

Rt Hon Mel Stride MP
Chair
Treasury Committee
House of Commons
London SW1A 0AA

From: Andrea Coscelli CBE
Chief Executive

3 December 2021

Dear Mr Stride

Investigation into Open Banking Limited

Thank you for your letter dated 18 November in connection with the independent report by Alison White following the investigation into Open Banking Ltd.

Your letter explains that the Committee wants to understand more about the causes of the governance failures that were identified at OBL and the role of the 'CMA9' banks and the CMA. To that end, I am enclosing a version of the report without any redactions relating to the CMA9 banks, individually or collectively, or to the CMA.

As you suggest in your letter, there are certain redactions that the CMA is still legally required to maintain. However, I can confirm that these are solely in order to meet our obligations to protect individuals' personal information under the UK GDPR and the Data Protection Act 2018; or to excise references to privileged legal advice or specified information that could not be disclosed pursuant to Part 9 of the Enterprise Act 2002.

It might also be helpful if I set out some further observations on how governance contributed to the failings at OBL and on next steps.

As you are aware, the Retail Banking Market Investigation Order 2017 required the nine largest banks in the UK to create and pay for an entity to implement Open Banking. However, the independent investigation found that the Order set out very little detail about the governance arrangements for the entity, which led to ambiguity over the role expected of the CMA9 banks. As well as identifying clear management failings at OBL, the investigation concluded that steps should have been taken to improve governance when the Open Banking project extended beyond its originally expected timescale.

We fully accept this finding and we agree that it is critical to act on the lessons learned. In the immediate term, we are working hard to strengthen the governance of the entity, including through the appointment of new non-executive directors and ensuring clarity on the roles of relevant stakeholders.

Separately, the CMA Board has commissioned a 'Lessons Learned' review which is being led by Kirstin Baker, one of its independent non-executive Directors and an independent Inquiry Chair. Ms Baker's review will examine the weaknesses in the design, implementation and monitoring of OBL in order to learn lessons for the CMA in its approach to designing, implementing and monitoring remedies in future market investigations. The review is to be completed within 6 months and the CMA Board has committed that its findings will be published. We will of course also share the findings with the Committee.

I hope this information is helpful to the Committee. If you have any further questions please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Coscelli'.

Andrea Coscelli

Chief Executive

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