



Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

General Guidance on the Consumer Protection Code

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Section - 1 Introduction

1.1. Overview

1.1.1 The Consumer Protection Code (the Code) is made up of a number of components including Standards for Business Regulations, Consumer Protection Regulations (comprising cross-sectoral and sector specific requirements) and guidance, as illustrated in the infographic below.



Figure 1 Consumer Protection Code Components Source: Central Bank of Ireland

1.1.2 The Standards for Business and cross-sectoral and sector specific requirements are set out in two Central Bank Regulations:

- Central Bank Reform Act 2010 (Section 17A) (Standards For Business) Regulations 2025 (S.I. No. 80 of 2025) ('the Standards For Business Regulations')

- Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Consumer Protection) Regulations 2025 (S.I. No. 81 of 2025) ('the Consumer Protection Regulations').

- 1.1.3 The Standards for Business Regulations set out governance, resource and risk management requirements for firms. They also set out conduct standards for firms. These are complemented by Supporting Standards for Business which provide further detail on firms' obligations. The Standards for Business and Supporting Standards for Business addressing securing customers' interests and financial abuse, will only apply to firms when doing business with individuals and small businesses. All other Standards for Business and Supporting Standards for Business will apply to the regulated business of firms conducted with all customers.
- 1.1.4 The Consumer Protection Regulations set out cross-sectoral requirements applying across all sectors, and other sector specific requirements applying to the provision of Consumer Banking, Credit and Arrears, Insurance and Investments. These requirements apply to the regulated business of firms conducted with customers who meet the definition of 'consumer' i.e. individuals and small businesses. These Regulations also consolidate a number of existing conduct regulations and codes, issued by the Central Bank, into one set of regulations.
- 1.1.5 The Code is further complemented by this Guidance, Guidance on Protecting Consumers in Vulnerable Circumstances and Guidance on Securing Customers' Interests.¹
- 1.1.6 The purpose of this General Guidance (the Guidance) is to support firms to effectively implement their consumer protection obligations and can be utilised by firms to build on their understanding on how to implement the requirements set out in the Standards for Business Regulations and the Consumer Protection Regulations.
- 1.1.7 This Guidance consolidates the following guidance:
- Consumer Protection Code Guidance 2012²; and

¹ Central Bank Reform Act 2010 (Section 17A) (Standards For Business) Regulations 2025 (S.I. No. 80 of 2025); Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Consumer Protection) Regulations 2025 (S.I. No. 81 of 2025).

² Central Bank of Ireland (2012 updated 2021) Consumer Protection Code 2012 Guidance. Available at: https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/brokers-retail-intermediaries/guidance/updated-2012-code-guidance-document.pdf?sfvrsn=28d0d11d_8

- Consumer Protection Code 2012 Advertising Guidance.³

1.1.8 This Guidance also incorporates content as relevant from a number of ‘Dear CEO’ letters issued by the Central Bank.

1.1.9 It is also worth noting that there is separate information for consumers on mortgages and financial difficulty and Alternative Repayment Arrangements (ARAs).⁴

1.1.10 The shorthand reference of ‘the Code’ is used within this document to mean the two sets out regulations set out in 1.1.2 and the supporting Guidance.

1.1.11 This Guidance does not replace or substitute other applicable rules, guidance or law.

1.2. Scope and Application

1.2.1 Some requirements of the Code, such as the Standards for Business Regulations, apply to all sectors and firms, reflecting the fundamental nature of these obligations. Other requirements of the Code apply only to specific sectors or to specific products or delivery channels. For example, a firm that does not provide credit or debt management services is not subject to the requirements of the Code, which specifically deal with the provision of these services. Other requirements are only applicable to firms that provide mortgages, while High Cost Credit Providers are also subject to a specific set of requirements.

1.2.2 Regulation 2 of the Standards for Business Regulations sets out the scope and application of the Standards for Business. The Standards for Business Regulations apply to regulated entities operating in the State (including financial services providers authorised, registered or licensed by the Central Bank and financial services providers authorised, registered or licensed in another EU or EEA Member State) in the conduct of their affairs.

1.2.3 The Standards for Business Regulations do not apply to:

- Services provided by regulated entities to persons outside the State;
- MiFID services (other than services or activities of a person excluded from the scope of the European Union (Markets in Financial Instruments))

³ Central Bank of Ireland (2013) Guidance on the Advertising Requirements of the Consumer Protection Code 2012. Available at: <https://www.centralbank.ie/docs/default-source/regulation/consumer-protection/other-codes-of-conduct/7-gns-4-2-7-guidance-on-the-advertising.pdf?sfvrsn=6>

⁴ Central Bank of Ireland (2024) Mortgages and financial difficulty [online]. Available at: <https://www.centralbank.ie/consumer-hub/mortgages-and-financial-difficulty>.

Regulations 2017 by virtue of Regulation 4(3) of those Regulations).⁵ The Central Bank’s guidance on Securing Customers’ Interests, however, sets out that we expect firms providing MiFID services to consider and apply the guidance in the context of fulfilling their obligation to “act honestly, fairly and professionally in accordance with the best interests of [their] clients”, in accordance with Regulation 31 of the MiFID Regulations;

- Credit unions, other than when acting as insurance intermediaries;
- The activities of a crowdfunding service provider; or
- Reinsurance business.

1.2.4 Part 1 of the Standards for Business Regulations and Part 1 of the Consumer Protection Regulations sets out the scope and application of these regulations. The Consumer Protection Regulations apply to the regulated activities of regulated entities operating in the State, including financial services providers authorised, registered or licensed by the Central Bank and financial services providers authorised, registered or licensed in another EU or EEA Member State when providing services in this State on a branch or cross-border basis.

1.2.5 The types of firms that the Consumer Protection Regulations apply to include:

- Credit Institutions;
- Insurance Undertakings;
- Investment Business Firms, authorised under the Investment Intermediaries Act 1995;
- Investment Intermediaries, authorised under the Investment Intermediaries Act 1995;
- Insurance Intermediaries;
- Mortgage Intermediaries;
- Payment Institutions;
- Electronic Money Institutions;
- Credit Unions, when acting as insurance intermediaries;

⁵ Additionally the guidance, direction and learning for firms set out in the Guidance on Protecting Consumers in Vulnerable Circumstances should also be considered by firms providing MiFID services, where it explains how firms can act in the best interests of consumers in vulnerable circumstances. It should be noted, however, that the Central Bank does not expect firms providing MiFID services to comply with Trusted Contact Persons requirements and training requirements.

- Regulated entities providing retail credit;
- Home Reversion Firms;
- Debt Management Firms;
- Credit Servicing Firms;
- Crowdfunding Service Providers;
- Credit purchasers; and
- Firms providing MiCAR services.

1.2.6 The Consumer Protection Regulations do not apply to:

- Services provided by regulated entities to persons outside the State;
- MiFID services (other than services or activities of a person excluded from the scope of the European Union (Markets in Financial Instruments) Regulations 2017 by virtue of Regulation 4(3) of those Regulations)⁶;
- Reinsurance business; and
- Credit unions, other than when acting as insurance intermediaries.

1.3. Definitions and Terminology

1.3.1 The Code uses the terms ‘consumer’ and ‘customer’ throughout. The term ‘customer’ includes any person to whom a regulated entity is providing, or, has provided, a financial service, or whose custom the regulated entity might be soliciting, via marketing, advertising or other forms of offering, and is therefore a potential customer of the regulated entity.

1.3.2 In general, firms only deal with consumers with whom they have a contract but firms will not always be dealing with someone who is already an actual customer. For example:

- when approving or communicating a financial promotion,
- when answering a question from a prospective customer, or

⁶ The Central Bank’s Guidance on Securing Customers’ Interests, however, sets out that we expect firms providing MiFID services to consider and apply the guidance in the context of fulfilling their obligation to “act honestly, fairly and professionally in accordance with the best interests of [their] clients” in accordance with Regulation 31 of the MiFID Regulations. Additionally the guidance, direction, and learning for firms set out in the Guidance on Protecting Consumers in Vulnerable Circumstances should also be considered by firms providing MiFID services, where it explains how firms can act in the best interests of consumers in vulnerable circumstances. It should be noted, however, that the Central Bank does not expect firms providing MiFID services to comply with Trusted Contact Persons requirements and training requirements.

- where a prospective customer applies for a product or service, even if they do not proceed to enter into a contract with the firm.

The definition of ‘customer’ includes existing customers, prospective customers and former customers (i.e. those who are not current customers).

- 1.3.3 In some cases, the use of the term ‘customer’ (or ‘consumer’) will only refer to current customers, and it will not be appropriate (or relevant) to apply the requirement in respect of customers that are not current customers. In other cases the context of the requirement will demand that the term ‘customer’ (or ‘consumer’) will also include, where appropriate, potential customers and/or former customers (that are not current customers). For example, assessments of suitability of alternative arrangements for customers of a branch of a credit institution only applies in respect of existing customers.
- 1.3.4 ‘Consumer’ is a subset of all customers and is defined in the Code as being limited to a specific class of customer that is:
- a) a natural person,
 - b) a group of natural persons, including a partnership, club, charity, trust or other unincorporated body, or
 - c) an incorporated body, that is not –
 - i. an incorporated body that had an annual turnover in excess of €5 million in the previous financial year, or
 - ii. an incorporated body that is a member of a group of companies having a combined turnover greater than €5 million in the previous financial year.
- 1.3.5 The Standards for Business Regulations apply, for the most part, in respect of business done with all customers as defined. However, the Standards for Business and Supporting Standards for Business dealing with securing customers’ interests and countering the risks to customers of financial abuse only apply in respect of those customers who are ‘consumers’.
- 1.3.6 The Consumer Protection Regulations generally apply only in respect of that business done by regulated entities with customers who are consumers. In some cases, the obligations of the Consumer Protection Regulations are further limited to customers who are personal consumers i.e. natural persons acting outside their business, trade or profession.
- 1.3.7 The term ‘affected consumer’ is referred to in a number of requirements within the regulations. Where it appears it is generally in relation to notifying ‘affected

consumers' of an issue that affects them and/or identifying 'affected consumers'. The term has not been defined in the Consumer Protection Regulations, as the ordinary meaning of the word applies. As such, the Central Bank does not necessarily expect that all customers of a firm must be notified of every change or development, but that where a change (e.g. to the terms of business, or to certain fees or charges) will affect certain consumers, then those consumers should be notified in line with the relevant requirement. It is for a firm to determine in the circumstances which of their consumers are affected.

- 1.3.8 A number of requirements require consideration of the term 'average consumer'. This appears several times in the regulations and, again, the term is not defined within the Code. This is because the meaning of 'average consumer' may differ from one firm to another, across a product or service line offered by that firm, or across different financial services sectors. One product or service type offered by a firm may be more likely to attract sophisticated investors, with higher levels of financial literacy. Other more basic financial products or services might be targeted at all customers (e.g. bank accounts) in which case the average customer may have more limited knowledge and lower levels of financial literacy. The concept of 'average consumer' is particularly relevant in terms of firms considering whether their communications are likely to be understood by the customers intended to receive the communication.
- 1.3.9 References to variable interest rates throughout the Consumer Protection Regulations should be interpreted as including tracker interest rates.

1.4. Assessing Compliance

- 1.4.1 This Guidance, Guidance on Securing Customers' Interests, Protecting Consumers in Vulnerable Circumstances and the Central Bank's Guide to Consumer Protection Risk Assessment (CPRA Guidance)⁷, which sets out the Central Bank's expectations of firms' consumer risk management frameworks, are complementary documents, which should be read together. They have been developed to support firms in implementing their Code requirements and risk management frameworks. The CPRA Guidance describes the Central Bank's expectations of regulated financial services firms in implementing or enhancing their frameworks for managing risks to consumers, which should support firms in assessing the effectiveness of their frameworks. While, as noted in the CPRA Guidance, firm-specific CPRAs will form a key part of our supervisory framework for credit institutions, non-bank lenders, insurance undertakings, investment firms,

⁷ Central Bank of Ireland (2017) *CPRA guide to Consumer Protection Risk Assessment*. Available at: <https://www.centralbank.ie/docs/default-source/regulation/consumer-protection/170328-cpra-guide-28-march-2017.pdf>

large retail intermediaries, payment institutions and e-money institutions, it reflects questions that all firms can ask themselves when assessing compliance with consumer protection obligations.

- 1.4.2 This Guidance includes a number of case studies and examples to support firms in implementing certain Code requirements. As a set of illustrative, non-exhaustive case studies and examples, we do not intend to cover every scenario or situation that may arise for a sector or firm. While the examples may refer to a specific sector or product, the principles and learnings highlighted in these examples are potentially relevant for all sectors and firms.
- 1.4.3 We expect all firms to take the principles and learnings highlighted in each of the examples (set out in the numbered boxes) and consider how they apply for their specific sector, business model or product or service offering. Firms should consider how the case studies and examples as set out may be relevant for their sector and for the range of products or services that a firm provides.

1.5. Data Protection Obligations

- 1.5.1 The requirements set out in the Code operate without prejudice to those obligations that firms have under the General Data Protection Regulation⁸ or Irish data protection laws. Nothing in the Code should be interpreted as removing a firm's obligations in relation to its approach to the collection, processing, and retention of personal data, and to ensure that its approach is consistent with those laws.

⁸ European Commission (n.d.) *Legal Framework of EU data protection* [online]. Available at: https://commission.europa.eu/law/law-topic/data-protection/legal-framework-eu-data-protection_en.

Section - 2 Guidance on Standards for Business Regulations

2.1.1 As noted in section 1.2, the Standards for Business Regulations set out governance, resource and risk management requirements for firms. They also set out conduct standards for firms. These are complemented by Supporting Standards for Business which provide further detail on firms' obligations. Guidance on Securing Customers' Interests⁹ articulates the Central Bank's expectations of firms in meeting their obligation under the Standards for Business to secure customers' interests. This section sets out guidance for firms in implementing a number of the Standards for Business Regulations.

2.2. Informing Effectively

Standards for Business Regulations - Regulation 4(1)(e) & Regulation 9

2.2.1 Informing consumers effectively enables them to make informed decisions to meet their financial needs. It allows them to compare products and services, shop around for better value, and to have trust and confidence in the financial services sector.

2.2.2 The importance of informing effectively is reflected in this Regulation, which requires that firms ensure that all information provided to customers is presented in a way that effectively informs the customer. This Standard for Business is supplemented by a Supporting Standard for Business on Informing Effectively.

2.2.3 Firms are required to inform their customers effectively, including by:

- ensuring that information is provided to a customer in such a way that the material features of the product or service in question can reasonably be understood by the customer;
- ensuring that all information provided to a customer is clear, accurate, up to date, and written in plain and accessible language, avoiding the unnecessary use of technical terms; and
- providing information to customers on a timely basis, and bringing key information to the attention of customers.

2.2.4 In seeking to ensure they inform their customers effectively, firms should take seven core considerations into account when drafting and delivering information to customers.

Consideration 1 - Customer profile

⁹ Central Bank of Ireland (2025) *Guidance on Securing Customers' Interests*.

2.2.5 Firms must consider the profile of the target audience for any information they are providing. Customers' needs, levels of financial literacy, knowledge and experience vary. Firms will need to carefully consider all of these variables and decide how to best design and deliver information to these customers (which includes potential customers). This can help to address the asymmetry in knowledge and information between firms and customers. Considerations should include:

- Who is the firm communicating with – does the target market have specific needs or characteristics such as lower level of digital or financial literacy?
- Are there cohorts of consumers in vulnerable circumstances, who may have specific information needs? For example, certain cohorts of consumers may have a language other than English as a first language, so consideration could be given to how to ensure that all communications and information about products and services are understandable for consumers in the target market and customer base.
- Do some customers have accessibility needs and can information be presented in ways that address these needs – for example, firms should consider if people using assistive technologies such as voice commands can navigate information.
- Consideration could be given to the use of Braille display, hearing induction loops, relay text audio explanations and access to Irish Sign Language interpreters (ISL).

Consideration 2 – Content

2.2.6 Content should be drafted to meet the needs of customers and support their understanding taking into account their level of financial literacy and familiarity with financial concepts. Content should be focused on the information a customer needs to make an informed decision. The use of scenarios and illustrative examples can assist customers in understanding the features and characteristics of financial products. In some instances, an FAQ, glossary or jargon buster could help customers.

Case Study 1 – Marketing and Advertising of Investment Products

In October 2024, the Central Bank published research on the experience of retail investors regarding investment firms' marketing and advertising materials.¹⁰ One of the findings of the research found a discrepancy between the approach taken by firms in terms of language and content describing and marketing the overall benefits of a product and the risks associated with the product.

Investors reported that products' benefits are often explained in plain language and illustrated using graphs and visuals. However, when it comes to risks and warnings, the language tends to become much more technical, and text based. This inconsistency can potentially lead to less engagement with content relating to risks and warnings.

“The language and tone of voice used on the site when describing the benefits is layman's language, which is good. However, the language and tone used in the risks requires some financial literacy as it uses terms specific to finance e.g. hedging, derivatives, liquidity risk and the tone becomes more corporate and serious here.” (Mystery shopping exercise, consumer quote)

The same effort should be taken to clearly communicate the risks of a product, as has been taken to outline the benefits and advantages of a product, and efforts should be made to provide information on risks of a product in simple terms to support investors' understanding.

- 2.2.7 Firms should also consider referring customers to other available information and support tools including for example the information and tools provided by the Consumer and Competition Protection Commission (CCPC)¹¹ and the Money Advice and Budgeting Service (MABS).¹²

Consideration 3 - Language

Standards for Business Regulations – Regulation 9(b)

- 2.2.8 Firms must use plain language in their communications. They should consider using the ISO Plain Language Standards, NALA's Writing and design tips, the NDA's

¹⁰ Central Bank of Ireland (2024) *Consumer Research Bulletin Marketing and Advertising of Investment Products*. Available at: https://www.centralbank.ie/docs/default-source/publications/consumer-protection-research/consumer-research-bulletin-marketing-and-advertising-investment-products.pdf?sfvrsn=44b1661a_6

¹¹ Competition and Consumer Protection Commission *Money tools*. Available at: <https://www.ccpc.ie/consumers/money-tools/>

¹² Money Advice and Budgeting Service *Welcome to MABS, the Money Advice and Budgeting Service*. Available at: <https://www.mabs.ie/en/>

Accessibility Toolkit, and the Customer Communications Toolkit for the Public Service to assist them in meeting this requirement.

Consumer Protection Regulations – Regulation 47

2.2.9 In its communications with customers, firms should avoid using unnecessary technical terms or jargon. When providing information to consumers, it is a requirement that where the use of technical terms cannot be avoided, firms must explain the meaning of technical terms in plain language where first used, or in a clearly referenced glossary.

Consideration 4 - Display

2.2.10 How firms display information to customers can significantly influence how customers will interact with it and whether they are effectively informed. Poor presentation of information can distort customers' ability to assess the benefits and risks of financial products and services. Firms should consider if key information could be highlighted with the use of display features such as layering and the use of spacing, bold font or colour.

Consideration 5 - Delivery channel

2.2.11 In communications with customers, firms should consider and determine the most appropriate channel to communicate and deliver information to their customers. Firms should select the delivery channel most appropriate for the profile of their customers. Firms should consider the characteristics of the customers that their communications are aimed at and determine what is the most effective mechanism or channel that could be used to effectively inform their customers. For example, and without prejudice to any legal requirement to provide the information in writing, giving information in a video or an infographic could assist customers. These mechanisms could support conveying of key messages and support engagement and understanding.

Consideration 6 - Timing

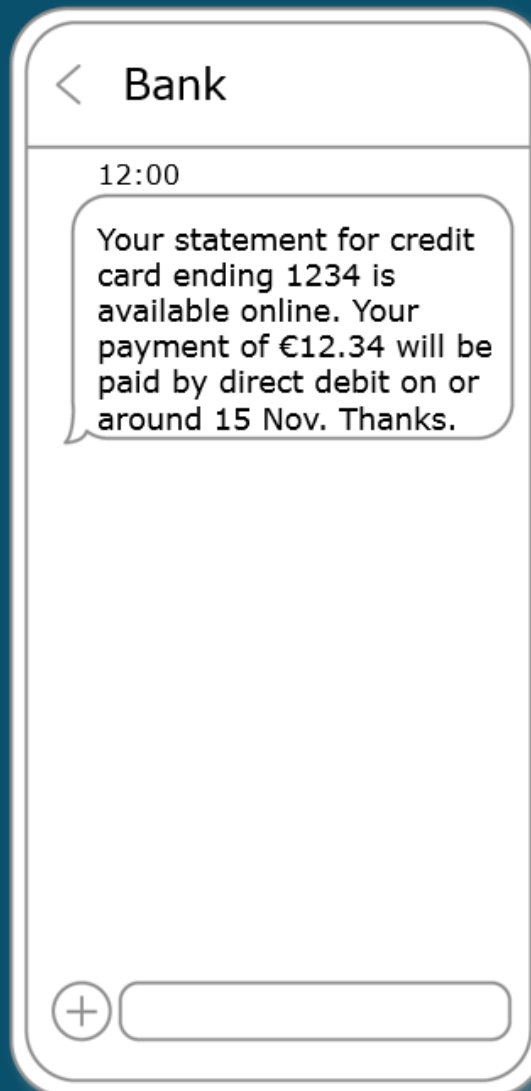
2.2.12 Well-timed communication from firms to their customers, including at appropriate points in the product lifecycle, will support customers in their ability to make informed decisions about a financial product or service. Providing information at the right time increases the likelihood that customers will actively engage with it. There could be various points over a product or service lifecycle where it would be useful to receive information. For example overdraft alert mechanisms (through text messages or other delivery channels) when a customer is about to utilise a pre-arranged overdraft, due to a scheduled payment such as a direct debit or if the account has already gone into overdraft, for example, through a cash withdrawal. Such notifications can assist customers in staying aware of their overdraft utilisation and associated fees and charges.

- 2.2.13 There can be changes to a product or service over time. Features of a product may change in particular for longer-term contracts. In addition, customers' circumstances and financial needs and objectives may also change over time and at particular stages of life or as a result of life events. Firms should communicate with customers at appropriate stages of the customer and product lifecycle. For example prior to an introductory offer period ending, so that customers have sufficient time to consider if a product continues to meet their needs and if it no longer does, that they have time to take appropriate actions.
- 2.2.14 Consumer research carried out by the Central Bank in relation to pensions and retirement income, highlighted that the level of a consumer's engagement with their pension can be affected by the communications they receive from their scheme or provider.¹³ Consumers' understanding of and engagement with their retirement needs, and with their pension funding, needs to be improved, for example, through better and more relevant information for consumers on private pension products. The research noted that consumers reported that the most significant improvement that could be made in relation to communications about their pensions was for consumers to receive more frequent information.

¹³ Central Bank of Ireland (2024) Consumer Research Report Pension and retirement income Key challenges for consumers. Available at: <https://www.centralbank.ie/docs/default-source/publications/consumer-protection-research/pension-and-retirement-income-july-24.pdf>.

Case Study 2 - How to inform effectively – appropriate delivery channel and timing

A bank sends its credit card customers a text message up to three weeks in advance to notify them of a payment due. This clearly sets out the payment amount to be paid, the date the payment is due and informs the customer that the payment is to be made by direct debit on that specific date.



Customers may find this notification useful as it specifies the key information in a short text message that is delivered at the appropriate time for the customer to take action. The message notifies the customer of the specific amount that will be taken from a (current) account on a specific date, so that the customer can ensure that they have sufficient funds in that account prior to the direct debit issuing.

Consideration 7 – Testing and Review

2.2.15 Often the firms and those involved in the development of communication and content provided to customers will have a detailed understanding of the

information in the specific communications that they provide to customers. However, this does not guarantee that the customers who the communications are targeted at understand the communications. Testing and review can help to ensure that firms are informing their customers effectively.

- 2.2.16 The level of testing and review should be informed by the nature and complexity of the communication which is issuing to customers. Firms should consider testing the effectiveness of the information they give to customers at two points - both (1) before, and (2) after, the provision of the information. For example, communications or content for new product development or launches, marketing and other supporting material could be tested with focus groups to check whether the content is understandable and supports their ability to make informed decisions. Focus groups could include civil society groups, for example those representing people with disabilities.
- 2.2.17 Firms should also consider testing information after information has been provided. For example, firms could consider using mystery shopping or focus groups to gather feedback and assess the effectiveness of their communications with customers.
- 2.2.18 Information and communications should be reviewed on a regular basis to ensure it continues to inform customers effectively. Firms should also review compliance reports to identify any trends in complaints which may suggest weaknesses in information provision.

Case Study 3 - informing effectively to increase engagement and impact

The Central Bank conducted research in 2022 to test how targeted enhancements to existing disclosures on available lower cost mortgage products provided by a lender could prompt greater take-up by customers of advantageous mortgage refinancing opportunities.¹⁴

Enhancements designed to tackle a series of behavioural biases, which have been shown to deter optimal financial engagement; including, inattention, present bias and procrastination were tested.

These enhancements included simplification of information, provision of personalised savings estimates (in various formats including the use of a gain frame and a loss frame), provision of key information in colour rather than black and white and use of prominent subject lines.

The format set out below was found to be the most effective:

¹⁴ Central Bank of Ireland (2022) *Targeted communications with mortgage borrowers can help to improve uptake of refinancing opportunities*. Available at: <https://www.centralbank.ie/news-media/press-releases/targeted-communications-with-mortgage-borrowers-can-help-to-improve-uptake-of-refinancing-opportunities-8-december-2022>.

Mortgage Account Number: 1234567

You may be able to save money on your mortgage

Dear John,

Your current mortgage interest rate is a standard variable rate of 4.5%. We want to make sure you are getting the best deal and we may have a lower interest rate for your mortgage.

Current monthly repayment at 4.25%:	€716	<ul style="list-style-type: none">• We have a range of interest rates that could save you money.• Our lowest rate is a fixed rate of 2.9%, which could result in an immediate monthly saving to you of about €126. Over the course of a full year, that's approximately €1,512 in savings.• Below, we outline the full range of interest rate options currently available, along with the next steps to take if you wish to choose one of these alternative options.
Potential monthly repayment at 2.9% fixed:	€590	
Estimated difference in monthly repayments	-€126	
Potential difference over the year:	-€1,512	

Explaining the tables below

These tables show you the interest rates along with the Annual Percentage Rate of Charge (APRC). We explain APRC at the end of this letter. The rates may vary by Loan to Value (LTV) ratio. We also explain LTV at the end of this letter.

Fixed interest rates

Fixed interest rate options	Loan to Value Up to 60%	Loan to Value 61-80%	Loan to Value over 80%	Difference in monthly repayments	Difference over the year
1-year	2.9% (3.9% APRC)	2.9% (4.2% APRC)	2.9% (4.4% APRC)	-€126	-€1,512
2-year	2.9% (3.8% APRC)	2.9% (4.0% APRC)	2.9% (4.3% APRC)	-€126	-€1,512
3-year	3% (3.7% APRC)	3% (3.9% APRC)	3% (4.1% APRC)	-€118	-€1,416
5-year	3% (3.6% APRC)	3% (3.7% APRC)	3% (3.9% APRC)	-€118	-€1,416
10-year	3.3% (3.5% APRC)	3.3% (3.6% APRC)		-€95	-€1,140
10-year			3.5% (3.8% APRC)	-€80	-€960

This communication increased refinancing activity among mortgage holders by 76% when compared against the pre-existing standard notification.

This research clearly evidences the impact that enhanced disclosure measures can have on the effectiveness of information presented to customers. In this case, the combination of a simply presented personalised savings estimate and displaying key information in colour rather than black and white was shown to significantly impact on customers' refinancing behaviour.

The research also evidenced the impact of the timing of the provision of information with the provision of reminder 4-6 weeks after the original communication shown to help to address procrastination and forgetfulness and strengthen the impact of the initial notification.

The research demonstrates how small changes, carefully applied and pre-tested can have a significant impact on the effectiveness of information.

Firms should continually focus on ways they can improve the effectiveness of the information they provide to customers. This includes regulatory disclosures. For example, under EU requirements,¹⁵ firms who sell Packaged Retail Insurance-based Investment Products (PRIIPs) must provide investors with a Key Information Document (KID). Firms are required to share the KID with consumers in advance of their final consent to purchase. The purpose of the KID is to provide investors with a simple, generic and concise document that provides key information on the investment product.

Notwithstanding the prescriptive nature of the PRIIPs KID requirements, firms should still give consideration to how they can contribute to customer engagement with and understanding of the information provided in the KID. However, in practice we have seen examples of KIDs where it is clear that the firm has taken a 'tick box' approach to the provision of information via a KID with limited attempts to support navigability and understanding through the use of plain language, layout, font size and use of headings and colour or bold.

The findings and learnings from the research on mortgage refinancing have direct relevance for all firms as they consider how to most effectively present information to their customers. They can be applied across many types of information and disclosures provided by firms to their customers. Firms should have a continued focus on what steps they can take to improve the effectiveness of the information they provide to their customers.

¹⁵ Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs).

Case Study 4 - informing effectively to drive action-taking by customers –Home Insurance Market

The Central Bank carried out a review in 2022 that showed evidence of increasing levels of under-insurance in the home insurance market as a result of an increase in rebuild costs.¹⁶ Under-insurance can cause significant consumer detriment, as if a property is underinsured it can result in customers not being fully covered for losses if they have to make a home insurance claim. The review found that not all firms were sufficiently highlighting key risks to consumers.

A number of areas were identified where further action was needed by firms to make consumers aware of the risk and implications of under-insurance. The Central Bank outlined a range of steps that firms were required to undertake to communicate the risk of under-insurance to customers in a clear and understandable way by:

- Writing to all home insurance policyholders explaining under-insurance;
- Setting out the implications of being under-insured, the reasons why this is currently a heightened risk and how policyholders can better estimate the adequate insured value;
- Providing clear worked examples of the consequences of under-insurance in the event that a policyholder had to make a claim where their home was underinsured; and
- Treating the risk of under-insurance as ‘key information’ and disclosing it as such to customers.

The impact of this communication was that customers were effectively informed about the risks and consequences of being under-insured and prompted to take appropriate actions to address this risk. This example is set in a specific context and should over insurance be identified, then we would expect firms to advise of the risk of over-insuring, whereby customers pay excess premiums based on cover that is not required.

In this case study the Central Bank identified a gap in firms’ engagement with their customers on an important customer risk and instructed firms to engage effectively with their customers on this matter. We expect firms to proactively consider what information their customers need to support them in making informed decisions to protect their financial well-being.

2.3. Unregulated Activities

- 2.3.1 Customers need clarity on what is regulated and what is not regulated. Where regulated firms engage in regulated and unregulated activities, there is a heightened risk that customers may misunderstand their protections because of the firm's regulated status.
- 2.3.2 Firms are required to clearly distinguish between the entity's regulated activities and its unregulated activities for customers, by taking all appropriate steps to mitigate the risk that a customer will understand an activity to be, or to carry the protections of, a regulated activity where this is not the case. Where regulated firms do undertake unregulated activities, as noted in the Guidance on Securing Customers' Interests the obligation to secure customers' interests applies to a firm in the conduct of its affairs. Firms should view good culture and a commitment to securing customers' interests as being central to its relationship with its customers, irrespective of the regulatory status of the product or service in question. Good culture and a commitment to securing customers' interests does not turn on or off depending on the legal or regulatory status of the business that a regulated firm does with its customers.

Definition of unregulated activities

Standards for Business Regulations - Regulation 3

Consumer Protection Regulations - Regulations 72 & 73

- 2.3.3 Unregulated activities is defined in the Code as the provision of financial services, which are not otherwise regulated activities, to consumers in the State. Therefore, the unregulated activities requirements, as set out in the Standards for Business Regulations, apply to regulated entities when providing unregulated financial products and services. Similarly, additional disclosure requirements in the Consumer Protection Regulations also apply where a regulated entity is providing unregulated financial products and services. The Supporting Standards for Business and Consumer Protection Regulations do not apply when regulated entities provide non-financial products and services such as, for example, the sale of clothing.

Mitigating the risk of customers misunderstanding regulatory status

Standards for Business Regulations – Regulation 5(h)

- 2.3.4 To meet the obligation under this Regulation, when providing unregulated financial products or services, firms must consider if there is a risk that customers

¹⁶ Central Bank of Ireland (2022). *Central Bank review identifies evidence of increasing levels of under-insurance in the home insurance market*. Available at: <https://www.centralbank.ie/news/article/central-bank-review-identifies-evidence-of-increasing-levels-of-under-insurance-in-the-home-insurance-market>.

may misunderstand the regulatory status of the unregulated products and services that the firm provides and take appropriate steps to mitigate associated risks. This should include consideration of the potential impact that any misunderstanding or confusion could have on consumers, which will depend on the nature of the product or services and potential for harm or loss to the consumer.

2.3.5 For example, a regulated firm may want to undertake complex high-risk investment activities that are unregulated, such as the sale of non-transferable loan notes. These complex high-risk investment activities present a significant risk of misunderstanding or confusion for consumers as some of their features are similar to regulated investment products. In terms of the potential impact of customer misunderstanding or confusion - a consumer of such an unregulated product might incorrectly assume, for example, that they are entitled to statutory levels of compensation available to 'eligible clients' in the event that the firm is unable to return money or investment instruments it owes to consumers who invested with it. In such cases, the risk that consumers will misunderstand the regulatory status of the unregulated product or service is very high, and it could be challenging to effectively mitigate the associated risks.

2.3.6 However, there may be cases where it will be possible for the risks associated with the provision of unregulated activities of regulated firms to be mitigated by firms. This will most likely occur where the risk of misunderstanding and the potential for harm or loss to the consumer is low. For example, a regulated firm may choose to provide ancillary services such the provision of a tax return service alongside its regulated activities. Given the nature of the service that is being offered, there is a relatively low risk of misunderstanding by the customer as to the nature of the offering and the relative potential for financial loss is low. In these scenarios, we expect firms to comply with the requirements in the Code¹⁷, for example, clearly stating on marketing material that the service is not a regulated financial product (in line with the text of the required warning) and displaying the service and accompanying material on a webpage that is separate to its regulated financial products.

How firms can clearly distinguish between unregulated and regulated activities

2.3.7 To ensure that they are clearly distinguishing between unregulated and regulated activities firms:

¹⁷ Consumer Protection Regulations, Regulations 72, 73; Standards for Business Regulations Regulation 5(h).

- Should clearly and effectively communicate the regulatory status of the activity or product, and not imply that the activity or product is regulated if it is unregulated;
- Should provide appropriate disclosures and risk warnings in a prominent position on information provided to clients. ‘Information’ includes but is not limited to brochures, information memoranda, webpages and other marketing materials;
- May only use regulatory disclosure statements in communication with consumers where such communications relate solely to a regulated activity. When engaging in unregulated activities, information provided to the consumer, including any marketing material, cannot include reference to the firm being authorised/regulated by the Central Bank of Ireland.

Branding and use of websites

2.3.8 Firms must ensure that the use of branding does not contribute to the risk that customers will misunderstand an activity or product to be, or to carry the protections of, a regulated activity where this is not the case. This risk of confusion is increased in particular where a product or service has similar characteristics to a regulated financial services product or service provided by a group-entity with similar branding.

Consumer Protection Regulations – Regulation 72

2.3.9 This regulation requires information on regulated and unregulated activities to be kept on separate webpages on a website.

2.3.10 Consideration should also be given to the use of branding on website pages and the potential for this to create confusion on the regulatory status of products and services. It should be clear to customers when they are moving outside the regulatory space. This can be supported through the provision of disclosures and warnings but firms also need to consider if the use of branding can contribute to customer or potential customer confusion. In some cases it may not be appropriate to utilise branding on website pages relating to unregulated activities. In determining whether it is appropriate to use firm branding on website pages, firms should give consideration to the risk and impact of confusion on the regulatory status of products and services in line with the guidance provided in section 2.3.9. above.

2.3.11 This approach should also be applied where firms use apps to provide regulated and unregulated activities, products or services and information on these.

2.4. Financial Abuse

Standards for Business Regulations – Regulations 4(1)(f) & 10

Consumer Protection Regulations – Regulation 2

2.4.1 To ensure that firms are taking the necessary steps to protect the system and their customers from financial abuse including frauds and scams, the Standards for Business require firms to control and manage their affairs and systems to counter the risks to customers of financial abuse.

2.4.2 This Standard for Business is complemented by a Supporting Standard for Business on financial abuse, which includes a requirement for firms to communicate clearly to their customers the risk of financial abuse, including where the firm is aware of the occurrence of digital frauds or scams, the supports available and the actions customers can take where they are a victim of financial abuse.

2.4.3 The definition of financial abuse in the Code has two elements. The first addresses ‘the wrongful or unauthorised taking, withholding, appropriation, or use of a consumer’s money, assets, or property’. This describes a fraud or scam. The people who commit such frauds or scams are typically strangers to the victim.¹⁸

2.4.4 The second part addresses any act or omission by a person, including through the use of a power of attorney, guardianship, or any other authority regarding a consumer, to –

- i. obtain control, through deception, intimidation or undue influence, over the consumer’s money, assets or property, or
- ii. wrongfully interfere with or deny the consumer’s ownership, use, benefit or possession of the consumer’s money, assets or property;

The people who commit this type of financial abuse are typically known to the victim.

2.4.5 The definition of financial abuse is not restricted to specific types of financial abuse that may occur. This definition extends to emerging threats such as AI-driven fraud (e.g. synthetic identity fraud, deep fake scams, AI voice cloning scams) and digital exploitation (e.g. financial abuse through digital payments or social media financial scams). The requirements in the Code apply where the circumstances of financial abuse meet the criteria set out in the definition. This ensures that the application of the relevant protections for consumers of firms are sufficiently broad to capture

¹⁸ Safeguarding Ireland (2024). *Challenges and opportunities in preventing financial abuse – Moving Forward and Leaving No One Behind*. Available at: <https://safeguardingireland.org/wp-content/uploads/2024/11/Challenges-and-Opportunities-in-Preventing-Financial-Abuse-Adult-Safeguarding-Day-7th-Nov-2024.pdf>

the many different incidences of financial abuse that may occur. Examples that are captured within the definition of financial abuse in the Code include:

- Elder financial exploitation¹⁹
- Identity theft
- Unauthorised payment fraud; sharing of credentials (pins, passwords)
- Coercive control
- Financial exploitation by caregivers
- Economic control or abuse in intimate relationships or
- Financial neglect.

This is a non-exhaustive list provided to show that many specific types of financial abuse are captured within our definition of financial abuse.

Scope of the financial abuse requirements

Standards for Business Regulations – Regulation 2(3) and 10

2.4.6 In the Code, firms have an obligation towards their customers who are consumers to counter the risks of financial abuse. Potential customers are not included in the scope of the requirement. A firm’s financial abuse obligation is only towards its existing customers.

Clear and Timely Notification of Financial Fraud

Standards for Business Regulations – Regulation 10(d)

2.4.7 Firms need to counter the risk of financial abuse to customers who are consumers. Where firms are aware of any digital frauds or deception connected to its affairs, or specifically relevant to the sector in which the firm is operating, they must notify its consumers through ‘clear and timely’ communications. The firm’s response needs to be proportionate to the probability of risk to the customer and the potential level of harm should the risk materialise. Timely communication in this context, is information that the firm delivers as soon as it is aware of the potential digital fraud or deception and have considered the probability of the risk and harm materialising for customers.

¹⁹ US Treasury Financial Crimes Enforcement Network (2024) *Elder Financial Exploitation: Threat Pattern & Trend Information, June 2022 to June 2023*. Virginia: US Treasury. Available at: https://www.fincen.gov/sites/default/files/shared/FTA_Elder_Financial_Exploitation_508Final.pdf.

Section - 3 Guidance on the Consumer Protection Regulations

3.1.1 As noted in section 1.2, the Consumer Protection Regulations set out cross-sectoral requirements applying across all sectors, and other sector specific requirements applying to the provision of Consumer Banking, Credit and Arrears, Insurance and Investments. These requirements apply to the regulated business of firms conducted with customers who meet the definition of 'consumer' i.e. individuals and small businesses.

3.2. Knowing the Consumer and Suitability

3.2.1 To offer products and services that meet their customers' needs, firms must have a comprehensive understanding of their customers' financial needs and objectives, and must ensure effective processes are in place for assessing suitability.

3.2.2 Firms are required to comply with data protection regulations²⁰ in respect of all data processing activity required by the Code. Data gathered for the purposes of assessing suitability should be used solely for the purpose for which it was gathered and cannot subsequently be processed for other purposes, such as marketing, without the consent of the consumer.

3.2.3 Firms are required to conduct a thorough suitability and assessment process before offering any financial service or product, thereby minimising risk of unsuitable recommendations.

3.3. Sustainability Preferences

Consumer Protection Regulations – Regulations 16, 17 & 18

3.3.1 Increasingly, environmental and sustainability considerations are important considerations for consumers and can play a role in consumer decision-making in determining which financial product or service to choose. Within that context, the Code includes a number of requirements in relation to customers' sustainability preferences.

3.3.2 Sustainability preferences with regard to a financial service are required to be gathered, where relevant. The statement of suitability is required to identify where a financial product or service meets any sustainability preferences gathered from the consumer. However, the assessment of the suitability of a financial product or service for a consumer should exclude assessment of information on sustainability preferences. The rationale for setting out the requirement in this way is so that

²⁰ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

customers' sustainability preferences do not over-ride consumers' needs and objectives, personal circumstances, financial situation and attitude to risk.

3.3.3 In terms of the sequencing of the process for gathering and utilising information on sustainability preferences firms will:

1. Gather information on the consumer's sustainability preferences, where relevant, as part of the process of gathering information required under Regulation 16 which will include information on the consumer's needs and objectives, personal circumstances, financial situation and where relevant attitude to risk.
2. Assess suitability and select suitable product(s) for the consumer based on their needs and objectives, personal circumstances, financial situation and attitude to risk in line with Regulation 17.
3. Determine if any of these products have sustainability features that meet the sustainability preferences gathered from the consumer.
4. Provide a statement of suitability in line with Regulation 18, which sets out products identified as suitable, based on the criteria considered in step 2, and identify where these meet any sustainability preferences gathered from the consumer.

3.3.4 Notwithstanding the requirement set out in Regulation 16, it is important for firms to note that, where the financial product or service being sought does not and could not have any sustainability features, firms are not required to collect information on consumers' sustainability preferences. Nor are firms required to reflect information on sustainability features in the statement of suitability as this is not appropriate to the nature of the product or service.

Statement of suitability to be provided

Consumer Protection Regulations - Regulations 16(11) & 18

3.3.5 When setting out in the statement of suitability the various reasons why a financial product or service is considered to be suitable, the Central Bank expects this to include a clear explanation of how the financial product or service meets, where relevant, the consumer's needs and objectives, personal circumstances and financial situation. It should also detail the reasoning behind selecting a specific financial product or service ensuring clear justification for the advice given. Certain statements such as noting that a financial product or service is suitable because it aligns with the consumers' risk tolerance is not sufficient. It is more

important to state, for example, the financial product or service's risk categorisation and explain how it aligns with the consumer's risk tolerance.²¹

- 3.3.6 If a consumer refuses to provide relevant information, then it follows that it is not possible to properly assess suitability and, as set out in Regulation 16(11), the consumer should be informed that as the firm does not have the relevant information necessary to assess suitability, the firm cannot offer, recommend, arrange or provide the financial product or service sought.

3.4. Conflicts of Interest and Information about Remuneration

- 3.4.1 Conflicts of interest may occur when a firm's commercial or financial interests are not aligned with their duty to act to secure customers' interests. Firms are required to mitigate this risk by identifying, disclosing, and managing any potential conflicts that might influence their advice or services.
- 3.4.2 Transparency regarding remuneration is crucial to ensure customers are fully aware of the incentives received by the firm and to understand potential bias that may affect the advice they receive.

Disclosure of fees, commissions etc. by intermediaries

Consumer Protection Regulations - Regulations 30 - 32

- 3.4.3 Regulation 32 requires an intermediary to make available on its website (or where it does not operate a website, in its public offices), a summary of the details (including an explanation of the arrangement) for any fee, commission, other reward or remuneration receivable from a regulated firm. The intention of this regulation is to make commission arrangements transparent to consumers, particularly where an intermediary has several commission arrangements available to them in respect of the products or services that they are offering to the consumer. The aim of the provision is to encourage product producers and intermediaries to develop commission arrangements that are aligned with the consumer's interests and to help mitigate the risk of commission bias.
- 3.4.4 An intermediary's level of commission must be displayed as an individual number as opposed to a range, where possible. However, when an intermediary's level of commission depends on individual circumstances and can only be displayed as a range, the intermediary must explain the arrangement in the summary and the basis on which the level of commission within the range is decided must be

²¹ European Securities and Markets Authority (2023) *Questions and Answers on MiFID II and MiFIR investor protection and intermediaries topics*. Available at: https://www.esma.europa.eu/sites/default/files/library/esma35-43-349_mifid_ii_qas_on_investor_protection_topics.pdf. – see question 10, 1 Suitability and appropriateness page 44.

disclosed, e.g., intermediary's discretion, whether the level of commission is negotiable, length of time of the policy, length of investment period, etc. In that regard, the disclosure must specify which of the factors is relevant in respect of each arrangement.

3.5. Digitalisation

Consumer Protection Regulations – Regulations 38 - 43

- 3.5.1 Digitalisation in financial services has brought many benefits for firms and consumers and has the potential to bring many more. It can also bring challenges and risks for firms and consumers. We want to ensure that firms support their customers to harness the benefits and take action to mitigate risks.
- 3.5.2 The Code is technology neutral. This means that the Code does not seek to regulate the specific technology used by firms nor the choice of that technology. Regardless of the technology used by firms to interact with consumers, the obligations of the Code must be met.
- 3.5.3 However, because of the risks to consumers associated with digital technologies, the Code contains some specific requirements for firms who use digital technology to provide financial services. The material below provides guidance on a number of these specific requirements. The guidance set out in this section also includes a number of topics which speak to general aspects of digitalisation that firms may deploy, for example structuring and layering of information and filtering. While these are not specific requirements of the Digitalisation section in the Consumer Protection Regulations, they are included under this guidance heading, given that they are relevant to the broader digitalisation topic.

Digital platforms

Consumer Protection Regulations – Regulation 2

- 3.5.4 Many of the Code's 'digitalisation' requirements and some others across the Consumer Protection Regulations apply where a firm is engaging with a consumer using a 'digital platform' e.g. an online system (such as a website) through which contracts can be concluded to provide financial services to consumers. These include requirements for firms to ensure such platforms are designed to be easy to use and navigate with appropriate supports provided, that the technology is tested, and that they produce consistent and objective outcomes for consumers.
- 3.5.5 Firms using digital platforms, and other digital means of communication and engagement, must also ensure that they comply with all relevant Code standards and requirements. For example, the information provided to customers on digital platforms and communications must equally be clear, accurate, and up to date.

Firms using digital technology must also ensure that their products and services and their digital engagement practices²² are not designed to unfairly exploit the behaviours, habits, preferences, or biases of customers leading to customer detriment.

Guidance to be provided on the use and navigation of digital platform

Consumer Protection Regulations – Regulation 40

3.5.6 If a firm is using a digital platform to conduct business with consumers, the firm must give guidance on how to navigate the digital platform. This guidance should take account of the profile of customer base and the complexity of the platform and should align with the principles of informing effectively in the Code. For example, the use of infographics and video explainer may assist customers in navigating digital platforms.

Ease of use and accessibility

3.5.7 There are various techniques and practices that can be utilised by firms to ensure digital services and delivery channels are easy to use and navigate and support informed decision-making.

3.5.8 Firms should identify ways to ensure their digital services and delivery channels are accessible. Firms should look to the NDA's Accessibility Toolkit²³ for advice on how to design their digital platform with accessibility in mind. Firms should also consider the principles contain in the EU's Web Accessibility Directive.²⁴ Firms should consider the following:

- **Screen readers**
Can screen readers like JAWS, NVDA, and VoiceOver operate with the digital platform?²⁵
- **Voice commands**
Are functionalities on the digital platform compatible with voice commands?²⁶

²² These tools include behavioural techniques, differential marketing, gamification, design elements or design features that intentionally or unintentionally engage with retail investors on digital platforms as well as the analytical and technological tools and methods.

²³ National Disability Authority (n.d.) *NDA Toolkits* [online]. Available at: <https://nda.ie/publications-and-resources/toolkits>.

²⁴ European Commission (2023) *Web Accessibility Directive*. Available at: <https://digital-strategy.ec.europa.eu/en/policies/web-accessibility-directive-standards-and-harmonisation>.

²⁵ See for example the European Commission's Shaping Europe's Digital Future is designed to allow compatibility with these screen readers. European Commission (n.d.) *Accessibility Statement* [online]. Available at: <https://digital-decade-desi.digital-strategy.ec.europa.eu/page/accessibility-statement>.

²⁶ W3 Web Accessibility Initiative (2024). *Speech Recognition* [online]. Available at: <https://www.w3.org/WAI/perspective-videos/voice/>.

- **Keyboard Navigation**

Can all functions on the digital platform be used without a mouse?²⁷

- **Font size**

Is the font at least 12-point font size? Can users request an increase in font size?²⁸

- **Design layout**

Does the layout work on a range of devices for example phone, tablet and computer?²⁹

Structuring and layering of information

3.5.9 Structuring and layering describe the separation of information into different interconnected layers that allow a consumer to gradually access information of deeper relevance depending on the options or links they select. Layering can help to break down complex information for consumers, and promote easier navigation and the representation of information in a more manageable format, so that consumers can access the information they need, better understand the information available, take the appropriate time to consider and ultimately make informed decisions.

3.5.10 Layering can help to ensure that all relevant information is not presented to a customer at once, but that through clear and intuitive design, relevant information is identified as available and is easily accessible by the customer.

3.5.11 Features such as tabs on websites, drop-down menus or the use of collapsible sections, where headline or more basic information is initially displayed, with the functionality for the customer to expand the section to access more information can assist the consumer in identifying the information they need and progressively accessing further detail on a product or service.

Scrolling and hyperlinks

3.5.12 When offering financial services or products digitally, firms must ensure that consumers are encouraged to access and read all relevant and important information. This includes designing digital platforms that facilitate easy navigation and promote a thorough review of the content. Sticky navigation bars

²⁷ Centre for Excellence in Universal Design (2023). *Customer Communications Toolkit for Services to the Public – A Universal Design Approach*. 94 Available at: https://universaldesign.ie/uploads/publications/Customer-Communications-Toolkit-2023-PDF_Final.pdf_2024-09-26-162804_exoy.pdf.

²⁸ Centre for Excellence in Universal Design (2023). *Customer Communications Toolkit for Services to the Public – A Universal Design Approach*. 29 Available at: https://universaldesign.ie/uploads/publications/Customer-Communications-Toolkit-2023-PDF_Final.pdf_2024-09-26-162804_exoy.pdf.

²⁹ Centre for Excellence in Universal Design (2023). *Customer Communications Toolkit for Services to the Public – A Universal Design Approach*. 115 Available at: https://universaldesign.ie/uploads/publications/Customer-Communications-Toolkit-2023-PDF_Final.pdf_2024-09-26-162804_exoy.pdf.

(those that stay at the top or other designated area) that follow the user down a digital platform can keep important links and tools accessible, enhancing the user experience, and encouraging deeper engagement with content. Additionally placing compelling calls to action and reminders to ‘scroll for more information’ at key points can prompt users to continue reading. Careful structuring and layout of content on digital platforms, including the use of consistent, clear headings and subheadings, can ensure that all necessary information is reviewed.

- 3.5.13 Hyperlinks should be clearly labelled to reflect the importance, nature, and relevance of the information they direct consumers to. For example, this could include the use of labels like ‘Important Terms and Conditions’. Firms should be cautious when using hyperlinks to ensure these do not direct consumers away from critical information. Firms should avoid the fragmentation of important details set out in multiple hyperlinks, which can obscure the consumers’ overall understanding. Important details should be kept together as much as possible. Providers should assess the effectiveness of hyperlinks by monitoring click-through rates and related consumer behaviour and make changes as required.

Filtering

- 3.5.14 Filtering of products on websites entails providing functionality where users can narrow a list of products or services, based on set criteria or specific product attributes. It is a feature commonly used across a broad range of sectors to support consumers’ product selection and decision-making.
- 3.5.15 Filtering functionality can be a useful tool for consumers of financial products and services in terms of accessing information on relevant products, comparing and understanding their features and ultimately selecting the most suitable product for their needs. Research has found that where filtering is not available, consumers tend to choose products at the top of the page displayed that do not necessarily align with their needs.³⁰
- 3.5.16 When a range of products or options are available firms should consider providing functionality to allow consumers to filter the range of products presented based on criteria selected by the customer and/or change the order of the products displayed. For example, personal loan products could be filtered based on APRs, loan term, sustainable features etc. and displayed from the lowest interest rate to the higher interest rate (see box below for an illustrative example).




³⁰ Financial Conduct Authority (2015). High-Cost Short-Term Credit Price Comparison Websites A behavioural study for the Financial Conduct Authority. Available at <https://www.fca.org.uk/publication/consultation/cp-15-33-behavioural-study.pdf>

Box 1: Filtering

A firm provides a number of personal loan options on its website. To help consumers identify which product is right for them, the firm develops an interactive table that allows consumers to filter and order the products according to their preferences.

Allow filtering from high to low

Select products to show detailed side by side comparison of products

Product Name	APR 	Monthly Repayments 	Total Cost of Credit 	Click to Compare
ABC Personal Loan	6.7%	€234.00	€123.00	<input type="checkbox"/>
XYZ Personal Loan	7.8%	€256.00	€128.00	<input type="checkbox"/>

Consent in a digital context

3.5.17 Consent given by the consumer under the Code must be recorded. Where any Code requirement requires 'written consent' this can be provided in paper formats, by email or other electronic formats. Where any Code requirement does not specify the form of consent, such consent could also be provided by other means including for example via an audio recording of the consumer verbally giving consent.

Durable medium

Consumer Protection Regulations – Regulation 2

3.5.18 The definition of durable medium is:

“any instrument that enables a recipient to store information addressed personally to the recipient in a way that renders it accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.”

3.5.19 Firms employ various forms of durable medium to ensure consumers receive and can retain essential information in an accessible manner. Durable medium includes traditional methods such as hard copy documents and letters as well as digital formats such as PDFs, emails, and information accessible on mobile apps or online platforms. Digital formats can only be considered a durable medium where they satisfy all of the criteria set out in the above definition. The text box below

examines how a number of different formats could meet the criteria to be considered a durable medium.

Box 2: Durable mediums

Email – emails can be addressed to a specific individual and are capable of being stored for future use and reference by that individual. They also allow for the unchanged reproduction of information contained in them, as they can be stored and reproduced unchanged when required.

Mobile apps – a mobile app can allow for information to be personally addressed to a specific individual, stored for future use and reference. To be considered a durable medium it must be possible to ensure that the information from a previous point in time, for example, a bank account statement from last year can be accessed and reproduced in an unchanged form.

Online platform – the criteria for a durable medium could also be potentially met by an interactive website or online platform where users can log in to a secure area on the firm’s platform, and where it provides information that is addressed to a specific individual, which remains accessible in the future by means of the secure login and provides the user the ability to generate unchanged reproductions of information.

Digital platforms – online decision making

Consumer Protection Regulations - Regulation 38(d)

Standards for Business Regulations – Regulation 4(1)(a)

- 3.5.20 The Supporting Standards for Business on Securing Customers’ Interests require firms to take into account the interests of consumers when designing products and services, and the methods of delivery, to ensure that their products and services are not designed to unfairly exploit the behaviours, habits, preferences, or biases of the consumer that could result in customer detriment.
- 3.5.21 Digital platforms should be designed in a way that effectively supports consumers’ decision-making and ensures transactions are suitably paced to reduce the risk of consumers entering into transactions that may be unsuitable due to the speed and ease of the process. Firms should consider the impact the dynamic of online transactions can have on consumer decision making and apply pause features where the risk of consumers entering into transactions that may be unsuitable due to the speed and ease of the online process is high. This risk of this is considered to

be lower where consumers are purposefully online to purchase a financial product or service, for example when using an online platform to purchase/renew their car insurance. Where a consumer is online for one purpose and is then offered a financial product or service, which they had not originally intended to purchase, the risk is higher. The box below sets out two examples of such a scenario.

- 3.5.22 In completing online transactions, sufficient time should be available to the consumer to assess and consider the relevant information so that they are in a position to make an informed decision on whether to proceed with the transaction.

Box 3: Provision of financial services through digital platforms - supporting good online decision making

Buy now pay later (BNPL)

A consumer is purchasing clothing online. At the payment stage the individual is offered a buy now-pay later option to split the payment over multiple instalments. The consumer's original intention was to purchase clothing and pay for the item on a debit card. However, they may be enticed into entering into a short term credit facility that may not be suitable for them due to the speed and ease of the process. The use of a pause feature with a warning statement in such a scenario provides the consumer with the opportunity to 'pause' and consider their decision to enter into a credit agreement (BNPL) before proceeding with the transaction. It is of note that a nationally representative survey³¹, conducted by the Central Bank in 2023, showed consumers exhibit a low level of understanding of BNPL increasing the risk that the consumer may be entering into an agreement that they do not fully understand if they are not given the opportunity to pause and make an informed decision. To help ensure that the consumer is making an informed decision, the BNPL provider should provide concise clearly visible information to the consumer at the point of decision highlighting that the consumer is entering into a credit agreement, for example, displaying details on charges and fees, and what the consequences are for the consumer in the event of default on subsequent payments.

Based on a research study conducted by the Central Bank, presenting concise salient disclosures about the key risks of using BNPL within the payment checkout (i.e. made very visible at the point of decision making) improves consumer's ability to make informed choices about using BNPL. This research demonstrated that these effects are significant for a nationally representative sample of consumers, including consumers who are potentially in vulnerable circumstances.

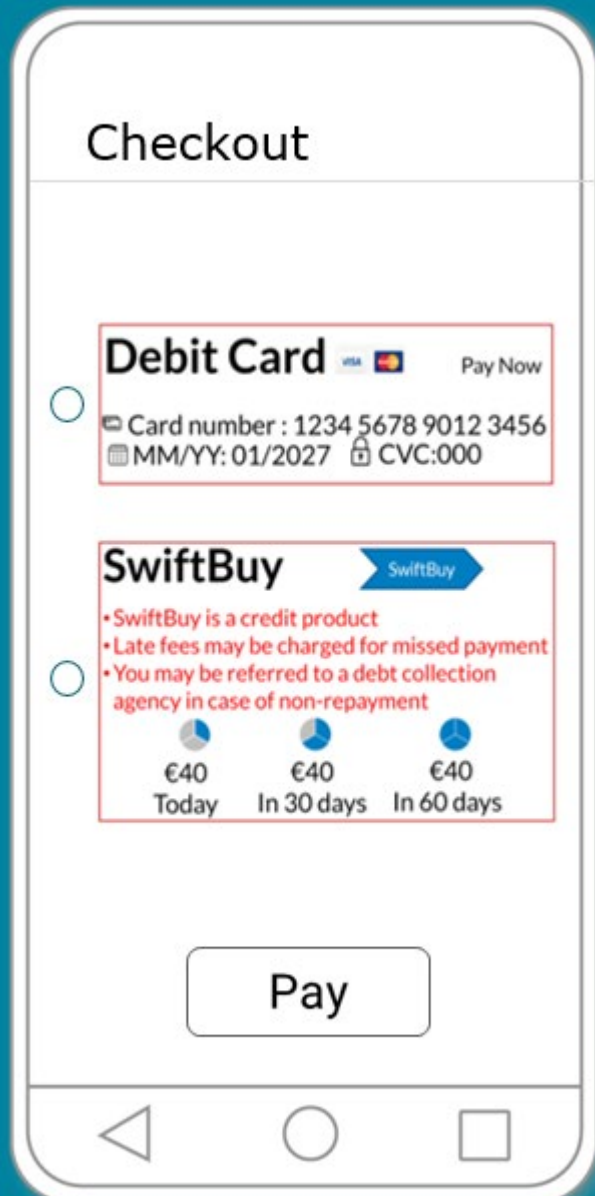
³¹ Central Bank of Ireland (2023). Consumer Research Bulletin Buy Now Pay Later Consumer Insights Update. Available at: https://www.centralbank.ie/docs/default-source/publications/consumer-protection-research/consumer-research-bulletin-buy-now-pay-later.pdf?sfvrsn=7ed49d1d_6.

Figure B provides an illustration of how disclosures can be presented at the payment stage and contrasts with Figure A where no risk-related disclosures are presented during payment. This demonstrates that effective disclosures can be included without creating undue friction to the transaction process.

Figure A : Without Disclosures



Figure B: With disclosures



Insurance as an add-on product

Where a consumer is purchasing products online, in some instances they may be offered insurance cover offered as an add-on – for example gadget insurance when buying a smartphone online, or travel insurance cover when purchasing a flight online. This is another example of a scenario where consumers may be enticed into purchasing a financial product that may not be suitable for their needs due to the speed and ease of the process. As a result, care should be taken to ensure that the consumer has sufficient

information and time to make an informed decision about the option to purchase the add-on insurance through the inclusion of appropriate pause features in the transaction process.

3.6. Regulatory Disclosure Statements

Consumer Protection Regulations - Regulation 71(1)

- 3.6.1 This regulation requires that firms include a regulatory disclosure statement as to their regulatory status for consumers. This should be displayed on mediums including business stationery, webpages and websites that they use in connection with their regulated activities.
- 3.6.2 For SMS (text) messages or WhatsApp messages, a regulatory disclosure statement is not required where the content does not provide details of financial services within the scope of the firms' regulated activities. For example, SMS messages sent to all home insurance policyholders when there are weather events such as storms with instructions on how policyholders can contact a helpline or submit claims do not require a regulatory disclosure statement, as these are generic communications.

Trading names

Consumer Protection Regulations - Regulation 71(4)

- 3.6.3 It is very important that consumers know the legal entity that they are dealing with and that they are not confused by the use of trading names. Where a firm has a number of trading names, in communications with the consumer, the firm should use all trading names linked to the particular product, service, or activity that is being referenced.

Regulatory Disclosure Statement in Advertisements

Consumer Protection Regulations - Regulation 71(6)

- 3.6.4 Firms must include a regulatory disclosure statement in advertisements that refer to or relate to their regulated activities.
- 3.6.5 Each firm must decide the best place in/on the advertisement for the regulatory disclosure statement to appear. The Central Bank recommends the following:
- for print advertisements, TV advertisements and online advertisements, the regulatory disclosure statement should be placed in a position where it can be clearly seen as a standalone, but prominent and legible, statement. If information cannot be visually displayed, firms should reduce the amount of information in advertisements to improve consumer understanding; and

- for radio advertisements, the regulatory disclosure statement should be delivered at a speed that is clear and audible, and fulfils the obligation on firms to inform their consumers effectively. Firms should consider whether the information is suitable for audio delivery.³²

3.6.6 Where an online banner advertisement or pop up advertisement is of a size that renders the inclusion of a regulatory disclosure statement impractical, it is acceptable to link the web advertisement to a page on the firm’s website on which the regulatory disclosure statement is clearly displayed.

3.7. Advertising

3.7.1 Advertising is a key source of information for consumers. Consumers should receive balanced information in relation to advertised products or services and, consequently, we expect firms to bear this in mind when designing their advertisements and in deciding what information to include. Firms must provide information in their advertising that is ‘clear, fair, accurate, and not misleading’. Claims and offers in advertising must be balanced with information on for example, risks, fees, and charges to enable the consumer to make a fully informed choice. Information in advertisements should be current and balanced. Firms should discontinue or delete advertisements if they are no longer up-to-date.

3.7.2 The obligations in relation to advertising are not limited to those set out in Chapter 9 of the Consumer Protection Regulations. When advertising, firms should ensure that they are compliant with all other requirements under the Code that might be relevant to a firm’s approach to advertising including Informing Effectively, Information about Regulatory Status and subject matter specific warning statements.

Scope and application of Advertising requirements

Consumer Protection Regulations – Regulations 2 & 74

3.7.3 The advertising requirements under the Consumer Protection Regulations apply to all formats of advertising. The Code defines an advertisement as:

“any communication in respect of a regulated entity, which is addressed to the consumer public or a section of it, the purpose being to advertise a regulated activity or a regulated entity the subject of these Regulations, excluding name plaques, material that only communicates the regulated entity’s brand name rather than the promotion of a specific financial service, and a prospectus drawn up in accordance with the Prospectus Regulation;”

³² Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC recital 33.

3.7.4 Advertising can be communicated in a number of ways , which may include:

- TV, radio, print, outdoor (billboards, window displays, advertising on buses, trains, bus stops and train stations), online advertising (banner/pop-up advertising);
- social media;
- websites;
- search engine sponsorships;
- promotional materials; and
- competitions and advertorials that promote products/services.

There is an exemption from the advertising rules for ‘sponsorship material’ i.e. material that only communicates the regulated entity’s brand name rather than the promotion of a specific financial product or service.

Advertising on social media

3.7.5 Communications including advertisements made on social media by a firm are subject to the Code’s requirements. In general, advertisements on social media includes posts, memes, images and text. These may be in public environments (such as Reddit) or may be in private environments (such as Telegram, WhatsApp) but firms will need to consider the application of the Code in both scenarios. The advertisement could be time-bound such as a story on Instagram but will still have to comply with the Code.

3.7.6 A ‘finfluencer’ is someone who uses social media to promote, give financial advice or market financial products. ‘Finfluencers’ must comply with the Code if there is a commercial relationship (payment or other commercial relationship) between the ‘finfluencer’ and the firm. For example, a firm pays a finfluencer to post promoting their firm’s service or product. The finfluencer’s post in effect encourages followers to use the firm’s products or services. In such scenarios, the firm is responsible for the posts made by the finfluencer. The firm must ensure that the posts comply with the Code. Firms should be aware that posts are a type of advertisement under the Code and will need to comply with advertising requirements. Other persons who publish communications on social media under an outsourcing arrangement with the firm must also comply with the Code’s requirements also.

Advertising Governance

Standards for Business Regulations – Regulations 4(1)(a) & 11(a)

- 3.7.7 Firms must have appropriate governance arrangements in place for all aspects of product development, promotion, distribution, and post-sale services of their advertising to ensure they comply with the Code.
- 3.7.8 It is important that the Board and Senior Management, compliance function and marketing function (as appropriate), work closely together to ensure that a finalised advertisement complies with the Code.
- 3.7.9 Firms should have appropriate compliance arrangements for advertising. This includes monitoring advertising on an ongoing basis to ensure ongoing compliance with the Code, developing processes for issue escalation, evaluating advertising campaigns regularly, and maintaining evidence of these evaluations.
- 3.7.10 Where a firm chooses to launch a new product or service, the decisions around how the product or service shall be advertised should be considered in light of the advertising requirements of the Code.
- 3.7.11 Firms should consider the following points in relation to systems and controls for advertising:
- Does management have a clear strategy for advertising/marketing? Does the strategy include clear accountability for the design and approval of advertisements?
 - Do firms have appropriate processes and controls in place to highlight the effectiveness or deficiencies of their systems and controls, in order to ensure that the advertising approval system is operating effectively?
 - Is there regular audit testing to ensure that processes and procedures are accessible, are working correctly, and are being used in practice by those who design and approve advertisements?
 - Where audit tests such as the above are being carried out, is there a detailed record of how often, by whom (noting their official role/function) and when the next test is to be carried out?
 - Are there relevant controls that allow for the release of advertisements only after confirmation that the advertisement is compliant with the advertising requirements of the Code?
 - Are there additional controls/checks in place when changing processes and procedures or to allow for staff turnover etc.?
 - Are there adequate control mechanisms in place where third parties are engaged?

- Is there a process for complaints analysis e.g., a formal process of notifying relevant staff internally where advertising issues arise? Are these issues being appropriately dealt with and escalated within the firm?
- Where IT systems are used to record and store policies, procedures and issues arising, firms are responsible for the efficient management of such systems by ensuring that records are adequate and complete.
- Is there a formal log of training on the rules and processes for staff that design and approve advertisements?

3.7.12 It is recommended that procedures are reviewed at least annually and updated to address any significant or recurring issues that have occurred within the preceding year.

Presentation of advertisements

Consumer Protection Regulations – Regulation 77(1)

3.7.13 This Regulation requires that the design, presentation and content on the information in advertisements is clear, fair and not misleading. In terms of presentation, firms should ensure that;

- the text is not covered with watermarks;
- there is no page bleeding.³³ The text must fit the space assigned to the advertisement to ensure that no information required by the Code e.g. regulatory disclosure statement, has been obscured or omitted in any way because of formatting. An example of this would be an advertisement on a bus where the space allowed may obscure or omit some of the regulatory information required; and
- the entire content of an advertisement should not potentially mislead a consumer into thinking that the Central Bank is endorsing the firm or any of its products or services.

Advertisement to identify that it is an advertisement

Consumer Protection Regulations – Regulation 79

3.7.14 This requirement applies to all advertisements. Influencers and firms must identify advertisements as advertisements.

3.7.15 For example, where a firm advertises on social media, the communication should contain the characters **#ad** to make it clear it is an advertisement. Where the context or accompanying **#ad** does not make it clear, influencers are required to

³³ Page bleeding is where the advertisement is bigger than the space permitted.

label their sponsored content with hashtags such as **#Sponsored**, or **#Promotion** to indicate that a post is a paid advertisement.

- 3.7.16 In a blog post or Instagram story, the disclosure that it is an advertisement should be prominently placed at the beginning of the content, rather than hidden at the end of a post or in a separate section.

Benefits and risks

Consumer Protection Regulations – Regulation 80

- 3.7.17 If a firm highlights the benefits attached to a product or service, firms should also give any risks equal prominence. For example, where the benefits of a particular product or service are included in the main body of an advertisement, the risks should also be in the main body. Both should be in the same font size, colour, etc. We have seen examples where an advertisement may highlight the benefits of a product or service and then include the risks in the small print. Firms are reminded that advertisements should provide balanced messages about risks and benefits in the main body of the advertisement.
- 3.7.18 Advertisements should not exaggerate any benefits or create unrealistic expectations by omitting information on risks. An advertisement should also make full disclosure of all material information, including fees and charges that a consumer is likely to pay, in the main body of an advertisement. A restriction in advertising space or the cost of buying an advertisement is not an acceptable argument to avoid effective and balanced communication.
- 3.7.19 We have encountered instances where the images in an advertisement are not consistent with the product or service, which is misleading to consumers. Images in an advertisement should not imply a benefit that the advertised product or service does not provide (e.g. insurance cover for an event that is not covered by the policy advertised).
- 3.7.20 Where firms use warning statements in advertisements, they should be consistent with the features of the product or service being advertised. Firms must explain benefits or returns to ensure that the advertisement is clear, fair, and accurate and that the consumer is not misled. For example, should an investment product only yield a promised return of capital on a particular date, the warning should clearly inform the consumer that an early encashment could result in the consumer losing some or all of their capital investment.
- 3.7.21 Retail intermediaries should ensure that advertisements are not misleading in relation to the firm's ability to provide the advertised product or service. Where an intermediary has indirect access to one or more product provider because of its

appointment with another intermediary this should clearly be stated in the advertisement.

Customer profile examples in advertising

- 3.7.22 Firms are reminded that all price-specific advertising must contain the key information and qualifying criteria for who can avail of the price quoted in the advertisement to meet the requirements of the Code. For example in cases where firms are using customer profiles in insurance advertisements, it must be clear who can avail of the price quoted in the advertisement.

Box 4: Price specific advertising and qualifying criteria

TV

TV advertisement voiceovers can be used to relay the key information and qualifying criteria relating to the content of the advertisement. Firms can also use TV screenshots to display key information and qualifying criteria to allow the consumer to read the information with ease. A viewer should be able to easily understand the verbal or written content on first viewing.

Websites

All key information and qualifying criteria about availing of the product or service at the price quoted must be stated alongside the price quoted to meet the requirements of the Code.

Social media

Key information and qualifying criteria relating to the advertised product or service should be available on a product specific webpage linked directly³⁴ from the online/social media page to meet the Code's requirements.³⁵

Where a firm makes reference to 'terms and conditions' in an online advertisement it is recommended that the advertisement include a direct link to the relevant terms and conditions webpage.

3.8. Errors Resolution

- 3.8.1 It is important that firms take ownership and responsibility for managing errors that affect consumers, and that they have in place adequate governance arrangements to effectively identify, track, manage, and resolve errors. As detailed in Section 2.5 of the Securing Customers' Interests Guidance, it is expected that

³⁴ Firms should also look to the Digitalisation Guidance on hyperlinks. See also Consumer Protection Regulations, Regulation 76.

³⁵ Consumer Protection Regulations, Regulations 80 and 81.

firms will secure their customers' interests in the design and implementation of processes and procedures for the handling of errors.

Robust governance arrangements required for errors handling

Consumer Protection Regulations – Regulation 96

- 3.8.2 The governance arrangements and procedures that a firm puts in place for the effective handling of errors should reflect the nature and scale of their business, although certain arrangements are required at a minimum e.g. arrangements for the proper oversight of the handling of errors.
- 3.8.3 The Central Bank considers that firms should have regard to the overall customer impact of the error, or whether the error is systemic in nature, in determining their appetite for the types of errors to be escalated to the board/senior management. Some of the factors that could be considered:
- The number of customers impacted relative to the number of customers availing of the product
 - The nature of the product(s) impacted by the error
 - The known/potential remediation amounts involved
 - Whether systemic issues arise in relation to the error
 - The potential for negative publicity that could damage trust and confidence in the firm/financial services sector
 - The impact (if any) on other products/services
 - The timeframe over which the error occurred
 - The timeframe in which the error is estimated to be resolved
 - Whether the error constitutes a breach of a regulatory obligation and the potential need to disclose the issue to the Central Bank
 - Whether a number of small errors, taken together, could be considered 'significant'.

3.9. Complaints Resolution

- 3.9.1 In addition to the guidance provided in Section 2.5 – Dealing with Errors or Mistakes and Customer Complaints of Securing Customers' Interests Guidance, the guidance set out under this section details the obligations on firms in recording, managing and resolving complaints from consumers. These include provision of clear information to the consumer, accessible procedures for the handling of complaints, and prompt resolution of complaints.

Proper categorisation of complaints

- 3.9.2 Proper complaints handling requires that regulated firms correctly categorise complaints, as distinct from queries, or negotiations on price. The Central Bank expects firms to adopt a substance over form approach to mitigate the risk of issues being excluded from the complaints process.
- 3.9.3 The Central Bank expects firms to decide on a case-by-case basis whether any expression of dissatisfaction regarding price is part of the negotiation of the price, or whether it constitutes a complaint. A firm must have regard to its obligation to implement the formal complaints procedure for consumers as outlined in the Code. This applies whether or not the consumer ultimately decides to purchase the product at the price quoted.
- 3.9.4 All expressions of dissatisfaction by consumers must be clearly categorised and addressed to avoid firms bypassing the complaints resolution process required by the Code and to ensure their compliance with their obligation to act honestly, fairly and professionally.

3.10. Specific Requirements for Credit Institutions

Consumer Impact of Closing, Moving or Merging Branches

Consumer Protection Regulations – Regulation 159

- 3.10.1 The purpose of this requirement is to ensure that credit institutions have considered the consumer impact of closing, moving, or merging branches and that as part of those considerations, they assess the suitability of alternative arrangements and provide relevant information to their consumers. In this regulation, a ‘branch’ means a local branch which consumers can attend onsite for the purposes of being provided with financial services.
- 3.10.2 There are two main aspects to this regulation;
- (a) A set of requirements that credit institutions must comply with in terms of notification to the Central Bank; and
 - (b) A set of requirements that credit institutions must comply with in terms of notification to consumers that are customers of the credit institution, through the relevant branch and the wider community.
- 3.10.3 When providing notification to the Central Bank of the decision to close, move or merge branches a credit institution must meet the requirements set out in this Regulation. These requirements include informing the Central Bank of any relevant planned steps or subsequent developments, which have the potential to affect consumers during the period from the date of notification to the Central Bank to the date of closure, merger, or move. These planned steps or

developments should include, but are not limited to, any upcoming or future developments that the credit institution may have planned that may exacerbate or alleviate the impact on consumers. Examples could include future changes to access or services that may be under consideration.

- 3.10.4 Subject to notifying the Central Bank when the decision to close, merge or move has been made (which must be made at least 2 months in advance of notifying affected consumers), the credit institution is required to give at least 6 months' individual notice to every consumer that is a customer of the relevant branch of the credit institution. The notification period runs from when the credit institution notifies consumers about the closure, merger, or move of the branch. Credit institutions must complete all the business of the branch prior to the closure, merger or move of the branch or, alternatively inform the relevant consumers how continuity of an equivalent service will be provided through another branch.
- 3.10.5 Where a credit institution intends to close a branch it is required to carry out an assessment of the anticipated impact of the closure on consumers that are customers of the credit institution, with regard to (a) access to financial services and (b) the range of financial services available to the consumer. The assessment is required to assess the suitability of alternative arrangements, and where those alternative arrangements are suitable, the credit institution's plans for transferring affected consumers that are customers of the credit institution to those arrangements, including any plans necessary for consumers in vulnerable circumstances. The assessment should consider all aspects that may have an impact on consumers including the following:
- Consideration of customers in vulnerable circumstances impacted (including any proactive measures being taken)
 - Access to alternative banking services - other branch and ATM (where relevant) services nearby and information around any services currently available that may not be available following a branch closure
- 3.10.6 The assessment must be approved by the board of directors, or the entity or persons controlling the regulated entity.
- 3.10.7 The credit institution must publish the assessment on its website. They must also arrange publication in a local newspaper that the credit institution has carried out an assessment and indicate where individuals can access a copy of the assessment. They must also place notices in the relevant branch indicating that the assessment has been undertaken and where it can be accessed. In drafting the notice, credit institutions should consider what groups of people use this particular branch and

how best to communicate with them. For example, credit institutions should ask themselves:

- Do consumers in vulnerable circumstances use the branch?
- Do people with visual impairment use the branch; do young people use the branch?
- Is there a portion of the community that speak languages other than English as their first language?

- 3.10.8 The notice of the fact that the assessment has been carried out must be published credit institution's website no later than 2 months prior to the closure of the branch. Given the nature of the assessment, the published assessment does not need to contain any commercially sensitive information.
- 3.10.9 Within nine months of the closure of the branch, a second assessment must be **commenced** by the credit institution. This must assess the impact of the closure on their customers, and where alternative arrangements were made for those customers, their experience of and satisfaction with the alternative arrangements. The assessment must be completed within 15 months of the branch closure. If there are material issues identified with the suitability of alternative arrangements that have been put in place, credit institutions must resolve these issues.
- 3.10.10 The credit institution must publish the assessment referred to in 3.10.9 on its website and in a local newspaper and indicate where individuals can access a copy of the assessment.
- 3.10.11 These requirements do not apply where the closure, merger, or move is temporary, for example where a branch may be closed for a period of time due to renovation, refurbishment or to allow for emergency works to be carried out.

Conditions for unsolicited personal visits to personal consumers in relation to non-mortgage arrears

Consumer Protection Regulations – Regulations 278 & 279

- 3.10.12 While unsolicited personal visits may be difficult for some borrowers, we believe that once in any 6-month period, a lender should be able to make an unsolicited personal visit to the home of a borrower in arrears to discuss the arrears, where other attempts at contact have failed. However, it is important that any such visits have the best interests of the borrower as their objective, and are conducted in an appropriate manner, in line with the requirements of the Code.
- 3.10.13 For the Consumer Hire and Hire Purchase sectors, Regulation 278 does not apply on the basis that those firms may need to access their asset more frequently given

that ownership of the asset only passes from the firm to the customer at the end of the contract. The owner should retain the ability to inspect their asset and is subject to existing protections provided under the Consumer Credit Act in relation to consumer-hire and hire-purchase agreements, which limit firms' ability to make personal visits and phone calls (restricting times, location and contacts).

- 3.10.14 In respect of non-mortgage arrears, no more than three unsolicited telephone calls, per calendar month, to a personal consumer is permitted. This limit does not include communications made in compliance with other requirements of the Code or other regulatory requirements.
- 3.10.15 The limit on unsolicited telephone calls applies per personal consumer. Therefore, where a personal consumer has, for example, a credit card and a personal loan in arrears with a lender, that lender may initiate no more than three unsolicited telephone calls per calendar month, by whatever means, to that personal consumer in respect of those arrears.
- 3.10.16 It should be noted that specific requirements exist in relation to Part 3 – Chapter 9 of the Consumer Protection Regulations, which deals with arrears on a mortgage secured on the consumers primary residence.

3.11. Specific Guidance for the Insurance Sector

The following guidance is relevant for insurance undertakings and insurance intermediaries.

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

Consumer Protection Regulations – Regulation 327

- 3.11.1 This requirement requires that an insurance undertaking or insurance intermediary obtain the consumer's consent to automatic renewal of a policy of pet insurance, travel insurance, gadget insurance, or dental insurance.
- 3.11.2 The requirement does not prevent automatic renewal for these insurance products; it simply applies an additional step to ensure consumers are fully aware of any proposed automatic renewal arrangement and proactively opt-in.
- 3.11.3 The requirement applies to new contracts entered into after the Consumer Protection Regulations come into effect and to the renewal of these contracts.

Advance notification of expiry date of a policy of non-life insurance

Consumer Protection Regulations – Regulation 346

- 3.11.4 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.

- 3.11.5 The pre-renewal notification can be provided in a format as determined by the insurance undertaking or insurance intermediary, in line with the existing communication preferences of the consumer. It could be communicated to the policyholder via email, through an app or via post.
- 3.11.6 It is important to inform consumers of the purpose of the pre-renewal notification and to guide customers to take the intended action. The box below provides sample wording that could be used, however it is for the individual undertakings to determine the most appropriate wording utilise in this notification.

Box 5: Potential pre renewal notification wording

Notification via email or post

Policy number: ABC123446789

Dear Policyholder

Your motor insurance policy will be coming up for renewal on [date]. We will send you full details including a quote for renewal of your product 20 working days prior to the renewal date.

Now is a good time to consider if your motor insurance policy still meets your needs and provides you with the cover you require and whether there are any alternative products available that meet your needs.

If you want to consider alternative products you should set aside time to consider your needs and to compare products. You will be able to undertake price comparisons once you receive your renewal notice.

Full details will be set out in your renewal pack, which we will provide to you 20 working days before the policy renewal date.

Notification of lapse of cover of a health insurance policy

Consumer Protection Regulations – Regulation 347

- 3.11.7 The purpose of this requirement is to address the risk that an adult covered under a health insurance policy, who is not the policyholder, may not be notified or otherwise aware of a cancellation or lapse of the policy. This scenario could present considerable risks for the consumer, as they may not be aware that the health insurance cover has ceased.
- 3.11.8 This is not a retrospective requirement and we do not require insurance undertakings to collect contact details from adults who are not the policyholder but covered under existing health insurance policies. However, as health insurance policies are annual policies, over time, the assumption is that this information will be collected for all adults.
- 3.11.9 The health insurance undertaking should make reasonable efforts to collect the contact details of the adult covered under the health insurance policy. Ultimately the policyholder is responsible for the provision of contact details; phone, email or postal address of all adults covered under the health insurance policy. If the policyholder fails to provide that information, then the health insurance undertaking cannot notify the adult covered under the health insurance policy in the event that the cover has ceased.
- 3.11.10 It is for individual health insurance undertakings to determine and put in place mechanisms to collect the contact details of all adults covered under the health insurance policy, this could be through including additional fields on online platforms or through their app, to facilitate the collection of the relevant contact details.
- 3.11.11 The requirement does not apply where a health insurance policy under a corporate health insurance scheme is arranged by an employer with an insurance undertaking for a group of employees.

Timing of Premium Rebates

Consumer Protection Regulations – Regulations 60, 348 & 351

- 3.11.12 An insurance undertaking must provide a consumer any premium rebate that is due from the insurance undertaking within 10 working days of the rebate becoming due, whether paid directly to the consumer or via an intermediary.
- 3.11.13 For the avoidance of doubt, an insurance undertaking may specify in its policy terms and conditions a condition that rebates under a certain specified amount will not be refunded to the consumer, and/or additional premiums under a certain specified amount will not be sought from the consumer. However, insurance undertakings are also reminded of their obligations under Regulation 60 to provide

the terms and conditions attaching to a product or service before the consumer enters into a contract for that product or service.

Consumer Protection Regulations – Regulation 351

- 3.11.14 Regarding compliance on rebates, this Regulation, stipulates that an insurance intermediary must obtain the prior written agreement from the consumer every time it intends to deduct any charges from a premium rebate. This requirement would not be satisfied by obtaining such agreement in the terms of business.

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