



# Parliamentary Commission on Banking Standards

A Joint Committee of the House of Commons and the House of Lords

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Karl H Richter  
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Regents Wharf  
8 All Saints Street  
London  
N1 9RL

18 January 2013

Dear Mr Richter

The Parliamentary Commission on Banking Standards was established in the aftermath of the Barclays/LIBOR episode to examine how to improve standards in the banking sector.

As part of its work programme the Commission has been looking at ways to create a more competitive as well as diverse retail banking sector. This is because of the role increased competition can play in raising standards within the industry as well as providing consumers and small businesses with greater choice and diversity of provision.

As part of its work in this area the Commission is extremely keen to hear views, not just from the established players in the market, but also from alternative providers — such as peer-to-peer lenders, crowd funding organisations, community development finance institutions (CDFIs), social and community investment organisations, micro-finance and credit unions — who are entering the marketplace. We wish to see whether there are policy recommendations that the Parliamentary Commission can make to support alternative providers such as yourselves and promote greater diversity in the market.

To this end we are writing to a wide range of alternative providers, asking for views on:

- your position in the marketplace;
- the role you play in the provision of finance, especially where established lenders have withdrawn from specific areas or activities;
- the advantages of alternative forms of provision for consumers as well as the contribution you make to the wider economy;
- to what extent you are competing with the large established banks and, if so, whether you think there is a level playing field between the two;
- the role you play in serving parts of the country and groups of consumers less well-served by traditional providers;
- whether there are regulatory or other barriers which are acting as a constraint on your ability to grow or serve your customers effectively;
- whether there are policies which Government, or other relevant bodies, should be pursuing to promote alternative forms of finance; and
- mechanisms to raise public awareness of the existence of alternative forms of finance and provision.

Any other comments on issues not specifically addressed in the call for evidence would also be welcome.

Could any responses submitted be sent to the Parliamentary Commission by 8<sup>th</sup> February? We appreciate that this is a relatively tight timetable, but would welcome any responses, even short ones to help inform our work in this area. Also, do feel free to contact Jay Sheth (shethj@parliament.uk – 020 7219 7563) who is leading the Commission's work at staff level on retail competition if you would like to discuss further.

Kind regards,



PP

**Baroness Kramer**  
Lead Member  
Panel on Retail Competition  
Parliamentary Commission on Banking Standards