

Office for Competition

21st May 2021

COMP/MCCAA/04/2021

Mr Benny Borg Bonello
Consumers' Association - Malta
47A, South Street,
Valletta VLT 1101

Dear Mr Borg Bonello,

Reference is being made to the complaint lodged by the Consumers' Association Malta with the Office for Competition (hereinafter referred to as 'the Office') on 19th February 2021 in terms of Article 14A of the Competition Act (Chapter 379 of the Laws of Malta).

In its complaint, the Consumers' Association Malta submitted that it "received a number of complaints from consumers specifically referring to either an increase in bank charges or worse the levy of new charges during 2020 and 2021 by BOV and HSBC". Moreover, it has been stated *inter alia* that "consequently a significant portion of the population may well end up not being able to afford to have a bank account this more so in an environment where there is pressure on consumers to shift to digital methodology".

The Office is publishing this letter in terms of Article 14A(2) of the Competition Act.

The Office carefully considered the concerns raised in the complaint filed by the Consumers' Association Malta. Without prejudice to the fact that the Office may decide to assess other bank charges prior to the time periods mentioned below, the Office decided to focus its initial assessment on:

- a) existing bank charges which were increased during the period starting from the beginning of 2020 until the date of the complaint; and
- b) new bank charges which were introduced during the period starting from the beginning of 2020 until the date of the complaint.

The Office contacted various stakeholders through a Request for Information (hereinafter referred to as "RFI") in order to undertake an initial assessment of the market and evaluate whether the above practices are, or appear to be, significantly harming consumer interest.

The Office received all the replies from the various stakeholders, and subsequently requested clarifications and evaluated all the information which was submitted in the RFIs.

From the initial assessment, it is evident that consumers were, or are being, affected by the increase in the bank charges and the introduction of new ones. From the information in possession, collected from the various stakeholders, the Office is not in a position to determine whether the aforementioned practices may constitute a form of exploitative abuse which may run counter to the Competition rules. To this end, the Director General of the Office decided to initiate a deeper assessment and will further request additional information from the various stakeholders in the coming weeks.

Yours Sincerely,



Godwin Mangion
Director General