



News Release

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NORTHERN IRELAND BANKING ORDER AMENDED

The Competition Commission (CC) has decided to amend the Northern Ireland Personal Current Account Banking Market Investigation Order 2008, which brought in a number of measures to improve competition for personal current account (PCA) banking customers in Northern Ireland. This is in order to comply with European directives and confirms the CC's [provisional decision](#) which was published in October.

As there are a number of significant amendments being made the CC will issue a new Order (Northern Ireland PCA Banking Market Investigation Order 2011) and revoke the 2008 Order. The original measures in the 2008 Order will in effect largely be continued through a combination of the new 2011 Order, the European directives and other existing regulations and voluntary arrangements brought in since the 2008 Order was made.

The main reason for the changes is that since the 2008 Order was made, the UK has implemented two European directives—the Payment Services Directive (PSD) and Consumer Credit Directive (CCD)—which include requirements relating to PCAs. Having received advice from the Office of Fair Trading (OFT), the CC has reviewed the 2008 Order and has decided to remove those parts of the 2008 Order that duplicate or are incompatible with the requirements of the European directives. The CC has retained some requirements as the EU directives are not tailored to address all of the specific competition problems identified in the Northern Ireland PCA banking market.

The CC's final decision on its review of the 2008 Order and Notice of the CC's intention to make a new 2011 Order and revoke the 2008 Order are available at: www.competition-commission.org.uk.

Notes for editors

1. The CC is an independent public body, which carries out investigations into mergers, markets and the regulated industries.
2. The Order was published in February 2008 and followed a two-year [investigation](#) into the market for PCA services in Northern Ireland. The CC found that competition was limited by banks' unduly complex charging structures and practices, their failure adequately to explain them and customers' reluctance to switch to another bank. As a result, the CC brought in measures requiring banks in Northern Ireland to make major improvements to their PCA services. These included providing better and clearer information to customers to help them understand banks' PCA services,

charges and interest rates; giving customers at least 14 days' notice before deducting charges and interest from their accounts; and introducing improvements to the switching process to ensure that customers who switch banks do not incur costs in doing so.

3. Once the CC has made an enforcement order, the OFT has a duty to consider whether at any point a change of circumstances requires the order to be varied or revoked. The OFT then advises the CC, which is required to make a decision. The OFT's advice is published on its [website](#).
4. Full details on the review can be found [here](#) whereas details on the CC's original investigation into Northern Ireland PCA Banking can be found [here](#).
5. Members of the Northern Ireland PCA Banking Order Review are Peter Freeman (replacing Christopher Clarke whose term as a CC member ended in early September), Katherine Holmes, Ian Jones and Barbara Donoghue.
6. Enquiries should be directed to [Rory Taylor](#) or [Siobhan Allen](#) on 020 7271 0242.