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Central Bank of Ireland

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***Re: AIB tracker mortgage customers***

Dear Deputy McGuinness,

I refer to your email dated 10 December 2019 relating to AIB tracker mortgage customers. Governor Makhlouf has asked me to respond to you directly.

In relation to your question regarding AIB prevailing rate tracker mortgage customers, we have been engaging with AIB on this issue and continue to do so. We note the statement made by AIB on 4 February 2020 concerning a preliminary decision by the Financial Services and Pensions Ombudsman (FSPO) and the provision taken by AIB. The Central Bank is legally prohibited from disclosing confidential information relating to individual regulated entities and we are, therefore, unable to comment further on this specific issue at this time. The Central Bank's confidentiality obligations are essential for open regulatory dialogue and are thus an important basis for effective regulation by the Central Bank.

The Central Bank's Tracker Mortgage Examination focused on requiring lenders to identify groups of customers affected by tracker mortgage related issues and to provide them with redress and compensation. The structure of the Examination Framework was that, after they received redress and compensation, affected customers continued to have options to appeal to their lender's independent appeals process, to the FSPO and to the courts to raise their own individual personal circumstances.

The FSPO is an independent statutory body, which investigates and adjudicates individual complaints from consumers in relation to the conduct of regulated financial service and pension providers. The FSPO acts separately and independently from the Central Bank and has a wider remit than the Central Bank in investigating individual customer complaints.

The Central Bank has clearly communicated to lenders, our expectation that if any individual outcomes arise from the FSPO or court processes that have the potential to impact customers more widely, they then must address this broader impact. The Central Bank will continue to monitor the outcome of all



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complaints, FSPO decisions and court cases and will investigate outcomes with systemic implications, and take appropriate action with lenders as required.

Separately, the Central Bank's enforcement investigation of AIB in relation to tracker mortgages continues. The Central Bank's enforcement investigations are comprehensive and forensic in nature, seeking to establish how and why people lost their trackers or were on the incorrect rate. All relevant issues concerning tracker mortgage related issues arising from the Examination, that are in scope for the purposes of the enforcement investigation, are being investigated. Given the on-going nature of the investigations, we cannot comment further on the specifics of any of those investigations.

Yours sincerely

**Gráinne McEvoy**

**Director of Consumer Protection**