



20<sup>th</sup> July 2011

Consumer Protection Code Department  
Central Bank of Ireland  
Dame Street  
Dublin 2

**Re: CP54 Review of Consumer Protection Code**

Dear Sir,

Acorn Life welcomes the opportunity to respond to Consultation Paper 54 – Review of Consumer Protection Code. We support the provision and strengthening of a comprehensive consumer protection framework. In particular, we support the new proposals in relation to:

- Complaints Resolution
- Staff Training & Quality Controls to ensure compliance
- Advertising
- Errors Handling
- Claims Processing
- Conflicts of Interest.

However we would like to draw the Central Bank of Ireland's specific attention to our concerns around provisions 3.31 to 3.38.

The changes to these provisions which relate to personal contact with consumers have been proposed to prevent pressurised selling in light of the consumer detriment that can occur. We fully support provisions to prevent pressurised selling but would point out the following areas of concern in relation to the proposed solution:

1. Provisions that focus more on how the policy was sold (in the form of quality control checking under provision 2.4) are more likely to protect consumers from pressurised selling than restrictions around how the consumer is sourced.
2. The current proposals will ultimately end up in wide scale consumer detriment as they are anti-competitive; make it virtually impossible for new regulated entities to become established in the industry and provide an unfair advantage to established regulated entities by protecting their existing book of customers.
3. The current proposals will force the Industry to engage consumers through mass marketing when the Industry has historically engaged consumers through relationships. This will lead to an increased cost of doing business. This change will ultimately lead to consumer detriment in the form of higher potential prices and lower levels of life assurance coverage. The burden from higher costs will fall back on the consumer and the burden from reduced coverage will fall back on the state.



4. Provisions that make no distinction between a personal visit and a telephone call do not adequately allow for the potential likelihood of pressurised selling and consumer detriment. We believe making an unsolicited phone call does not put the consumer under undue pressure if the only purpose is to set up a meeting. In fact it gives the client time to prepare for the meeting properly. The National Directory Database also provides protection to all consumers.
5. Provisions that prohibit contact with consumers after 7pm and on Saturdays are not in keeping with a demand from most customers for after hours service and we would refer you to our previous submission under CP47.

To address these areas of concern we propose that The Central Bank of Ireland strengthen the general principle 2.4 in the area of quality control checks. We also suggest the following changes to provisions 3.31 to 3.35:

3.31 A **regulated entity** may only make an unsolicited personal visit to a **personal consumer** who is an existing **customer**. A **regulated entity** may only make an unsolicited telephone call to a **personal consumer** with a view to setting an appointment for a personal visit to offer, arrange or recommend a **protection policy**

3.32 A **regulated entity** must not, for sales or marketing purposes, make an unsolicited personal visit, at any time, to a **personal consumer** who is an existing **customer** unless that **personal consumer** has given informed consent in writing to being contacted by the **regulated entity** by means of a personal visit.

3.33 In order to comply with Provision 3.32 above, a **regulated entity** must have obtained the consent of the **personal consumer** in a separate document or separate section of a document, which includes a requirement for the **personal consumer** to sign that section/document and which sets out:

- a) the purposes for which a personal visit call may be made if the **personal consumer** consents, and
- b) the times and days for the proposed contact, which must be within the times and days specified in Provision 3.35.

3.34 A **regulated entity** may make an unsolicited personal visit or telephone call to a **customer** if the **customer** holds a product which requires the **regulated entity** to maintain contact with the **consumer** in relation to that product. In relation to arrears, the limits set out in Provision 8.14 apply.

3.35 A **regulated entity** may only make a personal visit or telephone call to a **personal consumer** between 9.00 a.m. and 9.00 p.m. Monday to Saturday (excluding bank holidays and public holidays), except where:

- a) the purpose of the contact is to protect the **personal consumer** from fraud or other illegal activity, or
- b) the **personal consumer** requests, in writing, contact at other times or in other circumstances, or
- c) the contact is permitted at other times under the Consumer Credit Act 1995.

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We would also ask the Central Bank of Ireland to also consider allowing unsolicited telephone calls (with a view to setting up an appointment) on all financial products not just protection policies. We believe the service offered by regulated entities should not be product related but rather service related around needs based advice and knowing the customer.

Acorn Life would welcome the opportunity to discuss CP54 with the Central Bank of Ireland and would be happy to respond to any queries on this submission.

Yours sincerely,



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Paddy Byrne  
Chief Executive Officer