

KEVIN HOLLINRAKE MP



HOUSE OF COMMONS

LONDON SW1A 0AA

António Horta-Osório
Chief Executive
Lloyds Banking Group
10 Gresham Street
London EC2V 7AE

12th February 2019

Dear Mr. Horta-Osório

Lloyds Banking Group – Overdraft Charges

Lloyds Banking Group is the largest overdraft provider in the UK. It is, therefore, concerning to learn that LBG introduced a new tiered system of overdraft charges from 14th January 2019, which results in most customers being charged more. I understand that under the new system customers who have overdrawn by less than £1,250 will pay an annual interest rate of 61 per cent.

Since these new charges were announced in November 2018 the Financial Conduct Authority has published proposals to reform the way that banks and building societies charge for overdrafts. These new rules are expected to be enforced from the end of this year.

LBG's new set of overdraft charges fall short of the FCA's recommendations and it is expected that they will be banned when the FCA's new rules come into force. I urge you to reverse the decision to introduce this new overdraft fee structure that puts customers, particularly those struggling with their finances, at an immediate disadvantage.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'K Hollinrake'.

Kevin Hollinrake MP
Co-Chair of the All-Party Parliamentary Group on Fair Business Banking