

**NATIONWIDE BUILDING SOCIETY'S RESPONSE TO EUROPEAN BANKING AUTHORITY (EBA)**  
**CONSULTATION PAPER**

**Draft guidelines on remuneration policies and practices related to the sale and provision of retail banking products and services**

**EBA/CP/2015/29**

**Introduction**

We welcome the opportunity to respond to the EBA's consultation and are broadly supportive of the draft guidelines, which we believe are closely aligned to the UK's existing regulatory expectations and guidance. We have highlighted a few sections within the draft guidelines where we feel that further clarity would help firms achieve the intended outcomes of the guidelines.

**Question One: Do you agree with Guideline 1 on design?**

Yes. This section appears to be consistent with other published guidelines and would promote harmony across Europe.

**Question Two: Do you agree with Guideline 2 on documentation?**

Yes. However we would value further clarity on what records the EBA expect firms to retain to evidence how the remuneration policies and practices have been implemented in practice (see 2.2).

**Question Three: Do you agree with Guideline 3 on approval and monitoring?**

The assumption is that these guidelines would apply to the population within the scope of this consultation. However, paragraphs 3.1 and 3.2 suggest that this section refers to the institution's remuneration policies and practices as a whole. Clearly the management body should not be responsible for its own remuneration and therefore we would disagree with 3.1. We feel that further clarification is therefore required in this section.

Clarification is also sought on the meaning of "sound independent advice" and whether being independent is limited to non-executive directors or the Remuneration Committee, or whether internal parties who do not participate in a particular pay arrangement, and are outside of the Retail business line, could be considered independent.

**Question Four: Do you see a need for any additional requirements?**

No need for any additional requirements identified.

**Question Five: Do you have any other comments?**

No further comments.