permanent extension of non-enforcement regarding Part 3 requirements if Part 3 is also kept. The CMA had previously signalled a willingness to revisit this issue, and Coutts maintains that the same substantive reasons for not implementing the requirements remain valid.

[42] [✂]