



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem



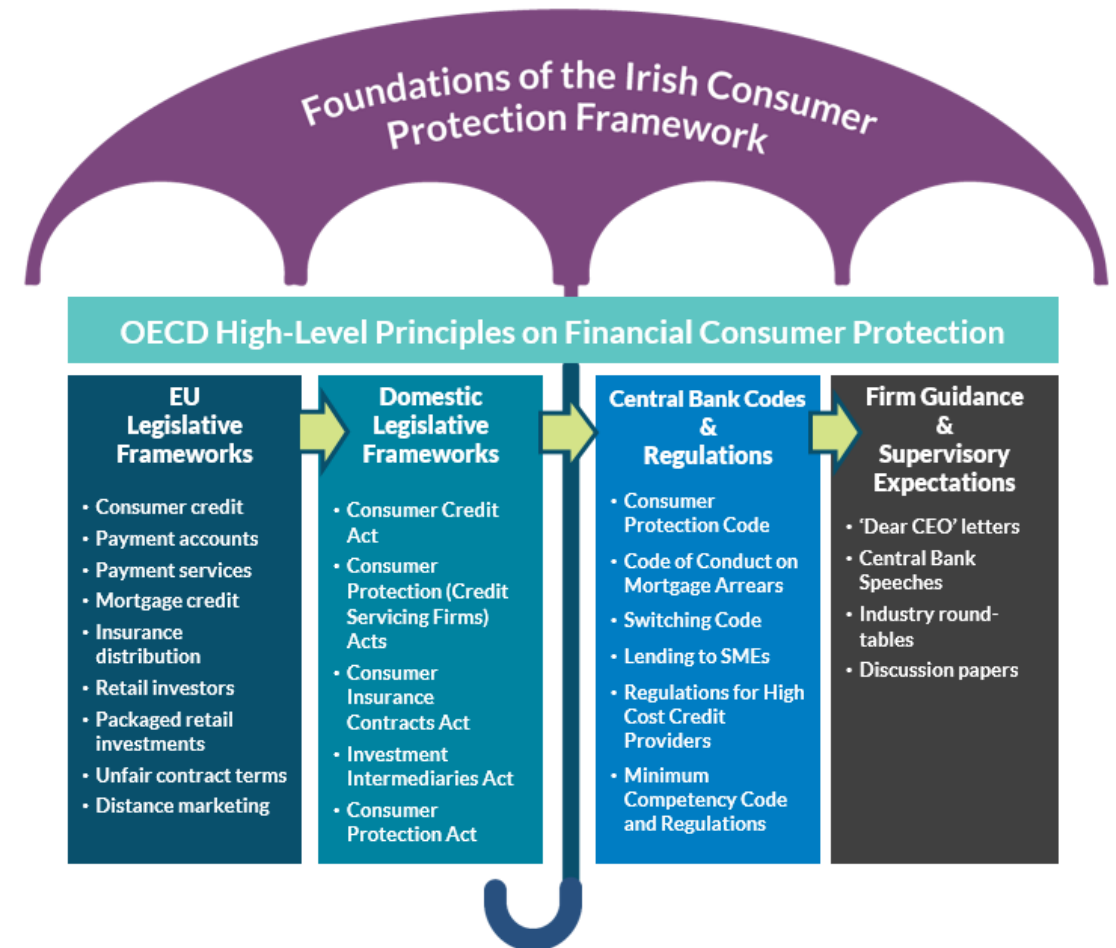
# Consumer Protection Code Review – CP158

*Civil Society Roundtable 29 May 2024*

# Irish Consumer Protection Framework

*Ireland's consumer protection framework derives from EU and domestic laws & from a range of Central Bank requirements*

- The foundations of the Irish consumer protection framework are based on **EU and domestic legal protections**, as well as **Central Bank codes, regulations and guidance**
- The framework is aligned with the **OECD High Level Principles**
- **The Consumer Protection Code** is the cornerstone of the framework domestically
- We are consulting on an important package of proposals that seek to deliver a **modernised Consumer Protection Code**



# Consumer Protection Code Review

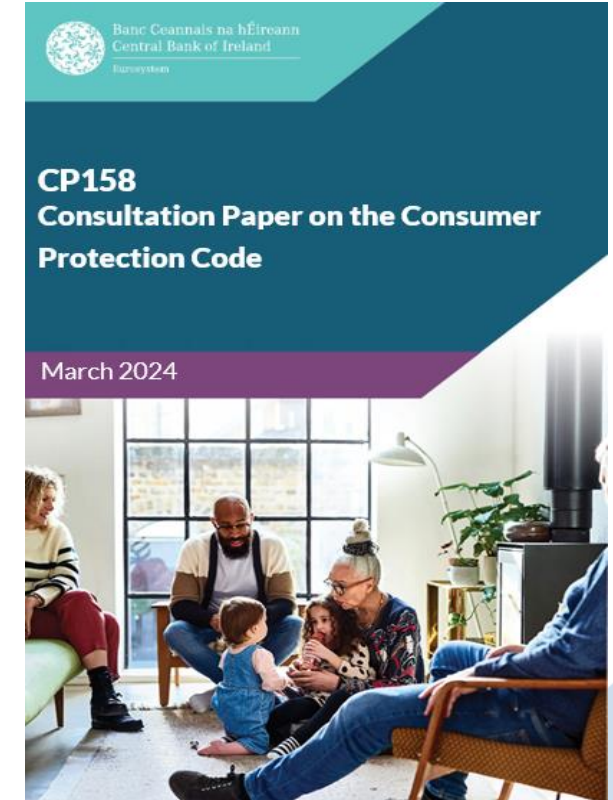
*Policy consideration informed by views of the consumers and businesses the Code seeks to protect and those it regulates*

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

**Six Month Engagement:**  
with the public and stakeholders  
informed our policy considerations

**July 2023 Engagement Update:**  
provided an overview of stakeholder  
feedback

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



# Context for Review

*As financial services undergo transformation, the Code must evolve to continue to effectively protect consumers*

## Context for Change:

- **Need for enhanced clarity and predictability** for customers and firms on consumer protections
- While existing Code has served consumers well, it needs to **reflect financial services transformation**
- **Fragmentation** across the existing Code and other Central Bank codes and rules
- Need to enhance **user accessibility and navigability**



# What's changing in the Revised Code?

## *Key policy change A: Securing Customers' Interests*

### Securing Customers' Interests – overarching obligation

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



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

# What's changing in the Revised Code?

## *Key policy change B: package of new protections reflecting financial services transformation*

### Package of new protections reflecting feedback:

- Address how firms and consumers are navigating financial services transformation
- Reflect how consumers access financial services today

### Updated existing Code requirements

- Reflecting our supervisory experience and stakeholder feedback

Consumer Protection Code Package of new protections	
Digitalisation	Firms should deploy a customer focus in the design and implementation of digital services and delivery channels
Informing Effectively	Firms' communications must effectively inform customers to make informed decisions to support their financial well-being
Mortgage Credit and Switching	Firms must support customers to make informed decisions and facilitate mortgage switching
Unregulated Activities	The provision of unregulated activities by regulated firms must not confuse customers on regulatory status and protections
Frauds and Scams	Consumers need to be protected from evolving frauds and scams to underpin confidence in financial services
Vulnerability	Firms should effectively support consumers in vulnerable circumstances
Climate	In supporting climate transition, firms need to consider consumer sustainability preferences and avoid 'greenwashing'

*Overall our proposals bring forward a modernised Code, which builds on the existing Code, reflects how financial services are delivered today and enhances clarity, predictability and accessibility for firms and customers*

# Consumer Protection Code – Structure

*Revised Code reflected in new Central Bank Regulations supported by guidance*

## Standards for Business - Regulation

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

## General Requirements - Regulation

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

## Firm Guidance

- Securing Customers' Interests
- Protecting Consumers in Vulnerable Circumstances

## Other Consultation Documentation

- Consultation Paper
- Mapping of existing requirements to revised Code

## Code Components



### Standards for Business

- Governance, resources and risk management requirements
- Code conduct standards – including requirements for firms to secure customers' interests, act honestly, fairly and professionally, act with due skill care and diligence and inform customers effectively

### General Requirements

#### Cross Sectoral Requirements

Covering inter alia digitalisation, informing effectively, customers facing vulnerability, advertising and complaints resolution

#### Sector Specific Requirements

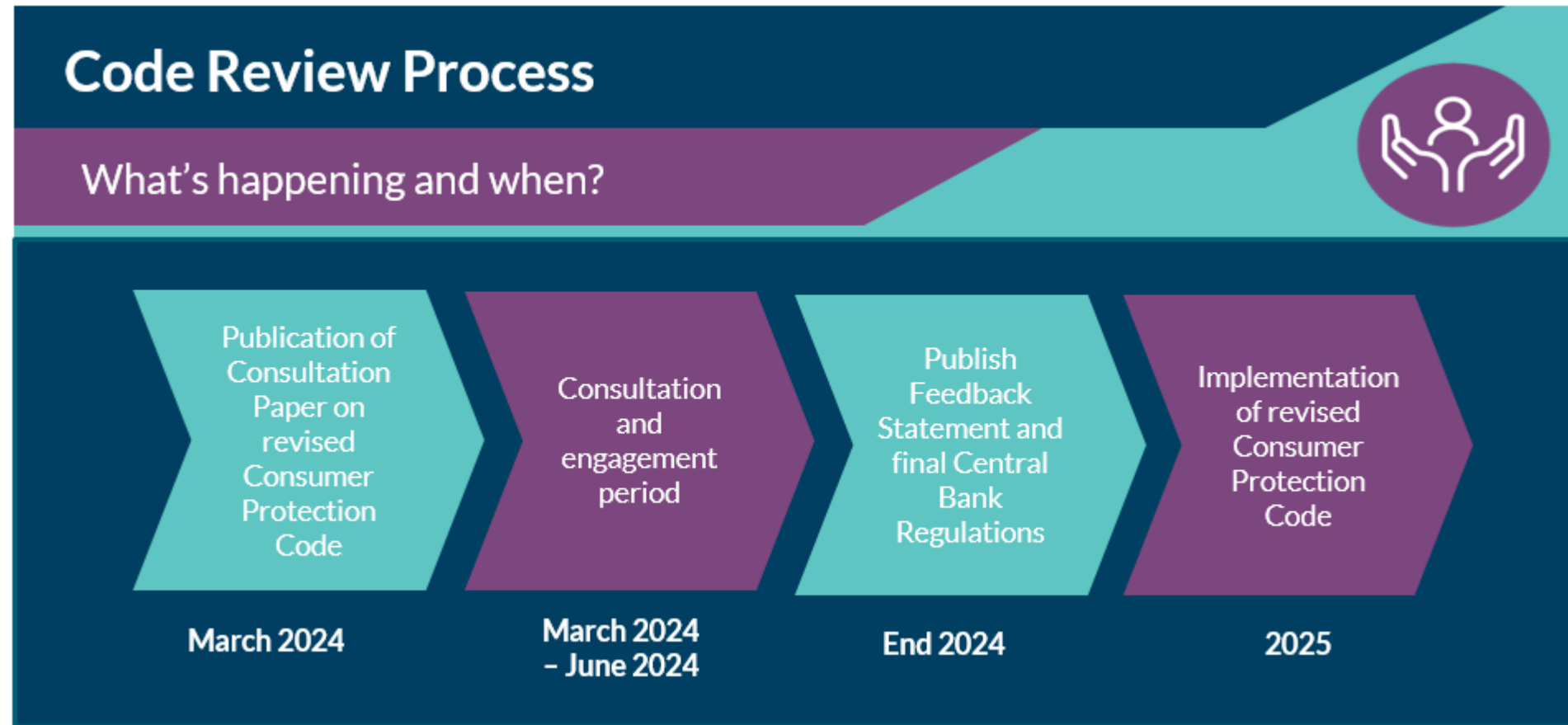
Covering Consumer Banking, Credit and Arrears, Insurance, Investments and Crowdfunding

### Guidance

Covering Securing Customers' Interests, Protecting Consumers in Vulnerable Circumstances, and general guidance

# Next Steps

## Code Review Indicative Timeline





# Questions

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What are your thoughts and perspectives on the package of proposals set out in the Consultation Paper?



Have we achieved an appropriate balance in our package of Code proposals to effectively protect consumers, underpin trust and confidence in the financial system and a well-functioning financial services market?