

RETAIL BANKING MARKET INVESTIGATION

Terms of reference

The Competition and Markets Authority (CMA) in the exercise of its power under sections 131 and 133 of the Enterprise Act 2002 hereby makes an ordinary reference to the Chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 for an investigation of the supply of retail banking services to personal current account customers and to small and medium-sized enterprises.

The CMA has reasonable grounds to suspect that a feature or a combination of features of the market for the supply of those services in the United Kingdom prevents, restricts or distorts competition.

For the purposes of this reference:

- ‘retail banking services’ means:
 - in respect of personal current account customers, provision of an account marketed to individuals rather than businesses, which provides the facility to hold deposits, to receive and make payments by cheque and/or debit card, to use automated teller machine facilities and to make regular payments by direct debit and/or standing order but does not include:
 - an account in which money is held on deposit in a currency other than the official currency of the United Kingdom or
 - an account in which credit funds are held and offset against mortgage debt or a loan (other than an overdraft facility), ie a current account mortgage
 - in respect of small and medium-sized enterprises, the provision of banking services, which includes, but is not limited to, the provision of business current accounts, overdrafts, general purpose business loans and deposit accounts, but which excludes the provision of other non-lending products such as insurance, merchant acquiring, hedging and foreign exchange
- ‘small and medium-sized enterprise’ means a business that, in respect of a given financial year applying to it, has annual sales revenues (exclusive of VAT and other turnover-related taxes) not exceeding £25 million. For this purpose a ‘business’ shall have the same meaning as an ‘undertaking’ under the Competition Act 1998.