UK Finance

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

UK Finance response

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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 response reflects feedback from across our retail and commercial finance membership, including firms that are bound by the CMA's markets remedies and those that are not.

We would be happy to meet to discuss this submission in further detail. If you have any questions relating to this response, please contact Evelyne Freiermuth, Manager, Commercial Finance, at **evelyne.freiermuth@ukfinance.org.uk**.

Overview

1. We welcome the opportunity to respond to the CMA's provisional decision on its strategic review of markets remedies. We continue to support the purpose of the review and welcome the CMA's recognition that market, behavioural and regulatory developments mean that a number of legacy remedies are no longer necessary or proportionate.

2. In particular, we welcome the CMA's provisional decision to remove in full the Store Card Market Investigation Order 2006 and the Payment Protection Insurance Market Investigation Order 2011, and to remove substantial parts of the Retail Banking Market Investigation Order 2017 (RBMIO). These provisional decisions align with the position set out in our initial response that the relevant markets have changed significantly since the remedies were introduced, and that overlapping regulation now provides more modern and flexible protections for customers.

3. However, we remain of the view that the CMA should remove all elements of the RBMIO under review, including Part 5 (Provision of transaction history) and Part 8 (Publication of rates for SME lending products), as well as the Current Account Switch Service (CASS) Remedies Undertakings 2017. The adverse effects on competition are no longer present in a way that justifies continuing these prescriptive obligations and the statutory test for revocation, i.e. the presence of one or more changes of circumstances, is met.

4. We note the CMA's provisional decision to retain these parts based on the view that regulatory developments do not replicate the obligations they impose and that it would be premature to remove them in this context. In considering whether these provisions remain appropriate, however, the relevant question is not whether subsequent regulatory or market developments replicate the precise requirements of the remedy. The statutory test under section 162 of the Enterprise Act 2002 is whether an order is no longer appropriate due to a change in circumstances. The review should therefore assess whether market, technological, behavioural and regulatory developments have materially reduced or eliminated the need for the remedy, and whether any remaining benefits outweigh the operational and compliance burdens placed on firms.

5. To this end, we encourage the CMA to reconsider the provisional decision to retain Parts 5 and 8 given that the evidence points in the opposite direction: the relevant markets have changed materially, the remedies no longer address a live competition problem in a proportionate way, and their continuation risks preserving legacy obligations that sit uneasily alongside more modern regulatory and market mechanisms. Similarly, we believe that the CASS Undertakings, which stem from the same market investigation, can also be revoked on the basis that changes in behaviours and the overall landscape have changed and mean that this measure is no longer proportionate or necessary.

RBMIO Part 5: Provision of transaction history

6. The CMA's provisional decision is to retain Part 5 on the basis that it enables former customers to evidence their financial position when applying for financial products and loans, and that removal may deter some customers from switching accounts. We are not persuaded, based on the considerations and evidence set out in the provisional decision, that this conclusion reflects the scale of changes since 2017. A closer look at the evidence and current status of the market supports the conclusion that the cumulative impact of technological, behavioural, and regulatory developments means that Part 5 is no longer required to achieve the desired outcomes.

7. We recognise that the CMA and Financial Conduct Authority (FCA) are concerned that there may be a residual group of customers who may need historic transaction information after account closure. The question, however, is a) whether there is any evidence to support a contention that there are customers who need payment transaction history on closure (rather than for example simply accessing and downloading their statements beforehand) and b) whether that residual concern is sufficiently material, evidenced and competition-related to justify the continued operation of a prescriptive CMA market remedy. On the evidence available, there is very limited practical reliance on the Part 5 mechanism, while customers and lenders increasingly use other channels to access, share and assess financial information.

Customer access to transaction history information

8. As set out in our initial response, customers now have a range of ways to access historic account information, including through online and mobile banking functionality, digital account archives and wider data access rights. Customers are accessing their transaction histories through digital banking and app archives. While some of these tools may not be available after account closure depending on the provider, the fact that customers have more and easier access to account information does result in less reliance on accessing histories after account closures through the mechanism provided under Part 5. Providers also make far greater use of credit reference agency (CRA) data when assessing customers. Though these developments may not replicate Part 5 exactly, they are highly relevant to the original competition concerns that gave rise to the remedy.

9. Among other developments, Open Banking also addresses potential concerns about customer-control and data-access underlying Part 5. Although it does not replicate the Part 5 obligation in identical terms, it has materially changed the way customers can access, use and share their banking data. Customers can now permit regulated third parties to

access account and transaction information securely and digitally, enabling them to support applications, compare products and evidence financial behaviour without relying solely on a prescribed post-closure transaction-history mechanism. While it does not replicate the post-closure access, Open Banking supports strong competition through enabling third party payment propositions to thrive, and facilitates multi-banking (as customers can view their transactions from their different current accounts in one place).This further reduces the competitive issues that Part 5 was designed to address and supports the conclusion that the remedy is no longer necessary or proportionate when considered alongside digital banking access, CRA and Commercial Credit Data Sharing (CCDS) frameworks, and wider data protection rights.

10. Additionally, recent developments have resulted in increasing levels of multi-banking. Customers are opening new current accounts without necessarily fully switching or closing old ones. Doing this means they retain continued access to their transaction history across all their open accounts, which they can view directly or through Open Banking. This directly addresses concerns about the barriers to switching that were intended to be addressed with the Part 5 requirements. If a customer *were* to have any concerns about potential loss of access to historic information they can now more simply open other accounts without closing the old one, and retain all access to previous transactions.

11. Payment transaction history is stored by banks in line with applicable data protection, regulatory and internal records retention requirements, which will continue even if the Part 5 remedy is removed. Member feedback indicates that firms retain transaction histories for former customers for a number of years. This data therefore continues to exist and there are enforceable access routes for customers to get access to their historic payment transaction data if it is required.

The role of payment transaction history in account switching

12. As stated in our previous submission and in responses submitted by individual banks, transaction histories have become less important when assessing potential customers' eligibility to open an account. Payment transaction histories are not needed for most financial products. Banks typically do not request payment transaction histories when opening a new account and instead use credit reference agencies and other established sources to assess creditworthiness. If lenders are not requesting or using payment transaction histories in their credit assessments, a customer's ability to produce such history is unlikely to have a material bearing on their ability to open an account or access credit.

13. If a customer did wish to provide payment transaction history information to support an application, customers could still request and receive this from the relevant providers, including through mechanisms set out through GDPR.

14. Data on actual customer usage also indicates that this remedy does not play a significant role in supporting customer switching behaviour. Member feedback indicates that practical use of the prescribed transaction history mechanism is very limited. For example, one member has indicated that fewer than 1% of customers closing their account registered

for access to their payment transaction history via the relevant portal over the period reviewed. Other banks also confirm that they observe a similar trend.

15. Recent CASS data is also relevant to the CMA's deterrence concern. In July 2026, CASS reported a 39% year-on-year rise in switching in the first half of 2026 compared with the same period in 2025. Small business and charity switching totalled 8,136 during Q2, up from 7,915 in the first quarter of the year. Customer satisfaction with, and confidence in, the switching process is also high. Viewed alongside member evidence showing very limited use of the prescribed transaction-history mechanism, this supports the conclusion that switching is taking place in practice and is not materially dependent on the post-closure transaction-history provision in Part 5.

16. The CMA's justification for retaining Part 5 refers to the FCA's view that, without the requirements in Part 5, customers may be deterred from switching accounts. The available evidence points the other way: firms report very limited customer use of the prescribed mechanism, lenders do not typically request payment transaction histories for account opening, and customers increasingly access and share account information more flexibly through digital banking, credit reference agency data and Open Banking. We therefore encourage the CMA to base its final decision on empirical evidence of actual customer reliance and deterrence, rather than on a speculative risk.

The role of payment transaction history in accessing lending

17. Aside from their role in account switching and opening new bank accounts, the utility of transaction histories can also be assessed in relation to accessing bank lending. In practical terms, the potential use of any post-closure provision of transaction history is generally limited to accessing lending rather than the opening of a new bank account. For lending product applications, however, lenders rely predominantly on CRA data rather than customer-supplied transaction histories when assessing new customers' eligibility.

18. In this context, the UK already has a purpose-built statutory framework that performs an equivalent evidential function for SME credit markets: CCDS, established under the Small and Medium Sized Business (Credit Information) Regulations 2015. Unlike a generic transaction history/statement, designed primarily for customer record keeping, CCDS is designed specifically with lending decisions in mind, requiring standardised data items that are directly relevant to credit assessment and are structured for use in underwriting processes. HM Treasury's 2024 Post-Implementation Review[1] confirms CCDS is achieving its stated objectives and increasing competition in the SME credit market by reducing information asymmetries. Although CCDS only covers SME lending, any concerns around potential gaps between access to transaction history for commercial customers as compared to retail customers should note that similar reporting in relation to retail customers' credit history is also covered by separate processes governed by

[1] https://assets.publishing.service.gov.uk/media/672113d93ce5634f5f6ef442/CCDS_Post-Implementation_Review_2024.pdf

contractual data-sharing arrangements and the Credit Information Governance Body (CIGB) which also administers the industry's Principles of Reciprocity.

19. The CCDS/CRA framework also provides continuity in the context of account closures. Banks submit monthly snapshot updates to CRAs, which are used to build the customer's credit history. When a customer leaves one provider, the historical data reported during the relationship remains on file at the CRA, ensuring there is no interruption to the customer's overall credit record even after account closure. The new provider then begins reporting once the switch is complete.

20. This context materially weakens any residual case for retaining Part 5 for BCAs on the basis that customers need transaction histories to support credit applications. CCDS is not merely an adjacent development; it is the statutory regime designed to ensure that SMEs' historic performance data can be used to support lending decisions by alternative providers, without relying on a customer to obtain and present a closure-triggered payment transaction history.

Wider regulatory framework

21. Consumer Duty and information provision requirements already apply to various customer segments and product types regardless of Part 5. Accordingly, firms must ensure good customer outcomes by retaining product and transactional information for an appropriate period and making it accessible through suitable channels. We believe that firms should have flexibility to self-assess the retention approach and method of access in line with their broader regulatory obligations. The prescriptive approach set out in RBMIO is no longer appropriate.

22. Exact duplication of regulations is not a requirement for revocation of a remedy. Any residual cases and potential uses of the Part 5 requirements not covered by separate regulations and frameworks are therefore, in our view, of negligible practical significance and the compliance and administrative burden of the remedy is disproportionate to any minimal benefit it may have. Even if there is a residual group of customers who find access to transaction histories useful, that does not necessarily mean there is a continuing competition problem that justifies a CMA remedy. The evidence provided does not support the conclusion that an adverse effect on competition continues to exist and why the retention of a competition remedy remains proportionate given the apparent low usage.

23. If the FCA considers that continued access to transaction history after account closure remains necessary to achieve good customer outcomes, we believe that the more appropriate policy route would be for any ongoing requirement to sit within the FCA's rulebook and supervisory framework, alongside the Consumer Duty and the wider banking conduct regime. Retaining a standalone CMA competition remedy indefinitely because the outcome is considered desirable by other regulators risks creating duplicative and less coherent regulation, and would appear to be contradictory to CMA's statutory obligations.

24. We also note that the CMA's rationale for revoking Part 7 appears to accept that subsequent FCA interventions and wider regulatory developments may supersede an original remedy, even where they do not replicate it exactly. That reasoning is directly relevant to Part 5. It supports the view that the statutory question is not whether later

developments duplicate the Part 5 remedy on a like-for-like basis, but whether changes in circumstances mean the remedy is no longer necessary, effective or proportionate. We would encourage the CMA to apply the same standard to Part 5 as it has applied to other measures under review.For these reasons, we believe that the CMA should reconsider its provisional decision and release Part 5 of the RBMIO.

Additional consideration on retention period

25. Notwithstanding our comments above, if Part 5 is not removed, the current five-year data retention period is disproportionate and should be reduced to a maximum of six months. In the limited cases where payment transaction histories are requested, for example certain exceptional residential mortgage applications, banks do not typically request more than six months' history. A retention period significantly exceeding actual market demand imposes unnecessary compliance costs on the designated banks without corresponding benefit to customers.

RBMIO Part 8: Publication of rates for SME lending products

26. The CMA's provisional decision is to retain Part 8 because it considers it premature to remove the remedy before the FCA has progressed its discussion on Annual Percentage Rates (APRs), and because it does not consider that current FCA rules provide equivalent protections. We question whether retaining a CMA remedy on the basis of potential future FCA policy developments is the right approach, particularly where the CMA has recognised elsewhere that the SME lending market has become less concentrated and more competitive than when the Order was introduced.

Competition and customer choice in a changed landscape

27. Our initial response set out the significant changes in SME finance since 2016, including increased provider diversity, the growth of challenger and specialist banks, the digitalisation of debt finance provision. 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 Effective Annual Rates (EARs), mandated under Part 8 of the RBMIO. Those developments have improved competition and customer choice and are directly relevant to whether a change of circumstances has occurred which affects whether this remedy remains necessary and proportionate.

28. The remedy also requires firms to incur ongoing costs to create and maintain information services which may now add limited incremental value given wider market developments and the range of information sources already available to SME customers. As with Part 5, the fact that there may not be an identical FCA rule is not a valid reason to retain it. The CMA should instead consider whether the remedy continues to be effective, necessary and proportionate in the current market context.

Relevance of information available

29. Some customers may benefit from having access to lending rate information in a comparable and meaningful fashion such as APRs and EARs, which can, in certain situations, be useful comparators alongside all the other available information. However,

in the context of recent developments, the prescriptive requirements under the Part 8 remedy are no longer appropriate or proportionate to the competitive issues they were designed to address.

30. It is important to note that SME lending covers a range of products which can be priced on an individual basis. In those cases where pricing is bespoke, a representative APR may bear little relation to any individual SME's offer. Publishing such a rate therefore risks creating false expectations. By contrast, market-led transparency now delivers superior information. Commercial brokers account for 67% of SME finance transactions on average[2], providing tailored, real-time indicative pricing. Research and Markets also forecast that the UK alternative lending market is expected to reach US$64.56 billion by 2029[3], with transparent reporting increasingly becoming a core strategic differentiator, rather than a back-office function. In this regard, the market has substantially reduced the transparency deficit that Part 8 was designed to address.

Supporting evidence base

31. The CMA's provisional decision on Part 8 appears to take insufficient account of the significant developments in the regulatory, market, and competitive landscape and does not provide a clear explanation of any remaining issues which may require the publication of APRs as set out by the remedy. It does not cite or present any evidence of data demonstrating that the information provided under Part 8 is significantly used by SMEs. Without a clearer case for its continued relevance and utility, combined with evidence demonstrating that the competition issues are enduring and material, we believe that a remedy should not be retained simply because a potential future replacement has not yet materialised.

Impact of compliance costs

32. The designated banks incur material ongoing costs in publishing representative rates and detailed contextual information across their public websites, open APIs and digital channels. In the context of the Government's growth agenda and commitment to reducing administrative regulatory costs, these resources are better redeployed toward digital innovation and improved SME products. We encourage the CMA to take these costs into account, consistent with its wider strategic emphasis on pace, predictability, proportionality and effective process.

Regulatory context

33. The CMA states that "*it is premature to consider the removal of Part 8 until the FCA has progressed its discussion on APRs*.[4]" This is a holding position based on uncertainty, not a positive finding that Part 8 remains appropriate and proportionate. In any event, the

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[2] https://nacfb.org/nacfb-members-fuel-70-of-uks-38bn-broker-led-sme-lending/
[3] https://www.researchandmarkets.com/report/united-kingdom-alternative-lending-market
[4] Paragraph 31.46, Page 130, Strategic Review of Markets Remedies: Provisional decision, https://connect.cma.gov.uk/consultations/strategic-review-of-cma-markets-remedies/supporting_documents/provisional-decision__pdf-1

outcome of the FCA's review is likely to point away from indefinite retention of Part 8: if the FCA concludes APRs are effective and makes its own rules, Part 8 becomes duplicative; if the FCA concludes APRs are not effective and does not make equivalent rules, it would be difficult to justify retaining prescriptive CMA rules that conflict with the Consumer Duty's outcome-based approach.

34. For these reasons, we believe that the CMA should reconsider its provisional decision and release Part 8 of the RBMIO.

35. Our primary position is that the measure should be removed rather than retaining inappropriate and disproportionate measures pending future regulatory decisions. If the CMA nonetheless decides against removing the measure in the current review, we believe that the retention should be time-limited with automatic revocation if the FCA does not introduce equivalent rules within a defined period.

Additional consideration on timing and implementation of final decision on RBMIO Part 3 (Service Quality Indicators)

36. We welcome the provisional decision to remove other parts of the RBMIO, including Part 3. We also want to highlight the importance of clarity on the timing and implementation of the CMA's final decision. In particular, there are contractual, operational and compliance considerations associated with the customer survey arrangements and related data collection processes.

37. Whilst we note the content of the CMA's email dated 8th September to participants in Part 3 in relation to Article 16 of the RBMIO, which participants are considering, it would be helpful for the CMA to clarify the implications for ongoing data collection and publication obligations between the final decision and any formal variation of the Order. Members' current understanding is that, in principle, the safest and most risk-averse approach may be to continue with such business-as-usual activities as are strictly necessary to maintain minimum compliance until the relevant Notice of Variation is issued. Greater clarity on the expected timing of that Notice of Variation would help providers avoid unnecessary operational work and would support an orderly transition.

38. We would therefore welcome engagement with the CMA on the operational and timing implications of any final decision to remove parts of the RBMIO, including through a focused discussion with relevant providers and Ipsos where appropriate.

39. The final decision should also address the interaction between the removal of Part 3 and Article 13 of Part 2. Article 13 requires the release of service quality indicators into Open Data, but those indicators depend on the survey metrics and underlying data collected under Part 3. If Part 3 is removed, Article 13 will no longer be capable of operating as intended. The Variation Order should therefore remove Article 13 or provide another pragmatic route for disapplying the requirement.

Current Account Switch Service (CASS) Remedies Undertaking

40. As we set out in our response to the initial consultation, we support the release of the CASS Undertakings. The CMA's provisional rationale for retaining them appears to rest principally on the proposition that the Undertakings continue to play an important role in

facilitating switching and thereby supporting competition between providers. We do not consider that the provisional decision establishes a sufficiently evidenced case for continued intervention on this basis. We note that the CMA acknowledges that competition has improved since 2017, but also places weight on the fact that overall switching rates for both personal current accounts and business current accounts remain low. Low formal switching rates however should not be treated as evidence that the Undertakings remain necessary or proportionate, particularly where the market, customer behaviour and the switching ecosystem have changed materially since the Undertakings were introduced.

41. In particular, CASS switching data should be interpreted with caution as a measure of the true competitive position. The way consumers and small businesses engage with current account providers has evolved: customers can now open new accounts more easily, often digitally, and may hold multiple accounts for different purposes rather than closing their primary relationship at the point they test or adopt a new provider.

42. Pay.UK research into the future of switching identifies multi-banking as an important feature of the current market and notes that end users with multiple bank accounts may be less likely to make a formal switch through CASS. This does not mean that competition is weak; it may instead indicate that customers are exercising choice in a different way, by adding secondary accounts, moving activity gradually, or maintaining unused accounts rather than undertaking a full account closure and formal switch. For example, Pay.UK research also found that that 42% of consumers who have more than one current account (multi-bankers) say they do not close bank or building society current accounts that they are not using.[5]

43. This behavioural shift is directly relevant to the proportionality of retaining the Undertakings. If customers can and do open additional accounts without needing to terminate existing arrangements immediately, then the competitive constraint on incumbent providers is not captured solely by completed CASS switches. The ease of digital account opening, the development of Open Banking and the growth of app-based and specialist propositions mean that customers can compare, trial and use alternative providers with less friction than was the case in 2017. The CMA should therefore avoid placing undue reliance on headline switching volumes as evidence of an ongoing adverse effect on competition, and should instead consider the wider set of indicators showing that customers are able to access and use competing providers through a range of channels.

44. We also do not consider that the absence of FCA rules that replicate the Undertakings is, of itself, a reason to retain them. As we have set out above in relation to the RBMIO remedies as well, the statutory question is whether there has been a relevant change in circumstances and whether the Undertakings remain necessary, effective and proportionate in light of current market conditions. There is no clear evidence in the provisional decision that removal of the Undertakings would undermine the current effectiveness of CASS or that the improvements in competition since 2017 would not be

[5] Page 10, Exploring the Future of Switching, https://newseventsinsights.wearepay.uk/media/tprokfwh/payuk_davieshickman_report1v142.pdf

sustained. If the FCA considers that further conduct requirements are needed in relation to switching, the more coherent route would be for any such requirements to be considered within the FCA's regulatory framework rather than retaining legacy CMA Undertakings in the absence of evidence of a continuing competition problem.

45. In the context of these developments and the overall competitive landscape, we encourage the CMA to review its provisional decision and remove the CASS Undertakings.

Conclusion

46. We welcome the CMA's provisional decision to remove the Store Card Market Investigation Order and PPI Market Investigation Order in full, and to remove substantial parts of the RBMIO. However, we believe that the CMA should to reconsider its provisional decision to retain Parts 5 and 8 of the RBMIO, and the CASS Undertakings, which stem from the same market investigation. In our view, the cumulative impact of market, technological, behavioural and regulatory developments means that those provisions no longer meet the tests of necessity, effectiveness or proportionality.

47. We would welcome the opportunity to discuss these points further with the CMA, along with the practical implementation and timing considerations that would arise should the CMA confirm its provisional decision to remove parts of the RBMIO.