

Review of the personal current account market

January 2013

OFT1005rev

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compatible with its other operational objectives). This stronger competition remit will mean that the FCA will take a different approach to regulation²⁵⁸ from that taken by the FSA, which is likely to provide a further stimulus towards effective competition.

- 9.18 Collectively, these changes and the resulting flux in the market and uncertainty over their effects, mean it would be difficult at this time for the CC to reach robust judgements about how competition is likely to evolve in the short term, and how to design appropriate, effective and proportionate remedies to any adverse effects on competition. As a result of those developments, the OFT considers that it is questionable whether all four of the discretionary criteria set out in our guidance are satisfied at this time, even if they are satisfied, the OFT does not consider that it is appropriate to make an MIR to the CC at this point in time. In addition, the OFT's programme of work on retail banking will allow us to consider whether the scope of any potential MIR should be restricted to the PCA market or cover number of retail banking markets or the retail banking sector as a whole.

Consultation on the provisional decision

- 9.19 Under Section 169 of the Enterprise Act 2002, when the OFT is considering whether to make a decision on a reference to the CC it must first consult, so far as practicable, any person on whose interests the decision is likely to have a substantial impact.
- 9.20 This report sets out the reasons for the OFT's provisional decision not to refer to the CC the market for PCAs in the UK. We invite comments on this provisional decision by 8 March 2013.
- 9.21 Comments can be sent by email to retailbanking@oft.gsi.gov.uk or by post to:

²⁵⁸ The intended approach of the FCA to its regulatory objectives, how it intends to achieve a fair deal in financial services for consumers and where it is on this journey were set out in 'Journey to the Financial Conduct Authority'. See www.fsa.gov.uk/about/what/reg_reform/fca for details.

