

## Terms of reference

1. On 18 March 2004 the OFT sent to the CC the following reference:
  1. The OFT, in exercise of its powers under section 131 of the Enterprise Act 2002, hereby makes a reference to the Competition Commission for an investigation into the supply of the following services ('the reference services') in the United Kingdom:
    - (a) store card credit services to retailers and services related thereto (store card credit services); and
    - (b) consumer credit through store cards.
  2. The OFT has reasonable grounds for suspecting that a feature or a combination of features of the markets in which the reference services are supplied prevent, restrict or distort competition in connection with the supply of the reference services in the United Kingdom.
  3. For the purposes of this reference:
    - 'Store card' means a payment card issued with respect to the purchase of the goods, services or facilities of only one retailer or of retailers who are members of a single group of interconnected bodies corporate or who trade under a common name and which permits the holder of the payment card under his contract with the issuer of the card to discharge less than the whole of any outstanding balance on his payment card account on or before the expiry to a specified period (subject to any contractual requirements with respect to minimum or fixed amounts of payment).
    - 'Payment card' means a card, the use of which enables the person to whom it is issued ('the holder') to discharge his obligation to a supplier in respect of payment for the acquisition of goods, services or facilities.
    - 'Issuer' means a person who contracts or proposes to contract with a consumer for the issue of a store card.