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2 March 2026

NewDay: Response to: *Strategic Review of Market Remedies*

By email: MarketsRemediesStrategicReview@cma.gov.uk

Dear Sir or Madam,

I am writing on behalf of NewDay, a leading UK consumer credit firm, in response to the Competition and Markets Authority's ("**CMA**") consultation: *Strategic Review of Markets Remedies*.

NewDay

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Response Summary

NewDay welcomes the opportunity to respond to this consultation. Our response is centred from the perspective of a mainstream consumer credit lender with a particular interest in economic growth and expanding access to credit through improvements to the regulatory environment. We place a high value on the delivery of good customer outcomes, regulatory certainty, the avoidance of retrospective regulatory risk and the importance of investor and consumer confidence. We are supportive of the government's aims to simplify the regulation consumer credit firms face.

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We consider that the Order, once impactful and an important consumer protection, has become overtaken by market and regulatory developments, such that it is no longer required. As we will explain below, in addition to no longer being necessary, the Order is now an inadvertent obstacle to consumer protection objectives and a potential counter-agent to UK growth and market innovation objectives.

In light of the market and regulatory developments seen since the introduction of the Order, we believe the revocation of the Order would be appropriate, aligned with broader regulatory objectives and that this could be achieved without impact to consumer protections.

Further below we set out our views as relevant and as applicable to the 'changes of circumstances' under which the CMA may apply amendments to the Order (set out in Paragraph 10 (a-d) of the CMA's consultation document), but we offer the following points in summary:

- **Market changes have diminished the relevance of the Order |** A healthier and more diverse consumer credit market and related market movements have eroded the demand, supply and general attractiveness of the store card products the Order was originally intended to address. With the expansion of more favourable and flexible alternative products (themselves heavily regulated), comparatively few consumers now hold store card products, with even fewer revolving interest-bearing balances. We explore these developments further in Section 1 '*Market Developments*'.
- **The harms the Order was intended to address are no longer risks to consumers |** The Order was appropriate upon its introduction, at a time when store cards were prevalent on the high street. They faced limited regulation and enjoyed an absence of material competitive pressures. However, concerns relating to anti-competitive pricing conditions, opaque pricing practices and inadequate disclosures have all been addressed by more recent developments to regulation. We expand on these points in Section 2 '*Age and Impact*'.
- **Regulatory advancements, both since the time of the Order and in flight today, give more advanced protections for consumers, removing the need for the Order:**
  - **Consumer credit regulation has developed significantly since the Order was introduced |** Since 2006, and particularly in the last decade, consumer credit regulation has changed unrecognisably. Where previously lenders were subject to only light touch oversight from the Office of Fair Trading, lenders of credit products, including store cards, are now subject – rightly – to the FCA's Handbook and its Principles, Rules and Guidance. Therefore, the minority of UK consumers who still hold store cards products, and the subset of those who revolve interest-bearing balances each month, receive significantly advanced protections and support than consumers received at the time the Order was made.
  - **The Order's rule-based approach runs counter to current outcomes-focused regulatory strategies |** Recent and ongoing regulatory reforms show a clear directional trend away from rigid rules-based regulation towards more nuanced and flexible outcome-based regulation. With this approach being accepted as optimal for consumer

outcomes, remaining pockets of rigid rules-based regulation risk becoming counteragents to more modern consumer protection strategies.

These developments are set out in Section 3 '*Regulatory Landscape'* and we include examples of where the Order is duplicative and inadvertently runs counter to current consumer-focused strategies.

- **The Order brings practical and operational burdens for firms which are no longer proportionate given its reduced consumer benefits |** Despite the declining population of consumers the Order was intended to protect and despite those consumers being more ably protected by the emergence of other regulations, the Order remains in force without recent update. This brings material ongoing operational and compliance burdens to firms, including to firms like ours which no longer offer new store cards and whose former store cards no longer meet the definition of the product in the Order. We provide further detail on these challenges in Section 4. '*Changes to the Bound Business'*.

Views as relevant to the CMA's 'changes of circumstances'

1. ***Market Developments:*** *changes in the market and competitive landscape since the remedy was introduced.*

Store cards continue to be a contracting and low-risk segment of the broader consumer credit market. With the rise of other, more flexible credit products (which are subject to heavier regulation than the Order), comparatively few customers hold store card products, with even fewer of those consumers revolving interest bearing balances. For most, store-branded credit cards, instalment plan products and Deferred Payment Credit products have replaced the original closed-loop store card products that were ubiquitous in 2006.

On the high street, merchants now prefer to work with lenders with broader reach, bringing them access to a wider pool of consumers with cross-industry spending ability, as opposed to single-store based products with a finite customer base. In turn, consumers favour the flexibility of products which can be used more broadly in the industry, but which have commensurate benefits (such as loyalty offerings and digital functionality) and the protections that come with fully regulated credit products.

Against this backdrop, the store card which was the subject of the Order back in 2006 is no longer a material presence in the market and is no longer tracked as a meaningful product segment in UK regulatory datasets, decreasing the relevance and merit of store card-specific regulation.

2. ***Age and Impact:*** *The age of the remedy indicates that the remedy no longer addresses the original competition problem and/or consumer detriment which it was designed to remedy.*

The original harms the Order was intended to address are no longer material risks in the consumer credit market. Specifically:

- With overtaking consumer credit and conduct regulation, consumers now receive more comprehensive disclosures and a clearer understanding of product risks and benefits;
- The increasing digital method by which consumer credit products are presented to (or sought out by) consumers removes the risks that customers could be 'locked in' at the retail Point of Sale, with customers now having greater opportunities to take the time to reflect on credit needs and to shop around to compare offers; and
- Subsequent events relating to the Payment Protection Insurance ("**PPI**") market have removed the risk of unfairly designed or sold insurance products.

3. ***Regulatory Landscape:*** *Changes to relevant regulations or legislation affecting the appropriateness of the remedy. For example, alternative regulatory or legislative solutions.*

Since the Order was first introduced in 2006 and particularly since it was updated in 2011, the consumer credit market has been subject to fundamental and comprehensive reform. The most significant changes have arisen since the commencement of the FCA's regulation of consumer credit in 2014, which included store card products alongside other forms of consumer credit. These developments have reduced the need for a distinct, prescriptive regime for store cards.

For over a decade, all lenders (including those which offer store cards) have been required to adhere to a comprehensive regulatory framework covering financial promotions, conduct, transparency, fairness, affordability, vulnerability and complaints handling. Most recently this includes the FCA's all-encompassing Consumer Duty. Today, consumers' interests, needs and financial objectives are prioritised and met by lenders in a way which could not have been envisaged by the Competition Commission or the early store card lenders at whom the Order was aimed.

Store cards have also benefited from the FCA's broader work, as well as adjacent improvements to credit card regulation. Most notably, the FCA's Credit Card Market Study remedies in force since 2018 included store cards in a limited form (recognising their similarity to credit cards, but also their diminished scale and comparatively lower risk to consumers). In practice, for ease of deployment, many firms deployed solutions which included store cards alongside their credit card improvements. All these changes have brought significant improvements to how store cards are marketed and serviced, going further than the original scope of the Order and diminishing its present relevance.

The co-presence of the Order with more recent regulation presents specific consumer understanding and practical issues for firms and regulators, including:

- The FCA's Consumer Duty specifically imposes a higher and more outcomes-focused standard than the Financial Services Authority's 'Treating Customers Fairly' framework which was in place at the time of the Order's introduction. It places more fundamental obligations on firms to consider the needs of customers, including those with vulnerabilities, at all stages of the customer journey. This makes legacy disclosure mandates in the Order unnecessary and, in some cases, misaligned with current FCA expectations;

- Secondary legislation made under the Consumer Credit Act 1974 ("**CCA**", "**the Act**") prescribes detailed statement requirements, negating the need for standalone store card requirements. The FCA's rulebook further requires firms to ensure that all statements and related communications are clear, fair, and not misleading, and presented in a way that supports customer understanding and good outcomes;
- Several disclosures mandated in the Order (for example, the prominent display of interest rates payable on the account) are already required under the Consumer Credit (Running-account Credit Information) Regulations. Similar information is also included in the cardholder statement summary box from the former Lending Standards Board's Lending Code, which – although since removed - many firms continue to follow as best practice to meet Consumer Duty expectations; and
- The requirements of the Order do not always support good customer understanding of key items of information. For example, the requirement in the Order that the interest rate must not be shown in a larger font than the APR prevents lenders from drawing attention to more relevant information. As customers typically benefit from understanding their actual interest rate charged (rather than the APR), this prominence rule can mislead rather than help consumers.

At a higher level, the presence of rigid rules-based requirements runs counter to current regulatory strategies. HM Treasury's ongoing review of the CCA and its related proposals, the rise of principles- and outcomes-based regulation (such as the Consumer Duty) and the decommissioning of static industry codes, all point to a determined regulatory strategy to base consumer protection efforts on evolving outcomes assessment, not rigid rule adherence.

Against this backdrop, rulesets which are highly specific and are not routinely updated, risk falling out of step with current strategies and running counter to them. They also create duplicate operational and regulatory burdens for firms. To demonstrate, in its CCA reform work, the government has acknowledged that the current disclosure rules set out in the Act are excessively rigid and it proposes to recast them to the FCA's rulebook to allow a more flexible, outcomes-focused approach. Retaining the Order and its disclosure rules would negate the benefits and frustrate the purpose of these sorts of reforms.

4. ***Changes to the bound businesses:*** *Structural, behavioural or other changes to businesses bound by the remedies.*

Notwithstanding the declining population of store card accountholders and the diminished presence of the product in the marketplace, firms remain required to adhere to the Order. These obligations necessitate the operation and maintenance of redundant systems to ensure the compliant provision of separate and unnecessarily distinctive requirements (for example, in relation to statement templates where the Order requires unnecessary divergence from credit card statement requirements).

Increasingly, firms are offering cardless retailer credit propositions which no longer meet the definition of store card set out in the Order. These may be newly opened accounts, or former store card products which have since been amended by their terms and features and which are now indistinguishable from other forms of revolving regulated credit. There is no obvious rationale for the requirements of the Order to remain in force for these products, nor for firms to be required to complete Order-specific compliance oversight activities and submit annual attestations. Any such obligations inhibit innovation by deterring lenders from purchasing and developing products which were originally opened as store cards.

In conclusion

We hope that the feedback provided in this response is helpful. If any further information is required, please contact [redacted].

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For the avoidance of doubt, NewDay is content to be named as a respondent to this consultation.

Yours faithfully,

[redacted]

Benjamin Wells
Head of External Affairs