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13 August 2013

Inquiry Manager
Statutory Audit Investigation
Competition Commission
Victoria House
Southampton Row
London
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By email

Dear Sir/Madam

Response to Competition Commission – Statutory Audit Services Market Investigation

Barclays Bank PLC (**Barclays**) is providing its comments, as invited by the Competition Commission (CC) in its Provisional Decision on Remedies published on 22 July 2013 (the **Remedies Decision**).

Whilst on the whole Barclays welcomes the CC's Remedies Decision, we would like to reiterate our previous concerns about mandatory tendering (Remedy 1) and auditor clauses in loan agreements (Remedy 3).

1. Mandatory tendering

As the Competition Commission notes in paragraph 3.3 of the Remedies Decision, the Corporate Governance Code introduced by the FRC in 2012 states that FTSE 350 companies should go to tender for their external auditors at least every ten years or explain why they have not done so. Barclays feel that this should be allowed time to take effect before introducing any further changes.

As previously stated in our response to the Remedies Notice, Barclays favours a regime of this kind as it is likely to increase transparency and enable shareholders to make an informed decision whether to tender. However, we consider that the option of whether to tender is a cost/benefit decision for Audit Committee and shareholders, and should not be mandatory.

2. Prohibition of 'Big 4 only' clauses in loan documentation

As previously stated in our response to the Remedies Notice, Barclays does not have a systematic policy of insisting, as a condition of providing financing, that borrowers use one of the Big 4 accountancy firms for audit purposes and is supportive of the Competition Commission proposed requirement that lenders do not adopt a systematic policy of requiring borrowers to appoint Big 4 auditing firms as a condition of lending. However, Barclays does not consider that it is proportionate or appropriate to prohibit lenders

from ever requiring borrowers to appoint one of the Big 4 firms as auditor, if such action were appropriate in the particular circumstances of a transaction.

Yours sincerely

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Barclays plc