



Banc Ceannais na hÉireann
Central Bank of Ireland

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Consumer Protection Code 2025

Consumer Protection Code Review Process

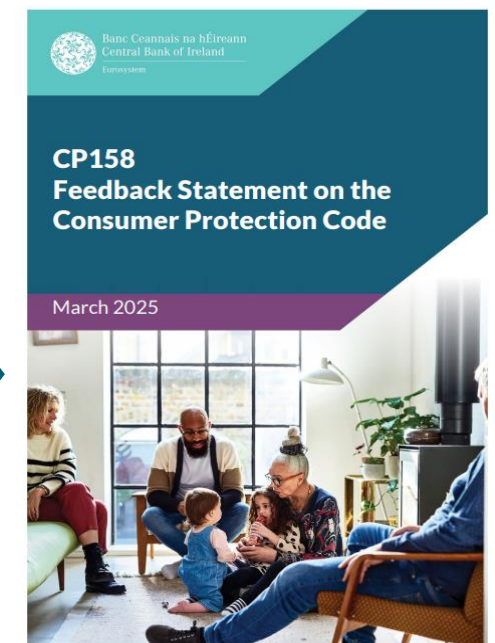
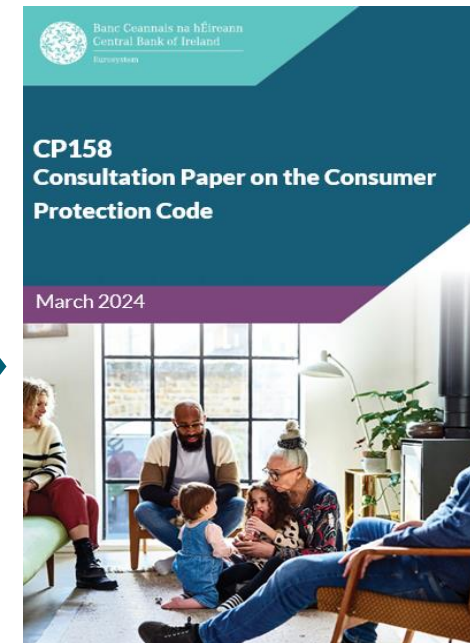
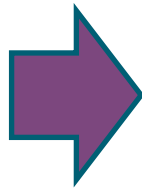
Wide ranging engagement with stakeholders has been a key input into our policy considerations

October 2022 Discussion Paper: outlined ten important consumer protection discussion themes

July 2023 Engagement Update: shared the detailed feedback received through engagement with stakeholders

March 2024 Consultation Paper: published on the Revised Code inviting feedback on our proposals

March 2025 Feedback Statement: published with Revised Code and Guidance - the Revised Code will take effect in March 2026



A Modernised Code



What's Changing and Why?

Reasons Review Required

- Financial services undergoing transformation
- Need to clarify firms' customer best interests obligation
- Structural fragmentation

Building on Strengths of existing Code

- Set of targeted protections
- Proportionate requirements recognising customer autonomy
- Focus - securing customers' interests

Integrated Regulatory Format

- Revised Code reflected in Central Bank regulations
- Consolidation of a range of Codes and rules - CCMA, High Cost Credit Regulations etc.

A Modernised Code

- Protections reflecting how financial services are provided today
- Enhanced clarity & predictability
- Accessible – digital tools to support navigation

Extensive Stakeholder Engagement

Two-way engagement with stakeholders has been central to listening and absorbing a range of informed perspectives

During engagement on the Consultation Paper, we reached out to and engaged with c30 civil society, state and industry stakeholders

Civil Society



State Authorities



An Roinn Airgeadais
Department of Finance



An tOmbudsman Seirbhíis
Airgeadais agus Pinsean
Financial Services and
Pensions Ombudsman



Irish Banking
Culture Board



LAW REFORM
COMMISSION/COIMISIÚN UM
ATHCHÓIRIÚ AN DLI



ISI

Seirbhís Dómhainneachta
na hÉireann
Insolvency Service
of Ireland



NDA
Údarás Náisiúnta Michumais
National Disability Authority

Industry



Revised Consumer Protection Code

Central Bank of Ireland has completed a comprehensive review of the Consumer Protection Code.

The review has delivered a Revised Code that is modernised and centred on firms' obligations to secure their customers' interests.

The Revised Code includes an important package of updated protections that reflect how consumers access financial services today.

Securing Customers' Interests:

Mortgages & switching

Firms support customers who want to switch their mortgage.

Climate

Firms consider consumers' sustainability preferences and avoid 'greenwashing'.

Unregulated activities

Clarity for customers on regulatory status and protections they have.

Frauds & scams

Firms protect consumers from evolving frauds and scams.

Vulnerable consumers

Firms support consumers in vulnerable circumstances.

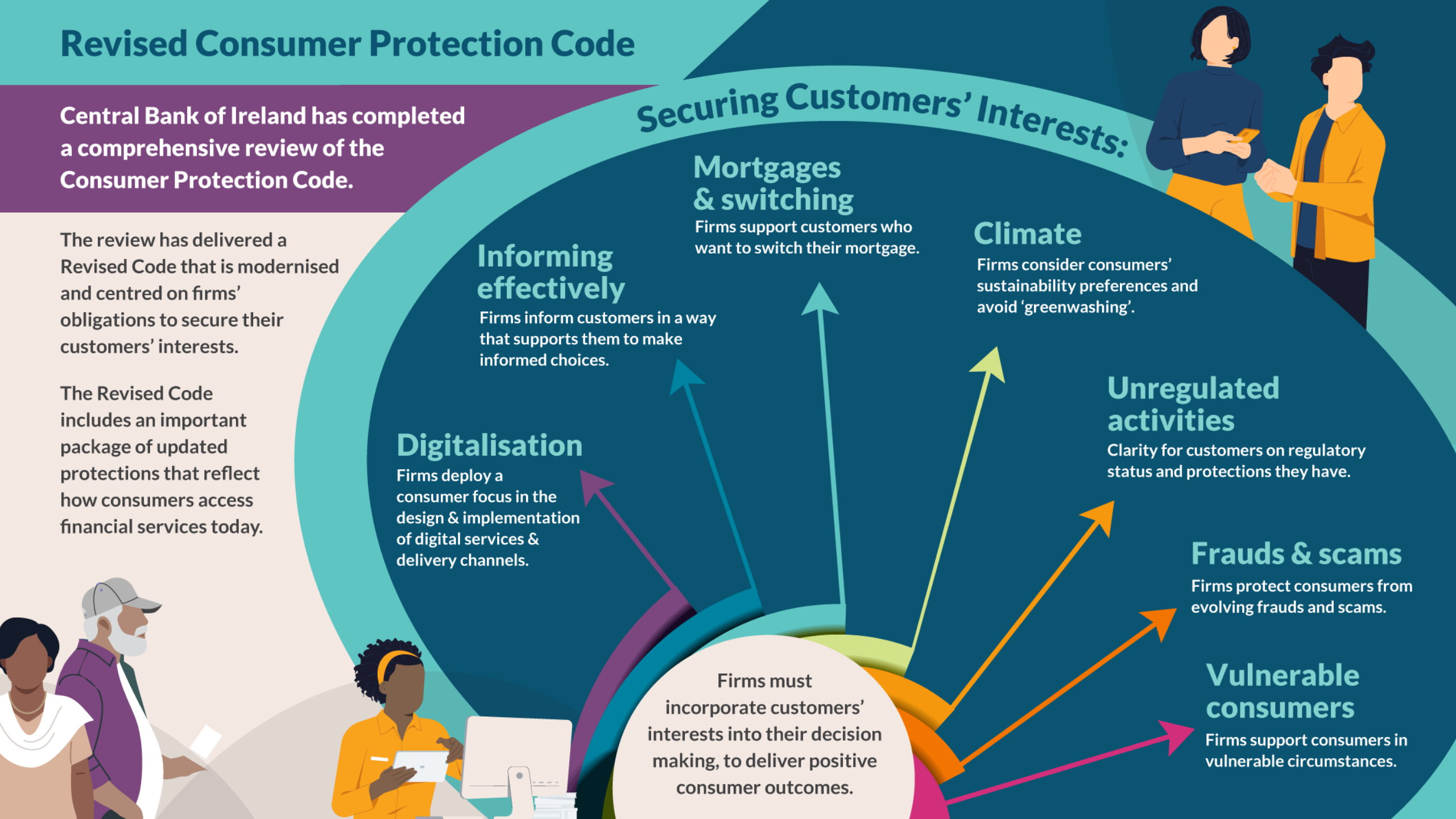
Informing effectively

Firms inform customers in a way that supports them to make informed choices.

Digitalisation

Firms deploy a consumer focus in the design & implementation of digital services & delivery channels.

Firms must incorporate customers' interests into their decision making, to deliver positive consumer outcomes.



Consumer Protection Code – Structure

Revised Code reflected in new Central Bank Regulations supported by Guidance

Standards for Business Regulations

- Governance, resources and risk management standards
- Conduct standards updating existing General Principles

Consumer Protection Regulations

- Cross-sectoral requirements - existing and new
- Sector-specific requirements - existing and new

Guidance

- Securing Customers' Interests
- Protecting Consumers in Vulnerable Circumstances
- General Code Guidance



Securing Customers' Interests

Securing Customers' Interests – overarching obligation

- Firms must effectively **incorporate customers' interests** into their strategy, business model and decision-making.
- Consideration of how obligation to act in best interests of consumers must be a key factor in commercial decision- making.
- Experience has shown how failing to do this can lead to poor outcomes both for consumers and firms.
- **Securing Customers' Interests** - enhances clarity for firms on how to meet their customer best interests obligation.
- **Guidance** will support firms in meeting all their consumer protection obligations, key to **positive consumer outcomes**.



Consumers' interests are best served through effectively functioning financial services markets providing appropriate levels of availability and choice from sustainable, resilient, well-run, consumer-focused firms.

Digitalisation

Technology should serve customers' interests and should not be used to exploit behaviours, biases, habits or vulnerabilities

- Given the significant impact digitalisation is having on the provision of financial services the revised Code introduces requirements for services provided through digital means.
- 'Technology-neutral' - same requirements and consumer protections regardless of the engagement channel.
- Firms must deploy a customer-focus in the design, implementation and delivery of digital services.
- Revised Code includes requirements for firms using digital platforms to ensure:
 - they are designed to be easy to use and navigate, that the technology is tested, and that it produces consistent and objective outcomes for consumers; and
 - that guidance, support and assistance is available to consumers.
- As with all delivery methods, firms must ensure that the use of technology is not applied in a way that would seek to exploit the behaviours, habits, preferences or biases of customers where it has the potential to cause customer detriment.
- Customers' interests need to be considered and secured in the transition to digital delivery.



Informing Effectively

Informing consumers effectively enables them to make informed decisions to meet their financial needs.

- The enhanced **Standard for Business** requires firms to provide information to customers in a way that effectively informs them - reflecting a shift from requiring firms to simply disclose information to customers, to requiring them to meet disclosure requirements in a way that **effectively informs** their customers – an important move away from tick-box compliance.
- Clear disclosure of product features, risk and price allows consumers to select the provider and product that best serves their needs.
- Firms must provide information to customers, including consumers in vulnerable circumstances:
 - so that they can reasonably understand the material features of the product or service;
 - so that it is clear, accurate, up to date, and written in plain and accessible language, avoiding the unnecessary use of technical terms; and
 - on a timely basis, and bring key information to the consumer's attention.
- Product producers must monitor and review the effectiveness of customer communications.



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Unregulated Activities

Firms must clearly distinguish for customers between the entity's regulated activities and its unregulated activities

- Information that is given to consumers, that refers to both regulated activities and unregulated activities of the regulated entity, clearly identifies which of the regulated entity's activities are regulated activities and which are unregulated activities.
- Where the regulated entity engages in unregulated activities, regulatory protections that apply in respect of the regulated entity's regulated activities that are not applicable to the regulated entity's unregulated activities are brought to the attention of the consumer.
- Any written communication to a consumer where the regulated entity is disclosing information in relation to unregulated activities shall include an explicit warning statement.
- Information on regulated and unregulated activities must be provided on separate webpages.
- Guidance on Securing Customers' Interests (SCI) and General Code Guidance articulate our expectations of firms if providing unregulated activities.
- Risk of confusion - consideration of risk that customers may misunderstand the regulatory status of unregulated products and services should include consideration of the **potential impact** confusion could have on consumers, and the potential for harm or loss to the consumer.



Climate

- The new requirements in the Code seek to ensure that firms take account of customers' sustainability preferences when providing financial products and services, and that customers are protected from 'greenwashing'.
- New advertising requirement to ensure that information in advertisements is not misleading in relation to:
 - the extent to which the entity has a reputation of supporting sustainability factors; or
 - the features of a financial service in terms of sustainability factors or the impact of acquiring its financial services on sustainability factors.
- New 'knowing the consumer' requirement to gather and keep a record of information on the consumer's sustainability preferences with regard to the financial service. **This requirement does not apply where the financial product/service being sought does not and could not have any sustainability features.**
- 'Hierarchy' of the suitability assessment vis a vis the consumers' sustainability preferences is clarified in the requirements. Ultimately, customers' sustainability preferences should not over-ride consumers' needs and objectives, personal circumstances, financial situation and attitude to risk.
- General Code Guidance sets out the process to be followed by firms for gathering and assessing suitability preferences and how to approach the statement of suitability.



Frauds and Scams

Customers of financial services are, increasingly, being targeted by sophisticated frauds and scams

- Consumers in vulnerable circumstances can be at higher risk of financial abuse.
- The definition of financial abuse in the revised Code has two elements:
 - One deals with frauds and scams of the type typically committed by strangers to the victim; and
 - The other recognises the type of abuse generally perpetrated by those known to the victim, possibly within a position of trust or influence.
- New Standard for Business - firms to control & manage their affairs to counter the risks to consumers of financial abuse.
- Supporting Standards for Business - further obligations to mitigate risks of financial abuse.
- The revised Code places obligations on firms to:
 - monitor fraud trends and in particular vulnerabilities in process and distribution channels and to take action where there is an increased risk; and
 - communicate clearly to consumers the risk of digital fraud and scams, the supports available to customers, and the actions that consumers can take in the event of a fraud or scam, or potential fraud or scam.



Consumers in Vulnerable Circumstances

Firms need to understand the broad and dynamic nature of vulnerability to ensure that their culture, policies, and processes take account of the needs of consumers in vulnerable circumstances

- Revised Code brings forward changes to promote better understanding by firms of what vulnerability means and to enhance how firms support consumers in vulnerable circumstances.
- In line with international thinking amending the definition of ‘consumers in vulnerable circumstances’ to better reflect the dynamic nature of vulnerability, one that recognises that consumers can move in and out of circumstances that make them vulnerable.
- Our updated approach includes new and updated specific requirements which require firms to:
 - offer all reasonable accommodation and assistance to consumers in vulnerable circumstances;
 - provide training to staff on vulnerability issues;
 - have clear procedures for employees to report concerns that a consumer is the victim, or at risk of being the victim of financial abuse; and
 - facilitate consumers who wish to do so, to nominate a Trusted Contact Person.
- Detailed **Guidance on Protecting Consumers in Vulnerable Circumstances** will assist firms in implementing this new approach.



General and Miscellaneous Requirements and Changes

Some other noteworthy changes referred to in the Feedback Statement

- Definition of Consumer – small business with an annual turnover of less than €5m (increased from €3m).
- Consent/written consent: Written consent is only required when specified and where it is required, can be provided digitally.
- Errors and Complaints – enhanced governance, tracking and analysis. Errors that remain unresolved after 40 days no longer need to be notified to the Central Bank.
- Retention of records – where a consumer engages with a firm but doesn't proceed to become a customer, records need only be retained for 12 months.



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Sector-Specific Requirements - Mortgage Credit and Switching

Mortgage Incentives

- Definition of a **mortgage incentive** to set out clearly to firms when the incentive requirements apply.
- Warning statement on a 'mortgage approval in principle' on the importance of considering the impact of the incentive on the **total cost of credit**.
- Mortgage calculators and advertisements to enhance the disclosure of the '**total cost of credit**' to potential customers.

Mortgage Switching

- Personalised euro savings estimate to be provided with alternative refinancing options
- New obligation on lenders to require mortgage providers to provide title deeds to the borrower (or their representative) within 10 working days of the request.



Lifetime Mortgages

- Broadening of definition to apply to second properties (residential only) rather than just the borrower's home.
- Firms to provide information on which party is liable for any redemption costs, and whether the consumer or their estate will be liable for any shortfall following the eventual sale of the property.
- For home reversion agreements and lifetime mortgages, warnings have been enhanced to highlight to customers that purchasing these products could impact on their ability to fund future financial needs.

Sector Specific Requirements - Banking, Credit and Arrears

Material Change to Branch Banking Services

- Revised Code applies updated requirements where banks are making material changes to their services - including branch closures and withdrawal of services:
 - Must notify the Central Bank and affected consumers;
 - Branch closures – affected consumers must be notified 6 months prior
 - Withdrawal of services – affected consumers must be notified 4 months prior
 - For branch closures - must publish board-approved assessments of the impact of the changes on customers;
 - The assessment must include an examination of the suitability of alternative arrangements and a plan for the suitable alternative arrangements including '*any plans necessary for consumers in vulnerable circumstances*'; and
 - Must complete an ex-post assessment within 15 months of the closure – of the impact on consumers, to include a survey of impacted customers.



Code of Conduct on Mortgage Arrears

- Fully consolidated into the Revised Code to support a more integrated framework.
- Criteria and Expectations on Appropriate and Sustainable ARAs to support firms in implementing the existing requirements for ARAs in the Code – issued to firms Jan 2025.

Sector Specific Requirements - Banking, Credit and Arrears contd.

Buy Now-Pay Later, Consumer Hire, HP Firms

- The Revised Code will apply in full to providers of hire-purchase agreements, consumer-hire agreements and/or BNPL agreements.
- BNPL - firms should apply pause features where the risk is high of consumers entering into transactions that may be unsuitable due to the speed and ease of the online process.
- Disapplied the requirement on unsolicited contacts and personal visits for Consumer Hire and HP firms. Existing protections in the CCA will continue to apply which limit firms ability to make personal visits and phone calls.



High Cost Credit Providers (HCCP)

- Moneylending Regulations are consolidated into the revised Code. Standards for Business Regulations will apply to HCCP sector, along with enhanced vulnerability requirements. Where there are existing requirements that only apply to HCCP sector they have been brought into the revised Code.
- Amended the requirement on HCCPs to advise consumers of relevant debt counselling services upon the sixth default payment. This is a change from the current requirement of notification on the third default or missed payment.

Sector Specific Requirements – Insurance

Explicit opt-in requirement for gadget, travel, dental and pet insurance

- Requires that an insurance undertaking or insurance intermediary obtains the consumer's consent to automatic renewal of a policy of pet insurance, travel insurance, gadget insurance, or dental insurance.
- The purpose of this is to apply an additional step to ensure consumers are fully aware of any proposed automatic renewal arrangement and proactively opt-in for this.

Pre-renewal notification

- The purpose of this requirement is to create “implementation intentions” to support consumers in overcoming behavioural biases, including procrastination that can deter optimal financial engagement.
- The intention is that, through the receipt of the pre-renewal notification, the consumer will be prompted to plan ahead and prepare to switch before they receive their renewal notification with the proposed premium and policy information.

Notification of lapse of cover of a health insurance policy

- Requirement to collect contact details of all adults insured under a (personal) health insurance policy, and to inform them when the policy lapses.

Sector Specific Requirements – Insurance

Claims handling and rebates

- Claimant definition amended to refer to third parties, thereby more explicitly extending some of the requirements to third parties
- Rebates are to be provided within 10 days, clarifying timeframe applicable to insurance undertaking/intermediary.
- No longer refers to a €10 minimum rebate, and expands on requirements around donation to charity etc.

Disclosures/additional information

- Discounts and loadings now to be provided in monetary and percentage terms
- Quote must highlight monetary difference between paying premium via lump sum or instalment
- T&Cs applicable to any no claims discount to be included with insurance policy

Ongoing suitability (Part 5 – Investments)

- Strengthened requirements to inform customers of the importance of considering the ongoing suitability of investment and pensions products for their needs at the point of sale, and in annual statements.

Links to Code resources and tools

All these publications and tools are available on the Central Bank's website centralbank.ie/code

[Consumer Protection Code Review Feedback Statement](#)

[Main Consumer Protection Code webpage](#)

[Standards for Business Regulations](#)

[Consumer Protection Regulations](#)

[Navigation Tools](#)



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