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

13th August 2010

Dear Sir

Re: Consultation Paper CP45 – Review of Minimum Competency Requirements

The Bank of Ireland Group (the Group) welcomes this opportunity to comment on the matters raised by the Financial Regulator in this consultation paper.

In preparing a response to this consultation paper the Group has sought views from a number of parties throughout the Group. These views are summarised below under each of the various sections of the draft Code (the Code)

PROPOSALS INCLUDED IN THE DRAFT REVISED REQUIREMENTS

Section 2.1.4

In the interests of ensuring that consumers enjoy equal protection, the Group recommends that the proposals should apply to all regulated entities.

Chapter 3 – Continuing Professional Development ('CPD')

The Group agrees with the proposals for CPD and welcomes the clarity regarding the requirements for Failure to Comply and Reinstatement.

Section 3.2.3 provides for pro-rata adjustment to CPD in respect of statutory leave and lists the circumstances where pro-rata adjustment will not apply, one of which is career breaks. The Group recommends that career breaks be permitted for pro-rata adjustment. For the purposes of CPD it seems logical that staff on statutory leave and career breaks should be treated equally.

Chapter 4 – Demonstrating Compliance

Section 4.1

The practical ability of firms to **evidence** the requirement to inform customers that they may request sight of the register or the certificate could be challenging. We would suggest that this requirement should be met by an amendment to a firm's Terms of Business document.

Section 4.2

Given that the grandfathering process has been completed for three years it is not clear why the Financial Regulator is now specifically listing five compliance criteria that were not in the original Code. As currently written this requires a complete re-evaluation of the grandfathering documentation against these criteria. The requirement to include samples of advice to consumers would need further clarification; specifically how many samples should be provided. Clarity is also required on the definition of 'marginal cases or exceptional circumstances'

The Group recommends that the original wording in the Code should remain unchanged.

Section 4.3

Clarification is required on the definition of 'marginal cases or exceptional circumstances'.

Section 4.4

The Group welcomes the proposals on documentation to be provided to a grandfathered individual leaving a regulated firm.

ADDITIONAL PROPOSALS

Grandfathering

The Group agrees with the Financial Regulator's objective of consistent standards across the industry. However the Group would not be in agreement with the proposal to phase out grandfathering arrangements. These arrangements were put in place in 2006 and only apply to individuals with many years of experience and knowledge. It is our view that their significant front-line experience is of equal merit to the knowledge that other staff gain through the examination process. In addition the existing CPD requirements ensure that all grandfathered individuals will continually keep their knowledge fully up to date. As such these individuals are fully accredited.

Given that these accredited individuals have been performing in their roles since the introduction of the Code they have a reasonable expectation that they have met the Financial Regulator's requirements. To unilaterally change the qualification requirements at this stage would be grossly unfair to these individuals and to ask them now to obtain academic qualifications is of no obvious benefit to customers.

Internet

The proposals should only apply to internet service providers if they are offering advice to consumers. In these circumstances any of the content of the internet site should be authorised by an accredited individual.

CPD Hours

The Group believes that 15 hours formal CPD requirements should be applied equally to all accredited individuals, whether they are grandfathered or hold a recognised qualification.

Loan restructuring

The Group does not believe the requirements should extend to restructuring of loans to consumers. This is not a sales process and is covered by other codes of practice e.g. the Mortgage Arrears Code. In addition many consumers use intermediaries when restructuring their loans e.g. MABS. If this proposal were implemented then all these intermediaries, many working on a voluntary basis, would need to become accredited.

Investment management:

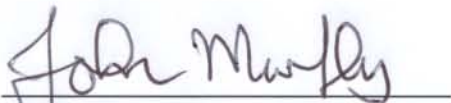
The Group does not believe the proposals should extend to investment management. Consumers cannot invest directly in funds but must use an intermediary e.g. a broker, who is already accredited.

Administrative functions

The Group believes that the provision of advice on amendments to both life and non life policies should be undertaken by accredited individuals. However policies are often amended on foot of instructions from customers. As such they are execution of a customer's instruction and do not involve advice. Amending policies as a result of an instruction from a customer should not be specified separately.

We would welcome the opportunity to meet with the Financial Regulator to discuss the proposals in more detail.

Yours sincerely



John Murphy

Head of Group Regulatory, Compliance and Operational Risk