

Competition and Markets Authority  
Victoria House  
37 Southampton Row  
London, WC1B 4AD



1 December 2014

Dear Sir/Madam,

**Statement of Issues – Retail banking and market investigation**

We are delighted that the Competition and Markets Authority (CMA) has decided to investigate the supply of personal current accounts (PCAs) and of banking services to small and medium-sized enterprises. I look forward to its recommendations in early 2016. As project manager of this investigation, I'd like to introduce you to the Community Investment Coalition (CIC).

CIC campaigns for access to affordable finance for families, businesses and communities. The lack of access to affordable finance is a significant issue that prevents people from effectively managing their finances and participating in the mainstream economy. There are a number of reforms to the financial services sector that are necessary to achieve better access. These include tackling high cost credit, a statutory framework for the disclosure of lending data for all financial service providers across the UK and scaling up the 'alternative' finance sector, including credit unions and community development finance institutions.

CIC sees it as critical that increased competition and diversity in the financial services sector plays a key role in tackling financial exclusion in the UK. Thus we welcome the three hypotheses for the CMA's investigation, namely: impediments to customers' ability to effectively shop around, choose and switch products or suppliers, resulting in weak incentives for banks to compete for customers on the basis of price, quality and/or innovation; concentration giving rise to market power of some banks leading to worse outcomes for customers; and barriers to entry and expansion leading to worse outcomes for customers.

CIC recently launched its [Community Banking Charter](#). The Charter champions a fresh approach to community banking to ensure universal access to the following financial tools to help active participation in the economy:

- A transactional bank account;
- A savings scheme;
- Access to credit;
- Physical access to branch banking facilities;
- Insurance; and
- Independent money management advice.

If you would like to meet and learn more about CIC, then please do contact me.

Yours faithfully,



Jennifer Tankard,  
Director, Community Investment Coalition

**Web:** [www.communityinvestment.org.uk](http://www.communityinvestment.org.uk)

**Email:** [Jennifer.Tankard@cdf.org.uk](mailto:Jennifer.Tankard@cdf.org.uk)

**Tweet:** @BankingBetter