



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Moving the Dial on Customer Experience

Cross-Sectoral Industry Feedback
Report

Central Bank of Ireland

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1. Executive Summary

The Central Bank of Ireland (Central Bank) is committed to ensuring the financial system operates in the best interests of consumers, investors, and the wider economy. The fair treatment and protection of customers is central to all our supervisory work. Improving customer experience is a key priority for the Central Bank as highlighted in the [2026 Regulatory and Supervisory Outlook Report \(RSO\)](#) and in our ongoing engagements with industry, consumers, and various representative groups.

Customer experience covers all aspects of interaction between a financial firm and its customers, from design and marketing of products through to sales, post-sales support and ongoing engagement. It spans the entire customer journey, at all stages, for example, onboarding, switching, right through to completion of the relationship with the financial service provider.

Our focus on customer experience has been informed by our supervisory work, engagement with consumers and consumer groups, and research and insights. This work reveals a consistent theme of poor customer service as a primary cause of customer dissatisfaction with financial firms.

This report sets out the findings from across our broad programme of work on customer experience, highlighting the consistent themes and issues emerging. Across banks, insurers, retail credit firms, investment firms, intermediaries and payment firms, our work covered themes including:

- How firms identify, manage and resolve customer complaints
- How firms engage with customers
- What customer supports are in place, how staff are trained and supported
- How firms are using management information (MI) to manage risks, build learnings from trends and understand the root cause of complaints
- Effectiveness of actions taken by firms on customer outcomes.

This report, **which is aimed at all retail financial services providers operating in Ireland**, summarises findings from our cross-sectoral supervisory activities on customer experience conducted during 2025-2026. The report outlines **the Central Bank's feedback and expectations** for all firms across all sectors to elevate and improve customer outcomes.

Key Findings and Expectations of Firms

- **Quality of Direct Customer Engagement:** Inconsistent customer engagement standards were identified across firms. The Central Bank expects firms to ensure staff communicate clearly and professionally, provide accurate information, demonstrate accountability, and honour commitments to minimise repeat contact.
- **Complaints Handling:** Some firms failed to recognise complaints at the earliest opportunity, with customers not always getting their right to a firm's formal complaints procedures. The Central Bank expects firms to recognise all expressions of dissatisfaction as complaints regardless of language used, maintain compliant systems for investigation and resolution, provide timely communications, and ensure staff are adequately trained. The responsibility to identify and resolve complaints rests with the firm, not the customer.
- **Quality Assurance (QA):** The Central Bank found that whilst firms had QA processes in place, these tended to prioritise process compliance over assessment of customer experience quality. The Central Bank expects firms to design QA processes that assess both regulatory compliance and customer experience outcomes, incorporate independent oversight to provide objective assessment, and use QA findings to drive training and continuous improvement initiatives.
- **Root Cause Analysis (RCA):** Firms conducted ineffective RCA, generally failing to make proper use of data and insights to drive improvements in customer service standards. The Central Bank expects firms to take a proactive approach to RCA, particularly for recurring issues, moving beyond addressing immediate symptoms to identify and address root causes.
- **Measuring Effectiveness:** Firms with established data and metrics were better positioned to evidence positive customer outcomes from their actions. The Central Bank expects firms to use good quality conduct data and improve management information frameworks to support better tracking of customer outcomes.
- **Communication Channels:** Communication channels MI are not consistently monitored; some firms fail to meet their own service level agreements, particularly during peak periods. The Central Bank expects firms to maintain adequate resources, monitor key performance metrics across all communication channels, and take timely action to mitigate service risks.

- **Resourcing, Staff Competence and Training:** Firms have implemented tailored training programmes covering regulatory topics. However, some firms failed to maintain adequate records of training and competency assessments required. Training for existing staff generally focused on regulatory and product knowledge without attention on soft skills development. The Central Bank expects firms to demonstrate full compliance with relevant requirements, ensure adequate resourcing levels, and provide ongoing customer service and soft skills training, to support effective customer interactions.

The Central Bank expects all firms in all sectors to review and consider these findings and the expectations noted in this report, taking account of the nature, scale and complexity of the firm and to take actions to elevate customer service standards and enhance customer experience industry wide. Where specific issues or concerns were identified through the supervisory activities referenced in this report, they are addressed directly with the individual firms involved.

Where firms do take corrective actions, focus on implementing improvements to customer experience, and measure the impact of these improvements, it benefits both the customers' experience and the firms themselves through quicker and effective complaints resolution, improved staff engagement, enhanced operational efficiency, and stronger customer satisfaction and loyalty metrics.

Customer Experience will continue to be an area of focus for the Central Bank and is included in the supervisory strategies of all relevant sectors across a three-year cycle. As part of this, the Central Bank will consider how firms have implemented the expectations outlined in this report and, where implementation is not satisfactory, will utilise its full Supervisory Toolkit to drive compliance with expected standards and hold firms accountable where necessary. In line with the Individual Accountability Framework (and Senior Executive Accountability Regime where applicable), the Central Bank expects Boards to appoint Pre-Approved Controlled Function (PCF)s with clear responsibility for actioning the expectations from this report, tailored to the nature, scale and complexity of each individual firm's circumstances.

Our work will continue until such time as it is clear that the risks are effectively identified and managed by firms and that customers have a much-improved customer experience, with high-quality customer engagement, effective complaint management structures, accessible communication channels, adequate resourcing and staff competence, robust QA and RCA frameworks. This includes ensuring that firms effectively manage the opportunities and risks presented by digitalisation and embedding customer-centric practices across both traditional and digital service channels.

There is **still work to be done in the area of customer experience** cross-sectorally. The onus is on firms, at all levels, including Board level, to drive improvements.



The Central Bank expects all firms in all sectors to **review and consider these findings and take actions** to elevate customer service standards and enhance customer experience industry wide.



Where firms make customer experience a priority, it does have **positive impacts for customers**.



Customer experience will continue to be a **key focus area** for the Central Bank and will feature **in ongoing and future supervisory activities**, to drive and support industry to raise their standards, taking escalated supervisory action where appropriate.

2. Our Focus on Customer Experience

Customer experience encompasses all aspects of interaction throughout a customer's product or service lifecycle. It spans the entire customer journey, at all stages, for example, onboarding, switching, right through to completion of the relationship with the financial service provider. How firms deal with issues or errors that arise is pivotal to how the customer journey is felt or perceived by the customer. Poor customer experience increases the risk of poor customer outcomes, causing inconvenience, frustration, uncertainty, mistrust and stress, and can potentially lead to customer harm. Poor customer service could also be an indicator of a poor customer culture in firms. The Organisation for Economic Co-operation and Development (OECD) notes that consumer trust and confidence is essential for the proper functioning of the financial system, making the quality of customer experience an important consideration in supporting financial stability and system integrity¹.

It is clear from what we are hearing from consumers, and from our supervisory work, that there is more firms can do to meaningfully improve customers' experience, including in their engagements and communication with customers. We continue to promote better customer outcomes by ensuring firms improve service and support their customers, through a range of Central Bank-wide initiatives, engagements and supervisory activities.

A key element underpinning our supervisory activities is the implementation of the revised Consumer Protection Code (Code)². The Code builds on the protections already in place and establishes an overarching obligation on firms to secure customers' interests, which is articulated through its Standards for Business and supporting Guidance³.

As part of our supervisory plan for 2025/2026 to support the strategy of delivering better outcomes for consumers, we examined, on a cross-sectoral basis and using various supervisory tools, key customer-facing activities firms undertake. This work included:

- **Customer Supports Review** - of (i) Communication channels and MI and (ii) Customer support staffing, including staff training, minimum competency compliance, QA and staffing/attrition levels.

¹ Principle on Financial Consumer Protection.

² The revised Consumer Protection Code came into effective on 24 March 2026.

³ The Code is further complemented by the Guidance on Protecting Consumers in Vulnerable Circumstances, Guidance on Securing Customers' Interests and General Guidance on the Consumer Protection Code.

- **Complaints Handling Review** – of the complete complaint journey, firms' approaches to complaints resolution and a sample review of individual complaint files to evaluate how customers were treated throughout the process and how firms leverage MI to manage risks, extract learnings from complaints and trends, and understand root causes of complaints.
- **Firm & Sector-Specific Supervision** – of targeted issues relating to customer experience.
- **Conduct Data Analytics** – of research and analysis of firms' complaints data⁴ and consumer insights to identify trends and outliers.

We also considered the impact on customer outcomes of previous supervisory actions imposed on firms in relation to customer experience, to assess whether these actions, when implemented, monitored and measured by firms, translated into meaningful and measurable improvements to customer service by firms.

⁴ Regulated financial service providers monitor and track the customer experience in different ways, depending on, *inter alia*, the service provided and business model. These firms are obliged to submit reports to the Central Bank on certain consumer experience metrics in what are known as Conduct of Business Returns. These reports are an important aid to the Central Bank in monitoring consumer risks relating to individual firms, products and the broader financial system.

3. Consumer Insights

Understanding customers lived experiences is essential for effective supervision and to ensure that we target the right risks and outcomes that deliver meaningful protections and improvements for customers. To support this, we gather consumer insights to inform our approach, through:

- **Social Media Monitoring** - ongoing analysis of real time publicly available social media posting from customers on financial products and services and firms across multiple platforms, to identify potential consumer risks and complaints.
- **Central Bank of Ireland Consumer Insights Model (CIM)** - ongoing consumer research measuring behaviour and attitudes towards financial products and services and perceptions of the financial services they interact with.
- **Financial Services and Pensions Ombudsman (FSPO) Insights and Data** - ongoing engagement on complaint trends and review of annual Overview of Complaints report.
- **Consumer and Consumer Group Engagement** - Hearing directly from the public through submissions to the Central Bank, our outreach programme with various groups across the country, our Consumer Advisory Group (CAG) and through Central Bank-hosted civil society roundtables on various topics, including customer experience.

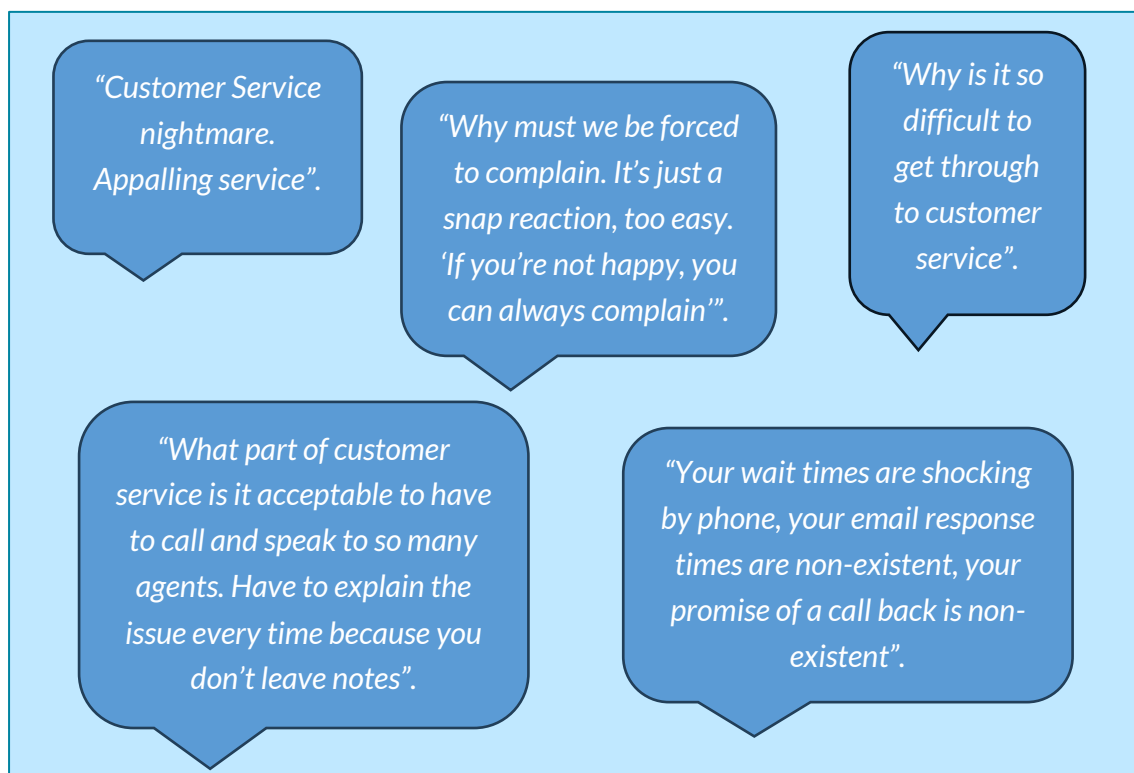
The insights gained from these various sources reinforced the common themes and issues emerging from our own supervisory reviews, particularly regarding firms not consistently addressing customer complaints to an adequate standard and deficiencies in the quality of customer engagement across the sectors.

An example of consumer group engagement is the civil society roundtables hosted by the Central Bank. A recent one held in July 2026 was dedicated to customer experience and brought together customers, advocacy organisations, and industry representatives for a structured dialogue on customer experience in financial services. It provided valuable perspectives on how regulated entities serve customers in practice across key areas on accessibility and inclusion, transparency and communication, complaints and issue resolution, and supports for customers in vulnerable circumstances.

The FSPO's annual overview of complaints and ongoing engagement with the FSPO, including workshops on emerging risk areas, provide invaluable insights into the key issues for consumers with respect to their engagement with regulated financial service providers.

The Central Bank's CIM is a large-scale quantitative survey among Irish consumers which measures behaviour and attitudes towards financial products and services we regulate. Early CIM results suggest that "poor customer service, unresponsive staff or delays in processing", rank among the main reasons for complaints, with some cases resulting in direct financial loss. When making a complaint, nearly half of affected consumers (47%) reported experiencing stress or emotional impact from the complaints process, with 17% reporting "a great deal of stress or emotional impact" and 30% reporting "quite a lot" of stress. We intend to publish further data on what we are learning from the CIM, including specific insights on complaints and aspects of customer experience in financial services.

Our analysis of real-time publicly available social media posts from 2026 reveals that consumer sentiment echoes early CIM results, with customers expressing frustration and dissatisfaction with the service provided by firms. Below are examples of quotes from customers of firms in various sectors, from social media outlets:



4. Focus Areas for Firms

Over the past few years, the Central Bank has undertaken various supervisory activities related to customer experience. This has been carried out using a range of supervisory tools, including looking at specific issues in individual firms as well as across sectors, through thematic reviews. These sectors include the retail banking, retail credit, domestic life and non-life insurance, investment⁵, payments, electronic-money and retail intermediary sectors. The key findings from the work conducted on the theme of Customer Experience, including examples of good and poor practices observed, and the Central Bank's expectations of all regulated firms are grouped under two principal focus areas: Engaging with customers, and Enablers and internal procedures.

4.1 Focus Area One: Engaging with Customers

How firms engage with customers is fundamental to securing customers' interests and delivering a positive customer experience. Effective customer engagement requires three critical elements: accessible and reliable communication channels, high-quality (direct) customer engagement and a robust complaint identification and handling process. Where firms fall short in any of these areas, customers can experience negative outcomes such as delayed issue resolution, repeated unnecessary contact with firms, and/or complaints not being identified promptly or resolved satisfactorily by firms.

4.1.1 Quality of Direct Customer Engagement

Consistent, high-quality interactions across all customer touchpoints, whether during initial enquiries, sales, post-purchase support or relationship management, are fundamental to shaping positive customer experience and demonstrating firms' commitment to customer service.

Supervisors conducted reviews of firms' engagement with customers, through comprehensive complaint file reviews and call listening exercises related to both complaints and regular day-to-day engagement (live and recorded calls), which produced varied findings. Positive observations were noted on individual calls and included examples where staff members:

⁵ A review of complaints handling in Markets in Financial Instruments Directive (MiFID) firms is underway with reporting later in 2026.

- ✓ spoke clearly, and explained in plain English;
- ✓ communicated professionally;
- ✓ demonstrated empathy;
- ✓ showed willingness to help;
- ✓ displayed good product and system knowledge;
- ✓ demonstrated accountability for resolution of issues; and
- ✓ checked that customers understood relevant terminology.

Conversely, supervisors also identified instances of ineffective customer engagement, including:

- ❖ straightforward issues taking a disproportionate amount of time to resolve;
- ❖ firms failing to address or follow up on customer requests;
- ❖ not honouring commitments made to carry out actions for customers;
- ❖ lack of empathy with customers in vulnerable circumstances;
- ❖ customers having to repeat information previously provided; and
- ❖ queries not being fully addressed.

Output from the Central Bank's social media monitoring corroborates these findings, with customers raising concerns such as multiple engagements required to resolve the same issue, unfulfilled callback promises, inadequate responses and repeated inter-departmental transfers without resolution. Early results from our CIM tell us that poor customer service or delays is one of the main reasons for complaints.

Expectations of Firms

The [Code](#) requires that firms communicate clearly, effectively and in a timely manner⁶. To meet this requirement, the Central Bank expects firms to ensure that their staff, *inter alia*:

- ✓ communicate clearly, professionally, and with empathy;
- ✓ provide accurate information;
- ✓ explain terminology/jargon in plain language;
- ✓ demonstrate accountability for resolution of issues; and

⁶ Regulation 4(1)(e), Regulation 8 and Regulation 9, Central Bank Reform Act 2010 (Section 17A) (Standards for Business) Regulations 2025.

- ✓ honour commitments made to customers to minimize repeat contact and information repetition.

Firms should have clear escalation procedures and accountability mechanisms to address instances where staff fail to follow up on customer requests or commitments. Firms must also ensure errors and mistakes identified for one customer that may reasonably have affected other customers are resolved for all affected customers efficiently, fairly and in a timely manner. Resolving errors and mistakes affecting customers and disclosing errors and mistakes to customers affected, in a timely manner, is part of good customer service.

These requirements apply equally when engaging with customers through digital channels and whether the firm deals directly with customers or engages outsourced providers to do so. Firms must ensure that customers receive consistent treatment and that the same standards of communication, professionalism, and accountability are maintained by outsourced agents as would be expected if the firm were providing the product or service directly⁷.

Practical Example 1

Impact of Positive Customer Engagement

A customer phoned a firm about a financial product they hold with the firm. The staff member demonstrated good knowledge of the process and advised the customer about his options in relation to the product and what the implications of each option were. The staff member spoke clearly and set out the process, the timelines, the pricing and next steps for the customer. The staff member asked the customer if he understood specific technical terminology and when the customer confirmed that he did not, the staff member explained what the terms meant. The staff member did not rush and took time to clarify anything that the customer did not understand. The staff member was able to clearly answer all the questions the customer had. At the end of the call, the customer was clear about the next steps he needed to take. The staff member was professional and supportive.

⁷Regulation 119(1), Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Consumer Protection) Regulations 2025.

4.1.2 Complaint Management

Proactive complaint identification, and timely and effective complaints handling play an important role in consumer protection. Some firms fail to identify a complaint at the earliest opportunity when customers clearly express dissatisfaction, sometimes only recognising complaints when the customer expressly states they wanted to make a complaint. There was evidence that firms did not consistently identify and/or record these interactions as complaints, and often not until much later in the engagement with the customer on the same issue. Some customers were not advised of the option to have oral complaints treated in line with the firm's complaints procedures and sometimes complaints were deemed 'closed' by the firm despite not being effectively investigated and resolved, which occasionally necessitated reopening at the customer's request.

Full compliance with regulatory obligations in relation to prescribed communications to customers was not demonstrated in all cases reviewed. For example, in some cases acknowledgements and updates were not issued at specified intervals in line with relevant legislation. Where firms fail to recognise all expressions of dissatisfaction as complaints, customers are denied the full protections afforded by the complaint's framework⁸. This creates considerable potential for customer detriment. Customers may experience delayed resolution of their issues, incomplete investigation of all matters they have raised, and uncertainty about the status of their complaint due to non-compliance with prescribed communication timelines.

Results from our CIM show that 13% of customers surveyed experienced issues with their financial service providers over the last three years; among those affected, 47% reported that the resolution process caused them either 'a great deal of stress or emotional impact' or 'quite a lot' of stress. Furthermore, when complaints are prematurely closed without effective resolution, customers are forced to re-engage with the firm to seek resolution, placing the burden of follow-up on the customer rather than the firm. The onus should not rest with customers to explicitly request that a complaint be logged, to repeatedly engage with a firm to ensure their complaint is addressed, or to navigate the complaints process without clear and timely communication.

⁸ Regulations 101-107, Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Consumer Protection) Regulations 2025. Regulation 124 of the Payment Services Directive (PSR).

Practical Example 2

Impact of Negative Customer Engagement on a customer

A complaint handler was observed encouraging a customer to close a complaint, despite the complaint not being resolved. During the initial call, the staff member asked the customer if they would be happy to close the complaint before any resolution was offered or agreed. On a subsequent call, the same staff member again asked the customer to close the complaint, despite not addressing the customer's concerns.

This approach had a negative impact on the customer experience. The customer was not heard, and their concerns were not properly investigated. The firm did not offer any meaningful resolution or remedial actions to the customer. The underlying issue remained unresolved and open. The customer was not supported in achieving a genuine resolution of their dissatisfaction.

Expectations of Firms

The Code sets out the regulatory framework for governing how firms handle customer complaints and provides protections to customers who express a grievance or dissatisfaction either orally or in writing⁹. A complaint is defined as any expression of grievance or dissatisfaction by a customer relating to the provision, offer, or failure to provide a financial service¹⁰. Underpinning this framework is the overarching obligation for firms to secure customers' interests, as set out in the [Standards for Business](#).

Firms must comply with all regulatory requirements, including identifying and addressing all expressions of dissatisfaction and maintaining systems to effectively investigate and resolve complaints before closing them. Importantly, the responsibility to recognise complaints lies with the firm, not the customer. Firms must not require customers to use formal language or the word "complaint" for an expression of grievance to be treated as such.

⁹ And PSR in respect of Payment Institutions/Electronic Money Institutions.

¹⁰ A "complaint" means, subject to Regulation 260, an expression of grievance or dissatisfaction by a consumer, either orally or in writing, in connection with (a) the provision or the offer of the provision of a financial service to a consumer by a regulated entity, or (b) the failure or refusal of a regulated entity to provide a financial service to a consumer.

When complaints are submitted online on a website, firms must provide immediate acknowledgement including details of their complaints procedure and ombudsman contact information¹¹. For oral complaints, firms must offer customers the opportunity to have their complaint handled through the formal complaints process.

Firms should regularly review their complaints handling processes and ensure all customer-facing staff receive adequate training to identify and treat expressions of dissatisfaction as complaints. All complaints must be logged correctly and included in returns to the Central Bank.

Please refer to the [Complaints Feedback Report](#), which provides further details regarding these expectations.

4.1.3 Communication Channels

Well-functioning and available communication channels are critical to ensure customers can access timely support and have their queries and concerns addressed efficiently. Clearly defined and monitored service levels help to improve the customer experience by establishing consistent standards of engagement and support.

Arising from reviews of communication channel data submitted by firms both as part of specific reviews and on a recurrent basis to the Central Bank, telephone remains the communication channel predominantly used by customers when engaging with firms. Many firms have Service Level Agreements (SLAs) in place (e.g. answering 95% of calls within 20 seconds). However, supervisors identified instances where firms were not meeting their own SLAs, particularly on busier phonelines. Notwithstanding this, overall, for the firms in scope of the review, this did not have a significant impact on average call wait times (which ranged from seven seconds to three minutes and 15 seconds during the review period examined). Email represented the secondary communication channel used by customers, accounting for approximately 20% of all customer communications. Average response times ranged from c. 1.8 days to four days during the period of this review.

¹¹ Regulation 105.4 (b) of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Consumer Protection) Regulations 2025.

As part of our reviews, we saw that where firms dedicate adequate resources and measure relevant metrics, a more positive customer experience can be delivered. For example, monitoring call volumes and operational performance on a real-time basis and redeploying staff from other areas to support inbound call handling to maintain service standards. Where firms do not have adequate communication channels in place, or fail to meet SLAs, customers can experience delays in accessing support and resolving issues. This can result in detriment and prevent timely resolution of queries and concerns for customers, sometimes in situations where a timely response is needed. Recent social media monitoring revealed consistent customer grievances regarding extended hold times, reflecting the importance customers place on being able to reach firms in a reasonable timeframe. Further, the absence of monitored service levels across all communication channels, including email, can further compound this risk by creating inconsistency in the quality of customer engagement and support.

Expectations of Firms

The Code requires that firms' systems, controls, policies, processes and procedures take into account their customers' interests¹². Firms must ensure that communication channels, whether traditional or technology-enabled, are designed and operated in a manner that supports effective customer engagement and delivers fair outcomes. Where any risks are identified that impact the level of customer service provided to customers, firms should take timely and appropriate action to mitigate the risk. This includes ensuring staff resources are sufficient and agile enough to accommodate the volume of customer communications in a way that ensures issues are resolved quickly, thereby minimising negative customer experiences, such as long call wait times/response times.

Firms should have an awareness of inbound call wait times, abandonment rates and other key metrics across all telephony as well as other customer communication channels (e.g. email, chat, digital platforms, in-person) as appropriate to the nature, scale and complexity of the business and to ensure a consistent level of customer service on all communication channels.

¹² Regulation 5 (a) of the Central Bank Reform Act 2010 (Section 17A) (Standards for Business) Regulations 2025.

The Central Bank recognises that while the use of artificial intelligence (AI) presents positive opportunities for communicating with customers, it also presents significant risks to customers in terms of information asymmetries¹³. Where firms deploy AI, chatbots, automated decision-making systems, or other technology-enabled solutions to manage customer communications and service, they must ensure these tools support customer interests, avoid unfair exploitation, maintain transparency and control, ensure appropriate escalation, monitor for bias and fairness and maintain service quality standards. Firms should ensure that customers who require or prefer non-digital channels, or who have accessibility needs, are not excluded from accessing support through the imposition of digital-only communication channels.

Firms are expected to use communication channel data systematically to monitor performance against established service levels and identify emerging trends. Firms should analyse this data regularly to understand customer behaviour and pain points and use these insights to optimise their communication infrastructure and improve service delivery, ultimately enhancing the customer experience.

4.2 Focus Area Two: Enablers and Internal Procedures

Firms must be able to demonstrate that they have effective governance and risk management arrangements in place to respond to the range of risks facing them and to ensure customers' interests are secured. This requires a customer-centric approach embedded throughout firm operations. Our review findings demonstrate that weaknesses in any of these areas can undermine a firms' ability to secure customers' interests and deliver positive customer outcomes.

The establishment of robust internal processes and procedures, including adequate staff resourcing, comprehensive staff training, rigorous QA and effective RCA create a strong foundation that supports the delivery of fair treatment and positive customer outcomes. These elements are critical to setting the tone for how firms engage with customers and should be embedded throughout the firm to prioritise customer service standards,

¹³ As set out in the *Securing Customers' Interests Guidance* (Section 2.4.5): "From a customer perspective, these asymmetries, facilitated by algorithmic profiling, which is invisible to customers, have the potential to create an inequality where a firm has much greater knowledge about the customer, affecting how the firm markets products, prices products and ultimately sells products to customers. Used inappropriately, it can enable unfair profiling and facilitate the exploitation of customers, including those who are less familiar with technology."

systematic learnings from customer impacting issues, and continuous improvement in customer outcomes.

4.2.1 Resourcing, Staff Competence and Training

Appropriate resourcing levels combined with competent and knowledgeable customer-facing staff is vital to delivering timely, customer-focused service. Inadequate management of staff resourcing levels can leave firms unable to meet service standards, resulting in poor customer outcomes and failure to protect customers' interests. Similarly, comprehensive training is critical to ensure that customer-facing staff possess the knowledge, competence and other skills necessary to communicate effectively with customers.

Based on a review of firms in different sectors, supervisors noted that training programmes for new staff had been implemented, tailored to firms' structures and the nature, scale and complexity of their businesses. All firms in the review delivered mandatory training on the Code including training on customers in vulnerable circumstances and complaint handling procedures. Positively, some firms encouraged staff to pursue professional qualifications beyond Minimum Competency Code, 2017 (MCC) requirements. Generally, it was noted that training for existing staff favoured regulatory and product topics over soft skills development.

Supervisors reviewed records for compliance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) Minimum Competency Regulations 2017 (MCR) requirements in relation to new entrants, qualified and grandfathered staff as defined in the MCR^{14 15 16}. Overall, while firms in scope of this particular review had established training and supervision programmes, some instances were observed where the record keeping requirements under Section 10 and Section 15 of the MCR were not fully adhered to¹⁷. Where firms fail to maintain written records of training and competency assessments, they cannot demonstrate that their staff consistently meet these regulatory standards.

¹⁴ A 'new entrant' means a) an individual who wishes to act for the first time in a controlled function the exercise of which includes any of the relevant functions but who does not hold a recognised qualification, or b) an individual who wishes to act for the first time in a controlled function the exercise of which includes the provision of MiFID services or activities but who does not have at least six months' experience on a full time equivalent basis, or c) an individual who already meets the Standards set out in Section 1.3(a) of the MCC in respect of a relevant function but who wishes to undertake a new relevant function in respect of which the individual does not meet the Standards set out in Section 1.3(a) of the MCC.

¹⁵ A 'qualified person' means a person with one or more recognised qualification(s) which are relevant to the function to be exercised.

¹⁶ A 'grandfathered person' has the meaning assigned to it under Section 1.5 of the MCC.

¹⁷ In all instances this will be followed up with individual relevant firms.

Expectations of Firms

The MCC sets out minimum professional standards for individuals providing certain financial services, particularly when dealing with consumers. The MCR requires firms to ensure that individuals performing a relevant function on their behalf comply with the MCC¹⁸. The aim is to ensure that consumers obtain a minimum acceptable level of competence from individuals acting for or on behalf of regulated firms in the provision of advice and information and associated activities in connection with retail financial products.

Regulation 11(b) of the Standards for Business Regulations also requires the provision of appropriate staff training on the legal and regulatory framework relevant to the performance of those functions, including any legal obligations or standards that are imposed by or under financial services legislation.

Furthermore, in relation to resourcing, Regulation 11(a) of the Standards for Business Regulations sets out that a regulated entity must control and manage its affairs and systems sustainably, responsibly and in a sound and prudent manner, including by having and employing appropriate resources to ensure that the regulated entity complies with its obligations under financial services legislation.

Firms must demonstrate full compliance with all MCR requirements at all times, including the maintenance of records for new entrants under Section 10 and for qualified and grandfathered staff in respect of continuing professional development (CPD) records under Section 15 of the MCR. Firms should review their processes to ensure they can continuously demonstrate this compliance.

Additionally, to support the delivery of positive customer outcomes, the Central Bank recommends that firms provide existing customer-facing staff with ongoing soft skills and customer-service training alongside other training to help ensure effective and positive customer interactions.

¹⁸The Central Bank recently published a consolidated version of the MCC, which is available on our website via this [link](#).

Practical Example 3

How gaps in staff training can lead to poor customer outcomes

A customer contacted a firm regarding correspondence the firm had provided to a third party. However, multiple agents across several calls incorrectly advised the customer that the firm does not provide such correspondence. Upon investigating the subsequent complaint, it emerged that the firm does issue this correspondence to third parties in certain circumstances. The investigation also revealed that this issue had occurred previously, and that not all teams were aware of the policy to issue this correspondence. This poor customer experience was avoidable. Had the firm learned from the earlier incidents and provided effective training to staff, the customer would have received accurate, up-to-date information.

4.2.2 Quality Assurance

QA processes provide opportunities for constructive feedback that drives continuous improvement in service delivery. When executed effectively, QA enables firms to identify problems, determine whether these are systemic in nature, and implement improvements that benefit customers and enhance their experience. Our review found that whilst firms had QA processes incorporating customer service checks, the QA tended to prioritise process compliance and regulatory obligations over the assessment of customer experience quality.

Further, the review of complaints-specific QA revealed significant variances in effectiveness of that QA work. Some firms relied solely on frontline and peer reviews without independent compliance oversight. Supervisors also identified deficiencies including timeline breaches, ineffective complaint resolution, and poor customer engagement, that firms' own QA processes had failed to capture.

The prioritisation of process compliance over customer experience quality, combined with inconsistent and sometimes ineffective QA processes, can have a negative impact on customers. When QA fails to identify systemic issues, it undermines customer confidence in the firm's ability to address their needs fairly and promptly, risks leaving legitimate issues unresolved, and can transform resolvable problems into sources of more frustration. Also, assessing the quality of customer experience is important because it measures whether firms are delivering fair outcomes and meeting customer needs—not just whether they are following procedures. This outcome-focused perspective is essential for identifying where

processes may be inadequate or where customer experience is suffering despite technical compliance.

Expectations of Firms

Firms should design and operate QA processes that assess both process/regulatory compliance and the quality of customer experience. QA should not be limited to checking whether procedures have been followed but should equally evaluate whether customers have received fair outcomes, their concerns have been genuinely addressed, and their experience reflects the firm's commitment to good service. Examples of checks that could be incorporated into reviews to assess the quality of customer experience have been provided in **Appendix One**.

Firms should ensure that QA processes incorporate independent oversight to provide objective assessment of how issues—including customer engagements and complaints—are handled. QA should not rely solely on frontline or peer reviews; firms must establish mechanisms that enable staff supervisors or compliance specialists to identify deficiencies that their teams may overlook, including timeline breaches, ineffective resolution, and poor customer engagement.

Firms should use data and insights from QA findings for establishing training, coaching and continuous improvement initiatives to embed learning across the organisation. This should support clear accountability for addressing identified deficiencies and help prevent similar issues from recurring, ultimately strengthening customer confidence in the firm's ability to handle their needs fairly and promptly.

4.2.3 Root Cause Analysis (RCA)

RCA is necessary for achieving effective and sustained resolution of customer-impacting issues. By identifying the underlying cause, firms can implement appropriate measures to stop the harm and reduce the likelihood of the same or similar issues affecting other customers. In addition to resolving the issue, RCA generates valuable learnings that can be applied to address similar issues and strengthen governance and control frameworks. Effective RCA helps drive continuous improvement in customer service standards and contributes to building a more positive customer experience.

Our findings revealed consistent patterns in poor RCA conducted by firms when we looked across both complaints and QA activities. Generally, firms were not making effective use of complaints MI and were not applying insights from complaints and QA analysis to drive improvements in customer service standards.

Ineffective or inadequate RCA can lead to a cycle of recurring customer impacting issues, causing further negative customer outcomes. Where the root cause has not been identified and addressed, the issue remains embedded within processes and procedures, generating new complaints and negative customer experiences which could have been prevented. This erodes customer trust and confidence, whilst leaving other customers at ongoing risk of unfair treatment and poor outcomes. Without systematic learning from complaints and QA data, firms miss critical opportunities to identify and address systemic issues, undermining the intent of these processes and preventing meaningful improvements to customer service standards.

Expectations of Firms

The Central Bank expects firms to take a proactive approach to identifying the underlying root causes of issues, by performing effective RCA, particularly for issues that occur repeatedly. An effective RCA enables a firm to move beyond addressing immediate symptoms, to identifying and addressing underlying causes, thereby taking early corrective action, reducing the risk of problems escalating and recurring, and strengthening governance and risk management. Firms should take ownership, fix the underlying problem(s), learn from it and ensure it does not recur, thereby preventing the cycle of recurring customer-impacting issues and strengthening overall customer service standards and contributing to building a more positive customer experience.

Whilst there is no single prescribed methodology for performing an RCA and approaches vary across firms, the guidance set out in **Appendix Two**, provides key considerations for firms when (a) planning an RCA (b) executing an RCA and (c) following through on an RCA comprehensively. Firms should consider this guidance to develop a strong RCA process, that can be used when issues are identified that require investigation. To note however, this

guidance is not exhaustive and should be adapted to the firm's specific context and risk profile¹⁹.

Practical Example 4

How inadequate Root Cause Analysis leaves other potential issues unidentified

A firm undertook a reactive investigation following receipt of a customer complaint relating to one of the firm's processes. The issue related to the firm's failure to follow its own internal procedures, which had been occurring over a number of years. The firm's investigation focused on remediation actions and failed to conduct a thorough RCA of the underlying issue. The corrective actions implemented therefore addressed only a specific cohort of customers and complaint type, failing to identify whether a broader cohort of customers experienced the same issue.

4.2.4 Measuring Effectiveness

Firms with established data and metrics frameworks were better positioned to evidence the positive impact on customers of their actions. Effective measurement requires firms to establish clear metrics and MI that track both operational performance and customer outcomes across the customer journey. Many firms have recognised that customer experience improvement demands sustained focus and continuous monitoring to ensure effectiveness – the table below provides an example of some measurement tools and metrics we have observed being used across industry sectors.

The Central Bank encourages firms to use good quality conduct data and improved MI frameworks to support better tracking of customer outcomes and facilitate more effective risk management and governance oversight. The Central Bank's ongoing engagement with industry sectors on developing enhanced conduct of business returns should also aid in delivering better outcomes for consumers as it will support effective data-driven supervision and improved transparency of market conduct issues in the longer term.

Sample Customer Service Measurement Tools & Metrics	
Customer Satisfaction Surveys	Call centre quality and staff feedback
Net Promoter Score/Customer feedback	Staff training completion and competency levels
Digital channel usage and accessibility	Telephone / emails response times
RCA & preventative measures metrics	Error identification, tracking and resolution rates
End-to-End application/assessment decision times	Risk Event Tracking

¹⁹ While this guidance is included as part of this topic, it does have relevance for all regulatory and consumer/investor-impacting issues that are investigated by firms, e.g. operational risk events.

5. Conclusion

Securing customers' interests depends on establishing a robust, customer-centric culture, good customer service practices and effective consumer protection risk management frameworks. These are underpinned by effective customer engagement, strong internal procedures and firm enablers that work together to support a positive customer experience.

When these elements are integrated effectively and embedded in the firm's culture, firms are better positioned to deliver efficient customer support across all channels, resolve issues and errors fairly and in a timely manner, identify and address systemic problems early, and prevent recurring issues. This integrated approach enables staff to consistently deliver fair treatment and appropriate customer outcomes, whilst supporting continuous improvement in customer service practices and ultimately delivering a more positive customer experience.

Our reviews have shown that where firms do take corrective actions, focus on improving the customer experience, and measure the impact of these improvements, real benefits are realised for both customers and the firms themselves. These include quicker complaints resolution, improved staff engagement and capability, enhanced operational efficiency, and stronger customer satisfaction and loyalty metrics.

We will continue our supervisory engagement with firms to drive and support them to raise their standards, taking appropriate supervisory action where we deem necessary as we have done to date. Customer experience will remain a supervisory priority and area of focus for all retail sectors, until such time as it is clear that the risks are effectively identified and managed by firms and that customers have a much-improved customer experience. This includes ensuring that firms effectively manage the opportunities and risks presented by digitalisation and embed customer-centric practices across both traditional and digital service channels.

Appendix One –QA Test Sheets

Examples of Customer Experience related checks for QA Test Sheets

(Please note this is a non-exhaustive list)

1. Was the agent's overall attitude to the customer positive? E.g. helpful, friendly, patient.
2. Did the agent take time to review the system notes to ensure that the customer did not have to repeat the same information?
3. Was the agent clear throughout the call?
4. Did the agent show empathy and understanding regarding the customer's situation?
5. Did the agent adapt their communication style to match the customer?
6. Did the agent address any concerns raised by the customer in a manner that provided reassurance/clarity to the customer?
7. Did the agent listen actively to the customer and wait until the customer had fully explained the issue/seek necessary clarifications to ensure they fully understood before providing advice to the customer?
8. Was the information and advice given to the customer accurate?
9. Did the agent seek to ensure that all technical terms were explained to the customer, and did they speak in plain English?
10. Did the agent attempt to resolve the customer's issue or query on the first call?
11. If unable to resolve the query for the customer, did the agent ensure that the customer was passed to the appropriate function?
12. Were necessary development updates advised to the customer?
13. Did the agent follow up with the customer on any requests or commitments or otherwise, as necessary?
14. Did the agent answer all queries /resolve all issues appropriately for the customer?
15. Did the agent make the customer aware of all benefits and/or limitations (as relevant) under their policy?
16. Did the agent provide clear instructions to the customer regarding next steps?

Appendix Two – Effective Root Cause Analysis

This guidance, which sets out the key considerations for firms in performing effective Root Cause Analysis (RCA), is not exhaustive and should be adapted to the firm's specific context and risk profile.

(a) Planning an RCA

For an RCA to be effective for addressing any customer-impacting issues, the firm must clearly define the scope of the RCA and establish appropriate governance and resources from the outset.

Defining the Scope

In defining the scope of the RCA, the following should be considered:

- **The rationale for the RCA** – why it is being conducted and what specific issue has triggered the need for investigation;
- **The overarching issue** – what specific problem experienced by a customer(s) that the firm is seeking to address;
- **Stakeholder involvement** – which teams, departments or business functions are affected;
- **Timeline** – when the issue was first observed, when it came to management's attention, and the sequence of events leading to the issue;
- **Risk profile** – what potential risks could arise from this issue, the likelihood of reoccurrence if the root cause is not addressed, and the broader impact on customer outcomes;
- **Prior actions** – what steps the firm has already taken in relation to this issue, including any interim actions/steps;
- **Customer impact** – how the issue has affected or could affect customers, including consideration of any detriment (financial and non-financial) caused and whether any ongoing detriment has ceased.
- **Recurrence risk** – the likelihood that the issue will recur if the root cause is not identified and addressed, the potential for the issue to affect other customers and the consequences of such reoccurrence for customer outcomes.

Governance and leadership

- Firms should consider assigning a Senior Executive Leader to be the sponsor of the RCA. This will help to set the tone from the top of the importance of the RCA exercise. The RCA should be communicated as an opportunity for the firm to self-reflect, self-identify where customer detriment has occurred and correct potential issues by taking appropriate corrective action. The willingness of the firm to prioritise customers interests and learn from issues should be clearly demonstrated as a way to strengthen its resilience.

Resourcing and capability

- Firms should consider what roles and responsibilities need to be assigned during the RCA process and who will be involved in the RCA. Firms should ensure appropriate expertise is involved, including employees with knowledge of the issue in addition to participants who are independent of the issue, such as second line risk specialists;
- Consideration must be given as to whether training is required to help stakeholders carry out the RCA;
- Consideration must be given to the governance, reporting and decision-making structures involved in the RCA process. This includes defining how findings will be escalated to senior management and the Board, how corrective actions and remediation (if applicable) will be approved and how implementation will be monitored and tracked to completion.

(b) Executing an RCA

To execute an RCA effectively, the firm must select an appropriate methodology²⁰ and conduct analysis that examines systemic causes, gathers evidence, and documents findings and actions with clarity.

Methodology and analytical approach

- **Select an appropriate RCA methodology** suited to the nature and complexity of the issue. The selected methodology should be proportionate to the severity of the customer detriment, the number of customers affected, and the risks identified.

²⁰ There are many RCA methodologies, these include but are not limited to "The 5 Whys" and "Fault Tree Analysis (FTA)".

- **Analyse the system of root causes** rather than focusing narrowly on a single cause or isolated instances; recognising that multiple root causes may exist and interact to create issues; examine both the direct causes of the issue and the underlying systemic, process, or control failures that allowed the issue to occur.
- **Frame the analysis around "how" and "why"** the issue arose in the first instance, rather than focusing solely on its impact or consequences; understand the sequence of events and decisions that led to poor customer outcome.
- **Define the MI** that will be gathered and establish how the data will be analysed to support robust conclusions.

Data analysis and interpretation

- **Identify any trends in the appropriate data/MI** when conducting the analysis, attention should be given to any identifiable trends in the data/MI;
- **Consideration should be given to whether there are formal and/or informal drivers** of behaviour and decision-making within the firm that may have contributed to the issue:
 - *Formal drivers* include policies, procedures, incentive structures, performance metrics, system limitations, resource constraints and complexity in reporting lines that may have contributed to poor customer outcomes; and
 - *Informal drivers* include group dynamics and social norms within teams or across the firm.

Documentation and action planning

- **Prepare RCA output (summary or report)** for relevant stakeholders that identifies the root causes of the issue and documents related mitigants;
- **Establish a comprehensive action plan** that addresses not only immediate issues but also systemic and cross-cutting risks, with clear assignment of accountability across teams/business areas. The plan should include immediate actions to stop the harm and prevent a recurrence of the issue and more longer-term corrective actions to addressing the root causes identified.
- **Obtain appropriate level approval and sign-off** of both the RCA output and action plan before implementation.

(c) Following Through Comprehensively

To ensure corrective actions are effective in delivering on positive customer outcomes and learning is embedded throughout the firm, the firm should monitor implementation, measure effectiveness, and embed RCAs as part of their error management and complaints handling culture.

Measuring and monitoring

- **Establish Key Indicators and Metrics** to measure the success and effectiveness of the action plans into meaningful improvements arising from the RCA;
- **Monitor implementation** to ensure actions are delivered in a timely manner.

Embedding learning

- **Conduct a 'lessons learned' exercise** to assess whether the corrective actions demonstrate clear accountability for remediation and evidence of genuine learning, or whether further intervention is required;
- **Identify challenges experienced** during the RCA process to improve future RCA exercises;
- **Apply lessons learned organisation wide** by considering the potential broader impact of identified issues on other areas of the business and extending corrective actions where appropriate;
- **Embed RCA within business-as-usual error management and complaints handling procedures** to ensure a systematic and consistent approach to identifying and addressing issues.

Reinforcing culture and governance

- **The benefits of the RCA process should be promoted**, highlighting the firm's commitment to error management mindset and demonstrating its willingness to learn from issues identified;
- **Review and strengthen governance, controls, processes and procedures** to ensure clarity on when and how RCAs should be undertaken and where responsibility lies for such reviews.

Appendix Three – Glossary

Acronym	Definition
AI	Artificial intelligence
CAG	Consumer Advisory Group
Central Bank	Central Bank of Ireland
Complaints Feedback Report	Customer Experience Through the Lens of Customer Complaints Feedback Report
CIM	Consumer Insights Model
Code	Consumer Protection Code
CPD	Continuing Professional Development
FSPO	Financial Services and Pensions Ombudsman
MCC	Minimum Competency Code
MCR	Minimum Competency Regulations
MI	Management Information
OECD	Organisation for Economic Co-Operation and Development
QA	Quality Assurance
PCF	Pre-Approved Controlled Function
PSR	Payment Services Regulation
RCA	Root Cause Analysis
RSO	Regulatory and Supervisory Outlook Report
SLA	Service Level Agreement
SMS	Short Message Service
Standards for Business	Central Bank Reform Act 2010 (Section 17A) (Standards for Business) Regulations 2025



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