Allica Bank response to the CMA's Strategic Review of Markets Remedies: Provisional Decision

August 2026

Allica Bank welcomes the opportunity to respond to the CMA's Provisional Decision in relation to the Strategic Review of Markets Remedies. This response focuses on the Provisional Decision to retain the Current Account Switching Service (CASS) Remedies Undertakings 2017.

Allica Bank strongly supports the provisional decision reached by the CMA to retain the CASS Remedies Undertakings 2017. In particular, we support the CMA's findings that the Undertakings have played an important role in facilitating switching between providers of PCAs and BCAs and that "overall switching rates for both PCAs and BCAs remain low", with some SMEs stakeholders reporting "challenges in accessing BCAs"[1].

The use of CASS by SMEs is extremely low and has remained consistently low over many years. The publicly available data published by Pay.UK suggests that in 2025, only around 0.56% of the eligible SME population made a switch using CASS (31,858 SME switches) and this figure has remained low since 2020:

Year	SME CASS switches	Eligible SME population	Percentage of SMEs making a CASS Switch
2020	52,221	5,936,500	0.88%
2021	39,710	5,547,800	0.72%
2022	26,235	5,465,300	0.48%
2023	23,535	5,510,200	0.43%
2024	25,643	5,453,100	0.47%
2025	31,858	5,643,500	0.56%

The 2017 Remedies introduced a specific Undertaking on Bacs to focus promotional activity at customer groups that have low awareness of CASS and/or could benefit most from switching current account providers, making specific references to SMEs and BCA switches.

The removal of Undertakings on Bacs to "work with CASS participants to ensure their commitment to its long-term promotional campaign to meet and then exceed the KPIs",

[1] Provisional decision

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could have implications for long-term usage of CASS, particularly among SMEs and could have implications for competitive dynamics in the BCA market.

We therefore support the CMA's decision for this Undertaking and the wider 2017 Undertakings to remain in place.

Allica Bank's previous research[2] has found that the majority of SME deposits are being held in current accounts rather than savings accounts, where they are earning little interest. We estimated that £150bn of SME savings are in current accounts earning no interest, which equates to £5.25bn in lost interest that could be earned from instant-access accounts offered by challenger banks.

Furthermore, while challenger banks have grown their share of the BCA market, competition remains poor. A survey conducted by Allica in 2025 found the 5 major banks holding 89% of the established SME (5 to 250 employees) BCA share. Analysis from UK Finance estimates that eight banks that held 'bound bank' status under the SME Banking Undertakings 2002 have around 50% market share of new BCA openings. While this is positive, it still leaves these eight banks with around 70% of the stock of the BCA market, according to the same UK Finance analysis.

Removing the Undertaking for Bacs to conduct CASS promotional activity – alongside the additional Undertakings – could worsen competitive dynamics in the SME BCA market.

[2] Allica Bank Great British Savings Squeeze