



InsTech.ie

Response to CP158

Consultation Paper on the
Consumer Protection Code

Contents

Introduction	1
Overall Observations	3
Digitalisation: Do you have any comments on the proposed Code enhancements with regard to digitalisation?.....	4
Conclusion	7

Introduction

Instech.ie was established as a not for profit, company limited by guarantee in November 2021. We commissioned a report by Deloitte (The Insurtech Review of Ireland) that explored the need, potential and development requirements of such an organisation.

The organisation is collaborative and open to all stakeholders in the insurance ecosystem – Insurance firms, brokers, start-ups, academic and research institutions, government, enterprise support agencies and regulators.

Instech.ie is tasked under the Department of Finance plan, IFS 2025, with building an insurtech hub in Ireland. It is a member of the Financial Industry Forum convened by the Central Bank of Ireland.

Instech.ie has three strategic pillars upon which it will deliver on its mission to build Ireland's reputation as an innovation test bed for insurance:

- Drive innovation capability and talent in Insurance firms, brokers and MGA's in Ireland
- Become the destination of choice for international Insurtechs establishing an EU presence
- Build a pipeline of Irish Insurtechs that can compete globally

Founding members of Instech.ie include:



In addition to (re) insurers, Instech.ie tracks 100 + indigenous Irish companies selling innovative products to the insurance sector (see our Insurtech map – <https://www.instech.ie/instech-ie-insurtech-map-2024>)

Overall Observations

We recognise the importance of the Consumer Protection Code and welcome a review of the current requirements relating to the Consumer Protection Framework. Consumer needs and expectations are changing at a rapid pace and the influence of digital on the financial services sector over the past ten years has been significant.

Our members are at different stages of their digital transformation journeys with many having offered products through digital platforms for many years and have been applying CPC regulations to customer journeys across digital and non-digital channels. Research we conducted in 2023 in collaboration with Deloitte on the capabilities needed for the future of insurance, suggests that capability levels within insurance providers when it comes to digital design are low.

[https://26489745.fs1.hubspotusercontent-eu1.net/hubfs/26489745/Innovate%20and%20Elevate%20-%20Insurance%20Innovation%20Capability%20Report%20\(InsTech.ie_Deloitte\)%2020230928.pdf](https://26489745.fs1.hubspotusercontent-eu1.net/hubfs/26489745/Innovate%20and%20Elevate%20-%20Insurance%20Innovation%20Capability%20Report%20(InsTech.ie_Deloitte)%2020230928.pdf)

The topic of Digitalisation is of most relevance to InsTech.ie, as our main focus is driving innovation, technology and digitalisation across the insurance industry.

Digitalisation: Do you have any comments on the proposed Code enhancements with regard to digitalisation?

While we recognise that there are risks and challenges involved, digitalisation has helped make financial services more accessible for many people in society and provides an opportunity for consumers to take time to review the details of the products and services that they are purchasing and process the information in their own time. Advances in digital technology has increased this accessibility further, with the introduction of accessibility tools such as immersive readers, live captions and read aloud options.

Many customers today want to self-serve online rather than speak to a representative, and it's important that we design their self-service journeys in a way that they understand exactly what they're undertaking and can do so with ease.

Human-Centred Design Approach

At InsTech.ie, we believe that digital journeys should be designed with the customer at the centre, following a human-centred design approach. We welcome this being called out in the requirements, and we will look to support our members in adopting this human-centred approach in designing their digital customer journeys. Part of this approach is user testing to ensure that customers can use digital platforms in a reasonably intuitive way.

Likewise, we believe that internal systems being used by employees should be designed and developed in such a way that ensures that they are user-friendly, easy to navigate and intuitive. Making internal systems easier to use, ultimately benefits the end customer, and should reduce errors that impact customers.

Interpretation and Implementation

One area where we see potential issues for consumers is in the interpretation and implementation of certain requirements, e.g. 41(1) and 41(2), relating to “Information to be provided on available assistance when using digital platforms”. Depending on how this is interpreted and implemented the customer could be presented with too much information, particularly when using a mobile device. UX Design principles suggest that too much information when trying to complete a task can hinder decision-making.

This is an area in which we can help bring the industry members together to align on an approach when it comes to implementation, to ensure that the customer does not experience 'information overload'. We would welcome the Central Bank participating in this consensus building, along with our members and other key stakeholders.

Warning message

The introduction of requirement 43 (1), the warning message to be provided prior to providing a financial service, in addition to the requirements already in place could again result in the customer being presented with an excessive amount of information. This is an understandable requirement where the customer may be entering into a long-term financial product, however, many insurance products are short term and due to the information already required to be provided, customers are aware that they are purchasing a financial product/service. This is also an understandable requirement where the insurance product is embedded in another non-insurance product, however, to require all insurance providers to display this warning message for all financial products and services, and to ensure that the customer has agreed may result in unnecessary effort and cost for the provider, and potential frustration for the customer.

Conclusion

InsTech.ie welcomes the introduction of principles around digitalisation to the Consumer Protection Code. Customers should be at the centre of digitalisation and the design of digital customer journeys, and providers should take the entire customer journey into account when implementing the requirements, taking into consideration the amount of information that customers are expected to consume when purchasing a financial product. InsTech.ie welcomes the opportunity to work with our members and other stakeholders within the industry to help implement these requirements in a way that works for the customer and our members.