

## Glossary

<b>Abbey</b>	Abbey National plc, a company incorporated in England and Wales and a subsidiary of Banco Santander Central Hispano, SA. A <b>non-clearer</b> .
<b>The Act</b>	The Enterprise Act 2002.
<b>AEC</b>	Adverse effect on competition.
<b>Agency services</b>	An entity, other than a <b>bank</b> branch, which provides branch-type facilities to personal customers on behalf of the <b>bank</b> .
<b>A&amp;L</b>	Alliance & Leicester plc, a company incorporated in England and Wales. A <b>non-clearer</b> .
<b>Ancillary charge</b>	A charge for an irregular one-off service, for example a <b>CHAPS</b> payment or stopping a payment, provided on request to holders of a <b>PCA</b> , charged regardless of whether the account is in credit or debit.
<b>APACS</b>	Formerly known as the Association for Payment Clearing Services. It was set up in 1985 as a non-statutory association of the major <b>banks</b> and building societies. Its principal task is to coordinate the main UK payment clearing systems which allow <b>banks</b> and building societies to exchange payments in the UK. This task is now carried out by three independent operational clearing companies under its umbrella: <b>BACS</b> , <b>CHAPS</b> and <b>CCCC</b> . The <b>BBC</b> system is separate from the Great Britain system.
<b>ATMs</b>	Automated teller machines, also known as cash machines.
<b>Authorized overdraft</b>	An <b>overdraft</b> is said to be authorized if the debit balance is within the agreed overdraft limit.
<b>BACS</b>	BACS Limited, the automated clearing house responsible for bulk clearing of electronic payments between <b>bank</b> accounts by means of direct credits, <b>direct debits</b> and <b>standing orders</b> .
<b>Bank</b>	An institution which offers <b>PCAs</b> and other financial products and pays, and collects payment of, monies for customers.
<b>Banks, the</b>	The <b>clearers</b> and <b>non-clearers</b> collectively.
<b>Barclays</b>	Barclays Bank plc, trading as 'The <b>Woolwich</b> ' in Northern Ireland.
<b>Basel 1</b>	The Basel Capital Accord 1988, which established a capital adequacy framework for banks conducting international business.

<b>Basel 2</b>	Basel 2 is a revision of Basel 1, and aims to make the framework more risk-sensitive and representative of modern <b>banks'</b> risk management practices.
<b>Basic bank account</b>	A bank account that allows money to be paid, <b>standing orders</b> and <b>direct debits</b> to be set up and money to be taken out using a cash card. It has no <b>overdraft</b> facility.
<b>BBA</b>	British Bankers' Association.
<b>BBC</b>	Belfast Bankers Clearing system. Provides a set of rules (the Belfast Clearing Rules), similar to those used for the <b>CCCC</b> in Great Britain, governing the exchange, processing and settlement of internal paper payments in Northern Ireland. The <b>clearers</b> are settlement members of BBC, and the <b>non-clearers</b> access the BBC system using agency arrangements.
<b>BCSB</b>	The Banking Code Standards Board, an independent body formed in 1999 to ensure <b>banks</b> and building societies comply with the <b>Banking Code</b> .
<b>BoE</b>	Bank of England.
<b>BoI</b>	Governor & Company of the Bank of Ireland, a corporation established in Ireland under Royal Charter. A <b>clearer</b> .
<b>BoS</b>	Governor & Company of the Bank of Scotland.
<b>BMRB</b>	BMRB Social Research, part of BMRB Limited (British Market Research Bureau), a market research company. Undertook the quantitative customer survey for the <b>CC</b> dated December 2006.
<b>BPSL</b>	The <b>BACS</b> Payment Schemes Ltd.
<b>BSA</b>	Building Societies Association.
<b>Buffer</b>	The amount by which a customer may exceed any <b>authorized overdraft</b> limit without incurring <b>unauthorized overdraft charges</b> .
<b>CAGR</b>	Compound annual growth rate.
<b>cahoot</b>	The Internet banking division of <b>Abbey</b> . A <b>non-clearer</b> .
<b>CC</b>	Competition Commission.
<b>CCCC</b>	Cheque and Credit Clearing Company Limited. Oversees the bulk clearing of cheques and paper credits in Great Britain.
<b>CCA 1974</b>	Consumer Credit Act 1974.
<b>CCA 2006</b>	Consumer Credit Act 2006.
<b>CHAPS</b>	Clearing House Automated Payment Scheme.

<b>Clearers</b>	A <b>bank</b> that is a member of the <b>BBC</b> . The clearers are <b>Bol, First Trust, Northern</b> and <b>Ulster</b> .
<b>The Code</b>	The Banking Code, a voluntary code followed by <b>banks</b> and building societies in their relations with personal customers in the UK. It covers current accounts, personal loans, savings (including cash ISAs) and credit cards.
<b>Co-operative Bank</b>	The Co-operative Bank plc, owned by Co-operative Financial Services Limited. A <b>non-clearer</b> .
<b>Credit reference agency</b>	An agency that holds information relevant to the financial standing of individuals. This helps lenders to assess the risk of lending to particular people, and reduce the risk of fraud.
<b>Credit union</b>	Cooperative financial organization owned and run by its members for its members. Members save with their credit union and can borrow from it. It does not provide a facility to make payments.
<b>Credit union account</b>	Account offered by a <b>credit union</b> to members which have a saving facility and/or a loan facility.
<b>Cross-selling</b>	Using a relationship with a customer based on one product (for example, a <b>PCA</b> ) to sell other products to that customer.
<b>Cruickshank Report</b>	Don Cruickshank, <i>Competition in UK Banking: A Report to the Chancellor of the Exchequer</i> , The Stationery Office, March 2000.
<b>Danske</b>	Danske Bank A/S, the ultimate parent company of <b>Northern</b> .
<b>DETI</b>	Department of Enterprise, Trade and Investment in Northern Ireland.
<b>Direct debit</b>	The automatic payment of regular bills by the transfer of funds from a current account into a third party account on a pre-set basis both as to the amount to be paid and the date of payment, such that these may be varied at the third party's discretion, subject to giving prior notification to the holder of the current account.
<b>DTI</b>	Department of Trade and Industry.
<b>EC</b>	European Communities.
<b>EEA</b>	European Economic Area.
<b>Emerging Thinking</b>	<b>CC</b> — <i>Personal Current Account Banking Services in Northern Ireland: Emerging Thinking</i> , published 28 April 2006.
<b>Equifax</b>	Equifax plc, a <b>credit reference agency</b> .
<b>Experian</b>	Experian Limited, a <b>credit reference agency</b> .

<b>Fee-free PCA</b>	A <b>PCA</b> where <b>transaction</b> and <b>maintenance</b> charges are not levied when the customer is in credit or in <b>authorized overdraft</b> .
<b>first direct</b>	The telephone, Internet and text messaging banking division of <b>HSBC</b> , which does not have any branches. A <b>non-clearer</b> .
<b>First Trust</b>	AIB Group (UK) plc, trading as First Trust Bank in Northern Ireland and a subsidiary of Allied Irish Bank plc. A <b>clearer</b> .
<b>Flow</b>	Share of new accounts.
<b>FSA</b>	Financial Services Authority.
<b>FSMA</b>	Financial Services and Markets Act 2000.
<b>Gateway</b>	Where a product that is currently held by a customer is seen as an opportunity for the entity to <b>cross-sell</b> other product offerings to that customer.
<b>GCCNI</b>	General Consumer Council for Northern Ireland. A statutory body whose aims are to promote and safeguard the interests of all consumers in Northern Ireland.
<b>Good Friday Agreement</b>	The Good Friday Agreement (or Belfast Agreement) was reached in Belfast on Friday 10 April 1998. It set out a plan for devolved government in Northern Ireland on a stable and inclusive basis and provided for the creation of Human Rights and Equality Commissions, the early release of terrorist prisoners, the decommissioning of paramilitary weapons and reforms of criminal justice and policing.
<b>GVA</b>	Gross value added.
<b>Halifax</b>	Halifax plc, a subsidiary of HBOS plc. A <b>non-clearer</b> . HBOS plc was created by the merger of <b>Halifax</b> and <b>BoS</b> . HBOS sells its <b>PCAs</b> under the <b>Halifax</b> brand in Northern Ireland, England and Wales.
<b>HHI</b>	Herfindahl-Hirschman Index. A measure of market concentration derived from the sum of the squares of the percentage market shares of each firm.
<b>Hidden switching</b>	Describes a situation where customers open a <b>PCA</b> elsewhere and switch themselves without informing the original provider.
<b>HMT</b>	Her Majesty's Treasury.
<b>HSBC</b>	HSBC Bank plc. Its ultimate parent company is HSBC Holdings plc. A <b>non-clearer</b> .
<b>IF</b>	Intelligent Finance, the telephone and Internet banking division of <b>Halifax</b> . A <b>non-clearer</b> .
<b>IFSRA</b>	Irish Financial Services Regulatory Authority.

<b>Instant Access Savings Account</b>	A savings account that allows immediate withdrawals without incurring a penalty.
<b>Issues Statement</b>	<b>CC</b> — <i>Personal Current Account Banking Services In Northern Ireland: Statement of issues</i> , published 28 October 2005.
<b>Julius Review</b>	<i>Cracking The Codes For Banking Customers: Banking Services Consumer Codes Review Group</i> , published May 2001, chaired by Dr DeAnne Julius.
<b>LINK</b>	Link Interchange Network Ltd, a company jointly owned by <b>banks</b> and building societies which was set up to share the costs of building and operating an <b>ATM</b> network.
<b>Maintenance charges</b>	Fixed charges which may be levied for incurring an <b>authorized</b> or <b>unauthorized overdraft</b> . Generally these are levied on a monthly or quarterly basis, but some may be charged on a one-off basis.
<b>Millward Brown</b>	Millward Brown Ulster, a market research company. Undertook the qualitative survey for the <b>CC</b> dated January 2006.
<b>Mintel</b>	Mintel International Group Ltd, a market research company.
<b>MORI</b>	Market & Opinion Research International Ltd/MORI Financial Services, a market research company.
<b>MORI survey</b>	MORI MFS survey. The survey reports rolling annual averages of four quarterly financial surveys of 1,500 Northern Ireland respondents.
<b>NAB</b>	National Australia Bank Ltd.
<b>Nationwide</b>	Nationwide Building Society, a building society. A <b>non-clearer</b> .
<b>NCC</b>	National Consumer Council. An independent non-statutory publicly funded body, focusing particularly on the interests of disadvantaged consumers.
<b>NIBA</b>	Northern Ireland Bankers' Association.
<b>NII</b>	Net interest income.
<b>Non-clearers</b>	An institution, operating in Northern Ireland, which is not a member of the <b>BBC</b> . Such <b>banks</b> are referred to as non-clearers.
<b>NOP</b>	GfK NOP, a market research company.
<b>Northern</b>	Northern Bank Limited, a subsidiary of <b>Danske</b> acquired in March 2005 from <b>NAB</b> . A <b>clearer</b> .
<b>Notice of possible remedies</b>	<b>CC</b> — <i>Personal Current Account Banking Services in Northern Ireland: Notice of possible remedies</i> , published 12 October 2006.

<b>Offset/current account mortgage</b>	In an offset/current account mortgage, credit balances in the <b>PCA</b> element of the account are used to reduce payments on, or speed up the rate of repayment of, the mortgage.
<b>OFT</b>	Office of Fair Trading.
<b>ORC</b>	ORC International, a market research company. Undertook the quantitative survey for the <b>CC</b> dated January 2006.
<b>Overdraft</b>	A negative balance on a <b>bank</b> account; the account is in debit. Overdrafts are said to be <b>authorized</b> if the debit balance is within the limit agreed with the <b>bank</b> , and <b>unauthorized</b> if the debit balance exceeds a limit agreed between the customer and the <b>bank</b> or if no such limit had been agreed.
<b>Packaged PCA</b>	A <b>PCA</b> where customers typically pay a monthly or quarterly fixed charge regardless of whether the account is in credit or debit, but do not pay any <b>transaction charges</b> . Customers are also likely to receive preferential terms on other characteristics of the account (for example, on credit interest rates or approved overdraft rates), may be exempt from some <b>ancillary charges</b> , and often receive other bundled benefits such as free travel insurance or discounts on some purchases.
<b>Payment system</b>	Consists of a set of instruments, banking procedures and, typically, interbank funds transfer systems which facilitate the transfer of money.
<b>PCA</b>	Personal Current Account. An account, marketed to individuals not businesses, which provides the facility to hold deposits, receive and make payments (cheque and debit cards), use <b>ATM</b> facilities and make regular payments ( <b>direct debits</b> and <b>standing orders</b> ).
<b>Pencil limit</b>	The amount above which a payment will be returned <b>unpaid</b> by the bank.
<b>Personal banking</b>	Banking aimed at individuals. This may include products such as <b>PCAs</b> , mortgages, loans, credit cards or savings accounts.
<b>Post Office Card Account</b>	Account offered by Citibank International Plc through the Post Office Limited which can be used only to receive state benefits (such as pensions, income support and tax credits).
<b>Provisional decisions on remedies</b>	<b>CC</b> — <i>Personal Current Account Banking Services In Northern Ireland: Provisional decisions on remedies</i> , published 6 March 2007.
<b>Provisional findings</b>	<b>CC</b> — <i>Personal Current Account Banking Services in Northern Ireland: Provisional Findings</i> , published 21 October 2006.
<b>'Pull' factor</b>	A decision to switch because a better offer is seen elsewhere.

<b>'Push' factor</b>	A decision to switch because of dissatisfaction with the existing provider (such as poor service or because the customer feels charges are unfair or rates are uncompetitive).
<b>RBS</b>	The Royal Bank of Scotland plc, a subsidiary of The Royal Bank of Scotland Group plc.
<b>Referral charges</b>	Charges levied when the bank makes a payment which creates or extends an <b>unauthorized overdraft</b> .
<b>Remote providers</b>	<b>Banks</b> that provide a remote banking service by Internet or telephone (the remote providers include <b>cahoot</b> , <b>first direct</b> , <b>Intelligent Finance</b> and <b>smile</b> ).
<b>RoC</b>	Return on capital.
<b>ROCE</b>	Return on capital employed.
<b>smile</b>	The Internet <b>bank</b> of the <b>Co-operative Bank</b> . A division of Co-operative Financial Services Limited. A <b>non-clearer</b> .
<b>Standing order</b>	Regular transfer of funds automatically from one account to another on a pre-agreed basis as to regularity and date of transfer and the amount to be transferred.
<b>Statement</b>	Used to refer to a communication from a <b>bank</b> to a <b>PCA</b> customer setting out the <b>transactions</b> that occurred on that customer's account in a given period.
<b>Stock</b>	Share of total accounts.
<b>Supercomplaint</b>	A supercomplaint, as defined in section 11(1) of <b>the Act</b> , is a complaint submitted by a designated consumer body that 'any feature, or combination of features, of a market in the UK for goods or services is or appears to be significantly harming the interests of consumers'. The supercomplaint process is intended to be a fast-track system for designated consumer bodies to bring to the attention of the <b>OFT</b> and the sectoral regulators with concurrent powers, market features that appear to be significantly harming the interests of consumers.
<b>Switching services</b>	Services provided by <b>banks</b> to customers, whereby a new <b>bank</b> facilitates switching accounts from another <b>bank</b> .
<b>Task Force</b>	The <b>OFT's</b> Payment Systems Task Force. Chaired by the <b>OFT</b> , it brings together representatives from the industry and others with an interest in <b>payment systems</b> .
<b>Traditional PCA</b>	A <b>PCA</b> where <b>transaction</b> and <b>maintenance charges</b> are payable when the account is operated both in <b>authorized</b> and <b>unauthorized overdraft</b> .
<b>Transaction charges</b>	Charges that may apply for common transactions such as cheques, <b>ATM</b> withdrawals and debit card payments. These are usually only levied on <b>traditional PCAs</b> when they are in <b>authorized overdraft</b> , and any <b>PCA</b> when it is in <b>unauthorized</b>

	<b>overdraft.</b> Transaction charges in <b>unauthorized overdraft</b> may be called <b>referral charges</b> or card misuse charges where the transaction is made, and <b>unpaid charges</b> if the transaction is declined.
<b>Ulster</b>	Ulster Bank Limited, a subsidiary of The Royal Bank of Scotland Group plc. A <b>clearer</b> .
<b>Unauthorized overdraft</b>	Overdrafts are said to be unauthorized if the debit balance exceeds a limit agreed between the customer and the <b>bank</b> or if no such limit had been agreed.
<b>Unauthorized overdraft charges</b>	<b>Transaction</b> and <b>maintenance charges</b> incurred when a customer goes into <b>unauthorized overdraft</b> .
<b>Unpaid charges</b>	Charges for returning cheques unpaid, or declining to pay a <b>standing order</b> or <b>direct debit</b> that, if paid, would create or extend an <b>unauthorized overdraft</b> .
<b>WACC</b>	Weighted average cost of capital.
<b>Which?</b>	The Consumers Association, which trades as Which?; it is registered in England and Wales. Made up of members and funded through the sale of its magazine and other products, the Consumers Association conducts in-depth investigations and produces reports that compare goods and services.
<b>Woolwich</b>	Woolwich PLC, a trading name of <b>Barclays</b> . A <b>non-clearer</b> .