

Dear CBI

As the representative body for the Managing General Agents Association (MGAA) members, we have compiled the collective feedback from our stakeholders concerning the Central Bank of Ireland (CBI's) recent Consultation Paper on the proposals for a modernised Consumer Protection Code, issued on 7 March 2024. We appreciate this opportunity to engage in shaping a regulatory framework that is both contemporary and effective.

Principal Policy Proposals (Chapter 2):

Securing Customers' Interests Securing Customers' Interests (Q 2.1.9 & 2.1.15):

Q 2.1.9: Members find the guidance on governance and controls vague and seek clarification on effective monitoring of consumer protection risks.

Q 2.1.15: Concerns were raised about the practical challenges of information overload in consumer documentation. Members suggest simplifying consumer-facing documentation to enhance clarity and transparency.

Digitalisation (Q 2.2):

While our members support enhancements that acknowledge the role of digital platforms, there is a request for clearer guidelines on ensuring these platforms maintain regulatory compliance without sacrificing user experience or security.

Effectively Informing Consumers (Q 2.3):

The challenge of information overload remains significant. Our members advocate for a focus on distilling information to the most crucial elements that influence consumer decisions, rather than overwhelming consumers with excessive details. Additionally, the practicality of ensuring customers' understanding in high-volume transaction environments should be reconsidered to avoid undue burdens on firms.

Unregulated Activities (Q 2.5):

Feedback suggests a need for more robust mechanisms to clearly distinguish between regulated and unregulated services, ensuring consumers are fully aware of the protections available or the lack thereof.

Frauds and Scams (Q 2.6):

There is a consensus on the need for collective efforts between the CBI and other state agencies to enhance protections against financial abuse, including frauds and scams. Specific strategies or initiatives that could be implemented are sought from the CBI.

Protecting Consumers in Vulnerable Circumstances (Q2.7)

Proposals are generally supported, however, clarity on the operational role of the *'trusted contact person'* and the practical implication for firms is requested.

Climate Risk (Q 2.8):

There are concerns about the feasibility of integrating sustainability preferences into suitability assessments, given the current stage of product development in certain markets. A more flexible approach, possibly as a recommendation rather than a requirement, is suggested.

Additional Policy Proposals (Chapter 3):

SME Protections (Q 3.2):

Our members endorse the expansion of the Code's scope to include SMEs with a turnover of less than €5 million, recognising the significant part they play in the economy and their vulnerability to financial risks.

Insurance (Q 3.3 & 3.5):

Q 3.3: Feedback on the explicit opt-in requirement for certain insurance products and additional renewal notifications for non-life insurance products indicates concerns about potential increases in operational complexity and costs. A balanced approach that considers both consumer protection and operational impact on firms is recommended.

Q 3.5: Proposed changes to the frequency of review processes and record-keeping requirements are viewed as potentially burdensome. Suggestions include aligning these requirements more closely with the actual risk and operational capacities of firms.

Benefits and Costs (Chapter 4):

Members question if the CBI has considered the impact of proposed changes on the operational burden and costs for firms, particularly regarding the delegation of authority and insurer exits from the market.

Our members are committed to enhancing consumer protection while ensuring that regulatory measures do not impose disproportionate burdens. We look forward to the CBI's consideration of these feedback points and to participating in further discussions.

Thank you for considering our feedback.

Warm regards,

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