

About the report

The Central Bank of Ireland commenced collecting detailed consumer data from selected regulated firms in a number of sectors in 2013. This data is considered as part of an overall consumer risk analytics function, with the aim being to identify potential risks to our consumer protection objectives.

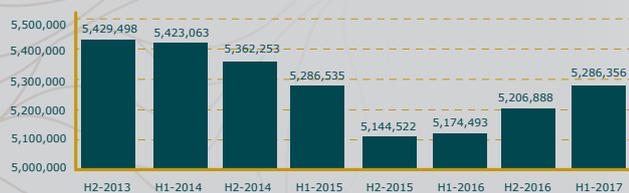
This Bulletin builds on the information presented in the first and fourth editions of the Consumer Protection Bulletin published in November 2015 and November 2016. This is based on the data reported by credit institutions representing the personal consumer current account market in Ireland. The Bulletin provides a high level overview of the number and value of current accounts held by personal consumers, the number of consumers using the Code of Conduct on the Switching of Payment Accounts with Payment Service Providers¹ ("the Switching Code"), and the number of consumer complaints received by firms in relation to current accounts.

Summary Trends

- The number of current accounts held by personal consumers has increased over the period H2-2015 to H1-2017².
- There continues to be an increase in the value of current accounts held by personal consumers over the period H2-2013 to H1-2017.
- For each of the reporting periods over the last three years, while switching levels remained low, 99% of the current account switches completed under the Switching Code were completed within the timeframes prescribed by that Code.
- Complaints relating to current accounts continue to represent the largest number of consumer complaints about banking products. The number of complaints as a percentage of the total number of current accounts is less than 1%.

Current Account Overview

Numbers of current accounts (fig 1)



At the end of H1-2017, there were six main credit institutions active in the consumer current account market. Figure 1 shows the movement in the number of current accounts held by personal consumers with these credit institutions as reported over the period H2-2013 to H1-2017. It shows that the number of reported personal current accounts has increased since H2-2015, following the decreasing trend in the period H2-2013 to H2-2015 noted in previous editions of this Bulletin.

Value of current accounts (fig 2)

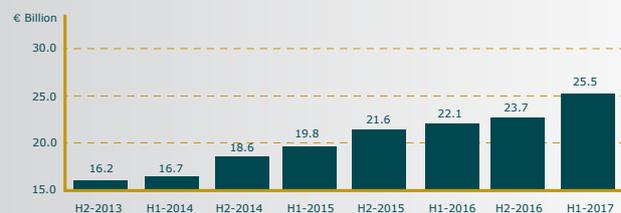
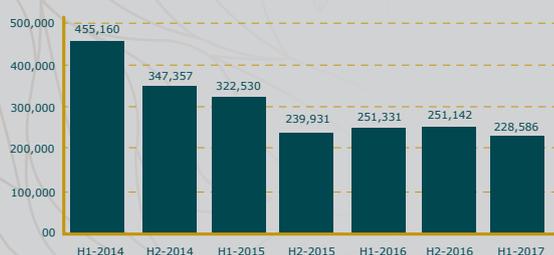


Figure 2 shows that the value of these current accounts has risen over the period H2-2013 to H1-2017 by €9.3 billion, representing an increase of 58% in the period. Since our last Bulletin on this topic reporting on the period H1-2016, there has been an increase in value of €3.4 billion (15%).

Number of current accounts in an unauthorised overdrawn position (fig 3)



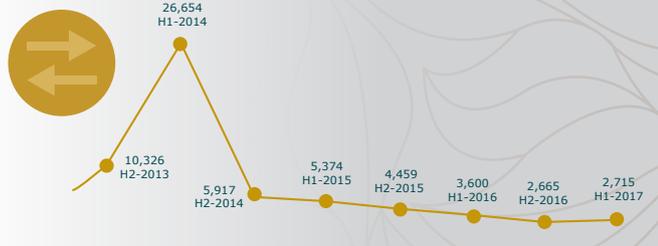
The number of personal accounts in an unauthorised overdrawn position shows a general downward trend over the period H1-2014 to H1-2017 (albeit with a slight increase in H1-2016), as displayed in Figure 3. There was a 9% reduction in the number of these current accounts in an unauthorised overdrawn position since our last Consumer Protection Bulletin on this topic (relating to H1-2016).

Current Account Switching

All credit institutions providing current accounts in Ireland are subject to the Switching Code, which was introduced by the Central Bank in October 2010 and revised in 2016. Its purpose is to make the process of switching current accounts easier and quicker for consumers.

The number of consumers switching current accounts from one credit institution to another under the Central Bank's Switching Code in H1-2017 was 2,715. As reported in our previous Consumer Protection Bulletins on this topic, there was a spike in numbers using the switching process in H2-2013 and H1-2014 which coincided with the withdrawal of some current account providers from the market. However, overall levels of switching remain low relative to the number of current accounts in the market.

Number of current accounts switches-in (under the Switching Code) (fig 4)



Current account switches have to be completed by the credit institutions within the 10-day timeframe prescribed by the Switching Code. This includes the transfer of all direct debits and standing orders. For the most recent six reporting periods, 99% of all current account switches-in were completed within this timeframe.

Current Account Complaints

A key component of the consumer data received from the reporting credit institutions relates to the number and type of consumer complaints received, as defined in the 2012 Consumer Protection Code. The reported data shows that current accounts, the main type of account held by consumers, were the most complained about banking product. When the complaints received in H1-2017 are analysed as a percentage of overall current account numbers, this continues to represent less than 1% of the total current account numbers since our last Consumer Protection Bulletin on this topic (H1-2016).

The number of complaints received by credit institutions in relation to consumers' current accounts is displayed in Figure 5.

Numbers of complaints about current accounts (fig 5)

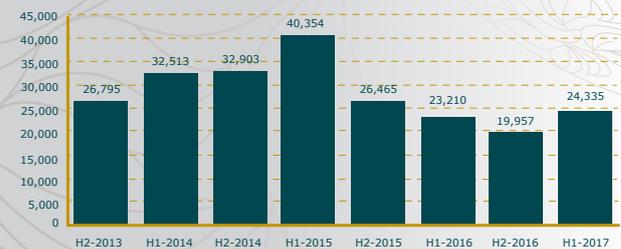
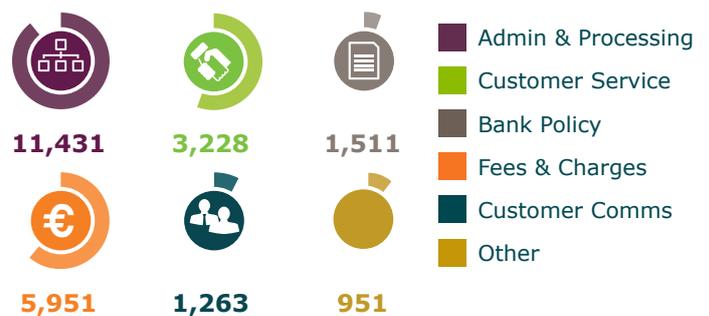


Figure 6 below shows a breakdown of the types of current account complaints received by credit institutions in H1-2017. 'Account Administration and Processing' represents 47% of all consumer current account complaints. This is consistent with our last Consumer Protection Bulletin on this topic.

Numbers of complaints about current accounts – by complaint type (fig 6)



99% of new complaints regarding current accounts in H1-2017 were resolved within 40 business days. 40 business days is the timeframe prescribed by the Consumer Protection Code within which a complaint must be resolved or, if not resolved, the complainant must be informed of the anticipated timeframe for resolution.

- In September 2016, the Switching Code was revised and renamed "The Code of Conduct on Switching of Payment Accounts with Payment Service Providers". The Switching Code now applies to credit institutions, payment institutions and e-money institutions that offer payment accounts. The Switching Code is primarily a set of procedures that must be followed by both consumers and credit institutions, payments institutions and e-money institutions when a consumer decides to switch their payment account from one provider to another. It provides for:
 - A smooth, efficient switching process for the consumer;
 - Consistency of approach to the process by all relevant institutions; and
 - Protection and support for consumers contemplating, undertaking and/or completing the switching process.
- 'H1' refers to the first half of calendar year, i.e. 1 January until 30 June. 'H2' refers to second half, i.e. 1 July until 31 December.

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