Consultation Paper 163 – Access to Cash Consultation on Local Deficiency Guidelines

Summary

As a fully digital bank entering the Irish market, member Bank does not operate branches, ATMs or physical cash service points. Their focus lies in ensuring that:

I. The framework is clear, proportionate and predictable for designated entities;
II. It does not unintentionally create barriers to entry or distort competition
III. It reflects the reality of digital-first banking models while protecting financial inclusion.

Q1: Do you agree with the information to be provided when making a notification to the Central Bank

Member broadly agrees that the information requested (reasons for deficiency, locality context, and specific cash services needed) is necessary for an initial assessment.

Member believes that the Guidelines should also clarify whether multiple notifications relating to the same locality are required before progressing to full assessment. This would reduce the risk of disproportionate resource deployment triggered by isolated complaints.

Q2: Do you agree with the proposed manner of assessing local deficiency notifications to the Central Bank

Member agrees with the structured approach of creating case files and acknowledging notifications. To ensure the process is 'proportionate,' the assessment should consider actual usage data over a representative period, rather than just the sentiment expressed in a single notification.

Member would also suggest that the criteria for defining "adjacent locality" should be clarified to avoid inconsistent treatment. For digital-native firms, it is essential that the 'quantitative and qualitative assessment' mentioned by the Bank prioritises objective demand data such as card transaction volume versus cash withdrawal volume in that specific locality.

Q3: Do you agree with the proposal to use the national statistical boundaries as the basis for the Central Bank making a determination on local deficiencies

Yes, member supports the use of CSO Small Areas and Electoral Divisions. Member also welcomes the Central Bank's recognition that these boundaries should be applied flexibly, with consideration given to adjacent areas where appropriate. This is important to ensure that determinations reflect real patterns of access and usage rather than purely administrative borders.

It might also be helpful for the guidelines to use SAs as a starting reference point, and explicitly allow for

a) functional catchment analysis,
b) road network modelling,

c) public transport network,
d) topographical challenges, in view of Ireland's geography and transport accessibility.

Q4: Do you have any comments on the way the Central Bank shall make a determination in relation to potential local deficiencies

Member is in broad agreement with the approach, however, they recommend that the Central Bank explicitly includes 'Digital Inclusion' as a mitigating factor in its determination. If a locality has high digital engagement, the 'appropriate' determination should be to further support digital literacy rather than mandating the high-cost installation of physical cash points, which may ultimately see low utilisation as trends toward digitalisation continue.

Member would also add that section 7(5)(h) (cost of remedy) should not be a peripheral factor. For new entrants with small market share, infrastructure obligations could be disproportionate. Determinations should consider

I. relative market presence of designated entities
II. historic responsibility for legacy infrastructure. A new digital entrant should not be disproportionately required to remedy deficiencies caused by historic branch withdrawal of incumbent banks.

Q5: Do you have any comments in relation to the circumstances in which the Central Bank will consider it is appropriate and proportionate that the local deficiency concerned by remedied

Member agrees with the proposed approach to assessing whether it is appropriate and proportionate that a local deficiency be remedied.

Member welcomes the recognition that not all identified deficiencies will warrant remediation, for example where issues are temporary or where new infrastructure is already planned. This is an important safeguard to ensure that obligations remain proportionate and targeted.

From the perspective of a digital only bank that does not operate physical cash infrastructure, it will be important that any future remediation expectations clearly reflect the degree of control and influence an entity has over the relevant infrastructure. Member would advocate for a 'Safe Harbour' provision i.e. if an entity provides significant digital financial inclusion tools (like 24/7 support), this contribution should be weighted when determining its share of any collective remediation costs. We therefore support the Central Bank’s commitment to case by case assessment and engagement with designated entities, rather than a prescriptive or one size fits all approach.