

Ballinasloe Credit Union (Our Lady of Lourdes) Limited
Main St
Ballinasloe

23.01.2009

Dear Sirs,

Having considered the Consultation Paper 35 – containing the revised Savings and Loans Our Voluntary Standards (Voluntary Consumer Protection Code for Credit Unions) the Board of BCU wishes to make the following response;

The Board again questions the necessity for this code given the ethos and philosophy of the credit union's focus on members. The Board notes that the code is voluntary in nature – it has no legal standing.

However the Board believes that it would in time become a quasi-legal code and will be used as such by the Financial Services Ombudsman etc. The Board noted the possible costs associated with the implementation of the code and is disappointed to note that no attempt appears to have been made to alleviate its cost implications.

The Board notes in particular:

- (Definitions) “complaint” section (b) can be read as requiring the credit union to provide a service to a member or else be subjected to a complaint.

Chapter 2

- (1)(ii) replace “one month in advance” with “ in a timely manner or 5 days”
- (1)(v) remove in its entirety. Is there a similar requirement in the banking world?
- (1)(vi) If “secure transmission” implies encryption at the credit union then it also means encryption at the receiving end. This is a very onerous requirement at the receiving end.
- (2)(i) The statement requirement is over elaborate in particular at (a) and (c)
- (4)(i) Will make it very difficult to provide a manual service at sub offices late at night or on Sundays and it will entail a very substantial expenditure on electronic infrastructure.
- (4) (ii) After available insert “on demand”

Chapter 3

- (2)(i) Remove in its entirety – Section (ii) is sufficient.
- (3)(i) Requires additional thought. This is a difficult undertaking and a credit union will not want to expose itself in writing in the event that the information provided to it by the loan applicant is inaccurate.
- (3)(iii)& (iv) See warnings section – this is sufficient.

Chapter 4

- Sets out a procedure for the handling of complaints – this is already covered in the CU Act and the FSO office. This code must replicate the statutory requirements already in place.

Chapter 5

- (4) Is the Affiliation Fee (usually deducted from the dividend) a charge within the scope of this document.

Chapter 6

- (2) This requirement will make it difficult for a credit union chapter to advertise a common loan product.
- (18) inset the word estimated before “total cost” (in both places).

In its initial response to Consultation Paper 32 the Board stated “This code, if implemented by law, will make it more difficult for credit unions to interact with their members and it will impose an unnecessary paper framework between the member and the credit union. ... Certainly our contacts with our members should be of the highest order and clearly the aspiration to best practice in this regard cannot but be supported. However a clear balance must be struck between the member’s needs, the requirement to disclose all relevant information and the credit union’s responsibilities to deliver services to members”. The Board reiterates this position. This amended code, will impose undue hardship and cost on the credit union and ultimately its members.

Noel Madden
Manager