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European Commission
Mr. P. Lowe
Directorate-General for Competition
B-1049 Brussels

Date: October 12, 2006

Re: Reply of Dutch banks to the Second Interim Report on Current Accounts and Related Services

Dear Mr Lowe,

With this letter we would like to share our feedback on the Second Interim Report on current accounts and related services. We appreciate the extension of the deadline that was granted to us and have enclosed the feedback form in the Annex. We highlight the major policy issues of the Dutch banks below.

Before presenting our feedback, we would like to compliment the Commission with the effort to gather data on retail banking in Europe and present these in an Interim report. Having just finished an intensive data collection exercise on payments profitability in the Netherlands, we are quite aware of the methodological and analytical challenges of such an exercise. We therefore welcome the possibility to contribute to the end result by sharing some of our experiences and observations. In particular we would like to draw your attention to the following suggestions:

Improve the data collection method
The Dutch banks have recently finished a major data collection exercise in cooperation with the Dutch central bank, executed by McKinsey&Company. This resulted in the report: Payment Services in the Netherlands: an analysis of revenues and costs for banks. The report shows that the actual loss that banks incurred on payment services in 2005 amounted to € 128 million, with major differences between market segments and products. The goal of the exercise was to create a joint vision and knowledge base among all Dutch stakeholders on the topic of revenues, cost and profitability of payments for Dutch banks.

As a part of the process:

- banks agreed beforehand to fully open their books allowing the McKinsey&Company researchers access to all individual and confidential bank data,
- representatives of banks, retailers, corporates and consumers first agreed collectively to a sophisticated methodology, using robust definitions. The methodology was also presented to the Dutch Competition Authority (NMa).
- McKinsey&Company started collecting the data after reaching the agreement on the methodology. As a result we obtained an objective outcome, which was not questioned afterwards,

- researchers of McKinsey&Company cooperated with experts from the central bank to check if the bank data were properly categorized, plausible and consistent (both between banks but also with central bank data and previous research findings).

During the data collection exercise, we experienced that the comparison and categorization of individual bank data on revenues and cost is a considerable challenge, even within a single country and a single business line as payments. In order to arrive at the desired reliability of the result, the Dutch banks committed 10 FTE (10 man-years) in resources during a six month period. Combined with the buy-in of all stakeholders and the data validation by the central bank and McKinsey&Company, we can confidently state that the outcome of the study is accurate with a margin of plus or minus € 10 million Euro.

If we compare the research design of our Dutch sectoral revenue/cost study to that of the Interim report, we note the following differences:

- the scope of the Commissions' study was not limited to payments services but encompassed a broad range of retail banking services (current accounts, deposit/savings accounts, consumer loans, mortgages, payment cards, investment funds, asset management, insurance production and insurance distribution),
- the 250 banks were allowed to use their own definition of retail services, including or excluding one or more of the above services,
- no benchmarking, validity or plausibility checks appear to have been applied to ensure that the data can be compared.

As a consequence of the Commissions' methodology, the data collected merely indicates that markets are fragmented. If the idea were to produce conclusive or robust findings on the topic of profitability in (segments of) the retail banking market, we would suggest a more consistent, stringent and detailed data collection and a more extensive involvement of all stakeholders with respect to the methodology.

<u>Use a number of different theoretical frameworks to analyze the data</u>
At present the interim reports lacks an overview of the relevant scientific theory with respect to concentration in banking markets. An explicit choice for one of the analytical frameworks is also (still) missing. Nevertheless, we note on page 111 that the Commission expects a negative correlation between customer mobility and indicators of competitive structure in an industry (such as profitability and concentration). This would imply that the available data-set is analyzed primarily on the basis of the Structure-Conduct-Performance paradigm. This paradigm suggest that a concentrated industry sector signals oligopolistic/monopolistic behaviour of participants that extract profits from their customers that are higher than necessary, leading to high profitability.

We would like to point out that recent models provide alternative explanations on the issue of concentration, profitability and competitiveness. These models suggest a reverse causality in which a high concentration ratio is an indicator for a market with a high rate of competitiveness rather than a low rate. As Stijn Claessens and Luc Laeven conclude in a comparative study on banking and competition:

> *We find no evidence that banking system concentration is negatively associated with competitiveness. At the opposite, we find some evidence that more concentrated banking systems are more competitive. Similarly, we have some, although never significant evidence that the competitiveness of banking*

systems relates negatively to the number of banks in the country. We find that these results remain using several robustness tests.

We advise the Commission to take stock of all relevant theories and use a number of different analytical and scientific models to analyze the available data. To this end we have listed some references to background material in our answer in the Annex.

Reconsider the assumptions on customer behaviour and customer mobility

We noted that chapter seven of the interim report is focused mostly on the mobility of current account customers and not so much the mobility for the whole product range in retail banking. We would advise you to review or rephrase the analysis accordingly.

We reiterate our previous comment on the assumed relationship between market structure (concentrated) and market outcome (low mobility). It would be incorrect to assume or state that the low customer mobility figures in the Netherlands are a sign of low competitiveness.

In the Netherlands we experience considerable competition between banks and have a customer satisfaction rate of 94 %. Since December 2003, we operate an Interbank Switching Support Service with 75.000 customers swithcing per annum (on a total number of 22 million current accounts). We therefore subcribe to the viewpoint that the main reason for not switching service providers is that customers are generally satisfied (see also p. 92 of the Interim-report).

Another factor which may be of relevance is that bank practice shows that payment services are a convenience good / dissatisfier rather than a primary good. Yet, the analysis in the Interim report appears to assume that payment services are a primary good. We wonder if from an analytical perspective that assumption is justified. While customers are interested in the features of primary goods (size, price and quality of for example a plasma TV) and the ability to get a better deal, they are not permanently interested in comparing the features of their bank account, the price, the execution time etcetera.

We encourage the Commission to use alternative models which explicitly acknowledge the difference in consumer behaviour and search patterns for primary goods and for convenience goods/services. The fact that 35 % of the EU-customers consider it expensive to have a bank account (Eurobarometer survey, 2005), might be an indication that perhaps the bank fees for account and payment services are not that significant to really be of interest to customers, when compared to their overall budget/spending.

In conclusion: we would welcome in the final report a more explicit overview and discussion of the academic assumptions and methodology used in the discussion on user mobility and consumer behaviour.

Improve the policy consistency and refrain from ex-ante interventions

Our final remark relates to the number and consistency of regulatory initiatives in the payments domain. As stated in previous letters to the Commission, we have a concern as to the fragmented nature of the policy approach of the Commission. This results in simultaneous discussions on:

- the review of the e-money directive,
- the review of the Regulation 2560,
- the creation of the Payment Services Directive,

- the competition enquiries into the cards and current accounts market,
- the investigation of next steps for achieving a European Payments Market.

In addition, we have the impression that there is a tendency within the European Commission to focus particularly on ex-ante regulatory solutions based on assumed market failures. Those solutions seek to steer the market on the basis of theoretic ideals rather than on the basis of facts. If the Commissions' policy is inconsistent and the market is not allowed the time to adapt, it will be quite difficult to devise long-term sustainable business models, as mentioned by Ms Tumpel-Gugerell from the ECB. In fact, the current emphasis on fragmented ex-ante regulation could stifle the payments industry through overregulation.

We understand that perhaps the resources at the European Commission are limited to such an extent that the development and further elaboration of a consistent and overall vision/strategy for the retail payments market may still be pending. Yet, we would still very much welcome a complete overview of current regulatory initiatives and the main goals/principles they seek to achieve. We hope that such an overview may become part of the end report.

More in particular we hope that such an overview may also be the starting point for a critical self-assessment on the necessity of the current regulatory projects. We believe that, in line with Commissioner Verheugen's efforts towards better regulation, a number of current regulatory initiatives in the area of payments could be repealed, simplified or streamlined, thus allowing and contributing to a better functioning of the retail payments market.

Our contact person for this reply is Simon Lelieveldt, Senior Advisor Payment Systems. His contact details can be found in the Annex.

Yours sincerely,

Gijs Boudewijn
Head of Payment Systems and Security

NVB Nederlandse Vereniging van Banken

ANNEX 1: RETAIL BANKING SECTOR INQUIRY PRELIMINARY REPORT II CONSULTATION FEEDBACK FORM

Name of organisation: Netherlands Bankers' Association

Type of organisation: Representative Organisation for banks in the Netherlands

Address: PO Box 3543, 1001 AH Amsterdam

Country: The Netherlands

Have you received a request for information as part of the sector inquiry:

☐ Yes

☑ No

Specific questions from Executive Summary:

A. Market structure and fragmentation

1. *What are the main reasons for market fragmentation in Europe's retail banking sector? Please identify whether they are mainly of regulatory, structural or behavioural nature.*

   The existence of market fragmentation in the payments sector is demonstrated and analyzed by Gottfried Leibbrandt (Leibbrandt, J.G., *Payment Systems and Network Effects; Adoption, harmonization and Succession of Network Technologies Across Countries,* Maastricht 2004). This dissertation is dedicated to discovering more about the (local) patterns of technology and standards adoption.

   Leibbrandt proves that the introduction of new payment mechanisms or innovation in a specific country is determined by the (payment) technologies that are already present in that country and by factors such as the price/capabilities of that specific technology at that specific point in time. He proves the existence of **path dependency** in the development of (subsequent) standards and innovation. This means that once a country or a region has made a specific technological choice, the later choices will build upon this earlier choice, even if theoretically better alternatives are available.

An important conclusion that can be drawn from his work is that the moment in time is an essential factor that determines the evolution path of a country. If two countries are faced with a similar technology adoption choice in payments, and the only main difference between the two is the moment in time, the outcome can still be quite different. Even with just a limited time-frame in between the adoption choices of the two countries, the costs of technology may already have lowered to such an extent that a different set-up will be chosen.

The second conclusion is that path dependency is persistent. Once a country is geared to certain types of instruments, the further development and adoption of payment technologies will build on the existing instruments. As a result, differences in the current technologies and systems lead to further differences during the adoption of newer technology.

We are of the opinion that the results of the study of Leibbrandt are not only relevant in terms of technological development but also in terms of development of rules/regulations and of market demand. Markets used to be fragmented because specific rules, technology and demand were local in nature. But even as regulatory and technology barriers are eliminated, markets may remain fragmented for quite a long while. This effect is known in the academic literature under the heading of 'Home-bias-puzzle'. We recommend that the Commission include a literature overview on this in the end report.

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2. *What are the main causes and implications of the different level of concentration in the EU retail banking markets?*

See also our main letter. At present the interim reports lacks an overview of the relevant scientific theory with respect to concentration in banking markets. Instead it appears as if one single paradigm (the Structure-Conduct-Performance paradigm) is used to analyze the data-set.

More specifically we would like to point out that in more recent scientific research a high concentration ratio is considered to be a reflection of a market with a high rate of efficiency, a lot of competition as well as high customer satisfaction and low switching rates. The Dutch market can in fact be considered as a case in point that demonstrates the incorrectness of the Structure Conduct Performance paradigm and the correctness of the contestability theory.

Under the SCP-theory the very concentrated Dutch market for payments will be considered to be an oligopoly structure with low efficiency, higher than usual profits and high (latent) demand for switching banks. Fact of the matter is that the Dutch payments market is indeed concentrated (CR3: 89, CR5: 98), but the payment business is loss making (a loss in 2005 of minus € 128 million). The average prices for payments (packages) are among the lowest in the world with a customer satisfaction ratio of 94 %.

While the Dutch situation does not fit the implicit SCP-approach of the Commission, it does suit the more recent findings and research on competition in banking. More specifically they coincide with the findings of the work of *Stijn Claessens* and *Luc Laeven* (Policy Research Working Paper 3113 of the World Bank):

> *We find no evidence that banking system concentration is negatively associated with competitiveness. At the opposite, we find some evidence that more concentrated banking systems are more competitive. Similarly, we have some, although never significant evidence that the competitiveness of banking systems relates negatively to the number of banks in the country. We find that these results remain using several robustness tests.*

We would suggest investigating and using a number of different analytical and scientific models to analyze the available data on concentration and profitability. A further list of references to relevant reports that can be helpful in doing so is provided under question 11.

B. Banks' financial performance and pricing

3. *What are the main reasons for the varying rates of profitability and income in retail banking across the Member States?*

The data collected indicates that markets are fragmented (see answer 1). The methodology applied (allowing the banks themselves to define und subdivide markets/segments, no validation exercise) and the lack of alternative analytical models does not allow for a further discussion on this topic. If the idea would be to produce conclusive or robust findings on this issue, this would require a more consistent and stringent data collection as well as the use of a number of analytical models/theories applied to analyze the data.

C. Entry barriers in retail banking

4. *Are there other types of entry barriers in retail banking that have not been identified in the preliminary report?*

This interim report encompasses all product ranges and segments and is too broad in its scope to be able to answer this question. A proper answer requires detailed fact finding for specific products and segments, which would have to include all suppliers of the specific products.

Another issue that should be taken into account is the 'home bias puzzle' and the interrelationship between further integration of the financial markets and the retail banking market and the integration of product markets and labour markets in Europe. We wonder if it is right to emphasize the integration in the financial retail market if progress in the other domains is lacking. Experience shows that payments follow trade patterns rather than the reverse.

In this respect we would like to refer to the statement in the recent policy brief of J. Delgado (Single Market Trails Home Bias):

> *The current momentum of financial integration and reform could certainly help reform in other fields. But financial integration can hardly continue advancing if there is no progress in product and labour markets. (p 8.).*

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5. *Where and how does competition law have a role in tackling barriers to entry in retail banking?*

Competition law has a role as it provides regulators as well as market participants with the tools and possibility to address barriers.

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6. *Access to credit databases and payment infrastructures are sometimes cited as a barrier to entry in retail banking markets. Are there significant barriers to access which merit further investigation?*

While the discussion of credit-databases and payment infrastructures is an interesting line of thought in the report, it does not do justice to the whole array of relevant issues. We are inclined to conclude that it is the result of a conceptual approach in which the concept of competition between banks in Europe is viewed as occurring mainly by cross-border opening of accounts and cross-border provision of services. However, this is only one of a number of possible strategies that banks can choose to compete in Europe:
a- remain present in domestic market and expand geographical reach by allowing foreign customers access to the accounts in this domestic market,
b- penetrate other markets by opening branches and offering services under the original domestic brand in other countries,
c- penetrate other markets by taking over local banks,
d- penetrate other markets by joint-ventures with local players.

We suggest that the Commission take note of the comparative report by KPMG (Banking beyond borders, will European consumers buy it?, published in 2004). The report shows that consumers prefer to obtain their bank services at a domestic bank rather than with a foreign bank. As a result, KPMG consider cross-border offering of bank services a ‘strategic challenge’:

> *In a community where over half of adults cannot even name a foreign bank, the strategic challenge is clear if millions are not to be wasted in fruitless expansionist projects.*

Considering the results of the KPMG study, we would advise the Commission not to translate its strategic objective to eliminate obstacles to competition in Europe into a single policy goal that focuses on eliminating obstacles to cross-border opening and provision of retail banking services (strategies a and b). Given the domestic nature of customer demand, it appears to be more sensible to focus on facilitating competition by removing obstacles to cross-border mergers & acquisitions and cross-border cooperation (strategies c and d).

We would like to add that the relevance of cross-border opening of current accounts is decreasing quickly, as we reach the first phases of the Single Euro Payment Area.

See also our answer to question 4.

D. Customer choice and mobility

7. *What are the main reasons for the low mobility of retail banking customers?*

We would like to stipulate that chapter seven of the interim report is focused mostly on the mobility of current account customers and not so much the mobility for the whole product range in retail banking. We would advise the Commission to rephrase the chapter accordingly. Below we will specifically reflect on customer mobility for current accounts.

Our first observation on this issue is that, according to the Eurobarometer survey, 69 % of the EU-population find it easy to change banks. So while user mobility may be an issue in academic or a policy research exercises, it does not appear to be a problematic issue in practice. Nevertheless, in order to demonstrate their commitment to competition, the Dutch banks have developed an Interbank Switching Service in the Netherlands, so as to make sure that customers face as little barriers as possible if they wish to change banks. A further description of this service is provided in a background paper (we provide detailed references to all background material as a reply to question 11).

In our view, the first reason for low mobility is customer satisfaction. In the Netherlands, the customer satisfaction ratio is traditionally very high. The 2004 KPMG report Banking beyond borders states a ratio of 86 %, recent research of the Dutch Consumer Union (2006) finds a ratio of 88 %, and our own research (2005) reveals a satisfaction rate of 94 %. Given these figures we agree with the viewpoint of the Commission that the main reason for not switching service providers is that customers are generally satisfied (p. 92).

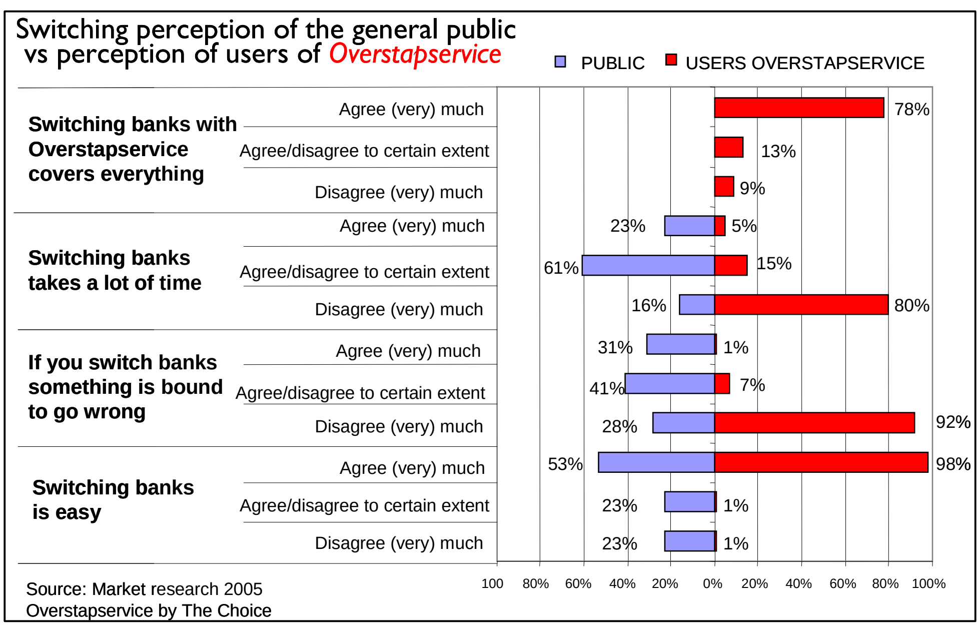
The second reason for low mobility is one which the Interim report does not take into account sufficiently: payments (services) are a hygiene factor; a dissatisfier (as opposed to being a motivation factor or satisfier). This means that the nature of the services is such that a faulty provision of services leads to dissatisfaction and complains. On the other hand, a proper delivery of services does not lead to additional satisfaction.

The present state of analysis in economic literature and the Interim report on customer mobility still appears to be that payments services are a primary good/motivation factor rather than a convenience good/dissatisfier. From both a practical and an analytical perspective, we tend to challenge this assumption. While customers are interested in the features of primary goods (size, price and quality of for example clothing, electronics etcetera) and the ability to get a better deal, they are not permanently interested in comparing the features of their bank account, the price, the execution time etc. It is only during specific occasions that customers become interested, mostly during specific life-events as marriage, divorce, the purchase of a house, etc.

The data from the Eurobarometer survey reveals that a majority of the population do not find it expensive to have a bank account (as opposed to 35 % who do find it expensive). The fees for payment services and bank accounts therefore appear not be of primary interest to the users. Effectively, it may quite well be the case that bank fees for having an account and doing payments are too insignificant to really be of permanent interest to customers, especially when compared to their overall budget/spending. In such a situation, it is more rational for customers to spend time optimizing their purchase strategy for the expensive items in their budget rather than the lesser significant items.

The incidental interest of customers in (re)considering which is the best supplier of bank accounts is also reflected in the lack of accurate knowledge of customers of product characteristics in payment. Bank research shows that customers often still perceive the features of payment instruments to be different from what they really are at the time of the research.

Quite specifically we noticed this effect when researching the customer opinion on the ease of bank switching. The graph below shows the result of customer research executed in 2005. The perception of the general public (who don't often switch) is depicted in blue bars on the left hand side. The perception on the ease with which one can switch banks is clearly lower (53 %) for the general public than the perception of the recent users of the Interbank Switching Support Service (98 %, depicted in red bars on the right hand side of the graph).



We would like to conclude our response to this question with some practical observations:
- approximately 75.000 customers use our switching service per year; this is a stable figure which amounts to about 0,3 % (on 22 million payment accounts),
- our concentrated market with only 2 central processors allowed for a swift development of the switching service; the development of a similar service in the EU would from a practical perspective be very cumbersome and costly,
- the policy issue of customer choice and mobility should not be narrowed down to the technical discussion on switching banks but should focus on customer choice for specific products/services instead; in practice customers have multiple and parallel relationships with a variety of service providers for retail banking services.
- further research may be helpful to find out which factors determine if a customer will optimize the delivery of all individual retail banking services or only some retail banking services.

In sum, we encourage the Commission to broaden the scope of the policy discussion by researching and including alternative models of customer behaviour which explicitly acknowledge the difference in consumer behaviour and search patterns for primary goods and for convenience goods/services. This may well shed a new light on the relevance and conclusions that can be drawn from the comparison of mobility figures for retail bank services.

E. Development of payment infrastructures in the context of the Single Euro Payment Area

8. *Are there features of the payment industry that limit competition either at the level of provision of clearing and settlement services or the provision of retail banking services? Please indicate areas that merit further investigation.*

No, we do not think so. But there is something else that does. Autonomous interpretations and policy guidelines by civil servants of the European Commission, central banks and bank supervisors shape the market to an extent which is beyond the original mandate and agreed texts of national and European Parliaments. Legal rules that are clear from the outset are set aside rather than applied properly, as a consequence of a non-parliamentary consensus-seeking-process between policy-makers, regulators and supervisors.

As a case in point we refer to the application of the E-money directive to pre-paid mobile payments. We would specifically suggest DG Comp to investigate the (un-)official agreements and vague, undemocratic policy procedures and interpretations that occurred in this domain. These actions have effectively lead to a situation where the nature of the issuer rather than the functionality of a payment instrument determines the actual applicability of e-money rules and legislation. As these actions and (in)formal policy conclusions effectively exempted a specific industry sector (mobile operators only) we wonder if such actions would not classify as state aid to a specific sector: the exemption from regulatory rules and requirements is an administrative decision focused on a specific sector, leading to lower production cost and competitive advantages.

As a starting point for further research the Commission could use:
- the letter of GSM Europe, dated June 12, 2002:

> *'The impact of the E-money directive is very important as it may affect the prepay services (phone prepay or new stored value accounts) of mobile operators intended to be used for third parties' content and applications.'*

- the 'interpretative' letter by the Commission dated October 8, 2002:

> *'In these circumstances the E-money directive should not affect prepaid services and calls to premium rate services. Of course we shall examine the implementation measures adopted by Member States and take steps where necessary.'*

- the reply of the NVB on the evaluation of the E-money directive, dated October 12, 2005 (Ref: E-money 003/2005), describing the issue more in detail.

Of course we are available to provide more detailed information on request.

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9. *Are interchange fees necessary for the development of payment instruments (credit transfers and direct debits) in the EU?*

Yes, for Sepa Direct Debit, a transparent cost sharing arrangement is necessary. We refer to the EPC-indispensability document which is now being discussed with the Commission. Clarity on the regulatory stance is required in order for banks to be able to further deploy and develop the SEPA Direct Debit product.
More in general much needs to be done before the available (theoretic) models can be used to infer definitive policy conclusions as to the most desirable structure, composition and calculation of interchange fee arrangements. Until such a time, direct intervention in this market domain does not appear to be a the proper policy choice.

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10. *Are there issues related to industry initiatives in the context of SEPA that should be assessed form a competition view point?*

None that we are aware of.

F. Other issues

11. *Please provide comments on any other competition-related issues in relation to retail banking markets.*

Rather than including the original documents that we refer to in our letter and Annex, we hereby provide a list of references that might be useful during the further analysis on competition, concentration, cost & revenues in payments, standardisation, interchange fees, user mobility etcetera.

- Payment Services in the Netherlands: an analysis of revenues and costs for banks, study made by McKinsey&Company and commissioned by the Nederlandse Vereniging van Banken (NVB) (Netherlands Bankers' Association) and De Nederlandsche Bank (DNB), July 2006. Available at: http://www.nvb.nl/scrivo/asset.php?id=25779

- Background paper on the Dutch Interbank Switch Support Service (Overstapservice), May 8, 2006, available at: http://www.nvb.nl/scrivo/asset.php?id=22956

- Leibbrandt, J.G., *Payment Systems and Network Effects; Adoption, harmonization and Succession of Network Technologies Across Countries,* Maastricht 2004. Available at: http://www.merit.unu.edu/publications/phd/200402.pdf#search=%22Payment%20Systems%20and%20Network%20Effects%3B%20Adoption%2C%20harmonization%20and%20Succession%20of%20Network%20Technologies%20%22

- J. Delgado, Single Market Trails Home Bias, Breugel policy brief 2006/05, October 2006, Available at: http://www.bruegel.org/doc_pdf_496

- Concentratie en concurrentie in het Nederlandse bankwezen, J.H. Groeneveld en W, Boonstra, Financiele en Monetaire Studies, najaar 2006.

- Duffhues, P.J.W. (2004), De Financierbaarheid van het MKB. Een analyse van de financiële structuur, Tilburg, januari 2004. Available at: http://www.quintos.nl/Financierbaarheid%20MKB.PDF

- D. Jansen and J. de Haan, Increasing concentration in European banking: a macro-level analysis, Research Memorandum WO no. 743, September 2003. Available at: http://www.dnb.nl/dnb/bin/doc/wo0743_tcm13-35917.pdf

- Stijn Claessens and Luc Laeven, What Drives Bank Competition? Some International Evidence, Worldbank Policy Research Working Paper 3113, August 2003. Available at: http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2003/09/16/000094946_03082804014223/Rendered/PDF/multi0page.pdf

- Carol Ann Northcott, Competition in banking: A review of the literature, Working Paper of the Bank of Canada: 2004-24, Available at: http://www.bankofcanada.ca/en/res/wp/2004/wp04-24.pdf

General questions:

1. Did you find the content of the report easily accessible and understandable?

- ☐ Yes, fully
- ☐ The report was too general
- ☑ The report was too technical

2. Did you find that the level of detail in the report was:

- ☐ about right
- ☑ not sufficiently detailed
- ☐ too detailed

3. Did the information contained in the report was:

- ☐ generally new to you/the retail banking industry;
- ☑ mostly known to you/the retail banking industry.

4. Did the market analysis in the report:

- ☑ confirm your views on the operation of the retail banking market;

☐ challenge your/industry's views on the operation of the retail banking market

- ☐ represent a mix of both aspects

5. Did the report raise the right policy issues;

- ☐ yes, covered most of the key issues;
- ☑ no, there were some significant issues left out.