Code of Conduct on the Switching of Current Accounts with Credit Institutions
CHAPTER 1

SCOPE

This Code applies to current accounts held by consumers and that are denominated in euros.

This Code applies where:

(i) a consumer is switching a current account denominated in euros held with a credit institution, to a current account with another credit institution; and

(ii) a consumer is switching the active direct debits and standing orders on a current account to another existing current account with a different credit institution.

and both credit institutions are located in the State.

LEGISLATIVE BASIS

This Code is issued under Section 117 of the Central Bank Act, 1989.

The Central Bank of Ireland has the power to administer sanctions for a contravention of this Code, under Part IIIC of the Central Bank Act, 1942.

Credit institutions are reminded that they are required to comply with this Code as a matter of law.

This Code comes into effect on 1 October 2010.

TO WHOM THIS CODE APPLIES

This Code applies to credit institutions when providing current accounts to consumers in the State, that is:

- Credit institutions licenced by the Central Bank of Ireland; and
- Credit institutions with an equivalent licence or authorisation in another EU or EEA Member State when providing services in this State on a branch or cross-border basis.
CHAPTER 2

DEFINITIONS

In this Code:

“account” means a current account denominated in euro with a credit institution in the State.

“associated undertaking” means an associated undertaking within the meaning of Regulation 34 of the European Communities (Companies Group Accounts) Regulations, 1992.

“Account Transfer Form” means the form containing the information required in Chapter 3(3).

“consumer” means any of the following:

a) a natural person acting outside their business, trade or profession;

b) a person or group of persons, but not an incorporated body with an annual turnover in excess of €3million (for the avoidance of doubt, a group of persons includes partnerships and other unincorporated bodies such as clubs, charities and trusts, not consisting entirely of bodies corporate); or

c) incorporated bodies having an annual turnover of €3 million or less in the previous financial year (provided that such body shall not be a member of a group of companies having a combined turnover greater than the said €3million).

and includes where appropriate, a potential “consumer” (within the meaning above).

“credit institution” means the holder of an authorisation issued by the Central Bank of Ireland or by a competent authority of another Member State for the purposes of EU Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions.

“direct debit” means a payment service for debiting a payer’s account, where a payment transaction is initiated by the payee on the basis for the payer’s consent given to the payee, to the payee’s payment service provider or the payer’s own payment service provider.
“group” includes a company, its parent and its subsidiaries and any associated undertaking or related undertaking.

“person” means a natural or legal person.

“record” means any document, file or information (whether stored electronically or otherwise) and which is capable of being reproduced in a legible form.

“related undertaking” means
  a) companies related within the meaning of Section 140(5) of the Companies Act, 1990;
  
  b) undertakings where the business of those undertakings has been so carried on that the separate business of each undertaking, or a substantial part thereof, is not readily identifiable; or
  
  c) undertakings where the decision as to how and by whom each shall be managed can be made either by the same person or by the same group of persons acting in concert.

“switching date” means the date agreed by the consumer and the credit institution for the switching process to commence.
CHAPTER 3

PROVISIONS

GENERAL

1. A credit institution must have an account switching pack available in each branch and on its website.

2. A credit institution’s switching pack must contain at least the following:
   a) a description of the switching process, including the relevant deadlines and a description of the steps which the consumer must take to switch their account;
   b) contact details for making an appointment, if the consumer is required to visit the credit institution in person to open the account;
   c) a copy of the credit institution’s Account Transfer Form which shall include the items set out in provision 3 below;
   d) information about the importance of the switching date and why it is preferable that it should be a date where there is least activity on the account;
   e) contact details to assist with queries in relation to the new account and the switching process; and
   f) where the consumer is opening a new account:
      (i) the name and a description of each account offered by the credit institution. The description of the account must contain the key features of the account and details of interest rates and fees and charges which may apply to the account; and
      (ii) a list of the documents which the credit institution will require from the consumer in order to open the account.

3. A credit institution’s Account Transfer Form must make provision for recording the following information:
   a) the switching date;
   b) whether the consumer is keeping their existing account open or closing it;
   c) the consumer’s consent to transfer relevant details between the existing credit institution and the new credit institution, and these details must accompany the Account Transfer Form;
   d) the consumer’s consent to transmit the new account details to direct debit originators;
   e) in relation to the credit institution where the existing account is held:
      (i) the consumer’s consent to the transfer of the balance on the existing account to the credit institution where the new
account has been opened, if the consumer has opted to close their existing account;
(ii) the consumer’s consent that the credit institution may recover from the new account amount(s) relating to cheques written on the existing account that are guaranteed under the Cheque Card Guarantee Scheme and that have not yet been presented for payment by the switching date; and
(iii) the consumer’s consent to transmit to the new credit institution details of debit card and automated teller machine (ATM) card transactions on the existing account which have not been applied to the consumer’s account by the switching date; and

f) in relation to the credit institution where the new account will be opened:
   (i) the consumer’s consent to set up standing orders and operate direct debits on the new account, when the list of standing orders and direct debits being transferred to the new account is received by the new credit institution;
   (ii) the consumer’s consent to pay amounts in relation to cheques guaranteed under the Cheque Card Guarantee Scheme which are written on the existing account and which are sought from the new credit institution; and
   (iii) the consumer’s consent to pay amounts in relation to debit card and automated teller machine (ATM) card transactions which have not been applied to the consumer’s existing account by the switching date and which are sought from the new credit institution.

Provisions applicable to the credit institution to which a consumer intends to switch accounts

4. When a credit institution is first contacted by a consumer wishing to switch their account to that credit institution, it must:
   a) provide the consumer with the switching pack referred to in provision 2 above;
   b) inform the consumer that if they wish to transfer a debit balance to the new account, this will have to be agreed with the credit institution in advance; and
   c) inform the consumer that if they require credit facilities on the account, this would need to be discussed and agreed in advance of the account being opened.

5. When the credit institution receives a completed Account Transfer Form from the consumer, without prejudice to the generality of provision 2(a) and,
as applicable, a credit institution must inform the consumer as to the practical considerations which they should consider if they decide to switch accounts, including:

a) ensuring there are sufficient funds in both the new and old accounts to meet any incoming debts including standing orders, direct debits, cheques, interest, fees and charges;
b) checking their payroll arrangements and preparing for any changes that will need to be made arising from the switch;
c) notifying credit sources, including their employer, where appropriate, who make payments into the account other than by standing order, if the consumer wishes for these to credit the new account;
d) changing the details on their invoice documentation to include the Bank Identifier Code (BIC) and International Bank Account Number (IBAN) for the new account;
e) changing their sponsoring credit institution if they are a direct debit originator; and
f) verifying that the new account can, or will be able to, accept Single Euro Payments Area (SEPA) payments, if this is required.

6. Before the switching date, a credit institution must:
   a) inform the consumer that all of the active direct debits and standing orders on the account will be transferred to the new account, if the consumer intends to keep their existing account open;
b) obtain a signed and completed Account Transfer Form from the consumer;
c) inform the consumer that in relation to direct debits to direct debit originators located outside the State, they will need to inform such direct debit originators of their new account details directly; and

d) where the consumer is opening a new account, inform the consumer that the new account cannot be opened until the application to open the account has been approved.

7. If the consumer has stated his/her intention to close the existing account which is the subject matter of the switching process, the credit institution must inform the consumer:

   a) of the possible implications under the Cheque Card Guarantee Scheme where cheques are produced for payment to the existing credit institution following closure of the consumer’s existing account, where appropriate;
b) to refrain from using any bank card or cheque book on the old account once the switching process has started;
c) to return any unused cheques on the old account; and
d) to return any bank cards on the old account.

8. On or prior to the switching date, a credit institution must send the completed Account Transfer Form signed by the consumer to the credit institution where the existing account is held.

9. A credit institution must facilitate the setting up of the standing orders on the new account once these are notified to it from the credit institution where the existing account is held.

10. A credit institution must ensure that all actions required under provisions 5 to 9 of this Code have been undertaken, within 10 working days of the switching date.
Provisions applicable to the *credit institution* where the existing *account* is held

11. Where the *consumer* has opted to close their existing *account*, in addition to the steps required at provisions 13 to 16 below, the *credit institution* must:
   a) with effect from the **switching date**, reject any **direct debits** presented and cancel any standing orders on the existing *account*;
   b) refund the *consumer* any stamp duty paid on any unused cheques they have returned;
   c) add any interest due to the *account* prior to the *account* closure;
   d) apply any fees and charges due to the *account*;
   e) transfer the balance on the *account* to the new *account*, and
   f) send a closing statement on the *account* to the *consumer*.

12. Where the *consumer* has opted to keep their existing *account* open, in addition to the steps required at provisions 13 to 16 below, the *credit institution* must inform the *consumer* that:
   a) all active **direct debits** and standing orders on the *account* will be transferred to the new *account*,
   b) they will be liable for stamp duty on any bank cards held in connection with both the existing and new *accounts*, and
   c) they need to inform credit transfer sources of their new *account* details, if the *consumer* wishes these credits to transfer to the new *account*.

13. When a *credit institution* receives a completed *Account Transfer Form* signed by the *consumer*, it must:
   a) send details of the active standing orders and the **direct debits** on the *account* to the new *credit institution*;
   b) send details of the active standing orders and the **direct debits** on the *account* to the *consumer* and inform the *consumer* to check the details of the active standing orders and **direct debits** and advise the *credit institution* of errors, if any;
   c) inform the *consumer* that any changes they require to the list of **direct debits** and standing orders on the *account* should be notified to the new *credit institution*, once the switching process has been completed; and
   d) write to the existing direct debit originators on the *account* and inform them of the *consumer*’s new *account* details.

14. With effect from the **switching date**, a *credit institution* must ensure that those **direct debits** that have been transferred to the new *account* are returned to the direct debit originator marked “account transferred”, if presented in error on the existing *account*. 
15. A credit institution must forward to the new credit institution details of any debit card or ATM transactions on the old account for processing, which are received by the credit institution after the account has been closed.

16. A credit institution must inform a consumer who is switching their account that he/she can request a statement of their account for the last twelve months, either electronically or in hard copy, free of charge.

17. A credit institution must ensure that all actions required by provisions 11 to 16 of this Code have been completed within 7 working days of the switching date.
COMPLIANCE

18. A credit institution must be able to demonstrate that it is in compliance with this Code.

19. A credit institution must have adequate systems and controls in place to ensure compliance with this Code.

20. Where the Central Bank of Ireland requires a credit institution to provide information in respect of the credit institution’s compliance with this Code, such credit institution is thereby required to provide information which is full, fair and accurate in all respects and not misleading and to do so in any reasonable period of time or format that may be specified by the Central Bank of Ireland.

21. Where the Central Bank of Ireland requires information in respect of a credit institution’s compliance with this Code, and the Central Bank of Ireland is of the opinion that a meeting with personnel of the credit institution is necessary in order to procure such information in a satisfactory manner, the credit institution must arrange for appropriate personnel to participate in such a meeting in order to provide the required information to the Central Bank of Ireland.

22. A credit institution must, upon being required by the Central Bank of Ireland to do so, provide to the Central Bank of Ireland records evidencing compliance with this Code for a period prior to such requirement as the Central Bank of Ireland may specify (up to a maximum period of 6 years).