



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Settlement Agreement between the Central Bank of Ireland and Oxendale & Co. Limited

The Central Bank of Ireland (the “**Central Bank**”) has entered into a Settlement Agreement with effect from 11 September 2013 with Oxendale & Co. Limited (the “**Firm**”), a licensed moneylender, in relation to a breach of the Consumer Protection Code for Licensed Moneylenders (the “**Moneylenders’ Code**”).

Reprimand and fine

The Central Bank reprimanded the Firm and required it to pay a monetary penalty of €8,000.

Breach

This case concerns a breach of Common Rule 31, Chapter 2 of the Moneylenders’ Code which provides that licensed moneylenders must not offer unsolicited pre-approved credit facilities to consumers.

Background to breach

The issue was discovered through information provided to the Central Bank’s Consumer Protection Directorate. During the month of June 2012 the Firm sent an e-mail to six hundred and fifty customers offering to increase their credit limits. Thirty nine customers took up the offer.

Once this issue was brought to the attention of the Firm, it immediately ceased sending any communications of this nature to its customers.

Penalty decision factors

The fact that penalties have been imposed in this case reflect the importance the Central Bank places on compliance with the Moneylenders' Code.

The Moneylenders' Code was put in place for the protection of consumers and a breach of Common Rule 31, Chapter 2 of the Code is considered to be material by virtue of the fact that it could encourage consumers to increase their credit limit in circumstances where it may not be in the consumer's best interest to do so and where the increase had not been solicited by the consumer in the first instance.

In deciding the appropriate penalty to impose, the Central Bank has taken the following into account:

- *the email was issued to a limited number of customers of the Firm and not to the entire population of customers and only thirty nine of those customers chose to accept the offer of pre-approved credit facilities which had not been solicited by them.*
- *the Firm took prompt and appropriate action to rectify the breaches once made aware of them;*
- *the Firm has introduced enhanced procedures and controls to prevent future incidences of this nature; and*
- *the co-operation of the Firm during the Central Bank's investigation and in settling at an early stage in the Administrative Sanctions Procedure.*

The Central Bank confirms that the matter is now closed.

- End -

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The Central Bank of Ireland also issued a general comment from Director of Enforcement, Derville Rowland:

“The protection of consumers is a key priority for the Central Bank. Where breaches of consumer protection requirements are discovered, the Enforcement Division works in close collaboration with the Consumer Protection Directorate to eradicate the conduct and deter it from reoccurring.

This is the first settlement by the Central Bank with a firm for breaches of the Consumer Protection Code for Licensed Moneylenders.

The Consumer Protection Code for Licensed Money Lenders was introduced in January 2009 to ensure that consumers of moneylending services are provided the same level of protection as other borrowers by increasing transparency, helping consumers make informed decisions and enhancing the consumer protection framework. The Central Bank views compliance with these requirements as being fundamental to the protection of the consumers of moneylending services and where those consumers who are often in financially precarious positions are not afforded the full protections provided to them under these requirements, we will act.

The Central Bank hopes that this case will highlight to industry the existence of and protections provided to consumers within the Consumer Protection Code for Licensed Moneylenders. It should also serve as a reminder to industry to ensure that their processes and procedures, systems and controls are adequate to ensure compliance with the Consumer Protection Code for Licensed Moneylenders.”