

## NORTHERN IRELAND PCA BANKING MARKET INVESTIGATION

### Notice of Suspension of Articles 8 and 10 of Order

On 19 February 2008 following its report *Personal current account banking services in Northern Ireland market investigation* (the report) published on 15 May 2007, the Competition Commission (the CC) published the Notice of Making of Order and the Order on the CC website in accordance with section 138 of the Enterprise Act 2002 (the Act) and in exercise of the powers conferred by sections 161 (1) (3) and (4), and paragraphs 1, 3, 10, 15, 19, 21 and 22 of Schedule 8 of the Act.

The Order was made for the purpose of remedying, mitigating or preventing the adverse effect on competition and for the purpose of remedying, mitigating or preventing any detrimental effects on customers so far as they have resulted from, or may be expected to result from, the adverse effect on competition specified in the report. The Order came into force on 22 February 2008, except Article 5 and Article 6 which came into force on 1 July 2008 and Articles 7 to 11 which shall come into force on 1 April 2009.

Article 12 of the Order allows banks to make an application to the CC for suspension of Articles 7 to 10 of the Order if it believes that it will be unable to comply with them.

On 23 April 2008, a group of reporting panel members of the CC (the Group) was appointed to perform the functions of the CC specified in the Order, including considering applications for suspension.

Nationwide Building Society (Nationwide) applied for a suspension of Article 8 and Article 10 of the Order, in accordance with Article 12 of the Order. The Group has decided to grant the suspension, subject to the following specified conditions which make reference to the specific provisions and terms as defined in the Order:

- 1) Nationwide shall start to send out summaries by 19 June 2009 at the latest and on the anniversary of each Customer account opening date.
  - a. Each summary shall cover a one year period of interest and charges.
  - b. The content of the summary will comply with the requirements of Article 8 of the Order with the exception of the requirement to separately provide details of the authorized and the unauthorized overdraft interest incurred.
  - c. Where the Customer is sent a summary that does not include separate details of authorized and unauthorized overdraft interest, Nationwide shall include a reference on the summary advising Customers that it is possible to receive the separate details on request. A telephone contact number for Nationwide must be included somewhere on the summary or Switching Leaflet.
- 2) Nationwide shall send out a Switching Leaflet to all Customers by 31 March 2010.

- 3) Nationwide shall start to send out Annual Summaries by 19 June 2010 at the latest and on the anniversary of each Customer account opening date with each covering a one year period of interest and charges.
  - a. The content of the Annual Summary shall include separate details of authorized and unauthorized overdraft interest and be fully compliant with the Order.
- 4) Every Customer of Nationwide shall receive a fully compliant Annual Summary by 19 June 2011 accompanied by a Switching Leaflet.

CHRISTOPHER CLARKE  
*Group Chairman*  
Competition Commission  
4 March 2009