

*By email only to:  
cc.*

9 August 2023

Dear

## **Freedom of Expression and the Provision of Banking Services – Information Request**

Organisations such as yours provide important banking services used by individuals and businesses across the UK – to make payments, receive money such as wages, benefits or pension payments and other payments. We rely on a combination of commercial decisions, basic account services, and other requirements to ensure these services are available and continue to serve the UK.

In recent years, we have seen a significant increase in the number of bank accounts being closed. This may reflect increased monitoring by firms to tackle financial crime, including fraud. However, it is less clear the extent to which banks may be terminating accounts for other reasons, which may be unjustified. In addition, we are aware that there are individuals and certain types of businesses that remain underserved by banks where they find it difficult to open payment accounts. As the regulator, it is important that we understand the scale of the issue and the drivers behind them.

Accordingly, as set out in the letters between Rt Hon Jeremy Hunt MP and Nikhil Rathi, FCA Chief Executive, the FCA is taking steps to understand the extent of denial, suspension and termination of accounts. Your organisation, among other banks and building societies, is receiving this request for information to help us build a sufficiently detailed view of the scale of the issue. I ask that you make all reasonable efforts to complete this information request, as accurately as possible, and submit to us by 25 August 2023.

### **Senior Management Oversight**

We are asking for this data from across your firm, which may cover multiple entities and brand names, therefore, we recognise there might be multiple SMF's you may wish to delegate this request to. Each data submission must be overseen by an individual(s) with the relevant SMF(s), or yourself as appropriate.

### **The Information Request**

We are requesting a range of data, which covers the following areas:

- The number of personal and business accounts you hold, and the number of accounts you opened.
- The number of accounts either denied, suspended, or terminated
- Reasons for accounts being denied, suspended, or terminated
- Breakdown of complaints
- Breakdown of customer groups
- Policies and procedures

The data should cover the date the customer's account(s) was either denied, suspended, or terminated, starting 1 January 2022 through to 30 June 2023, and broken down into H1 2022, H2 2022 and H1 2023.

To support your completion of the submission, we attach supporting guidance (structured as 'frequently asked questions'), which have been developed from feedback by UK Finance and its members and are intended as a resource should questions arise as you complete the review.

Please note that this is a data-led exercise and as such, responses are limited to numerical answers in most questions. Where there is a free text box, this is limited to 3000 characters, please do not send any additional material.

### **Next Steps**

A link to the online form for the provision of data has been emailed accompanying this letter. If the data collected shows the need for further enquiries or other follow up workstreams, it is important for us to proceed with these quickly to limit any ongoing consumer harm. For that reason, it is necessary to collect the data requested in short order.

We request that you submit your data in the electronic form no later than **close of 25 August 2023**

We expect all firms to make best endeavours to complete the information. The accuracy and completeness of data is critical in ensuring policymakers can make informed choices as to next steps. Should you identify any barriers to completing the information request, please let us know no later than **close of Monday 14 August** to [provisionofbankingrequest@fca.org.uk](mailto:provisionofbankingrequest@fca.org.uk).

Please direct any queries about this letter and information request to either your usual supervisory contact or email [provisionofbankingrequest@fca.org.uk](mailto:provisionofbankingrequest@fca.org.uk), and a member of the team will respond.

Thank you in advance for your assistance with this information request.

Yours sincerely,

Sheldon Mills

**Executive Director - Supervision, Policy and Competition**