

Remedies in financial services markets

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One year on...



OFT/CC/CMA Market investigations into financial services and products

- Banking*
- Payday Lending*
- Private Motor Insurance*
- Statutory Audit Services
- Home Credit
- Payment Protection Insurance
- PCA – Northern Ireland
- Store Card Credit Services
- Extended Warranties
- ISAs (OFT)
- Pensions (OFT)

*Substantive work undertaken by CMA

Current Retail Banking MIR

- Completed a survey of 5,000 personal banking customers
- Case studies with new entrants, small banks and building societies underway
- Currently undertaking analysis on customers perceptions against reality in banking behaviour
- Soon to publish series of working papers

UILs offered in SME banking

- **The four largest banks offered UILs for SMEs:**
 - A website enabling SMEs to compare the price and service offerings of BCAs from different providers. No price comparison of loans.
 - Standardised and simplified account-opening procedures.
 - The development of BCA annual summaries and other activities to stimulate SME engagement (eg promotion of CASS to SMEs).

The challenge of being a generalist competition authority

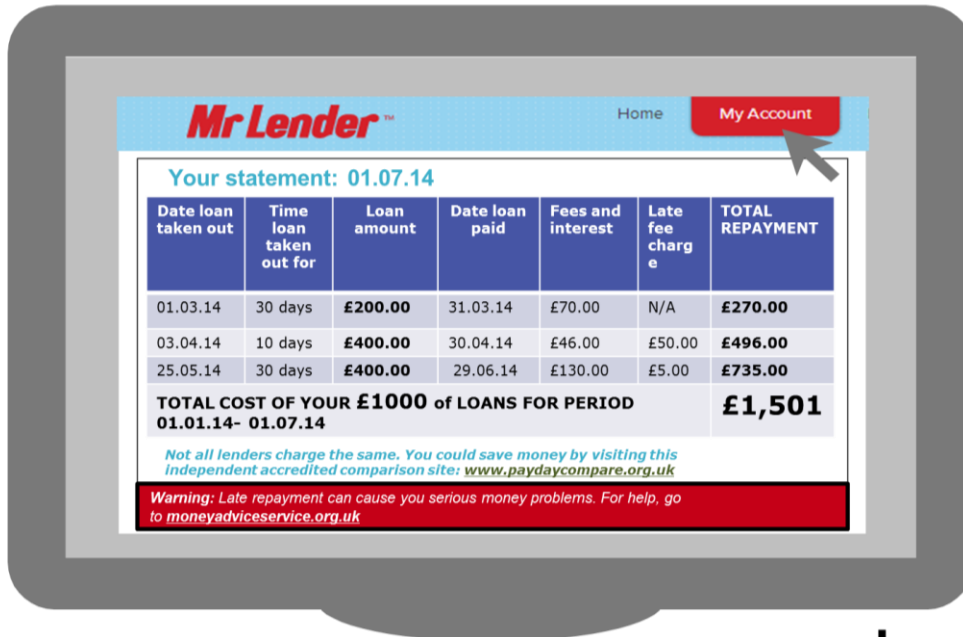


Learning by doing

Recurring remedies



Testing remedy design



Mr Lender™ Home **My Account**

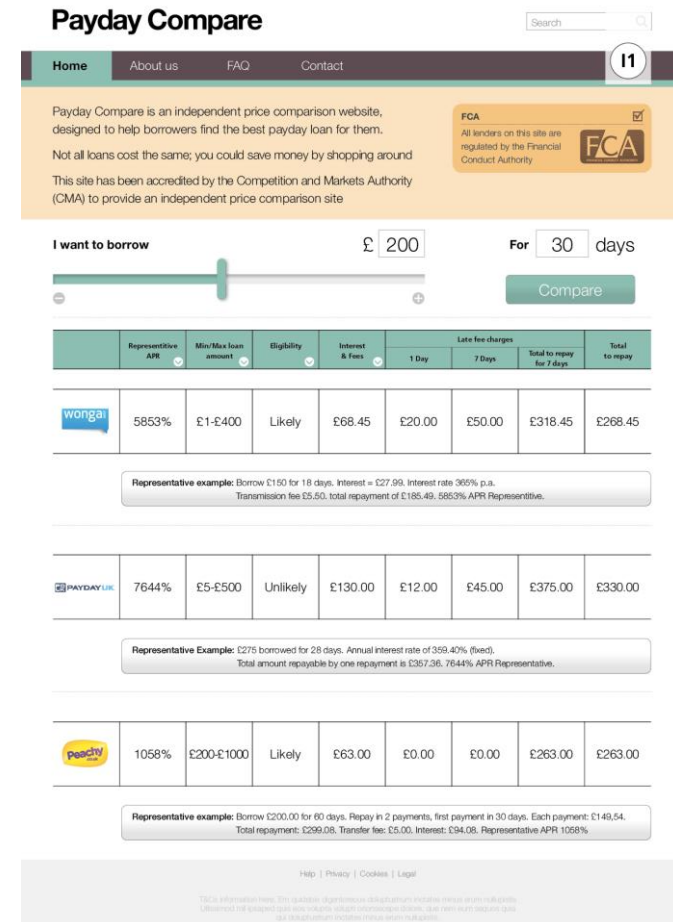
Your statement: 01.07.14

Date loan taken out	Time loan taken out for	Loan amount	Date loan paid	Fees and interest	Late fee charge	TOTAL REPAYMENT
01.03.14	30 days	£200.00	31.03.14	£70.00	N/A	£270.00
03.04.14	10 days	£400.00	30.04.14	£46.00	£50.00	£496.00
25.05.14	30 days	£400.00	29.06.14	£130.00	£5.00	£735.00
TOTAL COST OF YOUR £1000 of LOANS FOR PERIOD 01.01.14- 01.07.14						£1,501

Not all lenders charge the same. You could save money by visiting this independent accredited comparison site: www.paydaycompare.org.uk

Warning: Late repayment can cause you serious money problems. For help, go to moneyadviceservice.org.uk

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Payday Compare Search

Home About us FAQ Contact 11

Payday Compare is an independent price comparison website, designed to help borrowers find the best payday loan for them. Not all loans cost the same; you could save money by shopping around. This site has been accredited by the Competition and Markets Authority (CMA) to provide an independent price comparison site.

FCA All lenders on this site are regulated by the Financial Conduct Authority

I want to borrow £ 200 For 30 days

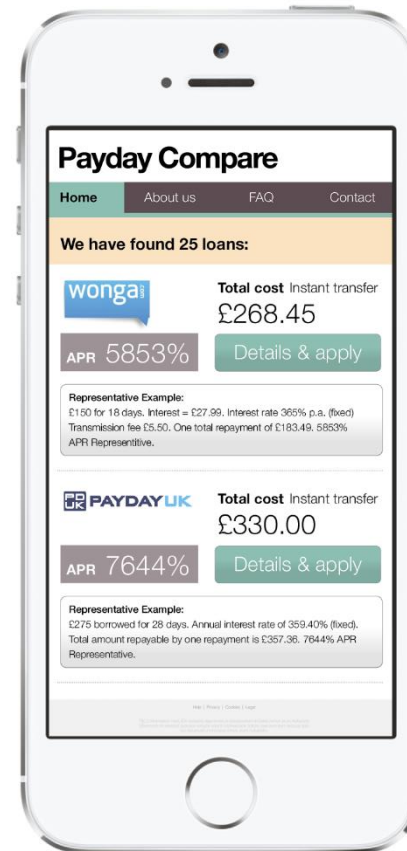
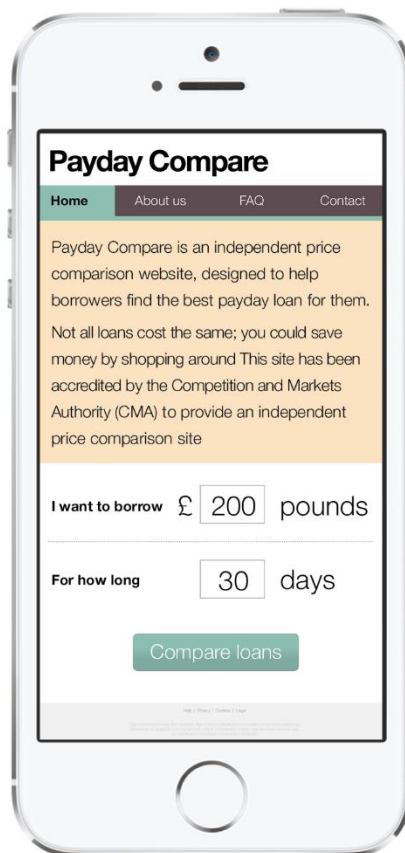
Compare

	Representative APR	Min/Max loan amount	Eligibility	Interest & Fees	Late fee charges		Total to repay for 7 days	Total to repay
					1 Day	7 Days		
wonga	5853%	£1-£400	Likely	£68.45	£20.00	£50.00	£318.45	£268.45
Representative example: Borrow £150 for 18 days. Interest = £27.90. Interest rate 365% p.a. Transmission fee £5.50, total repayment of £185.49. 5853% APR Representative.								
payday.uk	7644%	£5-£500	Unlikely	£130.00	£12.00	£45.00	£375.00	£330.00
Representative Example: £275 borrowed for 28 days. Annual interest rate of 359.40% (fixed). Total amount repayable by one repayment is £367.36. 7644% APR Representative.								
payday	1058%	£200-£1000	Likely	£63.00	£0.00	£0.00	£263.00	£263.00
Representative example: Borrow £200.00 for 60 days. Repay in 2 payments, first payment in 30 days. Each payment: £149.54. Total repayment: £299.08. Transfer fees: £5.00. Interest: £94.08. Representative APR 1058%								

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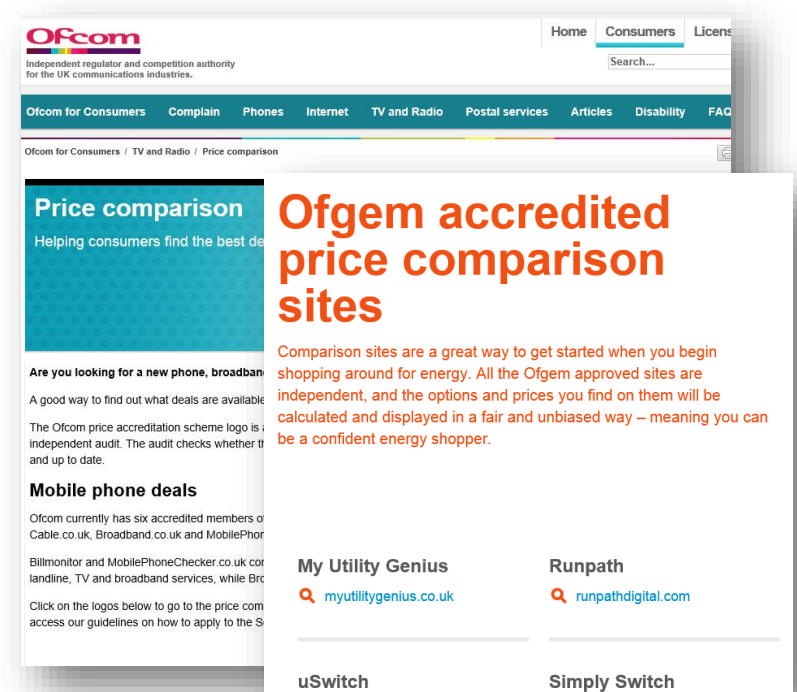
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Understanding new platforms



Learning from others

- Increasing standards in price comparison websites

Ofcom
 Independent regulator and competition authority for the UK communications industries.

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Price comparison

Helping consumers find the best deals



Ofgem accredited price comparison sites

Comparison sites are a great way to get started when you begin shopping around for energy. All the Ofgem approved sites are independent, and the options and prices you find on them will be calculated and displayed in a fair and unbiased way – meaning you can be a confident energy shopper.

Are you looking for a new phone, broadband or TV services?
 A good way to find out what deals are available is to use a price comparison site. The Ofcom price accreditation scheme logo is a mark of an independent audit. The audit checks whether the site is up to date.

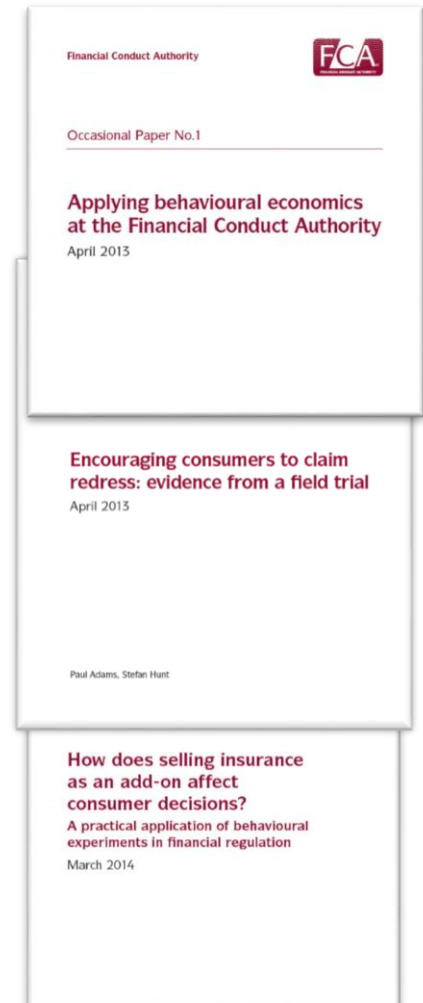
Mobile phone deals
 Ofcom currently has six accredited members of the scheme: Cable.co.uk, Broadband.co.uk and MobilePhoneChecker.co.uk for mobile phone deals, Billmonitor and MobilePhoneChecker.co.uk for broadband, TV and broadband services, while uSwitch and Simply Switch are accredited for energy.

Click on the logos below to go to the price comparison site. You can also access our guidelines on how to apply to the scheme.

My Utility Genius  myutilitygenius.co.uk	Runpath  runpathdigital.com
uSwitch	Simply Switch

Learning from others

- **Using behavioural economics**



Working within statutory deadlines



This time next year...

