LLOYDS BANKING GROUP PLC

Response to the CMA's Provisional Decision on its Strategic Review of Markets Remedies

Submitted on 11/09/2026

This response is solely provided to the CMA in relation to its consultation following its Provisional Decision on the Strategic Review of Markets Remedies and should not be disseminated more widely within the CMA or otherwise as is necessary for the purposes of the CMA's evaluation of LBG's response without LBG's express prior written consent. Please note, we consent to the publication of LBG as a named respondent to this consultation.

LBG RESPONSE

Introduction and Summary

1. As a leading UK financial services provider, Lloyds Banking Group (LBG) provides financial services to 28 million customers in the UK. Helping Britain Prosper is our mission, and we do this by supporting millions of customers – individuals, families and businesses – to spend, save, borrow and invest.

2. We welcome the substantial exercise the CMA has undertaken to review 33 of its Market Remedies and its provisional decision to remove or partially remove the majority of these, in line with its 4Ps and its aim to ensure regulation is appropriate, proportionate and effective. We believe this approach will support a competitive financial services sector that can continue to evolve rapidly in response to changing customer needs.

3. In particular, we support the CMA's provisional decision to revoke the PPI Order in its entirety, given the evidence of material changes in the market and regulatory landscape since the Order was introduced.

4. We also support the provisional decision to revoke the majority of the Retail Banking Market Investigation Order. **However, in our view, the evidence that we and others have provided supports full revocation of the Order.**

5. As set out in our consultation response of 03 March 2026, the Retail Banking landscape has changed fundamentally since the Order was introduced: competition now operates well across the relevant markets, consumer behaviour and expectations have evolved, the regulatory framework has expanded, and technology has transformed how the industry delivers for customers. Taken together, these developments, which continue at pace, represent a significant change of circumstances and mean that the adverse effects on competition that the Order remedies were designed to address are no longer present.

6. Given the evidence that competition is now operating effectively across the relevant markets, we believe the Order is no longer needed to secure good competitive outcomes. Alongside the protections provided by the current regulatory framework and established industry practices, we therefore do not consider that full revocation would give rise to any risk to competition or of consumer harm.

7. In this context, we would question the CMA's provisional decision to retain Parts 5 and 8 of the Order. **In our view, the Order is no longer appropriate and should be removed in its entirety, with these Parts falling away as a consequence.** We do not consider that there is a clear data-led argument for retaining Part 5 and, as set out below, we would welcome the opportunity to discuss the CMA's rationale and supporting evidence further. In relation to Part 8, we believe responsibility should transfer to the FCA now, enabling its ongoing review of APRs to inform a single, coherent framework without retaining potentially unnecessary and duplicative requirements under the Order.

8. Although LBG does not participate in the Home Credit market, we support the CMA's decision relating to the Home Credit Market Investigation Order but identify a low risk that revocation of Part 2 before the remedies proposed in the FCA's Credit Information Market Study (CIMS) are finalised could lead to an interruption in data sharing with CRAs which could affect some credit decisions; we therefore encourage the CMA and FCA to continue coordinating closely to minimise the duration and practical impact of any gap before the FCA's CIMS remedies take effect.

9. Overall, we welcome the regulators' engagement and collaboration on these Orders. Continued coordination will support the orderly transfer from the CMA to the FCA of any requirements that the CMA and FCA ultimately conclude remain necessary, while minimising the risks and practical impacts of any timing gaps.

Retail Banking Order Part 5 (Transaction History)

10. We note that all industry responses to the CMA's previous consultation were in favour of removing the Part 5 requirements. Aside from the broader arguments which support removal of the Order altogether, the case for revoking Part 5 was based on the role of transaction histories having reduced importance given greater reliance on CRA data to assess creditworthiness, and that current levels of switching and multi-banking show that accessing historic data no longer influences willingness or ability to switch accounts. We also commented that access to transaction history would remain available to customers even in absence of the Order due to the processes which are now embedded within LBG and we believe the broader industry, and the data retention periods that apply to records of current account transactions, which are required to meet a number of other regulatory obligations.

11. The CMA's decision to retain Part 5 appears to have been based largely on the FCA's view that FCA rules do not require provision of transaction history on or after account closure, and also do not fully cover the customer types protected by Part 5 (e.g. larger business customers). The CMA concluded it would retain Part 5 on the basis that:

    a. It enables former customers to evidence their financial position when applying for financial products and loans, and that '*it placed weight on the FCA's view that removing Part 5 may result in some customers being deterred from switching accounts*'.

    b. The regulatory developments do not replicate the obligations of Part 5, and that Subject Access Requests do not provide a sufficient alternative for those for whom Payment Transaction Histories remain important.

12. While we acknowledge other regulatory rules do not currently provide equivalent cover for Part 5 (and therefore the FCA may be concerned that providers would no longer have an incentive to make the information available in absence of these regulatory obligations), we would argue this in itself does not represent a reason for the CMA to retain the requirement. The basis for consideration should be whether remedies remain necessary to mitigate the risk they were designed for.

13. We would find it helpful to better understand the FCA's full rationale for its view, including any recent evidence it can share that personal or business consumers would be deterred from switching current account providers if they could not obtain transaction history. This latter point is not something we recognise from our own experience and observations. By contrast, as set out in our response submitted in March 2026 to the CMA's initial consultation, we see limited demand for transaction history alongside active switching and multi-banking behaviour within both PCA and BCA markets. Should any customer wish to retain *continuous* access to their transaction history, they are able to multi-bank and retain an existing account while opening a new current account with another preferred provider.

14. Given the reliance that the CMA is placing on the FCA's position, we would welcome the opportunity to make further submissions before the Final Decision, once we have seen further details and evidence regarding the FCA's specific concerns.

15. If the CMA (and FCA) nevertheless concludes that the Part 5 requirements should be retained, we consider that they should be transferred to the FCA to be incorporated as appropriate into FCA rules rather than remain in the Retail Banking Order. This would better enable the FCA to address

any specific concerns that may be distinct from the Order's original purpose of addressing competition issues. This approach would also enable the requirements to apply consistently to all FCA-regulated firms, including those outside the Order's current scope.

16. Finally, once Part 2 of the Order has transitioned into the Long Term Regulatory Framework for Open Banking, and if (as we recommend below) sole responsibility for the publication of SME lending rate information currently required under Part 8 has transferred to the FCA, Part 5 would become the sole remaining provision of the Order. Maintaining the Order for Part 5 alone would impose an unnecessary and disproportionate administrative and compliance reporting burden on both the CMA and in-scope firms.

Retail Banking Order Part 8 (Publication of rates for SME lending products)

17. Besides the overall argument for revoking the Order in full, the majority of industry responses to the CMA's consultation support removal of the Part 8 requirements.

18. The CMA's provisional decision to retain Part 8 appears to be based on the absence of equivalent FCA rules and its view that it would be premature to consider removal until the FCA has concluded its ongoing discussion on APRs[1] (which is taking place alongside the Government's review of the Consumer Credit Act) and determines whether changes to its rules are appropriate.

19. We consider this an appropriate opportunity for the CMA to transfer to the FCA full responsibility for any continuing requirements to publish APRs, EARs or other cost-of-borrowing information for SME lending products, with the future scope of those requirements informed by the outcome of the FCA's review. This would reflect the CMA's intent covered in paragraph 1.11 of its Provisional Decision that, subject to the outcome of the Government's 'Refining our Competition Regime' consultation, it will work with concurrent regulators to consider whether they should assume responsibility for remaining remedies in their sectors. It would also establish a single regulatory framework and remove the risk of duplication, inconsistency or overlap between the CMA and FCA regimes.

20. In our view, responsibility for Part 8 should transfer to the FCA at this stage rather than await the outcome of its APR review. Retaining Part 8 in the interim would preserve prescriptive requirements that may no longer be necessary, when the FCA is better placed to determine the appropriate long-term framework and incorporate it coherently into its rules.

21. We consider the risk of any regulatory gap arising as a result of the transition to be minimal. Irrespective of the regulatory framework, firms have both customer-outcomes and commercial incentives to present lending rates and cost of borrowing clearly and transparently, enabling customers to make informed comparisons. For smaller businesses, for which comparable rate information and supporting explanations are likely to be most valuable, existing FCA requirements, including the Consumer Duty and relevant Handbook rules, would continue to apply. For larger businesses, APRs may be less meaningful as a comparator because lending rates are more commonly tailored to individual circumstances; nevertheless, we apply an equivalent approach to providing clear cost information.

22. The CMA's provisional decision to remove Part 2 of the Home Credit Market Investigation Order (HCMIO) provides a relevant precedent for managing any risk of a regulatory time gap. Part 2 of the HCMIO requires large Home Credit lenders to share customer borrowing information with specified CRAs. In support of revocation of this requirement, the CMA cites the FCA's proposed remedies arising from its Credit Information Market Study (CIMS), which would require Home Credit lenders to share consumer credit information with designated CRAs – and it takes account of these before the remedies are final or in force. The FCA's recent CIMS consultation[2] recognises

[1] Chapter 4 of CP26/15: CONC 3: Reviewing the financial promotions rules for consumer credit
[2] CP26/7: Credit Information Market Study: Proposed approach to implementing FCA remedies | FCA

the overlap with the CMA Order and the CMA's review, and states that it will engage with the CMA and adapt its approach in light of the outcome.

23. As set out in paragraphs 26–29 below, we encourage the regulators to work together to minimise any regulatory gap in this case. We would ask for the same approach to be adopted for Part 8 of the Retail Banking Order by revoking the Order requirement, transferring responsibility to the FCA and managing the transition collaboratively to mitigate the risk of any regulatory gap. The FCA's review of APRs could then be reflected in a single, coherent set of rules, avoiding duplication and inconsistency.

Retail Banking Order Part 3 (service quality indicators)

24. We welcome the CMA's provisional decision to revoke Part 3.

25. We would highlight that, when Part 3 is terminated, then Part 2 Article 13 (Release of service quality indicators into Open Data) will no longer be achievable. Article 13 requires publication of the metrics and underlying data which are derived from the surveys required under Part 3. Therefore the Variation Order should also revoke Article 13, but we note this is not included in the current consultation. We recognise that this may be because Part 2 was out of scope for the Review but an alternative pragmatic solution to enable this requirement to be disapplied will be needed and we would welcome further engagement with the CMA on this.

Home Credit Market Investigation Order

26. While LBG is not a participant in the Home Credit market, we observe that the CMA proposes to vary the Home Credit Order by removing Parts 2, 4 and 6 and retaining Part 5.

27. Part 2 (which is to be removed) requires large lenders to share their customers' data with at least two of the three main credit reference agencies (CRAs). [✂].

28. We are aware that the FCA has recently consulted on the proposed remedies arising from its Credit Information Market Study (CIMS) including provisions that would require Home Credit lenders to share consumer credit information with designated CRAs, and that, as part of CIMS, establishment of the Credit Information Governance Body (CIGB) would further strengthen oversight and coordination.

29. These FCA remedies are not yet final or in force. It is likely that there will be a timing gap between the CMA's Order being revoked and the FCA's proposed remedies being implemented. While we hope the likelihood of larger Home Credit lenders choosing to stop sharing information with CRAs during any gap would be low (for example, we note submissions to the CMA pointed to the principle of reciprocity for accessing CRA data being a deterrent to doing so), given the potential for adverse impact for some customers, we would encourage the CMA and FCA to continue to work closely together to minimise the duration of any regulatory gap.

Concluding Remarks

30. We thank the CMA for considering these additional points and for the ongoing collaboration between the regulators to maintain a proportionate and effective regulatory regime, which supports competition and consumer protection across Financial Services markets.