

RB-O-20240607-07  
07 June 2024

**Central Bank of Ireland**  
PO Box 559  
Dublin 1

*Submitted via email to [codereview@centralbank.ie](mailto:codereview@centralbank.ie)*

Dear Sir/Madam,

**Re: Consultation Paper on the Consumer Protection Code**

Please find enclosed Revolut's submission to the Consultation Paper on the Consumer Protection Code (CP158).

Should you have any questions regarding the above, please do not hesitate to contact us through our Regulatory Affairs team (email: [reg.affairs.lt@revolut.com](mailto:reg.affairs.lt@revolut.com)). We look forward to future engagement on this matter.

Sincerely,



Maurice Murphy  
General Manager  
Revolut Bank UAB Ireland branch

**CP158 Consultation Paper on the Consumer Protection Code**  
**Revolut Response**  
**June 2024**

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## 1. Summary Observations

### 1.1 Executive Summary

Revolut supports the Central Bank of Ireland's (CBI) decision to review the Consumer Protection Code and welcomes the opportunity to input. This is a timely and needed review with the new measures reflecting the evolved landscape in which consumers and financial services now operate. Owing to the pace of digital transformation, our hope is that with this review and the principles-based approach espoused, the updated Code will enable positive outcomes for both consumers and firms, that supports a robust regulatory environment which in turn supports innovation and future-proofs consumer protection.

As highlighted in our Discussion paper submission, we strongly believe in the value and overall vast improvement that digitalisation has brought to the consumer and their experience of financial services. Digitalisation, and innovation more broadly, has been a proven net benefit to consumers in terms of accessibility, ease of use and control of finances, as well as addressing some of the barriers to access for groups who have experienced exclusion from traditional financial services.

In our view, innovation in financial services has enabled Irish consumers to:

- Digitally manage their finances at any time that is convenient to them - as opposed to being able to do so only in person between 10am and 4pm on weekdays;
- Send and receive peer-to-peer payments instantly;
- Have real-time control and greatly improved clarity of all their account transactions;
- Analyse their spending patterns and understand in simple terms where and how they are utilising their money;
- Apply for credit speedily, but with the reassurance of an affordability assessment using Open Banking to ensure that they only borrow what they can demonstrably repay;
- Donate instantly to charity, without fees or charges;
- Avail of lower fees for basic transfers, foreign exchange and account maintenance;
- Instantly create savings accounts encouraging them to save (including using features such as spare change round-up);
- Make their own investment decisions or receive free automated advice; and,
- Create accounts for their children which teach them digital financial literacy (but at all times under the guidance of a parent).

In general, we believe Revolut provides much greater control, access and clarity to our customers of their finances than services offered by other financial institutions. This reflects our approach of building our products with the customer at the heart of our design and digitalisation has allowed Revolut to implement in this manner.

As mentioned earlier, digitalisation has also evened the playing field in terms of accessibility and inclusion, supporting our vulnerable customers. Digital financial services enable the inclusion of wider parts of society, including:

- Minority groups who have been socially excluded in the past
- People with literacy difficulties
- People with visual impairments
- Refugees and those seeking asylum
- People for whom English is not a first language

Digitalisation has also enabled the next generation to engage with financial services and learn how to handle money - under the supervision and oversight of a responsible adult.

While the above is true for a large cohort of the Irish population, that does not negate those who still prefer a non-digital approach: and similarly we recognise that attention should be paid to ensuring that providers who cater for those requirements are supported as well. As with all innovation, there exists the potential for risks alongside the many benefits. It is how we prepare and plan to mitigate those risks that we can best serve customers whilst maintaining a thriving competitive and innovative ecosystem. Rather than base our approach to innovation with trepidation, we should be pragmatic - recognising that these potential risks are far outweighed by the benefits of innovation/digitalisation for individuals and society as a whole.

We strongly believe that a fundamental protection for consumers lies in empowering them: ensuring they have all the resources, information, and financial literacy required to make well-informed choices. This protection is enhanced by allowing consumers genuine ability to switch providers easily and efficiently, ensuring they are always in a position to secure the best service and price; and the backup of a clear, straightforward Consumer Protection Code which explains in plain language the basic standards they are entitled to expect.

Therefore a fundamental element of Revolut's submission is support for the new National Financial Literacy Strategy, currently in development, and which we are engaging in.

We believe a fundamental objective for such a strategy should ensure that all citizens and residents of Ireland are:

- informed enough to make sound, considered, well-informed decisions about how they wish to manage their own money or to borrow responsibly;
- a clear understanding of what they can and cannot expect firms to do;
- a clear understanding of how to protect themselves from theft and fraud in the digital era; and,
- the confidence to ensure that at all times they are able to assert their greatest power as consumers - to switch providers in search of the best price and/or the best service.

Financial literacy will not, however, be served by an unwieldy Consumer Protection Code which adds further complexity to the numerous and detailed legislative provisions which already govern the conduct of firms. Legislation is necessarily complex; the Consumer Protection Code, by contrast, should be accessible, both in its formats and in the language deployed. We therefore welcome the intention of the Central Bank of Ireland to introduce a consolidated and accessible format for the new Code and associated instruments, to aid navigation and understanding for firms and consumers alike.

### *Digitalisation*

It is our view, as evidenced by our customers' experience, that a simplified, straightforward digital journey built around the customer best serves consumer interests. We therefore would have serious concerns about any "one-size-fits-all" approach, which could impose a suite of onerous obligations on innovative providers operating in the digital space. Rather, the principle of proportionality should prevail. For example where the consultation paper states slowing the digital journey, we would instead see greater value for the consumer in instead simplifying the process in concert with adhering to the informing effectively provisions. We know our customers wish to experience a simple and straightforward onboarding process where they can easily and quickly open an account through digital means. Therefore the customer's perspective should be taken into account here, which we feel is ensuring we can maintain this speed and simplicity, while still meeting our informing requirements as we do today.

### *Regulated and Unregulated Activities*

As noted in our Discussion Paper submission, consumers who *do* wish to interact with unregulated products stand to benefit significantly when those unregulated products are offered by a regulated firm (where the regulated firm makes it clear which products are regulated and which are not). This is because the consumer will be served this product by a firm that due to its regulated nature will necessarily have mature business processes in place, robust governance, and be subject to regulatory oversight. The consequence of applying substantial additional burdens on regulated firms offering some unregulated activities is likely to be that they may cease to offer those services - meaning that customers must then use firms which are wholly unregulated or do so at a higher cost to the consumer. We should avoid driving customers to unregulated providers - or those entirely outside the rule of law - by creating barriers to accessing such products once consumers have been duly informed and have made a conscious decision to avail of them. Such a result would be against a consumer's interests.

### *Frauds and Scams*

Revolut welcomes the focus on fraud and scams as part of the revised Consumer Protection Code.

Fraud and scams can take multiple guises and forms, with complex and sophisticated criminal networks responsible, spreading their net wider. Law enforcement must be resourced to fight them, just as we have with other forms of organised crime. At an Irish level, an expanded nationwide anti-fraud taskforce should be established to stop financial fraud. These should be complemented with a coordinated anti-fraud strategy and legislative action at an EU level.

## **2. Feedback to Principal Policy Proposals**

### **2.1 Securing Customers' Interests**

*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?*

We welcome the CBI's inclusion of proposed Guidance on Securing Customers' Interests as part of a revised Code.

#### *Standards for Business*

In Part 1, Section 3, definitions, we note the expanded 'Consumer' definition. We would welcome clarity on what CBI's expectations are in terms of identification and classification of business 'Consumers', for example does it relate to a specific point in time such as onboarding, or is there a continued assessment expectation to ensure adherence? Clarity on this provision would be welcome.

#### *Supporting Standards for Business*

In Part 3, Section 13, specifically referencing disclosure and cooperation [13(a)(vi) and (vii)], we suggest that (vii) sets a reasonable threshold for the requirement to disclose the commencement of legal proceedings by or against the financial service provider; (vi) may result in over-reporting with no additional benefit for the consumer.

In part 1.2.2 of the code under securing customers interests, we agree that there should be a collective understanding on what this means across the industry and the requirements for strategic business decisions and what that model should incorporate under the revised code.

We would welcome further engagement with the sector on how it is expected that firms offering digitalised services can help further to "ensure that certain cohorts of consumers, including those with poor digital literacy, do not become excluded through poor design".

In Part 2.1.10 the code focuses on the responsibility and alignment of both the revised code and the individual accountability framework for senior management; clarity on this alignment is sought under 17a General principles.

## 2.2 Digitalisation

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

Digitalisation and wider technology, in our view, is a core element to securing a customer's interests. Digitalisation has revolutionised how consumers can access and avail of different financial products and services, with the expectation that access and use is on their terms. As a global financial app, Revolut has invested significantly in design and testing to ensure positive customer outcomes throughout their digital journey on the app.

We acknowledge the potential risks that can arise in the digital realm, and within our own service we have developed mechanisms to mitigate these and serve our customers; the availability of 24/7 live chat function with customer representatives; ensuring a given product fits customers' needs through internal risk assessments and testing; clear and defined terms and conditions, fees and relevant information available in app to which customers can refer back to. Our digital platform requires no specialist knowledge on behalf of the customer to be able to understand, navigate, and use the service. Indeed, we see it breaking many of the barriers consumers can face when accessing financial products and services; it is easy to navigate; accessible to all; provides plain, understandable content; efficient and timely processes that avoid prolonged delays in accessing services, which gives customers more control over their money.

With reference to the language used in the Consultation Paper (p34) the stated intention to *"slow the digital transactions process to ensure review of key information by customers before decisions are executed"*, we believe such an intention could possibly undermine the stated benefits of digitalisation. Where a firm demonstrates that all criteria are met i.e. that the customer has been effectively informed and there are no adverse customer outcomes in executing the decision, looking at speed in isolation seems a regressive step towards digitalisation. While we recognise the concern where "haste" in decision making can lead to misunderstandings and potentially poor outcomes, we believe the focus should be on simplifying the process so customers can better comprehend key information to inform their decision making.

With regard to the General Requirement Regulations, we have the following observations:

### *Specialist Knowledge*

The Regulations (S.38a) refer to the need for digital platforms to be designed without requiring specialist knowledge and we welcome this provision as at all times we should emphasise clarity and simplicity to facilitate customer navigation and understanding. However, we would also welcome clarity in terms of this phrase given the varying level of digital literacy across the population and as our customers are all digital customers who open an account and operate it digitally.

### *Guidance for use and navigation*

We note the requirement for step-by-step guidance to consumers (S. 40.1 and 40.2) on how to use and navigate the digital platform and while we welcome the principle

underpinning this, we would seek clarity on what level of detail is envisioned for this guidance to be deemed “clear and effective”, particularly for platforms where the defining feature is ease of use and navigation. Similarly, we would caution against having such guidance “displayed prominently ... at all times” as it could result in less streamlined provision of services where the platforms are not a webpage or large screen format leading to a more cumbersome customer experiences, potential overload of notifications, and likely lead to information fatigue, where more important and relevant information to the customer could be lost amongst superfluous information. Instead we would advocate for a simplified approach, with such guidance available on our website, which would enable the customer to easily access without overwhelming their use and experience.

### *Filtering*

Noting the requirement to facilitate the filter by customers (Ref. to S.42 of the General Requirements Regulations), we would seek greater clarification:

*Where a regulated financial service provider is engaging with a consumer by means of a digital platform...when offering a range of more than 3 financial services of the same type through that platform...ensure that the digital platform allows the consumer to filter the financial services shown to the consumer in accordance with pre-set criteria which may be selected by the consumer.*

We would seek for elaboration of what financial services are in-scope, what the pre-set criteria are defined as, and how customers would select same,, as well as the overarching purpose this element serves. We have a digital platform with a number of sections currently, as well as an account switcher capability which separates products into categories for ease of navigation. We have designed our platform around and for the user, and believe we have excellent user experience that delivers the best experience for our customers. As such, we are unsure of the expectations for this requirement and what it sets out to achieve.

### *Cooling off period*

The inclusion of a cooling off period notification, while in some instances is appropriate, however where the service provided is instant or once-off such as money transfer, remittance, international transfers, FX and more, the requirements for notification can be overly burdensome.

Customers in these instances are receiving a service immediately for a fee as stated on the platform and are not locked into a recurring contract of service, therefore in our view no cooling off period should apply. Similarly, for when there is no fee for service/product, the provision of a cooling off period would be unnecessarily burdensome with little added benefit to the customer. Clarification from the CBI would be welcome here.

Furthermore, we also have similar feedback regarding the ‘pause statement’ as outlined above. In particular where service provision is instant or where a customer is completing a once-off action, we believe that no such pause statement would be required nor in the case where customers contract incurs no fee i.e. standard account, joint account for example. We would welcome CBI’s clarity on this provision.

### 2.3 Informing Effectively

Revolut supports CBI's objective here in securing customer's interests by ensuring customers understand rather than are provided information. An informed consumer is an empowered consumer. As set out in our Discussion Paper, there are a number of elements to what can be deemed effective communication, and we support the industry view that a whole-of -system approach is required to improve financial literacy across the population.

*Do you have any comments on the "informing effectively" proposals?*

It is widely accepted that consumers are presented with too much information when entering into agreements with financial services providers. Most of the information is provided in line with legal and regulatory requirements, and the extent to which the information is read and of value to the customer is questionable.

We echo industry feedback elsewhere in welcoming guidance from the CBI on monitoring and reviewing customer communications, but accept firm's must assume responsibility and ownership in meeting these requirements and are able to stand over their operations.

As a digital-first business who serves a growing cohort of the Irish population who wish to conduct their finances and business online, we continue to develop new and improved ways of communicating and informing our customers. In light of the changing landscape and the increasing demands for online service provision we encourage CBI to consider this diversity in how customers can be effectively informed and novel approaches adopted to ensure comprehension and understanding. One such example is gamification. In practical terms this concept means presenting education or learning in a medium in which certain cohorts are comfortable, and which allows them to interact with the content in an effort to secure status or rewards - rather than just expecting them to consume it passively. Thus learning is made fun and memorable, but also measurable.

We facilitate and serve the needs and wants of a consumer who wishes to operate within a digital platform.

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

The most notable challenge under these provisions is in the 'Instruction definition' & Acknowledging of those instructions received. We would welcome clarity on what the expectations on this may be, particularly around

1. Type of Instructions, and
2. Time frames

Are these more longer-term instructions, for example loan applications in which the code currently has implemented or will this now include BAU instructions? Further clarity from CBI would be welcome in this regard.

*Notice of changes to range of services to be provided*

With reference to S 48 (3) specifically, while we appreciate greater notice for cessation of branch services, we would welcome clarification if this provision also extend to the cessation of a product line. A 4-month notice period of such a cessation of a product service would be overly burdensome as would likely require further notification in that

time. The one-month notice period however is deemed sufficient for product updates to the customer.

*Do you have any comments on informing customers effectively?*

With reference to section under 'General Requirements we welcome further feedback and clarity on the following areas:

S. 50 As a business, key information documents are explained and produced for our customers through various durable mediums, as noted in the consultation paper will this obligation to provide 'Key Information Documents' extend beyond regulated investment products?

S.51 Security and fraud prevention and protecting our customers information is key, in the revised proposals and to echo industry feedback on this provision, can we obtain confirmation if there are prescribed standards to work towards ensuring security of information e.g. Two Factor Authentication?

S 46. General requirements, confirmation of the definition of 'Financial Service' and 'Average Customer' is required to ensure clarity and certainty regarding implementation of this requirement.

## 2.4 Mortgage Credit and Switching

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

### *Switching*

As noted in our Discussion Paper, it remains Revolut's view that as long as switching remains difficult, true competition will not prevail and a key pillar of consumer protection - the ability to move to a provider which serves the consumer's interests - is undermined. For all its successes, the Switching Code did not historically encourage high levels of switching in the market. Switching financial services providers is still seen by consumers as difficult, substantially time consuming, and risky.

Therefore as part of this review, we would support an examination by CBI of the active supports to make it easier for consumers to move their bank accounts, mortgages and other financial products. Separate from any specific revisions to the Switching Code, the Consumer Protection Code should contain an explicit commitment to making the process of switching easy, simple, fast and effective for all consumers; and should require all regulated firms to make it as easy as possible to allow consumers to switch.

In a similar vein, data sharing between financial institutions should be standardised, in the same way as with Open Banking.

### *Mortgage Credit*

With regards to Mortgages, as Revolut does not yet offer mortgage products, we are not aware of any concerns regarding disclosure. However we would use this opportunity to re-emphasise the broad principles of using technology to help ensure that consumers are fully aware of options, and the actual likely costs of different mortgage products.

## 2.5 Unregulated Activities

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

We agree that regulated firms should take appropriate steps to ensure that it is made clear to customers whether they are interacting with an unregulated product or a regulated product when both types of products are offered by said firm. The four proposed requirements outlined in the consultation appear reasonable and proportionate in order to achieve this goal - specifically:

- *the regulatory status of the firm's products and services is clearly and effectively communicated by firms in all dealings with customers, including on digital platforms;*
- *appropriate information and risk warnings are provided in a prominent position on all information provided to customers;*
- *terminology used cannot imply that the product or service is regulated where this is not the case; and*
- *information provided to customers must explicitly state what investor protections are lost/not applicable when investing in a product deemed to be out of scope of regulation (including the lack of access to compensation schemes and other regulatory protections).*

However, the following phrase in the consultation paper gives us cause for concern and does not appear to be proportionate:

*In many circumstances, to avoid this confusion, it will not be possible for a regulated firm to offer unregulated products or services.*

As per Section 1.41 "Proportionality" of the "Guidance on Securing Customers' Interests" we strongly agree with the stated regulatory principle that consumer protection requirements *are proportionate* in terms of achieving the outcome sought *without being unduly burdensome and costly*, and therefore it should be clarified that regulated firms who do follow the four proposed requirements will be able to offer unregulated products alongside regulated products in the same service or app as long as the distinctions between the regulatory status of products are made clear to the customer. Any requirements that make it impossible for regulated firms to offer unregulated products alongside regulated products in the same app or service would not be proportionate, and not be aligned with the stated regulatory principle of "Proportionality".

As per our response to the Discussion Paper submitted on 31st March 2023, consumers who *do* wish to interact with unregulated products stand to benefit significantly when those unregulated products are offered by a regulated firm (where the regulated firm makes it clear which products are regulated and which are not). This is because the consumer will be served this product by a firm that due to its regulated nature will

necessarily have mature business processes in place, robust governance, and be subject to regulatory oversight. Forcing a consumer to do business with an unregulated firm because a regulated firm has been prevented from offering an unregulated product would be against consumer's interests:

Many unregulated firms are based in jurisdictions where the rule of law does not apply to the same extent as it does in jurisdictions like the UK/EU, and where consumers may find it difficult to pursue contractual rights. Customers of such firms may not be required to go through robust Due Diligence and KYC processes, and in general these firms may not adhere to the same AML or customer care standards as the ones applicable in the UK/EU. Therefore it is likely that such platforms could be used to perpetrate fraud and expose consumers to greater risk.

Also, as per Chapter 4 "Benefits and Costs" of the Consultation Paper, we strongly agree with the stated regulatory principle that regulation should be aligned with a well-functioning financial system where there is *competition and innovation*. It is therefore important that any requirements do not:

- inadvertently put regulated firms at a competitive disadvantage to unregulated firms when wishing to offer an unregulated product
- inhibit innovation by making it difficult or impossible for a regulated firm to offer unregulated products alongside regulated products in the same app or service

In conclusion, we believe that the four requirements for offering Unregulated Activities listed in the consultation appear to be reasonable and proportionate in achieving the stated goal that "customers understand both the regulatory status of the products and the protections that do not apply to the unregulated product or service", as long as these requirements do in fact allow regulated firms to offer unregulated products alongside regulated products in the same app or service where these regulatory distinctions are made clear.

## 2.6 Frauds and Scams

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

Revolut welcomes the CPC emphasis on addressing frauds and scams, particularly the necessity for a “whole-of-system” coordinated approach of both the public and private sector to effectively tackle their prevalence in Irish and European society.

Within Revolut we have invested significantly in developing tools and targeted learning modules to inform customers of the risks scams and frauds can pose. We are supportive of industry-level fraud campaigns such as FraudSMART, as well as developing our own in-house learning modules, RevLearn. As a general overview our anti-fraud systems include:

- Specialised, tailored and adaptive warnings to customers about to make higher-risk transactions
- Unskippable videos challenging payments and warning of the consequences of proceeding with payments providing friction points to the transaction
- Regular in-app and email warnings to our customers about specific scams
- Cutting-edge detections systems to highlight potentially risky transactions
- Regular warnings via media about scam types and advice for customers on how to avoid them
- A Complex Investigations Unit to help identify OCG involvement in frauds

However, we are acutely aware that criminal gangs who coordinate these fraud and scam campaigns are continually evolving, developing more sophisticated methods and means to trick and fool people. It is for this reason that we strongly advocate for the full fraud chain to be included in efforts to address fraud, meaning where fraud originates for example social media platforms and phone calls/text messages as well as all other stakeholders.

In this section we have outlined some possible initiatives to support the above mentioned objectives. Revolut believes that such initiatives promoted at a domestic and EU-level would assist in decreasing the surge of fraud/scam instances.

### *Financial Literacy*

To effectively protect consumers interests, increasing financial literacy should be a core priority. An informed consumer is an empowered consumer. With regard to frauds and scams, Revolut believes that the establishment of a guide or reference to customer best practice will set an industry standard.

As outlined in CBI’s letter to industry on 23 November 2023, the CBI communicated its supervisory expectations relating to APP fraud and within that the appropriate action a firm must take where a ‘*a failure of the firm’s own established systems and controls*’ led to a customer loss. Under the consumer protection code, CBI insights into situations where the systems deployed to prevent fraud have not failed i.e. where a customer rejects any interventions (which include warnings, forced chat and escalations with key personnel within the bank) given by financial institutions and still proceeds with a payment in spite of these warnings would be welcome. Within Revolut, our finding is that our systems are robust and we have deterred between 80-90%<sup>1</sup> of potentially fraudulent activity to the benefit of our customers. However, with regard to fraud, the prevalence of sophisticated

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<sup>1</sup> Revolut Bank UAB: EU Fraud Data (Jan 1 - 31 May, 2024)

fraud campaigns led by criminal gangs and the use of social engineering has capitalised on generally low levels of financial literacy. Increased protection for consumers is welcome but consumers also need to be aware that should they proceed despite clear warnings from their financial institutions, they will be liable for the transaction. We believe enhanced financial literacy among the general population will be key to preventing and reducing future scams and frauds from occurring.

We would also support the incorporation of financial literacy programs in the national education system from primary schools right up to higher education institutions. Courses and subject matters could include, but by no means limited to, Financial Responsibility and Decision Making, Planning and Money Management, Informed Consumer, Investing, Credit and Debit, Risk Management and Insurance [including identity and fraud protection].

Similarly, launching educational training programs for university students can be effective in raising awareness and preparing future specialists in areas such as Financial Crime, Fraud, or Sanctions. Good practices have shown that students exhibit a high level of interest in enrolling in semester-long courses dedicated to these topics. Such initiatives not only prepare skilled professionals but also contribute to broader awareness within this field.

Short courses delivered through Further Education Training offices or similar would also be an option as it would address school leavers and financial literacy as a life skill that should be available to all.

The importance of cooperation and collaboration between stakeholders in improving awareness and disseminating key messages to consumers who may be hard to reach through formal education or 'new' channels cannot be understated.

#### *Cross- sectoral and Inter-agency collaboration*

Collaboration between regulators, legislators, telecommunication companies, social media companies, financial service providers among others at both national and european/international level is necessary to effectively coordinate responses, data sharing and agreeing a set of standards which apply to all. Complementing this, we also see significant value in the adoption of an EU anti-fraud strategy which would assist action at member state level as well as across the EEA.

Good practices we have observed in other countries, such as the UK, Netherlands, and Lithuania, include establishing Fraud Registers / Portals. Such measures could assist collaboration between Financial Institutions to ensure customers are not fraudsters or adapt the controls accordingly. It would also assist in identifying new types of frauds and scams.

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

In the introduction to financial abuse in the Consultation, the following definition for financial abuse is proposed:

*“financial abuse” means any of the following:*

*(a) the wrongful or unauthorised taking, withholding, appropriation, or use of a consumer’s money, assets or property;*

*(b) any act or omission by a person, including through the use of a power of attorney, guardianship, or any other authority regarding a consumer, to – (i) obtain control, through deception, intimidation or undue influence, over the consumer’s money, assets or property, or (ii) wrongfully interfere with or deny the consumer’s ownership, use, benefit or possession of the consumer’s money, assets or property*

The proposed wording when taken in isolation is broad which would suggest an intention to cover all eventualities including coverage of both authorised push payments (APP) and account takeover (ATO) (plastic and non-plastic) scams and frauds, and (b) offers coverage on any authorised party on customers’ account that may act wrongfully (i) & (ii). Such a reading would necessitate further clarity on the terms used, specifically what is understood by “wrongful”.

With regards to vulnerable persons and elder abuse, we would welcome further insight on how to identify this, as well as guidance on specific types of financial abuse that they can manifest. This would serve to clarify how firms can better educate and inform customers and better optimise internal systems to mitigate these harms from happening. We would welcome future engagement with the relevant third-sector bodies on this and will seek to collaborate on this.

Specifically, with regards to the definition, and if the intention is to cover all fraud eventualities i.e. authorised and unauthorised, we believe the CBI should differentiate between authorised and unauthorised fraud events - so that consumers have a clear understanding of the different forms that fraud can manifest, and so that consumers are introduced to these terms at an early stage. As noted in other submissions, the prevalence of social engineering where a customer is manipulated to authorise a transaction on behalf of a fraudster is growing. We therefore would welcome clarity from the CBI on how firms can approach this.

In concert with the wider ecosystem, agreed definitions of frauds and scams would assist in raising awareness and improve consumer understanding of the types that exist. Already work is underway across the different institutions and state bodies to make consumers aware of the different types that exist. The CBI might consider providing guidance and describe key modus operandi for awareness, in particular, investment scam, romance scam, job scam and purchase scam as well as identity theft, phishing, smishing. Given the complex nature of elder abuse, it can often go undetected. Specific mention of this would also assist the wider customer base.

## 2.7 Protecting Consumers in Vulnerable Circumstances

*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?*

Since its founding, Revolut has created and adhered to specific policies relating to vulnerable customers. Vulnerable customers are clearly indicated as such and are treated accordingly with extra care. For any organisation, understanding and identifying vulnerable customers is crucial for protecting customers' generally as well as preventing any risk of negative outcomes for such customers or indeed the organisation's own reputation.

Revolut, therefore, welcomes the clarity of process and procedures outlined in the CPC Review, however we would welcome further guidance on the intersection of the Assisted Decision Making Act and the Individual Accountability Framework under 17a 'General Principles' and the proposed CPC provisions regarding vulnerable customers, to ensure firms are supported in their effective deployment of these procedures when required. Determining the difference between temporary and permanent vulnerabilities would be beneficial.

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

The role of a 'Trusted Contact Person' is a welcome addition to support vulnerable customers. As echoed in industry responses, Revolut would welcome further clarity in the definition and role of a 'Trusted Person' and guidance on the role of regulated firms in this regard.

We welcome the clarity provided by the CBI that a trusted person will not be a decision maker on behalf of the customer, limited to an informative role only. We also welcome the update from the CBI that the Data Protection Commission will issue a report on data sharing under these circumstances. We request this report be made available and further clarity be provided in regard to the powers of decision making and recording data of a trusted person.

## 2.8 Climate Risk

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

*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?*

*Do you agree with our approach to including sustainability preferences with existing suitability criteria?*

Revolut welcomes the CBI's commitment to ensuring that green and sustainable products are fairly represented to customers to avoid the risk of 'greenwashing'. As a business, we fully support the aims of the Green New Deal and are committed to a net-zero future. We are proud to have joined Tech Zero in 2021, an initiative gathering global tech companies ready to fight the climate crisis through technology, data and science.

In Revolut's view, the key element from a Consumer Protection perspective is choice - allowing consumers to support choices and use products which best suit their approach to tackling Climate Change.

However as a global business, Revolut also believes that approaching these issues on a supra-national level is critical. Given the significant volume and complexity of regulatory and legislative rules coming on track, a standardised regulatory regime would assist firms in providing sustainable products and services in line with the green transition. Consistency and coherence with these requirements should be considered.

In seeking to achieve the stated objectives of the CPC, we believe the CPC should also focus on ensuring financial literacy and empowering consumer choice within the wider international regulatory framework.

### 3. Additional Policy Proposals

#### 3.1 Consumer Credit

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

We have no observations on expanding these provisions. From the outset, Revolut developed and designed our Pay Later product to be compliant with the CPC. Any relevant revisions made to the Code, will necessarily require gap analysis to ensure continued compliance.

In November 2023, the Central Bank published research on consumers' experience and understanding of Buy Now Pay Later products. We note that during the course of 2024, the Central Bank will undertake further consumer-based research and study of indirect credit products to determine if additional requirements might be needed to enhance consumer awareness and to better protect consumers, and Revolut would welcome the opportunity to input into this continued review.

#### 3.2 SME Protections

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

*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?*

In tandem with other industry submissions, we would also endorse the suggestion that the CBI would consider restricting application of the Code to personal consumers only, and that any customer acting for the purpose of a trade, business or profession be covered by the SME Regulations. This would provide absolute clarity in defining where the CPC guidelines apply. The use of a turnover figure is a variable definition and this creates ambiguity in the application of the code. Restricting the CPC explicitly to consumers would remove that ambiguity and support consistent application.

### 3.3 Insurance

Revolut welcomes the CBI's attention to assess the landscape and what measures will assist consumers in shopping around whilst also ensuring they don't fall out of coverage and remain within cover.

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

On this specific provision, we would welcome clarity on whether this requirement applies to travel/gadget insurance provided under a group policy scheme as part of benefits under a packaged bank account.

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

It is our view that the introduction of an additional renewal notification does not contribute to customers' shopping around as most insurers would not be able to provide binding quotes 40 days prior to renewal e.g. car insurance pricing is quite dynamic and could potentially change in a 40 day period. In our experience, the current 20 days renewal seems sufficient to be able to shop around.

*Addition Note [this falls under digitalisation chapter Clause 45]:*

*Notice of upcoming expiry of cooling off period to be given*

As noted in our response to digitalisation, in our opinion this could result in excessive communication as the current requirement of 14 days period is well-known for the customer in the digital space. This additional communication could potentially overload the customer and contribute to missing any other important information sent. Excessive communication can be counter productive.

### 3.4 Investments and Pensions

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

We welcome the provision for enhanced disclosures which are vital for helping consumers understand the importance of long-term investments and the suitability of their pension products. However, we are conscious that the effectiveness of these disclosures is reliant on how they are communicated to consumers. We therefore echo industry feedback on the need to develop standardised disclosure templates and educational tools that are easy to understand and accessible to all consumers.

### 3.5 Miscellaneous Enhancements

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

#### *Errors*

The revised code under reporting of errors is welcome. The Code has indicated that only 'Significant Errors' will be reportable to the CBI and we would welcome clarity to determine what is a 'Significant Error', and how firms can categorise these 'significant errors' e.g. customers impacted, System outages, timelines, and/or monetary value. We would also welcome clarity on how these errors will be supervised.

#### *Complaints*

We would welcome a definition of 'Pre-contractual Stage' in regard to complaints in line with the industry feedback elsewhere. Such guidance would be welcome to determine if this is before the customer/business relationship, as in the first enquiry/interaction or once a complaint has been recorded on behalf of the customer.

## **4. Benefits and Costs**

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

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

The implementation of an up-to-date compliance framework that supports the best interests of the consumer in a changing financial world is critical and hence we support the update of the code. Given there is still clarity required on portions of the revised Code, it is difficult to make an accurate assessment/feedback on the costs involved.

In tandem with this point, it is important that initiatives are defined with proportionality taken into account, the benefit to the consumer versus the potential costs of implementation. Changes that are complex to implement limit the attractiveness of the Irish market to newcomers and create barriers to entry. For incumbents, it also detracts attention from the development of new products and the improvement of current products to support the Irish customer base.

Based on this, we would ask the CBI to be cognisant of implementation complexity in the new CPC paper which is in the interests of both the consumer and the financial institutions.

## **5. Responding to the Consultation and Next Steps**

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

As noted, the Consumer Protection Code Review introduces new measures to enhance customer outcomes and improve consumer protections more broadly. However, much of the current Code remains applicable and in that vein, while there will be the need for some new procedures and teams to be stood up, a 12-month implementation period seems a reasonable timeframe to have these procedures in place and ensure the consumer protections are effectively implemented and enforced.