United Kingdom
Debt Management
Office

The Minster Building
21 Mincing Lane
London
EC3R 7AG

T 020 7862 6500
www.dmo.gov.uk

Dame Meg Hillier MP
Chair of the Treasury Committee
House of Commons
London
SW1A 0AA

21 February 2025

Dear Dame Meg,

Competition and Markets Authority (CMA) reaches settlement with banks in competition case

I am writing to you with an update in the light of today's announcement by the Competition and Markets Authority (CMA) that it has made an infringement decision following its investigation into historical conduct at five large global banks between 2009 and 2013 in the gilt (UK government bond) market. The five banks are part of the UK's group of primary dealers – known as Gilt-edged Market Makers (GEMMs) – which supports the sale of gilts under the government's financing programme delivered by the UK Debt Management Office (DMO) and also supports secondary market trading in gilts.

The CMA has now published its decision and announced that four of the relevant banks have agreed to settle with the CMA and to pay fines in respect of specific instances in which traders shared competitively sensitive information relating to buying and selling gilts and gilt asset swaps in online chat rooms. The fifth bank has immunity for reporting the conduct to the CMA. In particular, it is important to note that the conduct was limited to particular dates and took place within specific periods including around the sale of gilts via DMO auctions on behalf of HM Treasury, as well as around the subsequent buying and selling (i.e., trading) of gilts and gilt asset swaps, and the selling of gilts to the Bank of England. It should also be noted that neither the DMO nor HM Treasury were under investigation, and that the DMO, on behalf of HM Treasury, assisted the CMA with the investigation by responding to information requests.

The DMO acknowledges the conclusion of the CMA's investigation. We place great importance on the high standards and integrity of the gilt market to achieve good value for money for taxpayers, as well to ensure a fair and effective market for all participants. Furthermore, we fully support the regulators in fulfilling their roles in the market.

We take protecting public money, for the taxpayer, extremely seriously and this consideration will be an important one as, with HM Treasury, we look to review the CMA's findings, particularly once we have the benefit of the full detail in the published decision which the CMA will release in due course. The DMO has noted that the CMA states that, since this historical conduct, these banks have introduced extensive compliance measures to ensure this behaviour does not re-occur. It is important to add that the DMO has received written assurances from each of its GEMMs with respect to their compliance with all applicable laws and regulations.

We would be pleased to provide any further information, in particular once the full and detailed findings have been released, if this might be of assistance.

Yours sincerely,

Jessica Pulay

Jessica Pulay
Chief Executive Officer