

Response Document

CBI Consumer Protection Code

Consultation Paper CP 158



Yvonne Sadlier, 7<sup>th</sup> June 2024

Objective	Provide a response to the questions posed by the Central Bank of Ireland on the consultation paper CP158 regarding the review of the Consumer Protection Code 2012.
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## 1 PSP information:

**PSP Information:** C58301

**Name of Institution:** Fire Financial Services Limited/fire.com

**Type of institution:** Payment Institution

**Contact person:** Yvonne Sadlier

**Position of contact person:** Risk and Compliance Officer

**Contact details (email):** yvonne.sadlier@fire.com

## 2 Central Bank of Ireland questions & Fire's response

No.	Central Bank Question	Fire Response
1	Do you have any comments on the Securing Customers' Interests Standard for Business, Supporting Standards for Business or the draft Guidance on Securing Customers' Interests set out in Annex 5?	As part of the Securing Customers' Interests Standard for Business or the draft Guidance on Securing Customers' Interests, the CBI could consider a requirement on firms to test their systems and controls to determine if expected customer outcomes at each step of the customer journey are being met. An annual report by firms, with an approved board assessment, on whether firms are securing customers' interest may aid in achieving this objective.
2	Do you have any comments on the 'informing effectively' proposals?	In general, this aligns with the FCA's Consumer Duty Principle of ensuring good outcomes for consumers and is a welcome proposal.
3	Are there any specific challenges regarding implementation of the new Informing Effectively Standard for Business?	As Fire are a dual regulated entity, we have already implemented the FCA Consumer Duty Principle and the CBI's informing effectively proposals are generally aligned, however, the timeframe for implementation of 12 months could be a challenge for larger Financial Institutions in the industry.
4	What other initiatives might the Central Bank and other State agencies consider to collectively protect consumers from financial abuse including frauds and scams?	Payment fraud is a global problem that can cut across multiple industries. We have seen effective industry-led measures to counter payment fraud, such as: The Banking Protocol scheme in the UK developed by UK Finance, National Trading Standards, and local police forces has been a success. Since 2016, £258.2m of fraud has been prevented, leading to over 1,000 arrests. This demonstrates the effectiveness of industry-law enforcement cooperation in protecting victims and cracking down on fraudsters. It would be good to see this kind of scheme developed specifically for the Irish financial services sector. Stop Scams UK is a cross-industry group made up of banks, tech companies, and telecoms providers that has come together to help stop scams at their source. A majority of all scams involve at least one of the banking, technology, and telecoms sectors. Although this collaboration is relatively new and has yet to publish significant impact data, its concept is logical, and it represents one of many industry countermeasures against payment fraud. Ultimately, information sharing between designated persons (regulated firms) would be a beneficial initiative to collectively protect consumers and combat fraud and scams.
5	Are there any other circumstances that we should consider within the proposed definition of financial abuse?	The introduction of a Trusted Contact Person should be considered within the general context of financial abuse as potentially, this is a person who through an act or omission, could obtain control through deception, intimidation or undue influence, over the customer's money, assets or property or wrongfully interfere with or deny the customer's ownership, use, benefit or possession of the customer's money, assets or property.
6	i. What are your views on the proposed amendments to the Consumer Protection Code in relation to consumers in vulnerable circumstances? ii. Do you have any comments on the draft Guidance on Protecting Consumers in Vulnerable Circumstances?	In general, this aligns with the FCA's Consumer Duty Principle and is a welcome approach. The CBI must ensure that nomination of a Trusted Contact Person is clear with appropriate safeguards in place.

No.	Central Bank Question	Fire Response
7	i. Is the role of the trusted contact person clear? ii. What more could a Trusted Contact Person do?	The role of the Trusted Contact Person is unclear. Fire notes that there is no requirement to identify a consumer in vulnerable circumstances prior to nominating a Trusted Contact Person. This could potentially lead to scenarios of identity theft and firms being required to act on instructions from a third part outside of its framework contract with customers. The CBI must ensure clear Customer Due Diligence requirements for KYC purposes when financial institutions are dealing with a nominated Trusted Contact Person on a customer's payment account. The CBI must ensure clarity around the level of power the Trusted Contact Person has for giving instructions over a payment account.
8	Do you have any comments on the proposed revised requirements for handling of errors or complaints?	The CBI must ensure clear guidance and distinctions between significant errors and major incidents reporting requirements under PSD2, the thresholds for each, and when to report.
9	Do you have any comments on the proposed changes to the record keeping requirements?	Even though the consumer does not become a formal customer, they may submit suspicious documents during account application. If the data is deleted, a further application would not detect the same customer reapplying or systems detecting the same documents again. This is a legitimate interest to keep the data for longer than 12 months and for at least 5 years, as per AML legislation. Also, where an applicant attempted to open an account and subsequently made a complaint, there is a legitimate interest to keep the data for at least 6 years as per the current Consumer Protection Code.
10	Do you have any views on our analysis of the overall benefits associated with the proposals set out in this consultation paper?	These benefits are in line with the FCA's Consumer Duty Principle of providing good outcomes for consumers and are welcome enhancements to the existing Consumer Protection Code Framework.
11	Do you have any views on our analysis of the costs associated with the implementation of the proposals set out in this consultation paper?	Fire has already implemented the FCA Consumer Duty Principle therefore the costs associated with the implementation of the proposals will have minimal impact on our firm, however, larger firms who are solely regulated in Ireland may encounter budgeting issues for implementation.
12	What are your views on the proposal for a 12-month implementation period? Should some proposals be implemented sooner?	As Fire are a dual regulated entity, we have already implemented the FCA Consumer Duty Principle and therefore the implementation period is reasonable and some proposals could be implemented sooner, however, larger firms who are solely regulated in Ireland may require more time for implementation.