

CMA letter to Clydesdale Bank Plc on a breach of the SME Banking Undertakings

Clydesdale Bank plc (Clydesdale Bank) breached the [Small and Medium-sized Enterprises Banking Undertakings](#). Clydesdale Bank required SME customers holding a PCA to open a Business Current Account (BCA) in order to progress their application for a loan under the [Bounce Back Loan Scheme](#) (the Scheme). Clydesdale Bank started offering the loans under the Scheme on 4 May 2020.

Clydesdale Bank has committed to address its breach of the Undertakings by:

- writing to those affected SME customers with a Business Current Account to offer a choice to switch to a fee-free loan servicing account;
- offering SME customers who apply for loans under the Scheme the choice between opening a fee-free loan servicing account or a business current account to apply for a Bounce Back Loan
- informing SME customers that they not required to maintain a Business Current Account in order to retain a Bounce Back Loan; and
- providing one month's advance notice to customers holding Business Current Accounts the charges being imposed.

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The Action Plan on this page sets out information on Clydesdale Bank's actions to address the breach.

The 8 banks currently subject to the bundling prohibition are AIB Group (UK) plc; Bank of Ireland; Barclays Bank plc; Clydesdale Bank plc, HSBC Bank plc, Lloyds Banking Group, Danske Bank and NatWest Group plc (formerly the Royal Bank of Scotland Group which includes Ulster Bank Limited in Northern Ireland).