



Treasury Committee

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Lord Cromwell
Executive Chairman
Banking Competition Remedies Limited
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Dear Lord Cromwell

On 22 February, Banking Competition Remedies (BCR) announced that Metro Bank has been awarded a £120 million grant following the completion of the Capability and Innovation Fund Pool A grant process.

You will be aware that Metro Bank is currently the subject of a regulatory investigation into the miscalculation of its Risk Weighted Assets, with this miscalculation having first been reported on 23 January. In light of this, I would be grateful if you could answer the following questions:

- At what point was BCR made aware of Metro Bank's miscalculation, and how was this factored into the assessment of the bank's application for a Capability and Innovation Fund grant?
- Did BCR consider disqualifying Metro Bank from the process in light of this miscalculation?
- Did BCR consider delaying its 22 February announcement to, for example, wait for the completion of the regulators' investigations?
- Since the announcement of the miscalculation, what assurances has BCR received from Metro Bank regarding its continued ability to meet the commitments made in its grant application?
- How will BCR monitor Metro Bank's ongoing adherence to the commitments made in its grant application?
- What powers are available to BCR in the event that Metro Bank fails to meet those commitments, and can all or part of the grant ultimately be withheld or reclaimed?

I would be grateful for a reply by 12 March. I will be placing this letter, and in due course your response, in the public domain.

Nicky Morgan

Rt Hon Nicky Morgan MP
Chair of the Treasury Committee