



Consumer Protection Codes Department,
Irish Financial Services Regulatory Authority
PO Box 9138,
College Green,
Dublin 2.

13th May 2008.

Re: Consumer Protection Code for Licensed Moneylenders.

Dear Sir, Madam,

With reference to your Consultation paper 33 – Consumer Protection Code for Licensed Moneylenders (“CP33”), I wish to make a submission of my views in relation to the contents of the draft Consumer Protection Code which is set out in part 2 of CP33.

Firstly, I would like to make the point that whilst we as a company are authorised as a moneylender, we operate like any instalment credit business, our current APR rates vary from 8% to 29.8% depending on the risk category of the client and the size of the loan, we collect the majority of our instalments by direct debit and only oblige customers, in a small number of cases, by issuing them payment books where their direct debits have not been successful, we do not normally collect instalments from customers' homes or places of business, as a result we do not see ourselves in the generally better known category of “Door step” Moneylenders, we believe we are in the “respectable” area of moneylending and are very keen to ensure we comply, adhere, consult and enforce all legislation and best practice to our business.

1. Under provision of information to the consumer, point 4 “A Moneylender must where it collects repayments by way of direct debit, issue monthly statements to consumers who pay weekly and quarterly statements to consumers who pay monthly”

As per your report “A Report on the licensed Moneylending Industry” published in March 2007, 82% of moneylenders will collect at doorstep and only 24% of Moneylenders allow customers repay via Direct Debit / Standing orders. I believe that given the fact that

- a. Our moneylending agreement is for a fixed term
- b. Has a fixed Rate
- c. Has a fixed repayment amount
- d. The repayment can clearly be seen on the customer's bank statement

That it is unreasonable to ask the Moneylender to issue customer statements as outlined above to customers who pay by direct debit. I believe that this will cause an extra administration burden on Moneylenders who do allow customers pay by direct debit which may result in either the Moneylender increasing their APR rates and or pushing more Moneylenders away from offering the facility to pay by direct debit.

If this is a necessity, then I believe we should be allowed charge for the service.

2. Under the section “Suitability” points 16 and 17, I feel this point is not applicable to moneylenders and is more applicable to Brokers or other financial institutions offering a wide



variety of products and services. By the very nature that the customer has approached the moneylender for an amount of money then the consumer has by default specified both the product and the provider and this requirement will not apply.

3. Under the section " Arrears and Guarantees " point 34 , I feel this is inappropriate to put in place for Moneylenders only and not have it in place for every lending institution. MABS provide a valuable service to consumers who are experiencing financial difficulties, however under your own report " A Report on the Licensed Moneylending industry " published in March 2007, under the section "main findings from the survey of MABS " only 2.5% of the monies owed by the clients of MABS were owed to Moneylenders.

Licensed Moneylenders are a niche credit provider and obviously want customers to make their repayments, in my opinion I would welcome the assistance of MABS for a customer who is experiencing financial difficulty and would refer the customer to MABS where appropriate. I do not believe this should be an obligatory requirement for Moneylenders and do not believe that it should be after the second default / missed payment which is too short a time period.

The above opinions are given in good faith and I wish to be consulted if this submission were ever to be considered to be published either in whole or in Part.

Yours Sincerely,

Brendan Keogh