

Consumer Protection Codes Department  
Financial Regulator  
PO Box 9138  
College Green  
Dublin 2

30<sup>th</sup> January 2009

**Voluntary Consumer Protection Code for Credit Unions –  
Response by Dundrum Credit Union to Consultation Paper 35**

We note that the Financial Regulator did not issue a response to the previous Consultation Paper CP32 and we call on the Financial Regulator to issue a response.

We also note that the Financial Regulator did not respond to any of the questions we raised in our response to CP32 and we call on the Financial Regulator to respond to these questions.

We also note that the Financial Regulator did not carry out a Regulatory Impact Analysis on CP32 and we call on the Regulator to carry out an Impact Analysis.

We also call on the Financial Regulator to extend the closing date for responses to CP35, as the Consultation Paper was only circulated in late December and has not given credit unions sufficient time to respond.

Nevertheless, we enclose below our initial response to CP35.

Voluntary Consumer Protection Code for Credit Unions – Response to Consultation Paper 35	
Name	Dundrum Credit Union
Address	Main Street, Dundrum, Dublin 14
Chapter of Code	3
Provision Number	2
Sub-provision	(i)

We believe this provision is unnecessarily bureaucratic and does not provide the member or the credit union with any real extra protection or information.

Voluntary Consumer Protection Code for Credit Unions – Response to Consultation Paper 35	
Name	Dundrum Credit Union
Address	Main Street, Dundrum, Dublin 14
Chapter of Code	3
Provision Number	2
Sub-provision	(iii)

We believe this could be beneficial and the provision should state that the explanation should be included in the credit agreement.

Voluntary Consumer Protection Code for Credit Unions – Response to Consultation Paper 35	
Name	Dundrum Credit Union
Address	Main Street, Dundrum, Dublin 14
Chapter of Code	3
Provision Number	3
Sub-provision	(i)

We believe this provision is unfair. If a consumer decides to consolidate a number of loans by using cheques issued by a credit card company, there appears to be no such provision for the credit card company to carry out the same exercise for its customer.

Therefore, this provision is clearly anti competitive. In addition, the interest rate charged by the credit card company will almost inevitably be higher than any loan issued by a credit union.

Apart from that, as we pointed out in our response to CP32, we believe this provision is really only relevant where a consumer is consolidating a number of personal loans into a mortgage type product, but it seems irrelevant and impractical where a consumer is simply consolidating a number of personal loans into another personal loan.

Voluntary Consumer Protection Code for Credit Unions – Response to Consultation Paper 35	
Name	Dundrum Credit Union
Address	Main Street, Dundrum, Dublin 14
Chapter of Code	3
Provision Number	4
Sub-provision	(iii)

We have reservations about this provision. We accept that it is a good idea to alert the member to the consequences of defaulting on the loan, but we do not believe it is necessary to spell out each step of the process before the member has even taken the loan.

Voluntary Consumer Protection Code for Credit Unions – Response to Consultation Paper 35	
Name	Dundrum Credit Union
Address	Main Street, Dundrum, Dublin 14
Chapter of Code	3
Provision Number	4
Sub-provision	(iv)

We need clarification on the definition of default. If it means a member who is in complete default i.e. 52 weeks, we would support this provision. If it means a member who has simply missed a repayment, we believe this provision would be harmful to the member's relationship with the credit union. We believe that many members would be offended to receive such advice, as it implies that the member is unable to meet their financial requirements, when it may be simply holidays or being overlooked, for example.