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Consumer Protection Codes Dept  
Central Bank of Ireland  
PO Box 559  
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Dublin 2

10 January 2011

Dear Sir, Madam;

**Re: Consultation Paper (CP47) Review of Consumer Protection Code**

I refer to Consultation Paper 47 on the Review of the Consumer Protection Code and the opportunity provided to submit comments on same.

Northern Rock plc welcomes the Consumer Protection Code Review and supports the majority of the proposed changes which we feel will further enhance the consumer experience in their dealings with financial service providers and also in their understanding of the financial services/products being provided to them.

However, we would like to raise a number of points in respect of two specific proposed requirements which are outlined below.

**Chapter 12.1 Contemporaneous Record of Verbal Interaction**

While we appreciate the purpose of this proposed requirement, we are concerned that as it currently stands it is too general as it requires regulated entities to maintain records of all verbal interactions where consumers (which would include both potential and actual consumers within the definition) receive assistance in understanding any product/service provided to them. As I am sure you will appreciate, we have a number of different types of verbal communication with consumers e.g., general enquiries, not all of which lead to the sale of a product. We feel that it would be disproportionate to the risk to apply this requirement to communication that concerns all financial/products. Therefore, we would suggest that the higher standard of record keeping be limited to more complex/risky products in line with the increased risks that these products present.

In addition, we believe that only actual customers of a regulated entity (who are consumers) should be covered as there could possibly be Data Protection issues surrounding the recording and maintaining of personal information belonging to consumers who ultimately do not purchase a product or service from the regulated entity. We also feel that this requirement needs to be proportionate to the risk of the product provided and not impose additional and unreasonable

operational and financial burdens on regulated entities that would be disproportionate to the benefits to the consumer.

That said, we do agree that in cases where certain customers have been identified as vulnerable there would certainly be merit in recording such interaction irrespective of the complexity of the product/service provided.

### Chapter 13 – Definitions

“Basic banking product or service” and “investment product”

The definitions as currently drafted do not clearly define the approach to be taken in respect of a term deposit with a term of less than one year where withdrawals are not permitted and those in excess of one year where withdrawals are permitted. Therefore, the implication is that regulated entities need to perform a full suitability assessment and issue a statement of suitability for these products. However, we feel that term deposits are essentially deposit accounts (albeit with a fixed term) which are low risk products as the customer's investment is safe and therefore should not require this level of service. Therefore, we would ask that you consider the following definition be incorporated within the definition of basic banking product or service:

- a term deposit account with a term of less than one year or
- a term deposit account with a term of 18 months or less where withdrawals are permitted.

We feel that this is a fair compromise between ensuring that the customer takes some responsibility for placing funds on term deposit while at the same time acknowledging that unforeseen events may arise where access to funds may be required during the term of the product. We feel that the suggested definition of a term deposit account above which would mean that it is treated as a basic banking product/service is proportionate to the level of risk associated with this product and would negate the need to unduly burden customers by having to assess a customer's suitability and issue a statement of suitability which we believe would far outweigh the risk posed by this product type.

We would like to thank you for the opportunity to comment on the proposals in CP 47 and we would be happy to expand on the points mentioned previously should you like to discuss them further.

With best regards



Nick Crossland  
Head of Operations