

Question	Response
<p>1 Do you agree with our proposal to prohibit moneylenders from engaging in targeted advertising?</p>	<p>Whilst Amigo believes it understands the intention of the Central Bank in this regard we don't believe that prohibiting including a customers name on marketing material will achieve the desired intention of the Central Bank as we can't see that personalising marketing creates any increased risk of customers borrowing from moneylenders in circumstances which are unsuitable. We would prefer to see a ban on financial inducements to be included in such marketing material instead. Short term offers, cashback, interest free periods and other such rewards for customers to induce them to take finance which may not be in their best interests are likely to be more harmful than simply including a customers name and details (subject of course to marketing consent having been gathered from the customer in the first place).</p>
<p>2 Do you have any view on our proposed definition for "targeted advertising" as set out in the draft regulations?</p>	<p>Amigo feels the definitions lacks a degree of clarity, for example we can find no definition of "low income" in this regard. Furthermore we are unsure how we would assess whether advancing a loan would be unlikely to be in best interest of a customer at the time we were marketing to the customer. Amigo undertakes detailed affordability assessments of all borrowers and guarantors to ensure the loan is affordable and sustainable. Amigo provides all statutory written warnings and goes one step further in that we speak to every customer and guarantor we lend to in order that we can best assess the customers needs prior to agreeing to advance a loan. We would not be able to perform this task prior to sending marketing material.</p>
<p>3 Do you see any reason why unsolicited contact with a new customer, on foot of a referral from an existing consumer, should not be prohibited?</p>	<p>As we propose to operate a remote collection model we do not have a position on this matter.</p>
<p>4 Do you foresee any practical difficulties with our proposal to prohibit unsolicited contact with existing customer for the purposes of sales and marketing?</p>	<p>GDPR already requires us to only make contact with customers who have actively opted in to receiving marketing material. Whilst many moneylenders operate short term loans, our typical loan terms are over 2 to 3 years and mean it's quite possible a customer may be servicing their loan properly by direct debit but not be aware they could take a secondary loan from us (subject of course to our rigorous affordability assessment). If we are unable to make customers aware of the choices available to them on an ad-hoc basis we may find a situation where a customer borrows from a higher cost doorstep lender instead, therefore resulting in a worse customer outcome.</p>
<p>5 Do you have any views on the proposal to remove the existing exception from the</p>	<p>Amigo has no views on this proposal</p>

	unsolicited contact rules for moneylenders providing non-cash credit?	
6	Do you agree with the proposal outlined above in relation to the additional rules specifically targeted at discounts which are predicated on availing of credit?	Amigo wholeheartedly supports this proposal.
7	Do you have any views on what, if any, unintended consequences may arise in implementing this proposal?	Amigo has no views on this proposal
8	Do you see any reason why the existing warning statement should not be enhanced in the manner set out above?	The Amigo product requires a guarantor for every one of its loans. The result of this requirement is that in our experience customers will shop around for alternatives and only when they are unsuccessful in their applications do they proceed with an application for a guarantor loan. However we see no reason that the proposed enhanced warning statement should not be included.
9	Do you agree that the enhanced warning statement should be included in all moneylending advertisements?	In principle we agree. However there are some practical implications we would ask the Central Bank to consider. Advertising platforms such as social media and google paid search have fields that can be very limited in character space. Our proposal would be that any such advert which contains a link for the customer to follow to make an application land the customer on a page that includes the warning statement as opposed to the statement appearing in the advert itself.
10	Do you have any views on the proposal to require moneylenders to provide consumers with an information notice at pre-contract points?	Amigo supports this proposal and in fact it intends to reiterate these points during its telephone interviews with its borrowers and guarantors prior to agreeing to advance a loan.
11	Do you have any suggestions in relation to the format and content of the enhanced warning statements or the information notice to enhance quality, relevance or the impact of the information provided?	Amigo would look to host this information as part of the online application process. It would reiterate the key points during phone calls with the customer. These phone calls will be regularly audited to ensure compliance with the process.
12	Do you agree with these proposals?	We agree with the principle and understand the intention of the proposal but do have a concern of the potential for information overload for the customer. It is possible that if the customer is provided with too much information they will not read it properly and skim through it thus missing other vital information. Amigo does check customers have read and understood the terms specific to our product during our telephone interview.
13	What do you suggest be included within the concept of "immediate basic needs" to which these proposals would apply?	Rent/mortgage, food, heat, electricity and medication.
14	Do you see any reason why the Central Bank should not prevent moneylenders from providing a second or further loan to a consumer unless the consumer is provided with the aggregated loan information set out above?	We agree with this proposal and see no reason why the Central Bank should not prohibit extending a second or further loan unless aggregated loan information is presented. In fact Amigo is building that

		functionality and intends to have it ready for launch independently of whether the Central Bank requires it.
15	Are you in favour of the introduction of a debt servicing ratio restriction as outlined above?	We are not in favour of this approach. We feel the calculation could be rather complicated as customers incomes can vary from one month to the next, it is reliant upon the necessary information to be able to complete the calculation and we don't feel this would actually result in a true assessment of affordability. Instead Amigo performs a detailed income and expenditure assessment which includes all credit items being serviced by the customer, furthermore it includes credit items the customer has stopped servicing for whatever reason as if an order is made that the customer should restart payments this could put their finances under undue strain.
16	Do you have any views on what percentage of income the restriction should be set at and whether it should be based on gross or net income?	Given our answer to 15 above we don't have a view on an appropriate percentage
17	Should such a restriction also apply to forbearance arrangements for moneylending consumers in arrears? Do you have any views on how it should apply in an arrears case?	Amigo performs a fresh assessment of income and expenditure for all arrears cases (where a customer is in contact and willing to do so) We are then in a far better position to assess what is reasonably affordable for the customer given our full picture of their circumstances than an arbitrary percentage of their income.
18	Do you have views on the potential impact of the introduction of a debt servicing ratio restriction, as outlined above, might have on consumers and the licensed moneylending sector?	Our view is that there is a risk that customers who could afford monthly repayments get declined due to such a ratio. This could force them to borrow from illegal lending sources. Further we fear lending could be extended to customers who meet the debt servicing ratio but in reality can't afford the monthly repayments. We reiterate a full and complete affordability assessment is a much more appropriate technique for ensuring a customer will be able to afford repayments.
19	Are there any circumstances which you consider should be exempted from such a debt servicing ratio restriction?	Our suggestion is where a lender is performing detailed individual affordability assessments, including other credit items they be exempted from this restriction. We believe the Central Bank could undertake an assessment of the lenders processes and if it deems them suitable to provide an exemption.
20	How would such a restriction operate in the case of "running account" credit provided by moneylenders?	Amigo doesn't operate running accounts and therefore has no suggestion.
21	Do you agree with the proposal to introduce an explicit requirement that moneylenders provide ongoing training to staff and agents in respect of the firms lending policies and procedures?	We agree completely and can see no reasonable argument for any moneylender not to train its staff.
22	Do you agree with the proposal to require moneylenders to have written lending policies and procedures in place? If you agree with the	We agree completely that moneylenders should be required to have written lending policies and procedures in place. Amigo

	proposal, should moneylenders be required to address any other matters within their lending policies and procedures?	already meets this requirement as a matter of course. We believe regular audits of how staff have performed against these procedures is essential to safeguard the customer and ourselves.
23	Do you have any comments on the proposal to require moneylenders to retain records of the income and expenditure relied upon to assess a consumers creditworthiness?	Amigo currently retains this information as a matter of course for both audit purposes and to perform any future assessments should the customer cease making repayments, subject of course to any data protection legislation which would prevent us.
24	Do you have any comments on the proposal to introduce explicit obligations on moneylenders to engage with third parties who are acting on behalf of borrowers?	We do have a concern where a third party could be acting in its own financial interests which may not be aligned with the customers best interests. Provision of such detailed affordability assessments could lead a third party to generate an income from the customer instead of the customer paying down their debt. Furthermore Amigo invests very heavily in its staff and systems to gather this information, providing it free of charge to a commercially minded third party (who may even be a competitor) would seem somewhat unfair. Therefore our suggestion is where the third party isn't a private individual or a charitable organisation, moneylenders should be free to levy a charge for providing this information to cover its own costs.
25	Do you agree with the proposals outlined above in relation to the additional rules specifically targeted at tightening the rules in place around repayment books and collections?	Amigo agrees with these proposals
26	Do you have any comments on the changes proposed above, that is: A applying relevant requirements under the 2010 Regulations to loan amounts below €200; B introducing a specific protection for vulnerable customers; C introducing strengthened requirements for communicating with consumers; D requiring that consumers in arrears are signposted to MABS earlier; E aligning the wording of requirements with wording of similar provisions in the CPC 2012, where appropriate.	Amigo supports these proposals and already has policies in place for assessing vulnerable customers and dealing with them accordingly. The one concern we would have is a restriction on communication with a customer, we have found that the sooner we contact a customer when loan repayments fail the greater the chance of resolution. It is also in the best interests of the customer to be made aware of the impact of failure to repay on their ability to obtain credit in the future and to help us avoid having to seek repayment from their guarantor. However we accept that excessive contact attempts can be harmful, we would suggest that no restriction be put in place for the first month the customer falls into arrears (subject to a reasonable test of one or two attempts per day). Any restriction should apply at the end of the first month of arrears.
27	Do you have comments on the attached draft Regulations?	We have no further comments subject to the comments made above.
28	Do you have any suggestions for further reform in the moneylending sector, e.g. are there any gaps or areas omitted from the protection proposed in the Consultation Paper?	We have no suggestions for further reform

29	Do you have any other views on the overall function and risks of the licensed moneylending sector in Ireland?	As a new entrant to this market we are limited in our experience in the manner the sector operates. Although we do note a sense that the sector is less welcome than mainstream lenders, we believe we provide a vital service in providing safe and responsible lending to customers who could find themselves with no option other than illegal loan sharks. Further, given the advancement of the consumer credit register we believe we will assist customers who are currently declined by the mainstream lenders in building or rebuilding their credit history and enabling them to get on the mainstream ladder.
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