



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

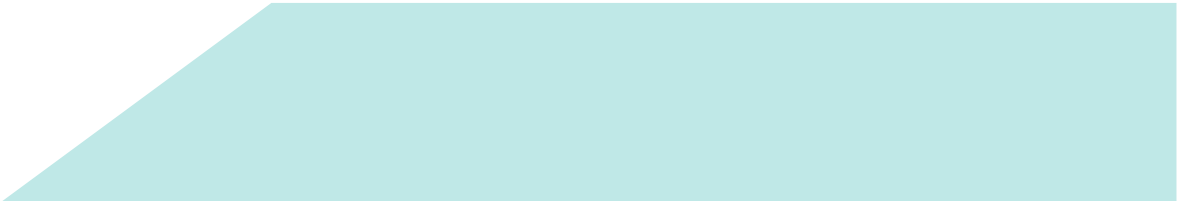
Feedback Statement -  
Consultation Paper 136

# Enhancing our Engagement with Stakeholders

November 2021

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# Introduction

Engagement with our broad range of stakeholders is an important aspect of the work we do in the Central Bank. It gives us an opportunity to build open dialogue, both to explain our work and approach and to listen to the views and experiences of the public, our stakeholders and peers. This informs our decision-making and how we deliver on our mandate.

The Central Bank's **Strategic Plan for 2022-2024** lays out the strategic direction for the organisation for the next three to five years. The Strategy marks a new period in the work of the Central Bank and provides an opportunity for us to set a new direction in terms of how we communicate and who we engage with in relation to our overall strategic direction and delivering our mandate in the public interest. The publication of the Strategy provides an opportunity for the Central Bank to build on the stakeholder engagement that has been an area of increased focus for us; so that we can ensure we continue to raise awareness amongst the public of our work and our mandate. It also enables us to be open and engaged and to strive to continually strengthen our engagement and open dialogue with our key stakeholders across Ireland. Importantly, being open and engaged supports us to contribute to building trust in the financial system and foster a wider understanding of the Central Bank's role.

We have engaged with stakeholders in many ways up to now, including bilateral engagements with industry, public consultations on our policy measures, engagement with the Central Bank's Consumer Advisory Group, engagement with Civil Society via our Civil Society Roundtable and engagement with SMEs and other stakeholders via our outreach programme and our topic-specific roundtables. These are in addition to the individual engagements that we have, including with members of the public via our Public Helpline, with firms via our regulatory engagements and dedicated facilities, such as our Innovation Hub, and with individuals via our Protected Disclosure Desk. We also regularly engage with other stakeholders, such as academia, subject matter experts, and others, and derive value from their expert input and support.

While we intend to continue our existing engagements in the future, we recognise that we can further enhance how we engage with our broad range of stakeholders by creating an engagement structure, and, in doing so, create additional opportunities and facilities for us to listen to our stakeholders. To that end, we published Consultation Paper CP136 on Enhancing our Engagement with Stakeholders (the Consultation Paper), setting out proposed enhancements to our approach and the means by which we engage.

The Consultation Paper set out a number of proposals to enhance the Central Bank's stakeholder engagement in certain areas. We proposed to build on our existing engagement model with relevant stakeholders to facilitate greater discussion of cross-sectoral and strategic issues that affect the Central Bank's oversight of the financial system. In addition to these engagement enhancements, in the future, we will establish other initiatives to facilitate engagement with stakeholders on specific themes or topics e.g. we recently communicated our plans to establish a **new Climate Risk and Sustainable Finance Forum**.

To complement these enhancements to our engagement with our stakeholders, we also recognise the importance of feedback. As these new engagement structures develop and progress, we will work to respond to and feedback on what we hear. Publication of this Feedback Statement is one form of response but, to take it further, we will build into our engagement structures the capacity to respond and feedback. As well as supporting two-way dialogue with our stakeholders, this will complement our commitment to build a wider understanding of what we do and why.

Also in the Consultation Paper we noted and welcomed the proposals set out in the *Programme for Government* regarding the extension of the lobbying register so that the lobbying of senior officials in the Central Bank will need to be reported on the same basis as central and local government.

The three-month public consultation period closed on 11 May 2021, with 18 responses received.

The submissions can be broken down as follows:

- two trade unions
- 13 industry representative groups and professional bodies
- two individual firms
- one statutory body

Appendix 1 details all respondents to the consultation. In addition, we received feedback directly from members of the Consumer Advisory Group and the Civil Society Roundtable.

The Consultation Paper posed nine questions to respondents. This feedback statement briefly summarises the responses to each question, as well as additional comments received from respondents, along with the final enhancements to our engagement models. It is intended that this feedback statement be read in conjunction with CP136, which can be found on the Central Bank's website [here](#). All responses are also available on our website.

The Central Bank would like to thank all parties who took the time to make a submission to CP136.

# Summary of Feedback

To preface this summary, the Central Bank would like to assure all stakeholders that the proposals and enhancements in CP136 are about strengthening our engagement model. They seek to complement our existing forms of formal, informal and bilateral stakeholder engagement, not replace them.

We recognise the importance to us and to our stakeholders of maintaining our existing bilateral engagements as key mechanisms within which to listen to our stakeholders. Current engagement structures that stakeholders have established with the Central Bank will continue; including ad hoc sector specific meetings, bilateral engagements with industry and business representatives and our engagement with the public.

We will also continue the mechanisms for relevant stakeholders to provide views and input into upcoming regulatory and policy changes through current and enhanced engagement structures and through the [consultation process](#)<sup>1</sup>. We also intend on establishing additional engagement initiatives to foster engagement with stakeholders on specific themes or topics, for example, on climate risk.

## Proposal 1: Enhancing engagement with civil society and with consumer representatives

This first proposal seeks to enhance engagement with civil society and consumer representative stakeholders in the area of strategic and cross-sectoral issues across the financial system. The proposal seeks to create opportunities for members of the Central Bank's Senior Leadership team to listen to civil society and consumer representative stakeholders.

In addition to respondents to the consultation, we also sought feedback directly from the Consumer Advisory Group and the Civil Society Roundtable members on this proposal.

**Question 1: Do you agree with the proposals to enhance the role of the Consumer Advisory Group (CAG)? What further enhancements could be made, given its statutory mandate<sup>2</sup>?**

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<sup>1</sup> There is a specific [consultation protocol](#) in place for the Credit Union sector which was introduced in 2012.

<sup>2</sup> The CAG is established on a statutory basis under Section 18E of the Central Bank Reform Act 2010. The CAG is not a decision maker and has an advisory/consultative relationship with the Central Bank on matters relating to the performance of its functions and the exercise of its powers in relation to consumers of financial services.

Of those that responded to this question, feedback was broadly supportive of the proposals to enhance the role of the CAG. There was also support to enhance its engagement within the organisation to ensure the CAG, and its members, can play a more effective role in advising on policy making on matters relating to the financial system and their impact on consumers.

All respondents were supportive of increasing the membership of the CAG to include other representatives and to enhance the range of perspectives represented. In particular, there is broad support for the increased membership to be as diverse and inclusive as possible. A number of respondents questioned whether practitioners, trade unions or a direct consumer representative should be added to the membership of the CAG.

Respondents were supportive of the proposal to increase the frequency of the meetings to four per year, with one being dedicated to strategic, cross-cutting issues. One respondent suggested dedicating a fifth half day for strategy and planning and another respondent suggested dedicating one CAG meeting to consumer feedback on their engagement with financial service firms.

Other suggestions from respondents include facilitating deeper engagement with the Central Bank, considerations around agenda setting and building a greater mutual understanding of the work of the Central Bank and civil society organisations.

#### **Agreed enhancements to CAG engagement:**

*The Central Bank views the CAG as an important stakeholder as members provide valuable advice, insights and guidance to the Central Bank on the performance of its functions and the exercise of its powers in relation to consumers of financial services<sup>3</sup>. Members of the CAG are made up of persons who have expertise, knowledge or experience relevant to consumer needs and consumer risk.*

*As such, we view the CAG as an effective vehicle to provide advice to the Central Bank in relation to the consumer perspective and want to enhance and support it so it can boost its impact.*

*On consultation with current CAG members, they were supportive of **making enhancements to the Group as they feel they can add greater value to the Central Bank.***

*Having considered the feedback received, the Central Bank will increase the frequency of the CAG meetings so they will meet up to five times per year. One meeting will be dedicated to strategy and planning for the year ahead and one*

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<sup>3</sup> The CAG is one of many ways we receive advice in relation to consumer needs and consumer risk. Other means by which we receive insights include, but not limited to, consumer research and consumer surveys.

*meeting will be dedicated to cross-cutting, cross-sectoral issues. The strategy and planning session will coincide with the Central Bank's work planning cycle to create alignment between the work plan of the CAG and the work plan of the Central Bank, including indication of the areas on which the Central Bank would seek views from the CAG. As suggested by CAG members, the Central Bank will also ensure that time on each agenda is retained for ad hoc issues that arise between meetings.*

*The Central Bank notes that the current CAG members comprise of two academics, one former regulator, one former practitioner, and two advocacy professionals. In order for CAG to be a more diverse and inclusive group and to further enhance their impact, the Central Bank will increase membership of CAG, to enhance capacity and maintain the strong insights and experience on consumer needs and consumer risks.*

*The Central Bank is committed to supporting the functioning of CAG; this is with the intention of fostering increased levels of engagement in seeking CAG views and overall enhancement of its effectiveness.*

**Question 2: Do you agree with the proposals outlined above to enhance the role of the Civil Society Roundtable?**

All respondents to this question were broadly supportive of the proposals to enhance the role of the Civil Society Roundtable, including developing an additional meeting dedicated to the experience that people have in interacting with the financial system. One respondent suggested that agendas and topics for discussion are sufficiently focussed in order to facilitate meaningful dialogue and discussion.

All respondents broadly supported inviting additional representatives while several respondents strongly supported having the views of vulnerable people represented at the Civil Society Roundtable. One respondent suggested that the chair of the Civil Society Roundtable should be independent of the Central Bank and appointed by the members of the group.

**Agreed enhancements to the Civil Society Roundtable:**

*Having considered the feedback received the Central Bank will hold up to three meetings per year of the **Civil Society Roundtable**. One of those meetings will be dedicated specifically to members sharing experiences of interactions with the financial system. We will implement this enhancement in 2022, holding up to three meetings that year and each year thereafter.*

*If a specific issue requires consideration, we may convene a meeting or host a bespoke focus group of Civil Society representatives. For example, our engagements to date on distressed debt.*

*The Central Bank will undertake an analysis of current membership of the Civil Society Roundtable and seek to address any gaps in civil society representation by inviting additional representatives, with a particular focus on ensuring that the breadth of society is represented.*

**Question 3: What other formal or informal mechanisms could the Central Bank consider to engage with civil society and consumer groups to ensure their perspectives and insights into the financial system are considered in decision-making?**

One respondent suggested the Central Bank undertake activities such as a mapping exercise to understand the consumer journey, surveys or focus groups to understand consumer perspectives. These initiatives would inform the agendas of the CAG and Civil Society Roundtable and further support the Central Bank's decision-making.

Other general comments in relation to CAG and Civil Society Roundtable proposals included publishing progress reports on the work of the two groups and continuing to publish summaries of the meetings (as is currently the practice).

As a point of general feedback in relation to this proposal, one respondent shared concerns that these fora may generalise issues consumers face in the financial sector, which may diminish the good relationship that some sectors already have with their consumers, notwithstanding that the respondent acknowledges the importance for the Central Bank to listen to and respond to consumer feedback.

**Central Bank Response:** *As set out, the Central Bank takes on board the recommendations and feedback from respondents in relation to the proposals to enhance the role of the CAG and Civil Society Roundtable and will take them into consideration when developing our engagement model for both groups. One meeting of the Civil Society Roundtable will be dedicated to listening to the user experience of the financial system. Further, if a specific issue requires consideration, we may hold bespoke engagements with Civil Society representatives.*

*While we note the comments about potential for consumer issues to be generalised, our view is that perspectives of consumers and civil society are important because they provide the perspectives of those stakeholders that participate in the financial system and on which our decisions may impact. For that reason, we are strongly of the view the **CAG and Civil Society are key groupings of stakeholders** to whom the Central Bank should provide more, not less, listening opportunities.*

*We also note the feedback regarding continued transparency and the Central Bank will continue to publish meeting summaries on the website.*



## Proposal 2: Industry Engagement

The aim of this proposal is to formalise current industry roundtables to provide a new, additional facility for the Central Bank Senior Leadership Team to listen to the perspectives of our financial services industry stakeholders on the medium term, strategic and cross-sectoral issues across the financial system. This proposal suggested the creation of a new Industry Forum, which would comprise of 20 financial services industry representative groups. The proposal was that the Industry Forum would hold two meetings annually (one full day and one half-day meeting) with one to coincide with the proposed Financial System Conference.

**Question 4: Do you agree that the Central Bank should look to formalise the current industry forum roundtables to discuss cross-sectoral, strategic issues relating to the financial system as set out above?**

Most respondents were supportive of formalising the current industry forum roundtables into a new Industry Forum that would discuss cross-sectoral and strategic issues relating to the financial system. Respondents commented that the new Industry Forum should not replace existing sector-specific and bilateral engagement structures. Respondents suggested the Industry Forum should also consider forward-looking items.

One respondent expressed the view that there is limited benefit in cross-sectoral engagement due to the varying nature, scale and complexity of the different sectors in the financial system. Another, while supportive of a cross-sectoral forum, noted that flexibility on how it would be calibrated would be required.

**Question 5: If yes, are there any suggestions you would like to make the regarding the establishment of such a forum?**

Several respondents proposed suggestions in relation to the establishment of the Industry Forum. They are summarised as follows:

In terms of frequency of meetings, there was general support to hold four meetings per year, rather than the two meetings proposed and splitting the proposed full day meeting into two half-day meetings.

Several respondents referenced the Industry Forum as a means to support the Central Bank's strategic plan, and therefore suggested the Governor of the Central Bank should chair the forum. Another respondent suggested the Industry Forum be independently chaired.

Some respondents were supportive of capping membership of the Industry Forum at 20 representatives, while several other respondents suggested that this cap would be restrictive and would value flexibility in regards to the cap of 20 members. Most respondents were in agreement with the proposal

for membership to include the chief executive or equivalent of the sectoral representative bodies and one board member (a representative from a member firm).

A number of respondents suggested inviting other relevant stakeholders (where appropriate) to the meetings, such as the Department of Finance.

Most respondents welcomed structure to the Industry Forum such as a defined Terms of Reference, set objectives, and measured outputs. Two respondents suggested commissioning an annual survey of regulated firms, which would inform the agenda of the Industry Forum. Another suggestion was to map stakeholders and harness technology to increase potential attendance.

**Question 6: If no, how do you think the Central Bank should seek to discuss cross-sectoral, strategic issues relating to financial sector oversight with the relevant industry stakeholders?**

Given the broad mandate of the Central Bank and the various different sectors in the financial system, two respondents suggested that there should be a forum for sectoral engagements, in addition to the broader cross-sectoral forum. Suggestions to support this include the establishment of sector-specific forums or sub-committees.

***Agreed enhancements to Industry Engagement***

*In light of the comprehensive feedback received on this proposal, the Central Bank will formalise the current industry roundtables into a **new Industry Forum to be chaired by the Governor**. Membership of the Industry Forum will be broad enough to sufficiently represent the financial services industry, while also ensuring the group will facilitate effective discussion and engagement. The Industry Forum will meet up to twice per year, with meetings commencing in 2022.*

*Recognising that some of the issues that our industry stakeholders wish to discuss will be sector-specific, under the Industry Forum, the Central Bank **will establish a facility whereby sectoral specific issues** can be discussed. This may broadly focus on banking and payments issues, insurance issues and investment issues. However, we will be flexible and dynamic in deciding the composition and focus of these fora. Sectoral fora will be convened up to once every 18 months and will be chaired by the relevant Central Bank directors. The membership of a sectoral forum will be dynamic to ensure representation from new/non-traditional entities as the system evolves.*

*A terms of reference will be established and a summary of the discussions at all the meetings of the Industry Forum and sectoral fora will be published on the Central Bank website.*

## Proposal 3: Financial System Conference

### Question 7: Do you have any observations in respect of the proposed Conference?

The Central Bank proposes to host a regular Financial System Conference that would be open to the public and would be a forum where stakeholders can engage with the Central Bank, and with each other, about the strategic issues affecting the oversight and operation of the financial system in Ireland.

Most respondents were supportive of the proposed Financial System Conference and view it as a valuable opportunity to engage with and listen to a wide range of stakeholders. There was strong support to ensure all stakeholders are represented (including consumers, civil society, and the wider business community). One respondent suggested that front line staff are invited. There was also encouragement of holding the conference as a virtual event and of actively seeking out attendance by consumers.

There was general support among respondents that the Industry Forum should be a separate initiative to the proposed Financial System Conference.

Regarding the format, some respondents suggested having authors of policy papers and policy-makers from other jurisdictions present which would inform the agenda. Others suggested that there should be opportunity for public engagement (a forum to submit questions or a dedicated panel discussion).

Several respondents would welcome clarity in regards to how attendees are invited.

#### **Central Bank Response:**

*The Central Bank welcomes the support for the proposed **Financial System Conference** and we view it as a valuable opportunity for the Central Bank to come together with our broad range of stakeholders in an open and engaged manner to both explain our work and approach and hear the views and perspectives of our stakeholders.*

*We will take on board the suggestion to de-couple the Financial System Conference from the Industry Forum. The conference will be hosted as a standalone event to bring together the perspectives of all stakeholders.*

*Details on how to secure an invitation will be published well in advance of the conference. Depending on circumstances at the time, the Central Bank would like to host the conference as a hybrid virtual/onsite event. The virtual element will create more access from stakeholders across Ireland and abroad. It will also minimise the need for participants to travel to the event, thus reducing the event's*

potential carbon footprint. The onsite element will provide enhanced facility for panel and speaker engagement.

## Proposal 4: Engagement with Business Representatives and the Wider Economy

**Question 8: Are there formal or informal mechanisms that you think the Central Bank should consider to ensure the perspectives of the business community are heard and contribute to the Central Bank's decision-making?**

This proposal seeks to enhance the Central Bank's engagement with the wider economy including with business owners and their representatives across a range of industry sectors to ensure that their views on the operation of the financial system are captured.

There was general support among most respondents for the Central Bank to continue its regular engagement with the wider business community; however, one respondent said they would welcome more information on how the Central Bank currently engages with the wider economy. Some respondents suggested a similar approach to the CAG or the Civil Society Roundtable may be useful for engagement with the business community, such as the establishment of a Central Bank Business Forum.

### **Enhancements to engagement with business representatives:**

*The Central Bank operates a broad outreach programme that includes engagements with business representatives across a wide range of non-financial industry sectors. Since the beginning of 2020, we have engaged with ten regional chambers of commerce, in addition to our regional outreach engagements with innovation and research centres, business centres and third level institutions. These engagements have provided valuable listening opportunities for the Central Bank to hear the perspectives and views of the wider economy.*

*The Central Bank welcomes the support for continued engagement with the wider business community, which we will continue to facilitate as part of our outreach and engagement campaigns. In particular, to listen more to the perspectives and experiences of participants in the wider economy, we will also establish a **new Business Forum**. The Business Forum may meet once per year. The Business Forum will provide the Central Bank an opportunity to meet business representative organisations and broad sector-specific representative groups to hear the issues that affect them. We will seek to broaden the range and diversity of stakeholders that we engage with because we recognise the importance and value of hearing a broad range of perspectives.*

*If a specific issue requires consideration, we may convene a meeting or host a bespoke focus group of business representatives. For example, our engagements to date on business interruption insurance.*

## Other Feedback

**Question 9: Are there any other matters that the Central Bank should take into account or practical steps it should take, to engage more effectively with domestic stakeholders, as it works to develop its overall strategy for stakeholder engagement?**

In general, respondents supported increased and continued engagement with consumer, civil society and industry representatives and welcomed opportunities to provide feedback to the Central Bank. One respondent expressed the view that the proposed enhancements should not impact the Central Bank resources which may result in current engagements being diluted. Some other suggestions to this question are summarised below:

One respondent suggested the establishment of a sector wide “Regulatory and Legislative Policy Committee,” with the purpose of providing advice to the Central Bank on upcoming regulatory changes.

Two respondents suggested that a central coordination point or contact person for certain stakeholders is established to streamline engagement.

Two respondents suggested that it would be useful for there to be a formal mechanism that makes it easy for consumers to raise issues and get immediate responses from the Central Bank. For example, a facility on the website where suggestions or feedback could be provided.

A number of respondents suggested the Central Bank undertake financial literacy initiatives.

**Central Bank Response:** *The Central Bank thanks all contributors for their suggestions. The Central Bank operates a public helpline which can be contacted by telephone on +353 (0)1 224 6000 or by emailing [enquiries@centralbank.ie](mailto:enquiries@centralbank.ie). This is the current facility for general public engagement with the Central Bank.*

*The Central Bank recently developed online survey and consultation capabilities to facilitate a digital-first approach for engaging with the public and key stakeholders on certain strategic initiatives via [centralbank.ie](http://centralbank.ie). We will assess where and how we can leverage these capabilities to foster greater engagement and improved user experiences.*

*As mentioned above we will continue to facilitate the mechanisms for relevant stakeholders to provide views and input into upcoming regulatory and policy changes through current and enhanced engagement structures and through the consultation processes.*

### **Additional Stakeholder Engagement Initiatives**

*While not proposed in CP136, the Central Bank will establish additional thematic fora or stakeholder groups, as appropriate, to discuss specific topics or themes.*

Membership of such groups may be wider than industry and include other stakeholders such as academia, and others. Recently, the Bank announced its intention to establish a new **Climate Risk and Sustainable Finance Forum**.

In addition, the Central Bank will **review its strategy on engagement with innovators and related stakeholders**. The Innovation Hub, launched in 2018, is the dedicated facility for innovators and related stakeholders to engage with the Central Bank. A public update will be provided in 2022.

### **Financial Literacy**

Several respondents to the consultation raised the issue of financial literacy. We recognise that financial understanding and literacy is a key aspect in achieving central banking and financial regulatory mandates and objectives. We recognise and support the value and importance of financial literacy initiatives for consumers of financial services and for the broader public. Financial literacy and education form part of the mandates of other public authorities. Notwithstanding that financial literacy and education are not part of the Central Bank's mandate, we recognise that we can actively support others in the delivery of their important financial literacy mandates. We will engage with those public authorities, to see how we can support them in the delivery of their mandates.

We recognise the potential for our Financial System Conference to incorporate some considerations of financial literacy. At a minimum, we intend that attendance is open to consumers and the wider public.

We will also continue to update information on our [Consumer Hub](#), including with [Consumer FAQs](#), [animated videos](#) and [explainers](#).

### **Review of these enhancements**

To ensure that the enhancements to our stakeholder engagements are achieving their goal of providing stakeholders the opportunity for effective and meaningful engagement with members of the Central Bank's Senior Leadership Team, we will conduct a review of the enhanced stakeholder engagement model two years after the enhancements have been implemented, and yearly thereafter.

**Appendix 1 – Respondents to CP136**

1. BNY Mellon
2. Banking & Payments Federation Ireland
3. Brokers Ireland
4. Chartered Accountants Ireland
5. Credit Union Development Association
6. Credit Union Managers Association
7. European Money Association
8. European Principal Traders Association
9. Financial Services Ireland (IBEC)
10. Financial Services Union
11. Fire Financial Service
12. Insolvency Services of Ireland
13. Insurance Ireland
14. Irish Association of Investment Managers
15. Irish Banking Culture Board
16. Irish Congress of Trade Unions
17. Irish Funds
18. Society of Financial Planners Ireland

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