Competition and Markets Authority (CMA) Strategic review of markets remedies

UK Finance response

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Monday 2 March 2026

About UK Finance

UK Finance is the collective voice for the banking and finance industry. Representing more than 300 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation.

This consultation response reflects feedback from across our retail and commercial finance membership, which includes the major high street banks, as well as challenger and smaller banks and finance providers. They include banks that are bound by the CMA's markets remedies and those that are not.

If you have any questions relating to this response, please contact James Jeffreys, Principal, Commercial Finance, at james.jeffreys@ukfinance.org.uk.

Overview

1. We welcome the opportunity to respond to the CMA's strategic review of its markets remedies. These remedies were responses to the set of competition and market conditions in place at the time; however, these circumstances have changed and we now have a more competitive market for financial services. The remedies also represent a significant financial and operational burden on those firms that are bound by them. In the context of the Government's Strategic Steer to the CMA, and the Government's overarching policy priority of reducing the burden of regulation to spur economic growth, we believe it is right that the CMA considers whether these remedies are appropriate against the competition and market conditions today.

2. In our submission to the CMA's review of the SME Banking remedies last year, we set out the significant changes that had occurred in the SME banking market since their introduction, namely that since 2016:

    a. the UK SME banking market has changed significantly, with challenger and specialist banks increasing their share of supply in business current accounts, loans and deposit accounts;

    b. the debt finance market for small businesses has become more diverse and is more evenly spread across the UK, with debt finance provision highly digitalised for SMEs;

    c. 36 new banking licenses have been issued to SME lenders;

d. the share of gross lending provided by challenger and specialist banks has doubled over the last decade, rising to 60% in 2024 – exceeding that of the big five UK banks for the fourth year in a row[1].

3. We were pleased that in its final decision the CMA recognised that "*the available evidence indicates that there has been a material reduction in market concentration and a material increase in the diversity of providers, product offerings available to customers, and level of competition in the supply of SME business loans and deposit accounts, as enabled by the reduced barriers to entry and expansion*."

4. It is important to highlight that these same market dynamics identified by the CMA in relation to SME lending are evident across the wider financial services landscape. Digitalisation, new entrants, and shifts in consumer expectations have transformed multiple retail and commercial product markets – driving greater provider diversity, innovation, and competitive intensity.

5. Challenger banks, specialist lenders, fintechs, and technology-enabled service providers now play a much larger role across areas such as personal current accounts, savings, payments, consumer credit, and small business finance. These developments collectively mirror the CMA's aforementioned findings: reduced market concentration, lower barriers to entry, and a sustained increase in competitive choice for customers. As such, the changes observed in SME finance are not isolated but form part of a broader structural shift in UK financial services, further strengthening the case for revisiting remedies designed for an earlier market environment.

6. To this end, we welcome the fact that in undertaking this current review, the CMA recognises that these wider significant changes across the market likely necessitate either the amending or release of the remedies in question. We believe it would be the appropriate solution and enable a greater contribution to the Government's policy objective of encouraging economic growth, for these remedies to be released.

7. While this position reflects the views of the majority of our members, two challenger banks have said that, in coming to a final decision on this review, the CMA should consider the importance of maintaining competition in the market should these remedies be released.

8. Of the 33 remedies subject to this review, a number apply specifically to financial services. In our submission, we have limited our comments to: the Retail Banking Market Investigation Order 2017 (Varied 2019) (excluding Part 2: Open Banking) (RBMIO); the Current Account Switch Service (CASS) Remedies Undertakings 2017; the Store Card Market Investigation Order 2006 (Varied 2011); and the Payment Protection Insurance (PPI) Market Investigation Order 2011 (Varied 2018). We understand that some of our members may submit commentary directly to the CMA on these and some of the other relevant remedies.

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[1] https://www.british-business-bank.co.uk/sites/g/files/sovrnj166/files/2026-02/small-business-finance-market-report-2025.pdf, P.125

Note on potential practical implications of releasing remedies

9. Should the CMA decide to release some or all of the remedies under consideration, UK Finance would be very happy to discuss any potential contractual, operational and timing implications which might arise from such decisions.

10. For example, in relation to Part 3 of the RBMIO, 'Service Quality Indicators' (SQIs), the CMA will be aware that the customer surveys mandated under the Order are contracted under an interview cycle running from July to June annually, resulting in the six-monthly publication of the service quality rankings in February and August each year. This programme is underpinned by legal agreements between the parties for which any notice of termination would be required to be served by participants by 31st May in the relevant year. Such timing implications may or may not align with the CMA's process leading up to the final determination of this review.

11. In addition, although Article 13 of the RBMIO (which requires publication of the SQIs and associated disaggregated data into Open Banking) sits within Part 2 and is therefore out of scope of this review, it is closely connected to the operation of Part 3. If the CMA were minded to release Part 3 – which collects the underlying data – it would also need to consider how the Article 13 publication requirement should be handled going forward.

12. We would envisage that similar such implications might arise in relation to other remedies within the scope of the Review and so UK Finance would welcome the opportunity to discuss such matters arising with the CMA, as appropriate.

Retail Banking Market Investigation Order 2017 (Varied 2019) (excluding Part 2: Open Banking)

13. We consider that the Retail Banking Markets Investigation Order (RBMIO) is no longer necessary. The market has changed substantially since the CMA identified its original adverse effects on competition, and regulatory developments now achieve the Order's objectives in more effective and flexible ways. Taken cumulatively, these changes constitute a material change of circumstances of the type envisaged by the CMA's Strategic Review framework. As noted above, release would also align with wider government policy to reduce unnecessary regulatory burdens, support economic growth and innovation and financial services.

Competition and Market Structure

14. Competition across Personal Current Accounts (PCAs), Business Current Accounts (BCAs), and SME lending markets has intensified significantly. The past decade has seen a fundamental transformation driven by digitalisation, new entrants, and shifts in consumer behaviour. These developments have materially reduced market concentration and weakened incumbency advantages that underpinned the CMA's original findings.

15. Digital-only and technology-focused challengers have grown rapidly and achieved an increasing share of new account openings. Their success has further increased competition and innovation in the sector, including through digital onboarding and app-based account propositions.

16. As outlined earlier in this response, competition in SME finance has strengthened considerably in recent years. Since 2008, the share of SME lending provided by the largest banks has fallen from around 90% to roughly 40%, with alternative lenders, specialist providers, and new-to-market banks now supplying the majority of lending. These entrants have materially reshaped the market, driven by technology-enabled underwriting and improved access to credit data, reinforcing the broader trends of increased diversity and competitive intensity across the sector.

17. Again, as noted earlier in this response, the CMA has itself recognised these developments. In its recent decision to release the SME Bundling Undertakings, it concluded that "…*there has been a material increase in the diversity of providers, product offerings available to customers, and level of competition in the supply of SME business loans and deposit accounts, as enabled by the reduced barriers to entry and expansion*."[2] The same drivers already referenced – technology, regulatory change, the entry of new players, and evolving customer behaviour – demonstrate that the concerns underpinning the RBMIO no longer apply.

Customer Behaviour and Engagement

18. Customer behaviour has evolved significantly in recent years, reducing the need for prescriptive disclosure requirements or other interventions designed to prompt engagement. Switching, for example, is now well established and widely used. The Current Account Switch Service (CASS) has facilitated more than 12.4 million switches since its inception, with around one million taking place each year[3]. Awareness of the service is high, customer confidence and satisfaction are consistently strong, and switching activity is spread across a broad mix of providers – clear evidence of a competitive and dynamic market.

19. Consumers have increasingly transitioned to accessing their finances through digital channels. The FCA noted that "the pandemic … accelerated the move to digital channels"[4]. In 2024, 76% of adults who opened their day-to-day account in the last three years did so online or through a mobile app[5]. The ease of opening a new account digitally and the multiple options available have also increased customer propensity to open additional accounts rather than fully switching. As a result, competition often unfolds across a customer's portfolio of accounts rather than through traditional switching alone.

20. Information asymmetries have also reduced markedly. Over half of customers opening a new current account now actively compare providers, with comparison websites, customer reviews, app-store ratings, and search engines playing a central role[6]. The growth of

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[2] https://assets.publishing.service.gov.uk/media/6929629ea245b0985f034245/final_decision.pdf, P. 37
[3] https://www.wearepay.uk/wp-content/uploads/2026/01/CASS-Dashboard-Q4-2025.pdf
[4] https://www.fca.org.uk/publication/multi-firm-reviews/strategic-review-retail-banking-business-models-final-report-2022.pdf, P.3
[5] https://www.fca.org.uk/publication/financial-lives/fls-2024-retail-banking.pdf, P.87
[6] https://www.fca.org.uk/publication/financial-lives/fls-2024-retail-banking.pdf, P.95

AI-enhanced search tools has accelerated this shift by reducing time and effort in gathering information and enabling more granular comparisons of fees, service quality, and digital features. With most account openings now taking place online or via mobile apps, customers expect seamless, personalised journeys – further diminishing any residual reliance on longstanding provider relationships.

21. These same behavioural changes are mirrored in the SME market. Today, SMEs are more confident using online tools, calculators, and price-comparison platforms to assess and compare lending options. This capability reduces reliance on the standardised representative information (such as APRs and EARs) mandated under Part 8 of the RBMIO and, combined with wider regulatory developments, reinforces the case for its release. The growth of price comparison websites and online review services has also broadened access to performance and service information, enabling customers to compare providers on service quality continuously, rendering the prescribed customer surveys required under Part 3 increasingly redundant. That said, two participants in the SQI survey believe it is worth retaining because it provides customers with a consistent independent comparison which enables competition.

22. Market practices have similarly shifted in underwriting and credit assessment. Providers now make far greater use of credit reference agencies for both retail and commercial customers, reducing dependency on applicants' transaction histories and supporting release of Part 5. Indeed, customers now use digital banking and app archives – not the CMA's prescribed mechanisms – to access historic transaction data, while more broadly, GDPR (articles 15 and 20) now provide enforceable mechanisms for customers to obtain their transaction history, making, rendering Part 5 duplicative.

23. In SME finance, commercial brokers also play a pivotal role – facilitating around two-thirds of SME lending transactions[7] – and often provide businesses with live, tailored pricing from multiple lenders. This has diminished the relevance of the indicative quotes mandated under Part 9, as SMEs are already able to access real-time, personalised lending information through market-standard channels.

24. Collectively, these developments demonstrate that customer engagement – across both retail and SME markets – is far more active, informed, and digitally enabled than when the RBMIO was introduced. Indeed, as a result, service quality, digital experience and pricing are now actively competed on, rather than remaining opaque or uniform across providers. The market no longer faces the frictions or information barriers the Order sought to address, strengthening the case for revoking its remaining prescriptive requirements.

Regulatory Developments

25. Since the RBMIO was introduced, regulatory reforms have superseded many of its requirements.

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[7] https://nacfb.org/nacfb-members-fuel-70-of-uks-38bn-broker-led-sme-lending/

26. The FCA's Consumer Duty establishes clear expectations for transparent communications, fair value, and good customer outcomes. These obligations meet the intent of the RBMIO, but in a principles-based, outcome-focused manner that allows firms to tailor information to customers' needs – something that the RBMIO's prescriptive approach can inhibit.

27. In SME lending, the Small and Medium Sized Business (Credit Information) Regulations have materially reduced information asymmetries by mandating the sharing of credit data. The Post-Implementation Review confirms this has lowered entry barriers and strengthened competition[8].

28. Other regulatory frameworks – including the Consumer Credit Act, the Consumer Credit Sourcebook, high-cost credit rules, overdraft reforms, and new transparency standards under the Digital Markets, Competition and Consumers Act – further ensure that customers receive clear and timely information on pricing, terms, and credit costs. In many cases, these rules have rendered specific RBMIO requirements obsolete. For example, FCA reforms have already led to the release of Part 6 (alerts) and have effectively superseded requirements related to overdraft pricing disclosures (Part 7) and representative lending information (Part 8).

29. Open Banking has also transformed the flow of data within the financial system, facilitating switching, enhancing transparency, and enabling innovative propositions that give customers greater choice and control.

Conclusion

30. Collectively, market developments, behavioural changes, and overlapping regulation mean the original adverse effects on competition identified by the CMA – customer inertia, limited engagement, asymmetric information, and incumbency advantages – are no longer present in a way that justifies the RBMIO's continuation. The market is dynamic, competitive, and increasingly driven by digital innovation, while customer outcomes are now safeguarded through more modern and flexible regulatory frameworks. In light of these circumstances, the RBMIO no longer meets the tests of necessity, effectiveness or proportionality. For these reasons, we support full release of the RBMIO.

Current Account Switch Service (CASS) Remedies Undertakings 2017

31. We support the release of the Undertakings relating to the Current Account Switch Service (CASS), on the basis that the changes in competition, customer behaviour and regulatory environment in retail banking as described above equally apply to this remedy. Further, we note that CASS is widely adopted and operating effectively for both consumers and market participants. Since their introduction, the Undertakings have achieved their original objectives – supporting competition, improving customer confidence in the switching process, and ensuring consistent service standards across the industry. Market evidence

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[8] https://assets.publishing.service.gov.uk/media/672113d93ce5634f5f6ef442/CCDS_Post-Implementation_Review_2024.pdf, P.9

demonstrates that CASS functions reliably, offers strong consumer protections, and is well-understood by participating institutions, removing the need for continued CMA oversight through formal Undertakings.

32. Release of the Undertakings would provide an opportunity for the service to modernise, adapt to market needs, and align with wider payments and retail banking reforms without being constrained by legacy undertakings designed for a different competitive environment. Continued industry-led development – supported by appropriate regulatory expectations – will ensure that CASS remains effective, resilient, and capable of supporting consumer choice.

33. We also note the integration of the Payment Systems Regulator (PSR) into the FCA, alongside HM Treasury's ongoing consultation on the future regulatory architecture[9]. In this context, retiring the Undertakings would remove unnecessary regulatory duplication and allow the future regulator to take a more streamlined and proportionate approach to oversight of switching services. Overall, release of the Undertakings represents a logical and timely step that reflects the maturity of CASS and supports a more coherent regulatory framework.

Store Card Market Investigation Order 2006 (Varied 2011)

34. The Store Card Market Investigation Order (SCMIO) was introduced to address concerns about the lack of clear information available to store card customers, particularly regarding interest charges. By way of example, one provider remains subject to the Order despite the relevant store card product having been closed to new applicants for some time. Today, only a very small proportion of the original customer base continues to hold the card, and of these remaining customers, around one quarter have not made a payment for more than six years. Fewer than 1% of customers continue to use the card actively.

How the Market Has Evolved

35. Since the Order was made in 2006, the store card market has experienced a significant contraction. At the time of the original investigation, the UK had approximately 11.4 million active store card accounts[10], with over 50 retail groups offering store cards[11], and more than half of cardholders who used their cards in any given month incurred interest.

36. The picture today is starkly different. By 2024, only 6.3 million adults held a store card, and just 1.9 million of these were customers who carried an outstanding balance from month to month[12]. These are the customers who pay interest, and their declining number reflects

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[9] https://www.gov.uk/government/consultations/a-streamlined-approach-to-payment-systems-regulation-consultation

[10] https://webarchive.nationalarchives.gov.uk/ukgwa/20140403005643mp_/http://www.competition-commission.org.uk/assets/competitioncommission/docs/pdf/non-inquiry/rep_pub/reports/2006/fulltext/final_report.pdf, P.3

[11] Ibid, P.2

[12] https://www.fca.org.uk/publication/financial-lives/fls-2024-credit-loans.pdf, P.23

not only reduced overall usage but a marked fall in interest-bearing borrowing. This figure also does not differentiate active usage, meaning the number of store card users comparable to 2005 levels is likely significantly lower.

37. Given that two decades have passed, it is unsurprising that the consumer credit landscape has changed significantly.

Changing Consumer Preferences

38. The shift toward online retail has eroded both the supply and appeal of traditional store cards, with customers increasingly favouring flexible, cross-retailer products that offer similar benefits with fewer limitations. Buy Now, Pay Later (BNPL) products have become widely popular due to their ease of use and broader acceptance compared with traditional store cards, while store-branded credit cards (SBCCs) have replaced many old-style closed-loop cards at major retailers.

39. Even at the time of the CMA's original investigation, SBCCs were recognised as a close substitute for store cards. Later, when the FCA launched its 2014 Credit Card Market Study, it noted the industry's movement away from traditional store cards and did not include them as a major area of focus.

Regulatory Developments

40. Regulation of consumer credit has expanded considerably since the SCMIO was introduced, making its specific, prescriptive requirements outdated:

    a. The Consumer Credit Act 1974 (CCA), as amended, imposes detailed rules on the content and format of credit statements—including those for store cards. Since 2008, store cards have had to comply with the Consumer Credit (Information Requirements and Duration of Licences and Charges) Regulations 2007, which overlap heavily with the SCMIO's provisions.

    b. The government has acknowledged, through its ongoing CCA reform programme, that the current disclosure rules are excessively rigid. It has proposed replacing them with a more flexible, outcomes-focused regime led by FCA rules, emphasising proportionality and modern communication practices.

    c. Store card providers must now be authorised by the FCA and comply with the Consumer Credit sourcebook (CONC). CONC includes broad requirements ensuring customer communications are "clear, fair and not misleading," which reduces the need for detailed prescription on where and how information must appear.

    d. Since 2023, firms have also been subject to the Consumer Duty. This reinforces the need to prioritise consumer understanding and deliver information in a way that supports good decision-making. Highly specific rules such as those in the SCMIO do not align with this modern approach and can in fact obstruct firms from tailoring communications to the needs of different customer groups.

Conclusion

41. Given the scale of market decline, the shift in customer behaviour, and the expansion of consumer protection under FCA regulation and the Consumer Duty, the SCMIO no longer serves a necessary purpose. The market it was designed to regulate has changed beyond recognition, and the protections it mandates have been overtaken by more comprehensive, flexible, and contemporary regulatory requirements.

42. For these reasons, the SCMIO has become outdated and unnecessarily prescriptive, and its release would be both proportionate and consistent with the current regulatory framework.

Payment Protection Insurance (PPI) Market Investigation Order 2011 (Varied 2018)

43. The Payment Protection Insurance (PPI) Market Investigation Order was introduced to address the competition and consumer protection concerns arising in a market that, at the time, was both sizeable and materially affecting consumer outcomes. However, the market environment for PPI has changed fundamentally since the Order was made. In practice, the traditional PPI market that the CMA sought to affect has all but disappeared. As noted throughout this response, significant shifts in product availability and provider behaviour mean that the market effectively no longer exists, with almost all providers having withdrawn PPI products entirely. These structural changes alone demonstrate that the original competitive concerns no longer arise and that the Order has been overtaken by events.

Market Developments

44. The discontinuation of PPI sales reflects profound changes in consumer credit markets over the last decade. Just as the store card market has contracted significantly PPI has followed a similar trajectory of sustained decline. Market exit by providers has been driven both by regulatory reforms and by evolving consumer preferences, with customers now favouring more flexible insurance and protection products that do not rely on bundling with credit. As a result, the market dynamics underpinning the Order – particularly concerns around add on sales, opaque pricing, shopping around and switching– are no longer present in a meaningful way.

Regulatory Developments

45. Regulation has also advanced considerably since the Order was introduced, rendering many of its provisions redundant. The Consumer Credit Act, the FCA’s Consumer Credit Sourcebook (CONC), and most notably the introduction of the Consumer Duty, now impose modern, outcomes focused requirements ensuring that customer communications are clear, fair, and not misleading. These updated regulatory frameworks, which have already superseded other legacy market remedies (including parts of the Retail Banking Market Investigation Order), collectively provide stronger and more proportionate protections than the prescriptive rules embedded in the PPI Order. As highlighted in relation to store cards, highly specific and outdated requirements can hinder firms’ ability to tailor communications and meet modern regulatory expectations. The same logic applies to the PPI Order, whose provisions no longer reflect how consumer credit and protection products are designed, sold, or regulated today.

Conclusion

46. Given the near-total cessation of PPI provision and by extension the market the Order was created to address, and the existence of broader, more adaptable regulatory protections, the PPI Market Investigation Order no longer serves a necessary purpose. Its release would therefore be consistent with the CMA's objective of ensuring that remedies remain proportionate, relevant, and aligned with current market conditions.