

Case No: 57824  
Event No: 320041  
Dec. No: 154/05/COL

EFTA SURVEILLANCE  
AUTHORITY

**EFTA SURVEILLANCE AUTHORITY DECISION  
of 22 June 2005**

**opening an inquiry into the field of retail banking pursuant to Article 17 of Chapter II of  
Protocol 4 to the Surveillance and Court Agreement**

**THE EFTA SURVEILLANCE AUTHORITY,**

**HAVING REGARD TO the EEA Agreement, in particular to Articles 53, 54 and 59 and  
to Protocols 21 and 23 thereof,**

**HAVING REGARD TO Chapter II of Protocol 4 to the Surveillance and Court Agreement  
and, in particular, Article 17 thereof,**

**AFTER CONSULTING the Advisory Committee on Restrictive Practices and Dominant  
Positions,**

**Whereas:**

- 1) According to Article 17 of Chapter II of Protocol 4 to the Surveillance and Court Agreement the EFTA Surveillance Authority ('the Authority') may decide to conduct an inquiry into a particular sector of the economy or into particular types of agreements across various sectors, where the trend of trade between Contracting Parties to the EEA Agreement, the rigidity of prices or other circumstances suggest that competition may be restricted or distorted within the territory covered by the EEA Agreement.
- 2) Well functioning, integrated and competitive financial markets are essential for efficient and dynamic development of the European Economic Area.
- 3) There are a number of indications of market fragmentation and entry barriers as well as lack of effective choice on the demand side in retail banking, which suggest that EEA markets are not yet integrated and competition may be distorted or restricted within the territory covered by the EEA Agreement, in particular in relation to the provision of financial services and products to consumers and small and medium-sized enterprises.
- 4) On 13 June 2005 the European Commission took a decision to launch an inquiry into the retail banking sector. The Authority believes that the launch of a parallel investigation by the Authority would aid it in detecting possible

infringements of the EEA competition rules and make it possible to compare the situation in the EFTA States to that of the EU Member States.

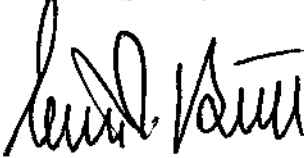
- 5) Therefore, it is appropriate for the Authority to open a sector inquiry in the retail banking sector in the EFTA States to allow the Authority to use its powers of investigation with respect to financial institutions, providers of infrastructure and upstream services, financial services intermediaries, users of financial services, and EFTA States authorities.
- 6) To the extent that the inquiry confirms the existence of anticompetitive agreements or practices or abuses of a dominant position, the Authority, the Commission or, where appropriate, the national competition authorities could envisage using the information collected in order to take the appropriate measures to restore competition in the relevant markets, including addressing individual decisions to the entities concerned based on Article 53 and Article 54, on their own or, for the Authority, in conjunction with Article 59 of the EEA Agreement.

**HAS ADOPTED THIS DECISION:**

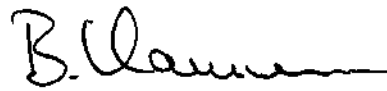
1. A sector inquiry under Article 17 of Chapter II of Protocol 4 to the Surveillance and Court Agreement is opened in the retail banking sector relating to retail banking products and services supplied in the EFTA States, with reference to consumers and small and medium-sized enterprises.
2. In order to allow a joint assessment of its results, the inquiry shall be modelled on that of the European Commission and shall be conducted on the basis of close co-operation with the latter as provided for under Protocol 23 of the EEA Agreement.

Done at Brussels, 22 June 2005

For the EFTA Surveillance Authority



Einar M. Bull  
Acting President



Bernd Hammermann  
College Member