

Direct line:  
Local fax:  
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By email

Xx xx 2015

Our Ref: FOI3860

Your Ref:

### **Freedom of Information: Right to know request**

Thank you for your request for information under the Freedom of Information Act 2000 (the Act), for information regarding the Financial Conduct Authority (FCA) market study into the cash savings market.

I can confirm that we hold information that falls within scope of your request, and I provide comments as follows (following your numbering in italics).

- *The cost of this review-*

In calculating the cost to the FCA of the market study we have used staff time records to calculate the amount of staff time spent on the study and the associated costs. Such time records rely on the accuracy of staff time reporting, but represent our best estimate of the time and expense of staff working on the study. In addition to staff time, the FCA has incurred costs on the market study by commissioning reports and research, including reports by GfK and PwC.

Accordingly, the total cost of the market study was £936,920.

- *How long it took-*

The market study was conducted between October 2013 and January 2015, a total of 15 months.

- *What processes it followed to reach its conclusions -*

In conducting the market study, we focused on savings accounts that are available to retail consumers in the UK, in particular, we covered seven main types of savings accounts – easy access accounts, fixed term bonds, cash Individual Savings Accounts (ISAs) with no term, fixed term cash ISAs, notice accounts, children's accounts and regular savings accounts.

To arrive at our findings, we analysed a wide range of information, including:

- views expressed by providers, trade bodies and consumer organisations
- quantitative and qualitative data collected from providers of savings accounts
- results of a randomised controlled trial with a large provider, which looked at the effects of sending reminder letters following the expiry of introductory bonus rates
- results of a consumer survey commissioned for this market study
- results of a report comparing savings markets across several countries commissioned for this market study

For more information, please see the report on the market study here - <http://www.fca.org.uk/your-fca/documents/market-studies/ms14-2-3>

You may find it useful to peruse the FCA guide to how it carries out market studies here - <http://www.fca.org.uk/static/documents/market-studies/how-we-carry-out-market-studies.pdf>.

This sets out the procedures we follow in market studies, such as the cash savings market study, for example in conducting research and analysis and issuing an interim report and inviting feedback before publishing a final report. We set out the information that we gathered and research we conducted and commissioned and how we engaged with stakeholders, in the context of this market study in chapter 2 of the Cash Savings report.

I trust this satisfies your request.

Yours sincerely

**Information Access Team**