

**Inquiry pursuant to Part IIIC of the Central Bank Act 1942 (as amended) concerning
permanent tsb p.l.c. (PTSB) & Mr David Guinane
(the “Inquiry”)**

**Hearing (Held in Public)
Commencing on Wednesday, 21 February 2024**

Opening Statement of Mr Peter Hinchliffe

Good morning.

Welcome to the substantive hearing of the Inquiry being held under Part IIIC of the Central Bank Act 1942 concerning permanent tsb p.l.c. (whom I shall refer to as PTSB) and Mr David Guinane. I am Peter Hinchliffe, the sole Inquiry Member.

I will briefly set out the background to this matter:

Notice of the Inquiry was issued on 9 November 2021 to Mr Guinane and thereafter to PTSB. The notice explained that the Central Bank of Ireland had determined that it has reasonable grounds to suspect that Mr Guinane participated in the commission of a prescribed contravention by PTSB during the period from 19 January 2009 to April 2010 whilst he was a person concerned in the management of PTSB.

The prescribed contravention which PTSB is suspected of having committed and which the Central Bank suspected Mr Guinane of having participated in can be summarised as follows:

During the relevant period – that is from January 2009 to April 2010 – PTSB decided to apply, or decided to continue to apply, an interest rate for tracker mortgage customers (who were coming off a temporary fixed rate) that was less favourable unless the customer raised specific queries about the rate they were to be charged.

The Central Bank suspects that PTSB treated those customers who did not complain about the tracker rate that was applied after the fixed rate period, unfairly and contrary to their best interests when compared to those that actually complained i.e. by only giving the more favourable tracker rate to those who complained or queried.

The Central Bank suspects that this was a breach of General Principle 1 of the Consumer Protection Code 2006 which required PTSB to, amongst other things, “ensure that in all its dealings with customers and within the context of its authorisation it acts honestly, fairly and professionally in the best interests of its customers and the integrity of the market.”

The Central Bank also suspects that Mr Guinane, in his role as Chief Executive Officer of PTSB, participated in PTSB’s breach of the Consumer Protection Code 2006.

During the course of this hearing, I intend to hear evidence from twelve witnesses, including Mr Guinane. I will also hear submissions on behalf of Mr Guinane and where appropriate, on behalf of the Enforcement Division of the Central Bank, who conducted the investigation that gave rise to this Inquiry, and PTSB, where appropriate.

I have already heard legal submissions from the participants in the Legal Issues Hearing held in public in October 2023.

I am aware that on 30 May 2019 the Central Bank announced a settlement of enforcement action against PTSB in respect of some of the issues that are within the scope of this Inquiry. This Inquiry is required to consider all matters within its scope afresh and will reach its own conclusions based on the evidence and submissions put before the Inquiry.

The Inquiry is being assisted by the Legal Practitioner team of John Breslin SC and Claire Hogan, who will lead the examination of a number of the witnesses and the cross-examination of Mr Guinane and the witnesses that Mr Guinane has proposed. The Legal Practitioner team will also make an opening statement summarising the progress of the Inquiry to date and will assist the Inquiry on matters of law where required

Mr Guinane and the Enforcement Division have also been invited to make opening submissions and I note Enforcement have confirmed they do not intend to make an opening statement.

Certain evidence relevant to the outcome of the Inquiry is subject to a claim of legal professional privilege. Accordingly, in order to preserve legal rights in this regard, evidence and oral submissions which touch upon this material will not be heard in public and the hearing will move from being public into being private. Members of the public will not be permitted to watch or

hear the hearing when it sits in private. It is likely that the most of the evidence of the witnesses appearing on 26 and 28 February will be heard in private.

All documentation that Mr Guinane, the Enforcement Division or I believe to be relevant to the Inquiry have been assembled into electronic folders referred to as the Core Books. All of the participants have access to these and relevant documents will be referred to and displayed on the screens during the course of the hearing.

Following completion of this hearing I will proceed to consider all of the submissions and evidence which will have been put before the Inquiry. My findings will then be issued in writing, and in accordance with the requirements of the legislation, as soon as is possible after the end of the hearing.

I will now take appearances from those present.