

Glossary

Abbey	Abbey National plc. Abbey is a company incorporated in England and Wales and is a subsidiary of Banco Santander Central Hispano, SA. A non-clearer .
The Act	The Enterprise Act 2002.
Agency	An entity, other than a bank branch, which provides branch-type facilities to personal customers on behalf of the bank .
A&L	Alliance & Leicester plc a company incorporated in England and Wales. A non-clearer .
Ancillary charge	A Charge for an irregular one-off service provided on request to holders of PCA, charged regardless of whether the account is in credit or debit.
APACS	Formerly know as the Association for Payment Clearing Services. It was set up in 1985 as a non-statutory association of the major banks and building societies. Its principal task is to coordinate the main UK payment clearing systems which allow banks and building societies to exchange payments in the UK. This task is now carried out by three independent operational clearing companies under its umbrella: BACS , CHAPS and CCCC . The Belfast Bankers Clearing (BBC) system is separate from the Great Britain system.
ATMs	Automated teller machines, also known as cash machines.
Authorized overdraft	An overdraft is said to be authorized if the debit balance is within the agreed overdraft limit.
BACS	BACS Limited is the automated clearing house responsible for bulk clearing of electronic payments between bank accounts by means of direct credits, direct debits and standing orders .
Bank	An institution which offers PCAs and other financial products and pays, and collects payment of, monies for customers.
Banks, the	The clearers and non-clearers collectively.
Barclays	Barclays Bank plc, trading as 'The Woolwich ' in Northern Ireland.
Basel 1	The Basel Capital Accord 1998 which established a capital adequacy framework for banks conducting international business.
Basel 2	Basel 2 is a revision of Basle 1, and aims to make the framework more risk-sensitive and representative of modern banks' risk management practices.
Basic bank account	A bank account that allows money to be paid, standing orders and direct debits to be set up and money to be taken out using a

	cash card. It has no overdraft facility.
BBA	British Bankers' Association.
BBC	Belfast Bankers Clearing system. The internal cheque and paper clearing system for Northern Ireland.
BCSB	The Banking Code Standards Board. An independent body formed in 1999 to ensure banks and building societies comply with the Banking Code .
BoE	Bank of England.
Bol	Governor & Company of the Bank of Ireland a corporation established in Ireland under Royal Charter. A clearer .
BoS	Governor & Company of the Bank of Scotland.
BPSL	The BACS Payment Schemes Ltd
BSA	Building Societies Association.
CAGR	Compound annual growth rate.
cahoot	The Internet banking division of Abbey . A non-clearer .
CASS	Consolidated annual summary statement.
CC	Competition Commission.
CCCC	Cheque and Credit Clearing Company Limited. Oversees the bulk clearing of cheques and paper credits in Great Britain.
CCA	Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006.
CHAPS	Clearing House Automated Payment Scheme.
Clearers	A bank that is a member of the Belfast Bankers Clearing system which operates clearing arrangements in Northern Ireland. The clearers are Bol , First Trust , Northern and Ulster .
The Code	The Banking Code is a voluntary code followed by banks 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.
Co-operative Bank	The Co-operative Bank plc, which is owned by Co-operative Financial Services Limited. A non-clearer .
Credit reference agency	Agencies that hold 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.
Credit union	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.
Credit union account	Accounts offered by credit unions to members which have a saving facility and/or a loan facility.
Cross-selling	Using a relationship with a customer based on one product (for example, a PCA) to sell other products to that customer.
Cruickshank report	Don Cruickshank, <i>Competition in UK Banking: A Report to the Chancellor of the Exchequer</i> , The Stationery Office, March 2000.
Danske	Danske Bank A/S, the ultimate parent company of Northern .
DETI	Department of Enterprise, Trade and Investment in Northern Ireland.
Direct debit	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.
DTI	Department of Trade and Industry
EC	European Communities
EEA	European Economic Area.
Emerging Thinking	Competition Commission— <i>Personal Current Account Banking Services In Northern Ireland: Emerging Thinking</i> , published 28 April 2006.
Equifax	Equifax plc, a credit reference agency .
Experian	Experian Limited, a credit reference agency .
Fee-free PCA	A PCA where transaction and maintenance charges are not levied when the customer is in credit or in authorized overdraft.
Financial exclusion	Refers to people, particularly those living on low incomes, who are excluded from and cannot access mainstream financial products such as bank accounts and low cost loans
first direct	The telephone, Internet and text messaging banking division of HSBC which does not have any branches. A non clearer
First Trust	AIB Group (UK) plc, trading as First Trust Bank in Northern Ireland and a subsidiary of Allied Irish Bank plc. A clearer .
Flow	Share of new accounts.
FSA	Financial Services Authority.

FSMA	Financial Services and Markets Act 2000.
CAGR	The compound annual growth rate.
Gateway	Where a product that is currently held by a customer is seen as an opportunity for the entity to sell other products offerings to that customer.
GCCNI	General Consumer Council for Northern Ireland. A statutory body whose aims are to promote and safeguard the interests of all consumers in Northern Ireland.
Good Friday Agreement	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 far-reaching reforms of criminal justice and policing.
GVA	Gross value added.
Halifax	Halifax plc, a subsidiary of HBOS plc. A non-clearer . HBOS plc was created by the merger of Halifax and BoS . HBOS sells its PCAs under the Halifax brand in Northern Ireland, England and Wales
HHI	Herfindahl-Hirschman Index. A measure of market concentration derived from the sum of the squares of the percentage market shares of each firm.
Hidden switching	'Hidden switching' describes a situation where customers open a PCA elsewhere and switch themselves without informing the original provider.
HMT	Her Majesty's Treasury.
HSBC	HSBC Bank plc, its ultimate parent company is HSBC Holdings plc. A non-clearer .
IFSRA	Irish Financial Services Regulatory Authority.
Instant Access Savings Account	An account that allows immediate withdrawals without incurring a penalty.
Intelligent Finance	Intelligent Finance, the telephone and Internet banking division of Halifax . A non-clearer .
Issues Statement	Competition Commission— <i>Personal Current Account Banking Services In Northern Ireland: Statement of issues</i> , published 28 October 2005.
Julius Review	<i>Cracking The Codes For Banking Customers: Banking Services Consumer Codes Review Group</i> , published May 2001, Chaired by Dr DeAnne Julius.

LINK	Link Interchange Network Ltd, a company jointly owned by banks and building societies which was set up to share the costs of building and operating an ATM network.
Maintenance charges	Fixed charges which may be levied for incurring an authorized or unauthorized overdraft. Generally these are levied on a monthly or quarterly basis, but some may be charged on a one-off basis.
Millward Brown	Millward Brown Ulster, a market research company. Undertook the qualitative survey for the CC dated January 2006.
Mintel	Mintel International Group Ltd, a market research company.
MORI	Market & Opinion Research International Ltd/MORI Financial Services, a market research company.
MORI survey	MORI MFS survey. The survey reports rolling annual averages of four quarterly financial surveys of 1,500 Northern Irish respondents.
NAB	National Australia Bank Ltd.
Nationwide	Nationwide Building Society, a building society. A non-clearer .
NCC	National Consumer Council. An independent non-statutory publicly funded body, focusing particularly on the interests of disadvantaged consumers.
NIBA	Northern Ireland Bankers' Association.
NII	Net interest income.
Non-clearers	An institution, operating in Northern Ireland, which is not a member of the Belfast Bankers Clearing System. Such banks are referred to as non-clearers.
NOP	GfK NOP, market research company.
Northern	Northern Bank Limited, a subsidiary of Danske acquired in March 2005 from NAB . A clearer .
Offset/current account mortgage	In an offset/current account mortgage, credit balances in the PCA element of the account are used to reduce payments on, or speed up the rate of repayment of, the mortgage.
OFT	Office of Fair Trading.
ORC	ORC International, a market research company. Undertook the quantitative survey for the CC dated January 2006.
Overdraft	A negative balance on a bank account; the account is in debit. Overdrafts are said to be authorized if the debit balance is within the limit agreed with the bank , and unauthorized if the debit balance exceeds a limit agreed between the customer and the bank or if no such limit had been agreed.

Packaged PCA	A PCA 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 transaction charges . 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 ancillary charges , and often receive other bundled benefits such as free travel insurance or discounts on some purchases.
Payment system	Consists of a set of instruments, banking procedures and, typically, interbank funds transfer systems which facilitate the transfer of money.
PCA	Personal Current Account which is an account, marketed to individuals not businesses, which provides the facility to hold deposits, receive and make payments (cheque and debit cards), use ATM facilities and make regular payments (direct debits and standing orders).
Personal banking	Banking aimed at individuals. This may include products such as PCAs , mortgages, loans, credit cards, or savings accounts.
Post Office Card Account	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).
'Pull' factor	A decision to switch because a better offer is seen elsewhere.
'Push' factor	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).
RBS	The Royal Bank of Scotland plc, which is a subsidiary of The Royal Bank of Scotland Group plc.
Referral charges	Charges levied when the bank makes a payment which creates or extends an unauthorized overdraft.
Remote providers	Banks that provide a remote banking service by Internet or telephone (the remote providers include cahoot , first direct , Intelligent Finance and smile).
RoC	Return on capital.
ROCE	Return on capital employed.
smile	The Internet bank of the Co-operative Bank . A division of Co-operative Financial Services Limited. A non-clearer .
Standing Order	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.
Stock	Share of total accounts.

Supercomplaint	A supercomplaint, as defined in section 11(1) of the Act , 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 OFT and the sectoral regulators with concurrent powers, market features that appear to be significantly harming the interests of consumers.
Switching services	Services provided by banks to customers, where by a new bank facilitates switching accounts from another bank.
Task Force	The OFT ’s Payment Systems Task Force (the Task Force) is chaired by the OFT and brings together representatives from the industry and others with an interest in payment systems.
Traditional PCA	A PCA where transaction charges and maintenance charges are payable when the account is operated both in authorized and unauthorized overdraft
Transaction charges	Charges that apply to a variety of regular transaction such as cheques, ATM withdrawals, debit card payments, standing order and direct debit payments.
UK	United Kingdom
Ulster	Ulster Bank Limited, a subsidiary of The Royal Bank of Scotland Group plc. A clearer .
Unauthorized overdraft	Overdrafts are said to be unauthorized if the debit balance exceeds a limit agreed between the customer and the bank or if no such limit had been agreed.
Unauthorized overdraft charges	Transaction and maintenance charges incurred when a customer goes into unauthorized overdraft.
Unpaid charges	Charges for returning cheques unpaid, or declining to pay a standing or direct debit that, if paid, would create or extend an unauthorized overdraft.
WACC	Weighted average cost of capital.
Which?	The Consumers’ Association, which trades as <i>Which?</i> ; it is registered in England and Wales. Made up of members and funded through the sale of their magazine and other products, the Consumers’ Association conducts in-depth investigations and produces reports that compare goods and services.
Woolwich	Woolwich PLC, a trading name of Barclays . A non-clearer .