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Central Bank reports on banks' and insurance companies' plans for implementation of revised Consumer Protection Code

The Central Bank of Ireland today (19 June 2012) reported on the outcome of its review and inspection of banks and insurance companies' plans to ensure full implementation of the revised Consumer Protection Code. The revised Code was introduced in January 2012 and contains both enhanced and new consumer protection requirements for regulated entities such as banks, insurance companies and intermediaries.

Overall, the Central Bank found that most firms inspected had prioritised the full and effective implementation of the revised Code, had committed the necessary resources and training and confirmed that they will have all revised Code provisions in place by 30 June 2012. However, some areas for improvement were identified, including the provision of clear and accurate information in plain English, identification of the needs of vulnerable consumers and provision of reasonable arrangements and assistance to vulnerable consumers.

Commenting on the findings, Director of Consumer Protection, Bernard Sheridan said: 'The revised Code plays a significant role in providing greater consumer protection which is a key priority for the Central Bank. We have taken a proactive approach to ensuring that regulated entities are committed to consumer protection requirements and recognise the importance of compliance with them. Our review and inspection has, in the main, identified a good level of commitment within firms to implementing all aspects of the revised Code. While we recognise that the revised Code may have required some firms to engage in

enhanced system development and training, it is imperative that the Code is implemented in full. We have written to banks and insurance companies to outline our findings and to highlight areas that we believe require more work and focus.” A copy of that communication is available on our website, www.centralbank.ie Issues identified during the inspection are being followed up individually with the firms concerned.

The Central Bank found that the vast majority of firms were well organised in their approach to developing systems and training relating to the revised Code and have a good level of project management, governance and project controls in place. The areas for further improvement are:

1. Providing clear, accurate, up to date information to consumers, that is, written in plain English. A number of examples of best practice were identified during this review including the training of staff in communicating clearly and plainly with consumers and the employing of third party experts to review and edit written materials where in-house expertise is not available; and
2. Identifying all categories of vulnerable consumers and providing reasonable arrangements and assistance to them in their dealings with the firm. Examples of best practice include firms who actively engaged with staff on how to be sensitive and practical in recognising a vulnerable consumer and in affording them the appropriate level of assistance.

While this review focussed on firms’ preparation to implement the revised Code, the Central Bank continues to monitor compliance through its 2012 programme and future programmes of themed reviews and inspections. The findings of this review will feed into the on-going monitoring of compliance with consumer protection requirements.

The Central Bank has produced a guide for consumers which explains the revised Consumer Protection Code and which is available to download from www.centralbank.ie/consumer/info

[Ends](#)

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Notes to editors

- The [Consumer Protection Code 2012](#) is imposed under Section 117 of the Central Bank Act, 1989. The Code was published on 19 October 2011 and came into effect on 1 January 2012. The Code builds on the protections of the previous version, but includes more detailed requirements in many areas.
- In the Central Bank's letter of 18 October 2011, regulated entities were advised that during the six month period ending 30 June 2012 the Central Bank would be cognisant, in monitoring compliance with the Code, of issues relating to systems development or other technical difficulties and required staff training.
- Contraventions of the Code may be subject to the imposition of administrative sanctions.
- 22 firms were included in this review including six credit institutions, eight life insurers, seven non-life insurers and one payment institution.
- On 9 February 2012, the Central Bank published its programme of themed review and inspections for 2012.