

Response from Irish Brokers Association (IBA),

To Central Bank of Ireland Proposals

On

**Second Consultation on Additional Consumer Protection
Requirements for Debt Management Firms**

Consultation Paper 82

June 2014

Introduction

Thank you for the opportunity to provide a response to Consultation Paper 82 “Second Consultation on Additional Consumer Protection Requirements for Debt Management Firms”

Our response below addresses the four questions that have been raised in Consultation Paper 82

Client Leads

Question 1: Do you agree with approach that we now propose taking with regard to client leads? If not please explain why.

Answer 1 Yes we agree with both provision 13.6 and 13.7.

Payment of debt management fees by credit

Question 2: Do you agree with approach that we now propose taking with regard to credit as a means of paying fees for debt management services? If not please explain why.

Answer 2: We do not agree with provision 13.4 as we believe it is not advisable for a consumer, who is seeking debt management services, to be making arrangements for another form of credit outside the existing arrangements. In addition we believe it is eminently more sensible to keep the same debt management firm involved in all aspects of the arrangements being made for further credit. We agree with provision 13.5. We believe that the consumer’s appointed debt manager is well placed to inform the consumer regarding additional amounts of debt due, as a result of financing the fee required for the service. As you have mentioned it is far better for a consumer to get early intervention when debt management is required. To ensure that a debt manager does not benefit excessively from this arrangement perhaps it would be possible to ensure that the debt manager cannot make an additional charge for this service.

Cooling Off period

Question 3: Does the approach that we now propose provide sufficient protection for a consumer.

Answer 3: We agree that provisions 13.18 and 13.19 provide sufficient protection for the consumer and ensure the consumer is not forced to make a quick decision they may later regret.

Additional Information and Contact with consumers

Question 4: Do you agree that the above protections are appropriate and adequate to ensure transparency and control for the consumer in relation to the progress being made to resolve their problems? If you disagree please provide reasons.

Answer 4:

We agree that provisions 13.17, 13.21 & 13.22 will keep consumers informed and updated on the progress and the charges to date relating to the debt management arrangement put in place by the debt manager.

Apart from question 2 we agree with the content of the code as proposed.

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Irish Brokers Association

Head of Compliance

18 July 2014