



### 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 fourth Bulletin builds on the information presented in the first edition of the Consumer Protection Bulletin published in November 2015. This is based on the data reported by credit institutions representing the domestic 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 Current Accounts with Credit Institutions<sup>1</sup>, 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 decreased in the period H2-2013 to H1-2016<sup>2</sup>, although there has been a slight increase in H1-2016 compared to H2-2015.
- There continues to be an increase in the value of current accounts held by personal consumers over the same period (H2-2013 to H1-2016).
- For each of the reporting periods over the last two years, while switching levels remain low, 99% of the current account switches completed under the Switching Code were completed within the timeframes prescribed by that Code.
- Current accounts continue to represent the largest number of consumer complaints about banking products (while still being less than 1% of the overall current account numbers).

### Current Account Overview

#### Numbers of Current Accounts (fig 1)



At the end of H1-2016, there are 6 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 from H2-2013 to H1-2016. It shows an overall decreasing trend, with a slight increase in H1-2016 from H2-2015.

#### Value of Current Accounts (fig 2)

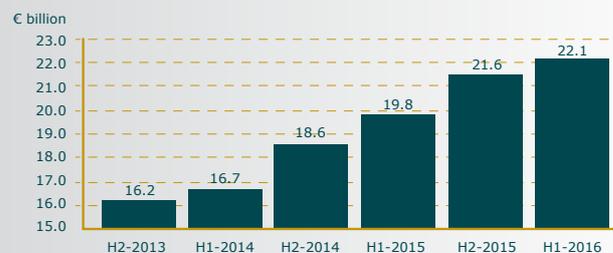
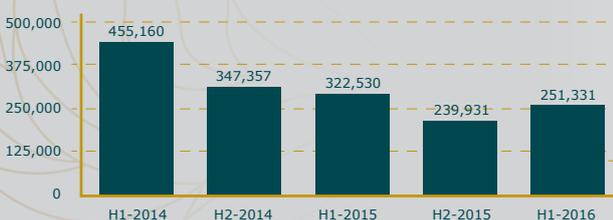


Figure 2 shows that the value of these current accounts has risen over the period H2-2013 to H1-2016 by €5.9 billion, representing an increase of 36%. Since our last Consumer Protection Bulletin on this topic (H1-2015), the increase has been €2.3 billion.

#### Number of Current Accounts in an Unauthorised Overdrawn Position (fig 3)

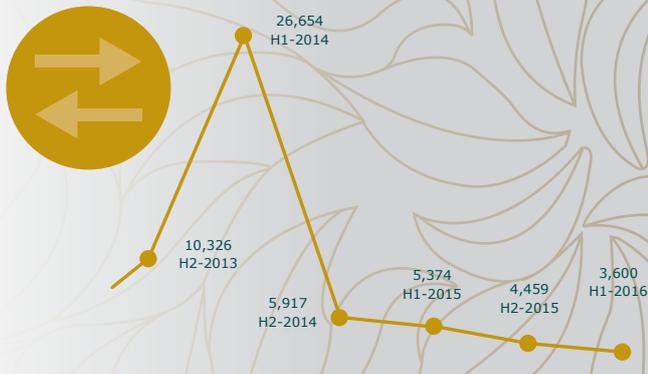


There was a 22% reduction in the number of these current accounts in an unauthorised overdrawn position since our last Consumer Protection Bulletin on this topic (H1-2015), although there has been a slight increase in H1-2016 compared to H2-2015, highlighted in Figure 3.

## 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. Its purpose is to make the process of switching current accounts easier and quicker for consumers.

### Number of Current Accounts Switched In (under the Switching Code) (fig 4)



The number of consumers switching current accounts from one credit institution to another under the Central Bank's Switching Code in H1-2016 was 3,600. As reported in our previous Consumer Protection Bulletin 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 and the number of switches has been decreasing for each reporting period since H1-2014.

Current account switches have to be completed by the credit institutions within the 10-day timeframe prescribed by the Code. This includes the transfer of all direct debits and standing orders. For the most recent 4 reporting periods, 99% of all current account switches 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 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 complaints are analysed as a percentage of overall account numbers, for H1-2016, this continues to represent less than 1% of the overall current account numbers since our last Consumer Protection Bulletin on this topic (H1-2015).

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)

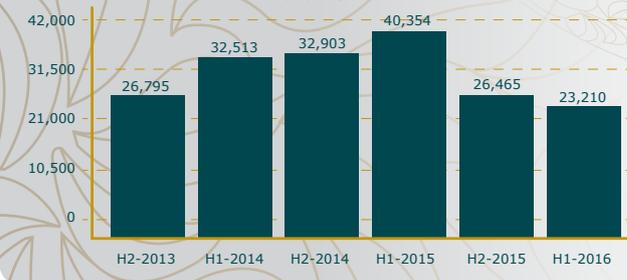
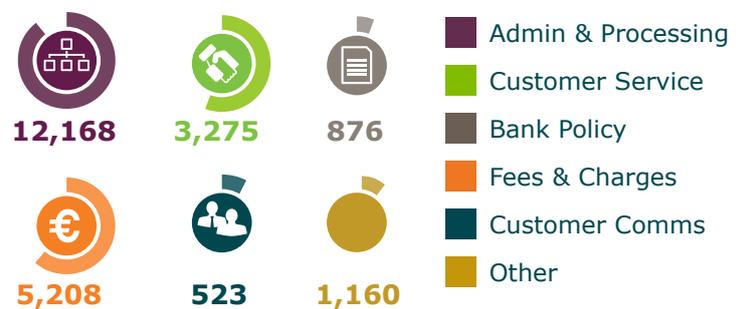


Figure 6 below shows a breakdown of the types of current account complaints received by credit institutions in H1-2016. Account Administration and Processing represents 52% of all consumer current account complaints. This is consistent with our last Consumer Protection Bulletin on this topic.

99% of new complaints regarding current accounts in H1-2016 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.

### Numbers of Complaints about Current Accounts – by Complaints Type (fig 6)



1 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.

2 '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.