



CP – 158 – Central Bank Consultation Paper on the Consumer Protection Code

Irish Life Group Submission – June 2024

INTRODUCTION

ABOUT IRISH LIFE AND CANADA LIFE

Canada Life was founded as Canada's first life insurance company in 1847. It has now grown into one of the world's largest and most financially secure providers of life insurance. Since 2003, Canada Life has been a part of Great-West Lifeco Inc., one of the leading financial service providers in Canada. Great-West Lifeco Inc. cares for more than 28 million clients around the world.

Irish Life empowers its customers to look to the future with more confidence and certainty. We manage the financial needs of more than 1.6 million Irish customers. We think ahead to find opportunities and anticipate challenges to help deliver more security and certainty for their futures. We have over 80 years' experience serving corporate and private customers in Ireland. So we pride ourselves on having a deep understanding of our customers' needs, interests and concerns for themselves and their families.

Irish Life Group (ILG) includes inter alia Irish Life Assurance and Irish Life Health as well as its associated companies Irish Life Investment Managers and Setanta Asset Management. We currently have 2,400 people working at our campuses in Dublin and Dundalk, and we continue to grow.

Submission

The Irish Life Group companies welcome the publication and modernisation of the provisions within the Consumer Protection Code (CPC). We would agree with an approach that seeks to put customer outcome at its core.

Irish Life Group firmly believes in the benefits of a strong consumer focussed regulatory framework and supports the overall objectives and ambitions for consumers set out within the revised Consumer Protection Code. It is important for customers, industry and society that there is a regulatory framework that ensures customers are treated fairly, that customer expectations are met and that the best interest of consumers is at the core of all its activities provided by the financial services market. It is therefore welcomed to see more consistency, clarity and reinforcement of some consumer protections within the revised Code.

We have answered the general questions within the consultation document below, but we have also tracked our response to individual specific changes not highlighted in the Consultation which can be found on review of the Regulation within Appendix 1.

We would like to raise the following general comments prior to answering the specific questions the Consultation Document:

- Time frame for response and implementation of new CPC
While the Consultation document is short in nature, the accompanying draft regulations and guidance are extensive. While the ambition to bring together all CPC requirements into one document is welcomed the breadth and scale of the change proposed is extensive and not reflective of the questions within the consultation document. It has been challenging to identify all the wording changes through the documentation which could impact the business, and this has been exacerbated by some incorrect referencing within the mapping tool. We would note that according to the Better Regulation tool there are over 400 proposed text changes in the consultation, with hundreds of replacements, insertions and deletions the majority of which are not called out within the consultation. Hence, a three month window to review has proved challenging and required extensive resourcing from across the business.

Similarly, due to the extent of the changes proposed and that they interface directly with the operating model within the business a one year time frame for implementation appears short. We would therefore seek 18 months implementation from the date of publication of the regulation.

- Duplication and Gold-plating of Regulation

In a number of instances the proposed draft regulations, not only impose new requirements on regulated firms but also deviate and create parallel more onerous provisions than those contained in already existing legislation. For example, the revised provisions on vulnerable customers impact the requirements within the Assisted Decision Making Act and GDPR provisions. This forces financial services firms to adhere to two albeit slightly differing requirements and creates potentially conflicting regulatory requirements. Similarly, the proposed provisions on sustainability requirements seem not to take into account proposed EU disclosure and greenwashing regulations. The need to deviate from existing regulatory requirements is unclear and the additional cost of such requirements to financial services providers versus any potential additional benefit to consumers is questioned.

- Level of Regulatory Change

We would note that over the past number of years there has been an extensive regulatory change on a near constant basis. Hence the current CPC changes cannot be viewed in isolation but alongside all the other regulatory changes and expectations that have occurred, from the implementation of Operational Resilience, Outsourcing Guidelines, Climate Risk Guidelines, IAF/SEAR and DORA. The ever increasing cost of regulation and compliance needs to be assessed against the benefits it seeks to produce.

In particular, we would also question the benefit of the increased regulation when it comes to disclosure matters. The sheer volume of disclosures now being required is now counterproductive to any possible consumer benefit, as consumers disengage due to the level of information presented.

Similarly, we would note the general regulatory trend over the past year for increasingly more matters to be placed before the Boards of regulated entities, include new matters as prescribed by the current draft regulation. This regulatory trend has the potential to detrimentally blur the line between the role of the Executive and the Board. While every piece of disclosure to consumers or single escalation to the Board can be justified, the cumulative impact to both is needs to be assessed.

- Failure to embrace digitisation.

While some modernisation of the CPC has occurred, we would note that unfortunately the default position appears to remain a reversion to paper and written consent. This positioning not only undermines the strive towards sustainability it also appears to contradict the Governments own provisions within the Auto Enrolment Bill which is digital by default, with little if any capability for paper. In a number of instances, there are new requirements for 'written consent' without any evidence of what gap in consumer protection this is seeking to remediate and a failure to acknowledge other forms of consent. The provision of information is predominantly via the written word with little to no acknowledgement of video, audio or other methodologies for the delivery of information in a more inclusive medium.

Similarly, the provisions vis-a-vis digitisation and the use of platforms appears to place unnecessary barriers to the provision of financial services.

Finally, while the revisions to the CPC seek to put consumer protections at its core, we would note that the 700,000 proposed members of the State Auto Enrolment Scheme will not be afforded these protections and the AE scheme will not have the same cost of regulation, disclosure and supervision to those who are regulated.

1. Do you have any comments on the Securing Customers' Interests Standard for Business, Supporting Standards for Business or the draft Guidance on Securing Customers' Interests set out in Annex 5?

Overall, we welcome the provisions set out vis-à-vis Securing Customers' Interest and believe this sets the appropriate standard of what should be expected by Customers within regulated entities. While we endorse the importance of customers receiving suitable information to make informed decision we would caution on the danger of information overload to customers.

While we understand the concerns raised on the speed and ease of digital delivery, we would note that the provision of regulated financial services products should not inherently be viewed as a negative and would question some of the cautionary statements/pauses being set out. In addition, this would appear to be a blanket approach to all digital execution-only delivery which would not appear appropriate or proportionate when applied to all products i.e. the purchase of health insurance.

We would also seek clarity on the scope of application of the Securing Customers' Interest Standards and in particular its application or otherwise vis-à-vis cross border firms.

2. Do you have any comments on our expectation that firms offering MiFID services and firms offering crowdfunding services should consider and apply the Guidance on Securing Customers' Interests?

Execution-only (as defined under MIFID) means that retail investors give the firm instructions to transact in financial instruments without any suitability and often appropriateness assessments taking place and without investment advice. If a customer opts for execution-only services, they must acknowledge that they understand that they will not receive any advice and will not benefit from the requirement to perform suitability and appropriateness assessments. It is important to bear in mind that even when consumers are in an Advisory relationship with firms, the consumer can choose to ignore the advice and proceed with a trade or strategy that may not be in their best interests.

Guidance on "Best Interests" should include qualifying language relating to the business relationship between the firm and the investor, as this may limit the firm's ability to protect a client and act in their best interests (for example, under an execution-only mandate), to ensure that firms can manage competing regulatory requirements, such as best execution obligations.

3. Do you have any comments on the proposed Code enhancements with regard to digitalisation?

We welcome some of the Regulations which should already form part of best practices around customer digital platforms relating to usability, testing, outcome of algorithms, assistance facilities and notice of withdrawal of access. However, some Regulations do not appear aligned with nor take account other regulatory requirements, which is at odds with the stated intention for this Regulation to harmonise disparate regulations. Digital platforms are already subject to electronic contracts regulations, CICA and the EU Distance Marketing Regulations, a new version of which has recently been published for implementation by 2026.

In terms of a pause period, electronic contracts must already capture an acknowledgement that the consumer understands they are entering into the contract electronically before signing. The Distance Marketing Regulations include a requirement to disclose information about cancellation periods and the new Distance Marketing Regulations include specific requirements around having a digital withdrawal facility for the duration of the contract for any contracts concluded digitally. The proposed Regulations here require additional different measures to be put in place where it is difficult to see the cost/benefit justification.

In addition, a number of the changes on disclosures are not specifically highlighted as part of the Consultation and while low impact individually, cumulatively they will require extensive changes to internal processing. Regulation 61. (2) requiring a TOB with material changes to be accompanied by a notice

detailing the before and after changes along with the timeline requiring it to be given 5 days in advance of the change will have a significant operational impact. What is considered material and affected consumers will need to be agreed with clear communication lines between relevant decision makers and TOB owners where such changes trigger the required notice.

There is a danger that some of the proposed interventions within the digitisation proposal will cause more customer confusion and distrust of financial services rather than enhance the customer experience. In particular, the increased levels of warning statements, increased cooling off periods and pauses would nearly indicate to the customer that there are additional dangers with the product they are choosing to purchase.

The requirement for pause statements, when taking together with additional cooling off requirements, seem excessive and potentially gold plate existing EU Directives (e.g. Distance Marketing Directive). In addition, the proposed requirement takes no account of the potential for product complexity and will apply equally to all product types (whether distributed on an execution only or fully advised basis) which seems disproportionate and will further contribute to information overload for consumers.

We would also note that the new additional obligations imposed on digital journeys will create two tiers of regulation between customers who chose a digital journey versus those that engage directly with financial services providers. It would be useful to ascertain the evidence base that has led to this difference in treatment as the same has not been experienced internally.

4. What are your views on the proposed requirements on banks where they are changing or ceasing branch services?

Not applicable.

5. Do you have any comments on the ‘informing effectively’ proposals?

It is disappointing that while the issue of excessive disclosures was widely raised by numerous parties as part of the Discussion Paper and the negative impact this has on consumers that this point was not addressed as part of the Consultation Document. In fact, rather than rationalising and eliminating some disclosures, additional disclosures have been introduced with a shift in the burden of proof to regulated entities to ensure they are ‘information effectively’ rather than addressing the volume of disclosures being presented to consumers.

In addition, a number of the requirements in this section also look for information to be disclosed in writing or for consent to be provided in writing and ‘in writing on paper or other durable medium’. This would appear a regressive step from a technology perspective and also with a reversion to paper which is contrary to the provisions of the Governments AE regulation which is digital by default. There should not be disparity between the provisions set by the Government for its own State providers and those of private regulated entities operating in the financial services market.

Customers have a wide range of preferences on how they wish to receive or can best comprehend the information provided to them. There should be flexibility within a modern code to allow for a variety of mediums to be deployed by financial services providers e.g. using videos, info-graphics, audio rather than an automatic presumption against any form of communication that is not in writing.

6. Are there any specific challenges regarding implementation of the new Informing Effectively Standard for Business?

The majority of the proposals set out individually appear reasonable, however, the volume and extent of the individual changes when viewed as a total is extensive. In addition, as previously stated the volume of information provided to customers is already counter-productive without the layering of additional information. For example, the new requirement to now remind a customer of a cooling off period they were already informed about appears to merely duplicate previous information provided and the value of which is questioned against the cost of implementation.

The new provision to provide discount and loading information would also appear to provide more information but with little practical benefit to the customer.

While the proposals around 'informing effectively' are supposed to be viewed holistically by financial services providers unless the regulatory approach is also holistic little is likely to change, as the first request generally on thematic inspections is proof of the list and evidence that the requirements have been fulfilled.

7. Do you have any comments on the proposed enhanced disclosure requirements for mortgages?

No comment.

8. Do you have any comments on the proposed enhancements, or any further suggestions on the CCMA?

No Comment.

9. Are there other actions that firms could take to ensure that customers understand the status of unregulated products and services and the potential impact for consumers?

The proposals vis-a-vis unregulated activities appear reasonable, however, we would note that the application of same is to regulated entities and would query the approach to fin tech companies seeking to market to customers who are not regulated and have no similar obligations.

10. What other initiatives might the Central Bank and other State agencies consider to collectively protect consumers from financial abuse including frauds and scams?

Clarification of the term "their customers" is required vis-a-vis financial abuse, frauds and scams. Customers here should only refer to actual customers and not general members of the public. An example is where fraudulent documents are circulating pertaining to be from a regulated financial services provider, people may believe they are engaging with the regulated provider when they are not and it may be difficult for regulated entities to either know of or control such frauds, nothing within the proposed draft regulation should imply a duty of care to the wider public where criminality is being undertaken. Regulated financial services providers can only take reasonable steps where they are aware of fraud cases.

The Gardai have been very clear that only the injured party can ask them to investigate a suspected fraud case. For a lot of external frauds, the injured party is the customer or member of the public and not the regulated financial services provider, therefore there is no authority to ask them to investigate and the CPC should not create a presumption of same. However, it would be useful if the Central Bank were to keep a log and have powers to investigate where there are fraudulent providers within the market.

11. Are there any other circumstances that we should consider within the proposed definition of financial abuse?

Identity theft should also be considered within the proposed definition of financial abuse, in order to secure payments owed to members or to gain funds directly from members bank accounts – potential examples:

- where a fraudster gains access to member secure area in member portal and amends account details for payment of claims to their bank account;
- account set up online fraudulently using a customer's bank account details and then cancelled with premiums returned to fraudulent account.

12. What are your views on the proposed amendments to the Consumer Protection Code in relation to consumers in vulnerable circumstances? Do you have any comments on the draft Guidance on Protecting Consumers in Vulnerable Circumstances?

Overall, a number of positive changes are proposed which should strengthen the protections for customer in vulnerable circumstances. We would note that financial services providers are already obliged to comply with the provisions of the Assisted Decision Making Act which were deemed by the Oireachtas to provide sufficient protection and that now the Central Bank has chosen to go beyond these legislative requirements and require a parallel more onerous process to be established in tandem. Financial service firms already have mature processes for identifying and interacting with vulnerable customers, hence a better approach might be a regular sharing of best practices/emerging trends to assist all industry rather than attempting via legislation to impose blanket provisions on all. We would also have a concern that a number of the requirements would also seem to alter the provisions of GDPR that all Firms must adhere to.

Below is a run through of each key proposed change and feedback on each along with areas of clarification required:

- **New Definition of customer in vulnerable circumstances.** While the definition brings more clarity around the nature of vulnerability, the term “particularly where a regulated entity is not acting with the appropriate levels of care” could bring a level of uncertainty in terms of what is deemed to be “appropriate” in these circumstances and is a subjective term. Where a consumer may suffer harm, it may not always be attributable to the level of care the regulated entity gave them. It can be down to external influences that neither party may have had control over. However, regulated entities could be left open to unfair challenge based on the definitions wording as currently crafted.
While the consultation paper clearly calls out the potentially transient nature of vulnerability, the definition itself doesn't specifically recognise the fact a consumer may find themselves in vulnerable circumstances at certain points but not at others.

The inherent nature of vulnerability in some circumstances has also not been addressed i.e. arguably for health insurance providers all customers who are facing medical procedures could be deemed vulnerable or similarly for those who have recently experienced a bereavement under a life insurance policy. However, many customers in these circumstances may not believe themselves to be vulnerable. In the alternative, individuals may also try to take advantage of the provisions by declaring themselves vulnerable when no such circumstances exist.
- **Training.** The training guidance is positive and covers all the key areas that should help inform and educate staff in this area. While the area of digital journeys is a key area of consideration when it comes to considering customers in vulnerable circumstances, should the focus be shifting towards how support can be given to assist consumers on digital journeys as opposed to looking at alternative options? Digital usage is increasingly pervasive and the traditional view that consumers of a certain age may not have the knowledge or inclination to use digital means is fast becoming less and less true.
- **Disclosure by customers of sensitive information.** While the concept of allowing consumers consent to having their circumstances recording on a firm's systems is well intentioned, there would need to be care taken in certain circumstances, to ensure that any consumer giving such

consent was in the right frame of mind to do so. In light of the fact that such consent can only be initially given when a consumer has a specific set of vulnerable circumstances applicable to them, firms may reasonably consider that there may be a need to verify that consent periodically, which depending on the circumstances could be a potentially negative trigger for a consumer.

Capturing consent in relation to such a sensitive subject is in of itself a challenge to record and maintain effectively. Also, in order for the consent to fulfil its purpose, there would be a need to capture the particular customer circumstances that make that customer vulnerable at that time. Without capturing the specific circumstances, there would still be a need for a customer to continually explain those circumstances when they contact the firm. This is operationally very difficult to do effectively and with the customers interest in mind. It also raises potential GDPR issues relating to data minimisation and data privacy rights. Whilst the intention may be to place a note on the customer file reflecting their vulnerability (as opposed to system developments to capture a marker) this may not be practical where it may well require subsequent agents to fully appraise themselves of all previous conversations and that agent may miss the note.

13. Is the role of the trusted contact person clear? What more could a Trusted Contact Person do?

As stated above all Firms must comply with the Assisted Decision Making Act and have processes in place to implement same. It is therefore unclear how the Trusted Contact Person sits within the framework of the Assisted Decision Making procedures and how these provisions are to interact and what should occur in the event of conflict between the two provision, in particular, in the instance where a Decision Support Service is in place under the Assisted Decision Making Act.

- **Trusted Contact Person.** Most insurers already have a practise which allow policyholders to provide verbal or written consent to allow someone to act on their behalf. Hence the benefit of this provision is queried and the confusion it may cause with other pieces of legislation, which may often need to be interpreted and implemented by the most junior members of staff.

There would also be some GDPR questions to clarify around the TCP's:

- Would there be any requirement to present TCP's with a firm's DPN when they are nominated.
- Do these TCP's (where they are not pre-existing customers), have the same GDPR subject access rights as existing customers.

The intended scope of the TCP is that they can only be contacted where:

- (a) the regulated financial service provider has a concern about possible financial abuse of the personal consumer,
- (b) the regulated financial service provider needs to confirm the specifics of -
 - the consumer's current contact information,
 - the consumer's health status, or
 - the identity of any appointed legal guardian, executor, trustee, holder of a power of attorney, co-decision maker, decision-making assistant, designated healthcare representative, or decision-making representative, or
- (c) the regulated financial service provider experiences difficulties in communicating with the consumer.

With the introduction of the TCP, we are adding another potential interested party / contact person in relation to existing customers plans – particularly when overlayed against Assisted Decision-Making legislation. There are a number of other existing mechanisms to allow firms to interact or contact a customer through a third party:

- Existing financial adviser
- Information authority provided to a third-party
- Court appointed authority
- 3 layers of authority under Assisted Decision making

We would therefore question the need and benefit of introducing the Trusted Person regime.

14. Recognising the role of EU consumer protections concerning climate and sustainability, do you have any comments on the proposed Code protections relating to climate?

While we note the proposed measures to avoid greenwashing by financial services providers this should be examined in light of proposed changes from the European Union vis-a-vis greenwashing disclosures. It would be helpful to avoid a scenario where parallel but slightly differing and potentially diverging requirements are implemented first at national level and then a secondary set of very similar requirements are then put in place at European level.

15. Do you agree with our approach to including sustainability preferences with existing suitability criteria? Have you any suggestions on how we can ensure all suitability criteria, including those relating to financial circumstances and sustainability preferences, are given an appropriate level of consideration?

The regulations as currently drafted appear to extend the sustainability preferences beyond current legislative requirements under the Insurance Distribution Directive and into non-life products. This would be a fundamental change in approach and one that may be difficult to implement as a number of non-life products will have no sustainability criteria within the product i.e. health insurance contracts. Hence, when a sustainability preference is noted it may give a false expectation to the customer that their preference can be matched with a product.

In addition, the proposals do not appear to take into account the existing obligations under the Insurance Distribution Directive on the need to consider sustainability preferences and hence may again be layering additional requirements onto a provision that is already operational and in place. Additionally, it is expected that the sustainability agenda and requirements will continue to develop and emerge from EU Regulation and seeking to enshrine such requirements in a Code now is likely to quickly result in regulatory divergence and/or a requirement for the Code to be regularly updated to keep pace.

16. Are there specific elements of the revised Code that should be tailored to BNPL, PCP, HP and consumer hire providers?

No Comment.

17. Are there other protections within the General Requirements under the revised Code that we should apply to High Cost Credit Providers?

No Comment.

18. Are there elements of the revised Code that you think should be applied to SMEs?

A cost benefit analysis should be carried out to ascertain the potential benefit to the SME against the cost of implementing any measures.

19. Do you have any comments on the change to the definition of “consumer” under the revised Code to include incorporated bodies of less than €5m in annual turnover?

Any change should align across all legislative provisions that may be impacted i.e. FSPO legislation, to avoid having to run parallel but differing requirements.

20. Do you have any comments on the proposals to apply an explicit opt-in requirement for gadget, travel, dental and pet insurance only?

While the exclusion of health insurance contracts from this provision is welcome, we believe following similar rationale dental insurance and travel insurance products should also be excluded. Dental insurance products have similar waiting periods to health insurance products and a lapse in coverage could have an impact on treatment. Similarly, there are embedded accident and emergency benefits

within travel insurance products that interact generally with health insurance policies which would have a very detrimental effect on consumers if not renewed. Allowing health insurance policies to auto renew but not linking these to travel insurance policies will create unnecessary gaps in coverage and confusion to customers.

21. Do you have any comments on the proposals to introduce an additional renewal notification for non-life insurance products?

We would refer again to the volume of disclosures received already by customers and query the need for more information. We would also query for health insurance products how this interacts with the provisions within the Health Insurance Acts.

We would question the value of the additional information to be provided within the insurance quotation and in particular on discounts and loadings. For health insurance products there are mandatory loadings based on legislative provisions, the value of showing these that have been prescribed by legislation and cannot be removed is queried.

For other insurance products, this change will require substantial systems changes and while providing additional information to the customer will not change their actual premium. Hence, the benefit of providing this disclosure and its value to the customer is questioned.

22. Do you have any comments on the proposed enhanced disclosures for long-term investment products and pensions?

Similar to previous comments it would be useful if the proposals set out aligned with existing provisions and/or Guidelines issued by the CBI. In particular, we would note that some of proposals within the regulations are differing to and potentially in conflict with the expectations set out by the CBI in its 'Dear CEO' letter on the Ongoing Suitability of Long Term Life Assurance Products issued in August 2023 – this is indicative of the challenges faced by industry with the constant shift of regulatory expectations.

While periodic assessments should be carried out these can only occur with engagement from the client and the regulation should allow this flexibility – i.e. the review should be 'offered' but not required. We would also note that the 'warning statements' could cause customers to distrust investment products at a time when both the EU and the Irish State through the Funds Review have identified the low level of engagement by Irish/EU customers with retail funds and are actively seeking to increase participation in capital markets to avoid the high level of funds retained in low or no interest paying bank accounts.

In addition, the additional requirement to show the aggregate amount of any fees and charges deducted as a monetary amount is not aligned with similar existing provisions under Regulation 41 & 42 of the European Union (Insurance Distribution) Regulations 2018 and will require substantial systems changes to implement. Similarly Proposed Provision 379(2) as drafted requires Insurers to provide illustrative quotes, in an annual statement, for whole of life unit linked policies for ages 55,65.75 & 85. Early consideration of this would suggest that this is likely not to be possible when producing an annual statement. Again, this new requirement was not signalled in the Consultation and so the underlying rationale is unclear and further consideration on the practicality, necessity and ability to comply with such a provision are required.

Finally as previously stated we would note that these provisions will not apply to the largest pensions scheme in the State to be established under the Auto Enrolment Bill but will be applied to private operators within the market.

23. Do you have any comments on the proposed revised requirements for handling of errors or complaints?

Broadly speaking the proposed amendments to the arrangements pertaining to Complaints and Error handling do not present any particular issues in circumstances where firms have mature complaint and error handling processes, including appropriate reporting processes, in place for many years. On that basis though it is questionable why any amendments are required to the Code in this regard, which, while on the face of it appear innocuous may result in system or process changes. In particular we note the proposal to introduce a new complaint acknowledgement requirement at Chapter 12, Provision 107, 4(b) which requires an “immediate” or “automatic” acknowledgement to a complaint submitted via electronic means. Such a provision is only technically feasible if such complaints are submitted to known/advertised e-mail address e.g. [‘Complaints@financialservices.ie’](mailto:Complaints@financialservices.ie) or via a web form. Complaints submitted electronically to other e-mail addresses or via social media for example should be excluded from this requirement.

Similar to the above, most firms will, at this stage have mature Error resolution processes in place in their business so it is unclear why any amendments are being made to the requirements which, while on the face of it appear innocuous can lead to process and system changes which have not been factored into any Cost/benefit analysis. It is noted that the requirement to notify the Central Bank of any error which affects consumers and which is unresolved within 40 days is proposed to be removed from the Code and this is to be welcomed. However, we note in the consultation document that it is stated that “**There will be supervisory reporting obligations on firms requiring them to notify the Central Bank of more significant errors**”. This provision does not appear in the draft Statutory Instrument and therefore it appears somewhat open to subjective assessment where such a reporting obligation could arise, which may then be subject to an element of retrospective assessment by the Central Bank, which may lead to regulatory uncertainty.

24. Do you have any comments on the proposed changes to the record keeping requirements?

It is noted that the primary change proposed to the record keeping requirements to those contained in the previous Code relate to engagement with a consumer who does not become a customer of the firm e.g. through the provision of a quote or financial advice which does not convert in a transaction. In such cases it is proposed that the data related to such services should be retained for only 12 months after the provision of the quote or service. While this would appear to be compatible with the GDPR principle of data minimisation some further clarity would be welcomed in the area of the provision of financial advice in circumstances where no product may be subscribed for at that time but the advice service has been provided. Clarity as to whether such advice qualifies for the shorter 12 month retention period or longer 6 year period would be welcomed (which may be to the benefit of the consumer). It is assumed in this section that the Central Bank has agreement on these provisions with the Data Protection Commissioner to avoid firms finding later that the provisions may not be compatible with the DPC’s view.

25. Do you have any views on our analysis of the overall benefits associated with the proposals set out in this consultation paper?

It is difficult to reach an assessment of the overall benefits associated with the proposals without having seen the consumer evidence and data behind a number of the proposals. While individual benefits may be seen for each particular change the sheer scale and volume of amendments is such it is difficult to see the cost benefit analysis to consumers, in particular where blanket provisions are addressed to the entirety of financial services products.

In relation, to disclosures a comprehensive analysis of the impact on consumer behaviours and propensity to read additional information should be carried out. In particular, to assess if consumers are more likely to have a corresponding increase or decrease in engagement with the provision of additional information. A behavioural analysis overall of the likely outcome of the changes vis-à-vis the costs should be undertaken.

26. Do you have any views on our analysis of the costs associated with the implementation of the proposals set out in this consultation paper?

We would disagree with the assertion within the consultation paper that the proposed approach:

“does not, for the most part, involve increasing further the requirements of consumer protection, but rather improves their articulation and makes it easier for firms to be clear about their obligations and how to meet them.”

As highlighted above there are extensive and detailed individual changes being proposed with numerous additional requirements. Hence, we do not believe that as stated in the consultation that the costs are already implicit in the framework and we do believe these will be significant both in terms of labour and operational/systems changes that will be required for implementation. This is exacerbated by the fact that rather than following existing provisions the CBI is layering parallel similar, but differing, requirements on to regulated firms, requiring dual processes to be maintained.

While proportionality is set out as part of the regulatory approach this is not apparent from the proposals set out within the draft regulations. Similarly, we note that while these costs will be borne by regulated firms we would question the impact these will have to competitors outside the regulatory framework or to those within the Auto Enrolment scheme.

We would recommend a comprehensive cost-benefit analysis and regulatory impact assessment of all the changes proposed. Including an assessment as to whether customers are willing to incur increased costs for the types of changes being proposed.

27. What are your views on the proposal for a 12-month implementation period? Should some proposals be implemented sooner?

As stated previously due to the volume, scale and detailed nature of the extensive changes proposed we do not believe that a 12 month period of implementation from the date of publication of the final regulation is sufficient time. We would recommend that an 18-24 month period post-publication be put in place.

Conclusion

Overall while the consolidation of provisions and general focus on consumers is welcomed by Irish Life Group. In addition, the stated ambition that regulated entities approach consumers in a holistic manner rather than a compliance checkbox exercise is to be commended, albeit the regulatory approach to supervision would then similarly need to change when conducting reviews. Irish Life Group would welcome the opportunity to meet with the Central Bank to discuss any of the matters set out above and to clarify the position as detailed above.

Appendix 1 - Detailed Response on Changes within the Regulations

PART 2

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | Chapter 1 (Knowing the Consumer & Suitability) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | <p>Information on the customer's 'sustainability preference' must now be collected as part of the advice process. In addition, SoS must set out whether the recommended product/service meets the customer's sustainability preference. Expansion of provision to apply to non-life products and gold plating of other provisions.</p> <p>Commentary for health insurance contracts: Reference to 'Financial Situation' in 15 (3) is more relevant to long term insurance/pension product not Health Insurance (HI). HI is an annual contract which can be stopped anytime. No upfront fees/management fees etc. Easily cancellation available to members.</p> <p>Dispensation for provision of generic SOS for GI provided in Chapter 7 (342) not referred to in Chapter 1. Need to clarify implications for Health Insurance (HI). Having to create a unique SOS for each consumer would be a considerable change to business practice which would require significant system development.</p> <p>Sustainability preferences (also considering MCC notice of intention recognition of sustainability in MCC). We would not have considered HI to be impacted by sustainability, however, regardless of a carve out for HI in terms of the SOS, ILH will need to consider the addition of a statement around suitability, unclear what that would be for HI.</p> |

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| <p>ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY?</p> | <p>Changes to some existing requirements. For example, when assessing the suitability of a financial service, the Regulation states that the firm must also assess 'whether there is a more suitable financial service available'. Unclear how this can be achieved dependent on regulatory status.</p> <p>Reformatting of some of the existing sections which makes it hard to follow and also appear to have moved specific requirements with regard to PRSAs, travel, motor and home insurance out of this chapter.</p> |
| <p>COMMENTARY</p> | <p>Lack of alignment between CPC and IDD in relation to sustainability preference. There appears to be changes in this chapter which were not highlighted in the over-arching consultation and industry needs more time to assess. Suggest that the emerging EU legislation is allowed to take its course rather than including additional language in the new CPC.</p> <p>Commentary for health insurance contracts: Knowing the consumer – information to be gathered and recorded Reg 15 Certain information required under Part 2, Chapter 1 is not relevant for HI, for example (15) (3) C, (4) A-C (5) A, B, C, E and F, and (6) A to D. In addition to that and in the same vein, (16) (2) calls out specific requirements on documenting suitability. As a health insurer, we will be relying on 'where relevant' in determining what information is required for the offering of a HI contract.</p> <p>Assessing and ensuring suitability -Reg 16 We would query why offer and recommends are still separated and what the intention of this is.</p> <p>Statement of suitability to be provided – Reg 17 Need to clarify implications for Health Insurance (HI) with regards the SOS. Dispensation for provision of generic SOS for GI</p> |

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| | <p>provided in Chapter 7 (Reg 342) but no mention of HI. Clarity on this is required for HI.</p> <p>We would suggest that reference to sustainability is removed for Health Insurance.</p> |
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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | Chapter 2 (Conflicts of Interest) |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | <p>Wording of some of the existing requirements have changed or being added to. For example, while previously there was an obligation to 'disclose to the consumer', Regulation now refers to an obligation to 'disclosure directly to each consumer'.</p> <p>Also includes new concept of the disclosure being understood by the 'average consumer' which is not defined.</p> |
| COMMENTARY | <p>Query if the requirement to disclose directly to the consumer would mean no long able to place text just on a website.</p> <p>'Average consumer' creates a new classification which is assumed to be an objective standard.</p> |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | Chapter 3 (Consumer in Vulnerable Circumstances) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | <p>Introduces new mandatory training requirements for certain functions (customer service, product development, sales, marketing and oversight functions).</p> <p>New requirement for report to the Board every 2 years.</p> <p>Introduces new concept of 'trusted contact person'</p> <p>New requirements for reporting 'financial abuse' within firms.</p> <p>New requirement to seek customer consent to the recording of information that suggest the consumer may be in vulnerable circumstances.</p> <p>New requirement that a firms systems support the recording of the above information/consent.</p> |
| COMMENTARY | <p>Concern that the requirement to collect consent is difficult and could result in consumers feeling stigmatised. Also – is the concept of a Trusted Person will cause confusion in terms of additional layers with the Assisted Decision Making Act and the supports arising from that.</p> |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | Chapter 4 (Digitalisation) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | <p>Introducing new requirements in relation to digital platforms.</p> <p>There is, among other things, specific requirements on documenting computer programmes or algorithms, providing guidance, filtering tools, pause statements, cooling off requirements,</p> |
| COMMENTARY (ANY POINTS WE NEED TO RAISE AS PART OF CONSULTATION) | <p>The requirement for pause statements, when taking together with additional cooling off requirements, seem excessive and potentially gold plate existing EU Directives (e.g. Distance Marketing Directive).</p> <p>Impending Distance Marketing changes have not been accounted for here. No reference made to the availability of the 'online withdrawal' button for contracts taken out online.</p> <p>The need to alter of a expiry of a cooling off period is queried, in particular with the volume of other disclosures provided.</p> |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | Chapter 5 (Informing Effectively) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | New requirements in relation to providing information for an average consumer. |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | Notice of changes to service now include additional requirements to provide details of the service pre and post change. |

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| | <p>Product provider can rely on intermediary to provide terms of business. Requirement for terms of business to also be made available via website.</p> <p>Terms of business to include confirmation they remain up to date.</p> <p>Terms of business should not include information on activities that are not regulated activities.</p> <p>Examples of minor non-monetary benefits have been removed (i.e. food and drink during a business meeting or conference")</p> <p>Additional requirements in relation to 'key information' to be provided prior to be provided prior to offering, recommending, arranging or providing a financial service – relating to cooling off requirements?</p> <p>Additional disclosure requirements in relation to Ombudsman and ADR service.</p> <p>Additional disclosure requirement when communicating material change to terms of business (set out the position pre and post change)</p> |
| COMMENTARY | <p>Large number of additional disclosure requirements that will need to be implemented and changes that will be required.</p> <p>Also overlap with the CICA requirements and duplication of regulation.</p> <p>Information on relevant Ombudsman and alternative dispute resolution service to be provided - Reg 63</p> <p>How are distance contracts to be catered for here? Is there a need to call out separate requirements for contracts incepted that are subject to DMD.</p> |

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| | <p>Product Producers to ensure that information enables consumer understanding - Reg 67</p> <p>Are we to take it that these general terms also apply to Health Insurance albeit 'target market' does not apply to this product?</p> |
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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | 6 (Information about charges) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | New requirement to notify of any decrease of charges which seems a bit excessive. |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | 7 - <i>Information about regulatory status</i> |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | <p><i>Regulatory disclosure statement to be used – Reg 73</i></p> <p>No exemption for SMS noted, are regulatory statements now needed on SMS communications?</p> |
| COMMENTARY | <p><i>Regulatory disclosure statement to be used – Reg 73</i></p> <p>No exemption for SMS noted, are regulatory statements now needed on SMS communications?</p> |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | Part 2 |
| CHAPTER | Chapter 9 Advertising |

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| <p>ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?*</p> | <p>Scope and Application Chapter 9</p> <p>Reg 76-78</p> |
| <p>COMMENTARY</p> | <p>Information to be reviewed and updated – Reg 77</p> <p>If there is an effective process for change management does that meet this requirement as opposed to a standalone review.</p> <p>Hyperlinks linking to information permitted under certain circumstances – Reg 78</p> <p>We are not clear on the intention of this regulation. Is this removing the ability to attach further information via hyperlink?</p> <p>Information provided to meet certain standards – Reg 79</p> <p>Clarification needed on (2) (h).</p> <p>Is this stating the ‘free’ benefit must be free in its entirety and not associated with a product? For example, availability of the benefit is not contingent on buying the main Health plan.</p> <p>Advertisement to identify that it is an advertisement – Reg 81</p> <p>This wording seems to extend to all Ads and not just social media, can we get clarity on the intention here?</p> <p>Requirements relating to key information, advertising benefits... Reg 82</p> <p>We are seeking clarity on what is permitted by way of footnote in an advertisement. It will not be possible to include all T&C/restrictions in the main body of the Ad.</p> <p>Information on qualifying criteria relating to fixed prices...Reg 83</p> |

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| | We require clarification on whether a link/click through can be provided in Social Media Ads. |
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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | Chapter 11 – Errors Resolution |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | <p>Yes –</p> <ol style="list-style-type: none"> 1. identification of <u>potential impact</u> on consumers and <u>potentially affected customers</u> now required which broadens the scope of the duty of the provider. More onerous assessment of impact or errors and identification required. 2. Also, the timely detection, classification and urgent escalation to the board of directors, or the entity or persons controlling the regulated financial service provider, of errors of such scale and significance as would reasonably be termed significant errors that affect consumers, and of a nature that such management ought to be made aware of, and 3. proper oversight of handling of errors. 4. Correction of IT system failures within 6 months. 5. Take all reasonable steps to make prompt refund with interest and keep records of steps taken. 6. Retain details of charitable donations made in lieu of refunds and of any other remediation steps taken. |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | Analysis of patterns of errors and rate of occurrence now to be reviewed every 6 months. |

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| | <p>Refunds to be made – Reg 100 This will require additional reserving within the business, having no timeframe specified makes this more difficult. We ask that a time frame be considered here.</p> <p>Log of errors to be maintained Reg 101 (2) (k & l) We would suggest this is a very specific requirement and an element of the error that may not be known until long after the error is closed.</p> <p>Record of steps to be taken... Reg 102 (a) Where an expression of dissatisfaction is made the consumer is offered the opportunity to log a complaint. If a consumer declines to log a complaint is a separate record required in respect of the error?</p> <p>Record of steps to be taken... Reg 102 (c) We suggest that this is an overall contradiction. A regulated entity cannot benefit from any unpaid refund, however, we will have to hold the refund in an account earning interest until the consumer requests it. We also cannot pass the refund to charity as consumer may come back to us.</p> |
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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | 12 (Complaints Resolution) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | Yes – must have systems in place to control, track and manage progress and resolution of complaints. Must make complaints procedure prominent on all websites and provide hard copy within 5 days on request. |

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| | <p>Electronically submitted complaints must be acknowledged immediately and automatically via the same medium.</p> <p>107 (4) (a) - this now sets out requirements for the content of the complaint acknowledgement which is new:</p> <p style="padding-left: 40px;">clear and complete details of the complaints procedures (i.e. a copy of the procedures) and information on circumstances where a consumer can refer matters to the relevant Ombudsman including details for the relevant Ombudsman.</p> <p>Currently the info relating to Ombudsman is only included with the final outcome/response which is still required here too but it must also be provided in the earlier complaints response letters.</p> |
| <p>ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY?</p> | <p>Reasons for decisions must be provided to clients.</p> <p>Log of decisions must now contain the current status of an appeal of a decision from the FSPO.</p> <p>More regular analysis of rate of occurrence and patterns of complaints. Clear reporting arrangements for results of this analysis.</p> |
| <p>COMMENTARY</p> | <p>Procedures for managing and resolving complaints – Reg 107 (2)</p> <p>Agree with providing clear information on how to raise a complaint however the complaint procedure in 107 (1) could be commercially sensitive and therefore this section 2 requirement should instead be a ‘How to log a Complaint’ type support for consumers.</p> |

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| | <p>107 (4) (a) (iii) We feel there is a risk that this could drive complaints to the FSPO before entities have had time to investigate the Complaint. Would like to understand the driver of this requirement.</p> <p>107 (4) (a) (i) Is this is same procedure as available on the website in 107 (2)? If so, this could run to several pages. Therefore, suggest this is a high-level guide on the process.</p> <p>107 (4) (b & c) It is not clear how this would work in practice. We will be unable to provide a point of contact(s) in an automated acknowledgement where a complaint is submitted electronically. Is a follow up then required setting out other information such as FSPO and the complaint's procedure?</p> <p>Governance arrangements.... Reg 109 (b) As per comment on errors trend analysis, we suggest every 6 months is too frequent.</p> <p>Reg 109 (c) This item is subjective and unclear from a proportionality perspective. Require further direction and information on what the expectation is here.</p> |
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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 2 |
| CHAPTER | Chapter 13 – Unsolicited personal visits and telephone calls |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | Written consent not referred to in original CPC. Existing practices post quote/initial contact would need to be reviewed. |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | Initiating telephone calls with consumers... Reg 112 (a) (d) (iii) |
| COMMENTARY (ANY POINTS WE NEED TO RAISE AS PART OF CONSULTATION) | Initiating telephone calls with consumers... Reg 112 (d) (iii) |

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| | We would question why consent cannot be recorded on calls/email. We will still hold records of these for 6 years as required |
| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
| PART | 2 |
| CHAPTER | 15 (Miscellaneous Business Provisions) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | Acknowledgement of Service Request within 3 days |
| COMMENTARY (ANY POINTS WE NEED TO RAISE AS PART OF CONSULTATION) | <p>Unclear why the number of days has reduced and also the value to customer.</p> <p>Instructions to be acknowledged.... Reg 123 How does this interact with other sections of CPC, complaints, claims etc? This new requirement risks a bombardment of comms to the Consumer for example if a request for change of address is received, we must now issue a letter to say we received the request, then issue a letter once the action has been taken.</p> <p>Procedure to be complied with on ceasing to operate, merging business or transferring regulated activities Reg 127 1 (b) We require clarity on how far this requirement applies. Does this apply to intragroup transfers.</p> |

PART 4 & 5

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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
| PART | 4 |
| CHAPTER | 1 (Insurance, Preliminary) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | Inclusion of definition for Consumer Insurance Contracts Act 2019 in the Interpretation section. |

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| COMMENTARY (ANY POINTS WE NEED TO RAISE AS PART OF CONSULTATION) | None |
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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 4 |
| CHAPTER | 2 (Insurance, Additional Business Requirements) |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | Minor amendments to wording of CPC 2012 3.5 e). |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 4 |
| CHAPTER | 3 (Insurance, Premium Handling) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | Regulation 312(2) includes new category which can be paid out of client premium account – bank charges, where they are paid out of the amount referred to in Reg 312(1)(d) (which is a transfer from an office account of the insurance intermediary to allow an amount to be maintained in the client premium account to cover the costs of the account). |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | Minor changes to wording which is currently at CPC 2012 paragraphs 3.46 to 3.50 e.g. “money” is now “funds” or the insertion of clarification wording such as “intended for transmission to a customer”. Regulation 312(2)(b) clarifies that only certain funds are paid out of the client premium account including funds paid by a consumer or, where there is an agreement in place between the insurance intermediary and another insurance intermediary as referred to in Regulation 350 funds transferred to that other insurance intermediary for payment to a consumer and which in either case represents a rebate of premium received from an insurance undertaking.” |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 4 |
| CHAPTER | 5 (Insurance, Automatic Renewals) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | The inclusion of this section as a whole is new to CPC. |
| COMMENTARY | <p>Automatic Renewal... dental insurance Reg 328</p> <p>If dental insurance policies are not permitted to renew automatically there could be implications on waiting periods for consumers. We would therefore suggest that dental is treated as health insurance in this regard.</p> <p>Where a product (travel insurance) is offered as a free policy, what are the requirements? No renewal notice is issued, rather the consumer gets this policy as part of their health plan.</p> |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 4 |
| CHAPTER | 6 (Insurance, Information About Insurance Product Specifically) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | <p>The term “insurance quotation” has been clarified so it is understood to include a renewal notification containing an insurance quotation. Reg 331 requires an insurance undertaking or insurance intermediary to set out clearly in an insurance quotation (a) any discount or loading in generating such quotation and shall specifically include the monetary value and percentage of any discount or loading (which is a new requirement); and (b) the premium that would apply in the absence of such loading.</p> <p>A new definition is included in Reg 334 for permanent health insurance policy which cross refers to the Insurance and Reinsurance Regulations.</p> |

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| | Reg 339 requires an insurance undertaking or insurance intermediary to explain to a consumer, when providing an insurance quotation, any difference in cost between paying the premium by way of lump sum or in instalments. This should detail the monetary value of any difference arising between the 2 options. Reg 340 prohibits an insurance intermediary or insurance undertaking from following up by way of telephone call unless the consumer has provided consent during the quotation process. |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | Reg 329 is contained in CPC 2012 paragraph 4.30. It has been amended by the removal of the wording “assuming that all details provided by the consumer are correct and do not change”. Small changes to wording such as “relevant underwriter” to “proposed underwriter” in Reg 329. CPC 2012 paragraphs 4.34 -4.37 cover much of Regs 331- 335. Minor wording changes - in Reg 333 “explain” is replaced with “shall notify” and “make full disclosure” is replaced “comply with the duty of disclosure applicable to that consumer”. In Reg 334, “the benefit” is replaced with “any benefit” or “any applicable benefit”. Minor wording changes in Reg 335 (insertion of “payable by consumer”) and 338 (“alteration” to “amendment”). |
| COMMENTARY (ANY POINTS WE NEED TO RAISE AS PART OF CONSULTATION) | The change to monetary value rather than a percentage will require significant systems changes. In addition, The change in Reg 329 creates new uncertainty for an insurance undertaking or insurance intermediary. Consideration as to how this can be addressed perhaps in the quotation process or specifically in quotation document. |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 4 |
| CHAPTER | 7 – Regulations 341 - 342 Knowing the Consumer and Suitability – Insurance Specific Provisions |

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| | Existing CPC cross-reference – Chapter 5 |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | <p>Reg 341 allows up to 5 “working days” from inception of the insurance policy to provide Statement of Suitability referred to in Reg 17(1) where <i>immediate cover required</i>. Existing CPC (para 5.23) does not specify a period of days but states it can be provided immediately after the product has been provided. CBI mapping tool (Row 168) has no “new” details inserted in Column L.</p> <p>Reg 342 states that for travel, motor or home insurance the Statement of Suitability set out in Reg 17 may be in a “common format”. The current CPC requires it to be in “standard format” (para 5.22).</p> |
| COMMENTARY | <p>“working days” differs only <u>very</u> slightly from the definition “business days” in current CPC – new definition does not refer to “bank holidays” but otherwise definition is the same (“any day other than a Saturday, Sunday or public holiday”).</p> <p>Query what the term “common format” (not defined) means and if it differs at all from “standard format” under the current CPC (also not defined).</p> <p>For health insurance contracts having to create a unique SOS for each consumer would be a considerable change to business practice which would require significant system development.</p> <p>Statement of Suitability in the case of travel, motor or home insurance – Reg 342</p> <p>We would also argue that as suitability in its traditional sense does not apply to health insurance that ‘health insurance’ should also be included in this regulation.</p> |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 4 |
| CHAPTER | 8 – Regulations 343, 346 –347 |

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| | <p>[NB: Reg 344 & 345 N/A as relate to motor insurance]</p> <p>Post-Sale Information Requirements – Information about Insurance Products</p> <p>Existing CPC cross-reference – Chapter 6</p> |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | <p>Reg 343(3) requires an “immediate digital confirmation” that the policy is in place and that the policy documents will be issued within 5 working days where a consumer enters into (or renews) a policy by means of “telephonic, video or other electronic communication, including through a digital platform”.</p> <p>Reg 343(4) says the immediate digital confirmation may be given at the same time as the Terms of Business are provided under Reg 53.</p> <p>Reg 347 requires an insurer to give a consumer advance notice, on paper or other durable medium, of the expiry or renewal date of a policy at least 20 working days before issuing a notice under the Non-Life Regulations. This would impact Health policies.</p> <p>CBI mapping tool does not appear to capture this Regulation anywhere.</p> |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | <p>The wording in Reg 343(1) & (2) regarding the timing of the issuance of policy documentation to the consumer is slightly different to current CPC (para 6.13) but seems to be the same requirement. CBI mapping tool (Row 186) seems to confirm this as no “new” details inserted in Column L.</p> <p>The effect of Reg 346(1) & (2) regarding information concerning the surrender value of a life policy, is similar but not identical to the current CPC, para 6.15. Now Reg 346(1) makes it clear that a surrender value must be provided to a consumer on request <i>whether or not</i> there is a secondary market (and if there is, Reg 346(2) makes it clear that this must be disclosed to the consumer at the same time).</p> |

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| <p>COMMENTARY (ANY POINTS WE NEED TO RAISE AS PART OF CONSULTATION)</p> | <p>“working days” differs only <u>very</u> slightly from the definition “business days” in current CPC – new definition does not refer to “bank holidays” but otherwise definition is the same (i.e. any day other than a Saturday, Sunday or public holiday”).</p> <p>The immediate digital confirmation will require systems change and a policy will only properly in place once premium has been received.</p> <p>Issuance of insurance policy – Reg 343 (3)</p> <p>As with other regulations requiring acknowledgement of consumer request within 3 days we feel this notification is not required and excessive.</p> <p>For the most part where policies are incepted by telephone call or web, documentation is generated in the minutes after the interaction and issued to the consumer. The issuing of documentation by electronic transmission means consumers get their policy documents almost instantly therefore the need for a separate communication is not warranted.</p> <p>Advance notification of expiry date of policy of non-life insurance – Reg 347</p> <p>Health insurance is subject to a 30-day HIA notification process, therefore may be pricing available until 30 days in advance of renewal date. We would suggest that issuing of these letters 40 days in advance of renewal could lead to consumer upset as these communications will likely trigger contact from consumers seeking details on their upcoming renewal.</p> <p>We do not therefore see the benefit of issuing these communications and have received no consumer feedback/complaints to date that 20 working days is not sufficient.</p> |
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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 4 |
| CHAPTER | <p>9 – Regulations 348 – 352 inclusive.</p> <p>Premium Rebates</p> <p>Existing CPC cross-reference – Chapter 7.1 - 7.5</p> |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | <p>Yes.</p> <p>Reg 348(4) requires an insurance intermediary to give the rebate within 5 working days of either receiving the rebate from the insurance undertaking or being notified by the insurance undertaking to issue the rebate out of funds held by it for the insurance undertaking.</p> <p>Reg 349(3) requires the undertaking or intermediary, as the case may be, to make a deduction (against renewal or other premium due) or charitable donation in accordance with the consent they obtain from the consumer. The existing CPC is silent on specific point of what to do once the consent is obtained. Reg 349(4) states that if no consent is obtained, then the time limits in Reg 348 apply.</p> |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | <p>Yes.</p> <p>The previous distinction between rebates worth €10 or less 10, and those worth more than €10, (CPC paras 7.1 & 7.2) has been removed.</p> <p>Under Reg 348(1), an insurance undertaking will now have 10 working days to issue the rebate itself directly (as opposed to 5 business days under paras 7.1 & 7.2 of existing CPC). However, under Reg 348(3), where an insurance intermediary acts as agent of the undertaking, the undertaking will still only have 5 working days to either provide the rebate to the intermediary or to notify the intermediary to pay the rebate out of funds it holds for the undertaking.</p> |

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| COMMENTARY (ANY POINTS WE NEED TO RAISE AS PART OF CONSULTATION) | <p>Same point above re minor difference between definition of “business days” under current CPC and “working days” under revised CPC.</p> <p>Change in dates will require systems changes and unclear why this has occurred or why the €10 rebate amount has been removed. Are insurance providers now to provide rebates of lesser amounts?</p> |
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| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 4 |
| CHAPTER | <p>10 – Regulations 353 – 368 inclusive.</p> <p>Claims Processing</p> <p>Existing CPC cross-reference – Chapter 7.6 - 7.21</p> |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | <p>Yes.</p> <p>Reg 355(2)(e) requires an insurance undertaking to comply with a claimant’s request to use a particular means of communication in relation to the claim (unless unreasonable or is not a means currently used by it).</p> <p>Reg 355(2)(g) states that where an insurance undertaking keeps audio recordings of calls with consumers for the provision of financial services, it must do so for claimants in relation to a claim and notify the claimant at the outset that it is being recorded.</p> <p>Reg 364(3) requires an insurance undertaking to retain a record of any decision (equivalent provision under existing CPC is in 7.17 but only applies where claimant accepts an offer within 10 days). However, like the current CPC it still does not specify for how long.</p> |

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| | Reg 367(1) requires an insurance undertaking to publish details of its appeals mechanism on its website (existing CPC, para 7.20 only requires that information to be provided to the claimant). |
| ANY EXISTING REQUIREMENTS CHANGED? IF SO, SPECIFY? | <p>Yes.</p> <p>Under Reg 355(2) (h), an insurance undertaking must provide the claimant with updates on developments within 5 working days (as opposed to 10 business days under existing CPC, para 7.7(f)).</p> <p>When making a claim settlement offer (assuming liability is agreed), Reg 363(2) now stipulates the various factors that will be taken into account in determining that the offer is the best estimate of the claimant's reasonable entitlement (existing CPC at para 7.15 only refers to "all relevant factors").</p> <p>Under Reg 364(1), the time to inform a claimant of a decision on a claim is now 5 working days (as opposed to 10 business days under the existing CPC, para 7.16).</p> |
| COMMENTARY (ANY POINTS WE NEED TO RAISE AS PART OF CONSULTATION) | The need for tailored communications will have a high operational impact. In addition, the reduction of claims times by half will also have large operational impact and it is unclear why the change is necessary as there is little evidence of complaints or feedback from customers on the current timeframe. |

| CENTRAL BANK (CONDUCT OF BUSINESS) REGULATIONS | |
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| PART | 5 |
| CHAPTER | 3 (Investments, Information About Investment Products) |
| ANY NEW REQUIREMENTS IDENTIFIED? IF SO, SPECIFY?* | Yes: "Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment." |

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| | <p>372(2) This Regulation does not apply to illustrations included in the key information document to be drawn up and provided to retail investors in accordance with the PRIIPs Regulation.</p> <p>Warning statement and information on suitability of investment products now includes pensions. Obligation to provide periodic assessments on ongoing suitability of the product for the consumer. If this periodic assessment is not going to be provided an explanation of the reasons why must be given before contract begins.</p> <p>Following warning statement must be included on the application forms for investment products:</p> <div data-bbox="889 831 1370 1089" style="background-color: #f08080; padding: 10px; margin: 10px 0;"> <p>“Warning: Due to the long-term nature of this product, it is important to ensure that it remains suitable for you. We recommend that you engage with your financial advisor on a regular basis to ensure its ongoing suitability.”</p> </div> <p>PRSAs:</p> <p>The key change is a new addition in s. 379 for the annual statement to show the aggregate amount of charges and deductions expressed in a monetary amount - this appears to be the aggregated amount of the charges and deductions that already have to be shown and in respect of the previous 12 month period.</p> <p>379 (2) (3) & (4) are also new - where (2) requires projected premiums to maintain benefits for reviewable premium products up to certain ages; (3) joint or dual life to be calculated on the basis of the younger life and (4) (as above) a new warning required for the consumer recommending they seek ongoing advice due to the long term nature of the product.</p> |
| COMMENTARY | Will require systems changes. |

