

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).

CMA stops Clydesdale 'bundling' business accounts with loans

The Competition and Markets Authority (CMA) found that Clydesdale was in breach of legal undertakings that prohibit it, along with 7 other of the UK's largest banks, from requiring small businesses to open a business current account with them in order to apply for any loan.

The practice, known as bundling, means customers are forced to open a business current account with their loan provider. This practice restricts

competition and limits choice. Small businesses could then be stuck paying for a business current account that does not meet their needs.

The CMA's action comes after it found that Clydesdale had not complied with certain aspects of these rules and follows similar recent action against [Lloyds Banking Group](#).

Clydesdale breached the undertakings by requiring customers who were running their business through a Clydesdale personal current account to also open a business current account with the bank in order to obtain a loan through the Government's [Bounce Back Loan Scheme](#). This scheme is intended to help businesses access finance quickly during the coronavirus (COVID-19) pandemic.

The CMA is aware that the affected customers would not initially be charged for these business current accounts. However, small business customers may have kept these accounts open for longer than the initial fee-free period rather than opening a more suitable account with another provider.

In December, Clydesdale wrote to all affected customers to inform them that they are not required to retain the Clydesdale business current account for the whole duration of the Bounce Back Loan, and offered them the option of switching to a fee-free loan servicing account. This comprised 55 of its own customers and 112 Yorkshire Bank customers. Clydesdale Bank plc, which owns Yorkshire Bank brand, voluntarily contacted its affected customers.

The breach will be recorded on the [CMA's register of breaches](#) and, due to the importance of the [Bounce Back Loan Scheme](#), the CMA has also written publicly to the bank about this breach. The scheme provides critical support to small businesses which means that even minor breaches are regarded by the CMA as significant .

Adam Land, CMA Senior Director of Remedies Business and Financial Analysis, said:

The Bounce Back Loans Scheme provides critical support to small businesses during the pandemic. We are acting to ensure that the large banks do not restrict the choices of small businesses by bundling loans and business current accounts.

We are pleased that Clydesdale is now taking the steps necessary to become compliant

For more information, see the [SME Banking Undertakings guidance page](#).

1. The [SME Banking Undertakings](#) came into force in 2002. They were signed by 8 of the UK's longer-established banks and limit bundling while also providing clear pricing information and faster methods of switching. The 8 banks are generally improving their procedures to monitor and promote

compliance with the SME Banking Undertakings, as illustrated in the CMA's [2019 Report on SME Banking compliance](#), an annual report published on whether the banks are complying with the rules. The 2018-2019 reporting period shows that no banks breached these undertakings.

2. The following 8 banks are currently subject to the bundling prohibition: 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).
3. [The Bounce Back Loan Scheme was launched by the Government on 4 May 2020](#).
4. Yorkshire Bank is a trading name of Clydesdale Bank PLC.

[Director handed 10-year ban for creating fake invoices](#)

Pure Point was incorporated in April 2009 and Russell Ivan Murch (43), from Leicester, became director in August 2010. The company was based in Lutterworth and manufactured signs and displays.

In April 2016, Pure Point experienced difficulties collecting payments from its clients and began to use a factoring company to secure finance.

Factoring companies provide finance by purchasing invoices from a business. When the invoices are paid, arrangements are made for the proceeds to be paid back to the factoring company to repay the monies advanced to the borrower.

In August 2018, Russell Murch forwarded two emails to the factoring company advising them to collect £185,000 from one of Pure Point's clients.

The factoring company paid £185,000 in advance to Pure Point but when they attempted to claim funds from the client, the debts were disputed and the factoring company was unable to collect money owed to them.

Pure Point fell into rent arrears and assets were seized by the landlord. The company then went into liquidation in March 2019 before an investigation was launched by the Insolvency Service into Russell Murch's conduct.

Investigators uncovered that the emails claiming Pure Point was owed £185,000 had been falsified. Russell Murch claimed to have received emails from the

customer which he forwarded to the factoring company to receive the funds, but the email addresses used did not exist.

Russell Murch told the Insolvency Service that he informed the factoring company that due to ill health, the company's sales manager had taken control of the company and that this employee was inflating sales.

The factoring company, however, had no record of either discussion and at liquidation, Pure Point owed them more than £257,000.

On 11 December, the Secretary of State accepted a disqualification undertaking from Russell Murch after he admitted submitting invoices to a factoring company for £185,000 which he knew were false or inflated, or that he failed to exercise proper control over Pure Point of Sale's financial affairs by submitting invoices without verifying they were genuine.

Russell Murch's ban will last for ten years and commenced on 1 January 2021. Russell Murch is banned from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

Robert Clarke, Chief Investigator at the Insolvency Service, said:

Submitting false documents to dishonestly obtain funds is a serious matter. As director it was Russell Murch's sole responsibility to ensure this didn't happen, whether that was him or another employee.

Russell Murch 's behaviour was totally unacceptable and to be removed from the corporate arena for 10 years shows the seriousness of his actions.

Russell Ivan Murch is of Leicester and his date of birth is September 1977

Company Pure Point of Sale Limited (Company Reg no. 06874178).

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings. Persons subject to a disqualification order are bound by a [range of other restrictions](#).

[Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is available.](#)

You can also follow the Insolvency Service on:

[McCloud Remedy update](#)

News story

Important information for Veterans UK Customers affected by the McCloud Remedy



McCloud image

The Government has today announced its [response to the McCloud consultation](#) have set out the way Public Sector Pension Schemes will remedy the age discrimination which was determined when the 2015 Schemes were introduced.

This [leaflet](#) produced by HM Treasury provides an excellent summary of the Government's response, the remedy itself and the actions each scheme (including the Armed Forces Pension Scheme) will need to deliver.

We will provide a further update on our implementation of the McCloud remedy in due course.

You do not need to take any immediate action if you think you are affected, we will be in touch with you directly to explain how we will respond and deal with your individual circumstances.

Published 5 February 2021

[Launch of Analysis Function Learning Curriculum](#)

Tom Smith (Managing Director, Data Science Campus, Office for National Statistics) launches the Analysis Function Learning Curriculum and talked to

us about why he thinks it is an essential tool to help plan your development.

“The Analysis Function (AF) is a community of around 17,000 members working together on the highest priority analytical issues. As a member of that analytical community and as the recently appointed sponsor for the Capability and Community work strand of our function’s strategy, I am dedicated to ensuring that we provide our members with the learning and development opportunities to meet their potential.

Many of the questions we receive as a function revolve around the visibility and access of knowledge: ‘what skills do I need for my role’; ‘what learning is available to support me to develop my skills’; ‘what opportunities are available for me to learn from others?’

Last year we launched the [AF Career Framework](#) which sets the expectation of skills needed for typical analytical career paths across government, helping to answer the question of what skills people need for their roles. This year, I’m delighted to launch the [AF Learning Curriculum](#) which has started to address issues about visibility of the learning opportunities available. Whether you’re an experienced analyst or brand new to the role, there is something for everyone.

These opportunities have been curated in order for you to easily access what you’re looking for, following the [Civil Service Success Profiles](#) structure. You will also be able to see where they fit in with the 70:20:10 model of learning.

I cannot stress strongly enough just how much there is available to us and the importance of continuous professional development, helping us to reach our potential and inform our own career planning for the future. I invite you to take control of your own development. You can use both the AF Career Framework and AF Learning curriculum to help with your planning and I would urge you to take advantage of the excellent opportunities that are signposted.

Whilst the AF Learning Curriculum as you see it is a great starting point, this is by no means a finished product and potentially never will be. As and when we find great learning opportunities to support our members, we will add these to the curriculum. We also want to know what you think; are there any opportunities we’ve missed? Does the structure work for you? Please do email your thoughts to analysis.function@ons.gov.uk

I would also like to take this opportunity to highlight one of the opportunities which has just been launched – the Analysis Function Speed Mentoring scheme. Following a successful trial last year, we are re-launching in April 2021. The scheme facilitates the pairing of members across the function, providing you with an opportunity to be a mentor and/or mentee. Run across a 12-month period, mentees will be matched to different mentors once per quarter for a 30 minute mentoring session. To find out more or to register your interest, email analysis.function@ons.gov.uk”

Tom Smith Manager Director, Data Science Campus, ONS