News Release

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NORTHERN IRISH PERSONAL BANKING ISSUES STATEMENT

The Competition Commission (CC) has today published an issues statement as part of its inquiry into the market for personal current account (PCA) banking services in Northern Ireland.

The CC has been asked to investigate if any features of this market prevent, restrict or distort competition and if so, what action might be taken to remedy these.

The issues statement follows the initial process of gathering information, views and evidence and identifies clearly for all interested parties the specific questions and areas the inquiry will be examining.

The full issues statement is available on the CC web site at www.competition-commission.org.uk/inquiries/ref2005/banking/issues_statement.pdf At this stage the CC intends to concentrate its analysis on the following areas:

- whether it should look at Northern Ireland as a whole or whether, within Northern Ireland, there are local markets or local market segments;
- the importance of bank branches both to PCA providers and to their customers;
- the importance of any barriers to entry and expansion;
- the importance of cross-selling;
- whether there are conditions present that facilitate coordinated effects in the market for PCA banking services in Northern Ireland;
- the ease and/or extent of switching between PCA providers;
- the availability of relevant information to enable customers to compare PCAs offered by different PCA providers in terms of prices and terms and conditions;
- the contribution to the overall profits of the PCA providers of the provision of PCA banking services in Northern Ireland.

The issues statement should not be seen as implying that the inquiry group has identified any competition concerns—the CC has yet to reach any conclusions on this inquiry. The purpose of making the statement of issues public is to inform all interested parties and give them an opportunity to raise any further points with the CC.

The CC would like to hear from all interested parties, in writing, by 18 November 2005. To submit evidence, please write to:

Victoria House Southampton Row London WC1B 4AD Press enquiries 020 7271 0242 Facsimile 020 7271 0177
info@competition-commission.gsi.gov.uk www.competition-commission.org.uk

The Inquiry Secretary
(Northern Irish Personal Banking inquiry)
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Or email: NI.banks@competition-commission.gsi.gov.uk.

Notes for editors

1. Under the Enterprise Act 2002 the OFT can make a market investigation reference to the CC if it has reasonable grounds for suspecting that competition is not working effectively in that market.

2. The inquiry was referred by the OFT on 26 May 2005 following a 'super complaint' from Which?, in conjunction with the General Consumer Council for Northern Ireland, and an initial OFT study into the sector (see OFT release www.oft.gov.uk/News/Press+releases/2005/100-05.htm)

3. The CC is considering whether features of this market or markets prevent, restrict or distort competition. If so, it will find an adverse effect on competition and consider whether action should be taken to remedy or prevent the adverse effect or any resulting adverse effect on customers in the form of higher prices, lower quality or less choice of goods and services, or less innovation. The CC is required to publish its final report by 25 May 2007, but expects to do so before the end of 2006.

4. The members of the Inquiry Group are: Christopher Clarke (Group Chairman), John Baillie, Laura Carstensen, Ian Jones and Jeremy Seddon.

5. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its web site at: www.competition-commission.org.uk.

6. Enquiries should be directed to Rory Taylor (email rory.taylor@ competition-commission.gsi.gov.uk) on 020 7271 0242