

Central Bank Ireland
Email: codereview@centralbank.ie

31st March 2023

Re: Review of Consumer Protection Code – Digitalisation

Dear Sir/Madam

I would like to thank you for the opportunity to give feedback on how to improve the online decision-making environment. The Irish Farmers Association is Ireland's largest farming organisation with approximately 71,000 members in 940 branches nationwide. IFA recognises that increased digitalisation brings both benefits and risks to consumers of financial services.

Please see IFA response to the questions you posed:

How do you think the personalisation and individual targeting of ads can be made compatible with the requirement for firms to act in the best interests of customers?

Consumers today have access to unlimited data, information, and content. Faced with greater choice, they have more power over how and when they interact with brands and consume media. But because of this abundance the ad content must engage consumers quickly or they move on.

The focus should be on creating digital content that is fact based, independently verified, and designed to meet the needs of their customer. It is important to emphasise isolation and vulnerability of older people living on their own in rural Ireland, who may have no access to digital technology.

It is important that marketers understand and organise themselves around consumers, not channels or campaigns. Understanding consumers' appetite for personalised ads and finding the balance is critical.

Do you agree with our analysis of the benefits, challenges, and risks around digitalisation in the area of financial services? What are the key issues for you?

The consumer protection code review gives a good analysis of the benefits, challenges, and risks around digitalisation in the area of financial services. From an IFA perspective the key issues around financial digitalisation is that banks will no longer be able to meet the needs of many of our members particularly elderly rural members. The digitalisation in banks may bring a new form of unfairness, weakening of one-to-one relationships with customers, in turn reducing customer satisfaction.

Our members are concerned that there needs to be more staff available in banks to assist them with their banking queries. Many members concerned when applying for overdrafts and loans can be very cumbersome and are unable to do this through digital technology. In addition to this, rural members still require to use cheques in shops for the buying and selling of stock, turning to digital banking is forcing these members away from cheques which is still needed in some parts of our communities.

Any user would need at least an electronic device and network connection to carry out their banking, adding a premium to being able to bank. Figures from Eurostat show that 50 per cent of people in Ireland aged between 65 and 74 have never been online. Banking in this way, therefore, imposes multiple

burdens of being financially literate while having technical and operational knowledge, an implicit threshold that may turn many away. Also, safeguards are needed for digitalisation in banking to protect the financial rights of disadvantaged groups.

IFA agree there needs to be a digital channel for online banking, however the option to deal with customers face to face must be maintained. Many elderly rural people are unable to access internet due to poor broadband connection in rural areas and have poor digital literacy, there is a responsibility to ensure that the banking needs of this segment of society is met.

I trust that these comments are useful. If you wish to discuss any aspect of this submission, please contact Claire McGlynn, IFA Policy Executive by email on [REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to be 'Alice Doyle', with a long horizontal stroke extending to the right.

Alice Doyle
IFA Farm Family & Social Affair Chair