



What does the phrase “regulated by the Central Bank of Ireland” mean?



This is a transcript of our animated explainer video: What does the phrase “regulated by the Central Bank of Ireland” mean?

The video was first published 23 October 2019

Carl: Hi Alex – the usual today?

Alex: Yes please, Carl.

RADIO: “... Eastlife Insurance is regulated by the Central Bank of Ireland.”

Carl: C’mere, I hear that line all the time on the radio. But what does it actually mean?

Alex: Oh, we get asked that a lot. Regulating financial service providers is one of our key roles at the Central Bank. Let me show you.

All regulated financial services providers authorised by the Central Bank are obliged to use the phrase “regulated by the Central Bank of Ireland” at the end of their TV and radio ads.

They also have to state it on their stationery, website and electronic communications.

When you hear these words, it tells you that the firm is subject to two distinct sets of regulations designed to protect you when you buy a financial product or service.



These are prudential regulations and conduct of business rules.

Prudential regulations are designed to make sure firms are financially sound and safely managed – this is a basic level of protection for consumers.

Conduct of business rules, meanwhile, are there to protect you when you buy a financial product or service.

In general, conduct of business rules ensure that regulated firms:

Act honestly, fairly and professionally

Act in your best interests when providing financial products or services

Give you the information you need to make informed decisions

Correct errors and address any complaints you have speedily, efficiently and fairly.

Carl: But who makes sure these firms comply with the rules of regulation?

Alex: Well, when it comes to conduct of business rules, the Central Bank of Ireland generally supervises all authorised financial services firms.

However, for prudential regulations, the Central Bank only supervises the firms it has authorised itself.

Carl: What do you mean? Who else authorises firms?

Alex: Well, because we are in the European Union, a firm can be authorised in another EU Member State and provide their services into Ireland using what's known as an EU "passport".

We still supervise these firms for conduct of business rules, but supervision for prudential regulations stays with their home regulator.

That's why these firms use the slightly longer phrase "regulated by the Central Bank of Ireland for conduct of business rules" in their ads.

Carl: Oh right, I get it now.

Alex: Either way Carl, just remember whenever you hear or see the words "regulated by the Central Bank of Ireland" it means that the firm is subject to regulations that are there to protect you.

Carl: Will do!

Alex: See you tomorrow, Carl!

Carl: Slán.

Alex [to the customer standing behind her who was waiting to order a coffee]: Sorry for holding you up there. Here, have this one on me!



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Video Transcript