

# 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.

CMA letter to Clydesdale Bank on its breach of the SME Banking Undertakings 2002.

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).