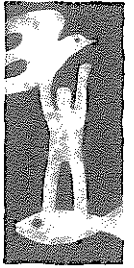


Consumer Protection Codes Division  
Central Bank of Ireland  
PO Box 559  
Dame Street  
Dublin 2



22 July 2011

Dear Sir/Madam,

**Irish Life Assurance Submission  
CP54 Second Consultation on Review Of the Consumer Protection Code**

I refer to the publication of CP54, the second consultation on the review of the Consumer Protection Code and welcome the opportunity to make a submission.

Irish Life fully supports the Central Bank's objective to help consumers make informed choices in a safe and fair market and welcomes the review of the operation of the Consumer Protection Code ("the Code"). We believe that the Code has served consumers well in that it has raised the standard of consumer protection in the financial services market since its introduction. We also recognise the need to revise the Code so that it is consistent with legislative changes which have taken place in recent years and to take account of the impact of changes in the financial services marketplace and of technological advances on customer interactions with financial services providers.

While making a separate submission on Consultation Paper CP54 Second Consultation Review of Consumer Protection Code, we wish to put on record our support for the Irish Insurance Federation submission. The purpose in making this separate submission is to emphasise issues and concerns that are of particular importance to Irish Life.

Should you have any queries, please do not hesitate to contact me. We would be pleased to meet with you to discuss or expand on any of the issues raised in greater detail.

Yours sincerely

Gerry Hassett  
Chief Executive – Irish Life Retail

*Investments*

*Illness cover*

*Life assurance*

*Savings*

*Pensions*

*Mortgages*

Directors:  
Gillian Bowler(Chairman)  
Breffni Byrne  
Roy Keenan  
David McCarthy  
Kevin Murphy  
Pat Ryan  
Irish Life Assurance plc  
A tied mortgage branch agent  
of Irish Life & Permanent plc  
Registered Office:  
Irish Life Centre,  
Lower Abbey Street,  
Dublin 1  
Registered in Ireland  
number 152576



### **Personal Contact with Consumers - Unsolicited Contact**

While we support the objective of protecting customers from undue or pressurised marketing, the proposed new requirements appear to place undue restraint on firms in relation to their ability to secure new customers and honour consumer's expectations.

The Central Bank has not provided a definition of unsolicited contact and the proposed provisions go beyond cold calling as defined by the Commission for Communications Regulator (ComReg).

ComReg defines unsolicited contact as: *"Cold calling' is when a company calls you, without getting your permission, so they can try to sell you goods or services. An 'unsolicited call' means a call that is not requested by the caller. This is sometimes called 'direct marketing'".*

We feel CommRegs definition is fair and reasonable and should form the basis for the unsolicited contact provisions of the Code. The existing Codes provisions and the requirements under the Data Protection Acts 1988 and 2003 provide sufficient protection for consumers of regulated firms.

We would welcome the Central Bank providing clarity as to its definition of unsolicited contact and why it feels that this should be wider than the definition provided by CommReg.

Where an existing or non-existing customer has expressed a desire to be marketed by telephone or in person, then the consumer has an expectation that they will be contacted in this manner and regulated firms should be entitled to honour that expectation.

We would agree that the rules in relation to the obtaining of consent should be updated and that opt in consent should be obtained for new customers. However, where a company has been contacting existing customers for (potentially) many years and the customer has not objected to the level of contact, it would not appear to be reasonable that no further contact can be made without obtaining additional written consent.

### **Provision of Information Requirements - Overlap with existing regulations**

The provision of information to customers who buy Life Assurance products is generally governed by the Life Assurance (Provision of Information) Regulations 2001 with equivalent disclosure requirements for Occupational Pensions and PRSAs. The Central Bank is proposing additional disclosure to customers already subject to these requirements. It is widely acknowledged that where customers receive too much information, there is a tendency not to read the documents. The additional disclosure requirements will add to the myriad of documents that the customer will receive.



The Central Bank recognised that there was a need to overhaul and simplify the disclosure requirements and published CP34 a review of the Life Assurance (Provision of Information) Regulations in September 2008. In this consultation paper the Bank stated *“we propose to introduce a new format of disclosure to replace the existing disclosure documentation. The new proposed disclosure regime aims to be simpler and to present key information more clearly to consumers”*.

Research conducted by the Central Bank at the time found:

- The disclosure document is not read on a widespread basis
- Consumers tend to rely on either information provided to them by an advisor when selling them a product or their assumptions about these products.
- Disclosure documentation is viewed by consumers as additional small print, alongside other material provided by the product provider.

We do not think it is appropriate to apply new requirements without taking appropriate account of existing legislation. Until such time as the Central Bank stream-lines all requirements in relation to life assurance policies, PRSAs and occupational pensions for providing annual updates to customers, meeting the existing statutory communication requirements should be deemed to meet the obligations of life assurance companies under the following provisions.

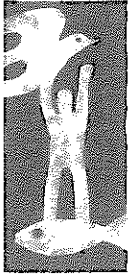
- 4.62: Investment products, standalone document
- 4.72: Information about charges
- 6.5: Statements, Investment products.

### **Advertising**

We would agree with the Central Bank view that all advertisements should be clear, and not misleading. However, it is difficult to see how a firm can advertise a product or service other than one that will be restricted to 9.22. *It is not necessary for a **regulated entity** to display the required warnings set out in this chapter if the **advertisement** does not refer to the features or benefits of a product or service but only names the product or service and invites a **consumer** to discuss the product or service in more detail with the **regulated entity***

In meeting the proposed requirements, we feel that the advertisement will have the opposite effect to that intended by the Central Bank. We believe it is likely to result in reduced clarity in advertising and the cluttered approach resulting from the proposal will result in consumer confusion as to benefits and warnings.

We believe that advertising does not necessarily *influence a consumer's decision with regard to purchasing or not purchasing a specific service or product* which is a function of the product documentation. Clearly, it is important to have rules to prevent exaggerated claims being made in advertising. A range of literature with varying levels of detail support the marketing of life assurance products. This includes advertisements, product booklets and the customer information notice required under the Life Disclosure Regulations 2001. The customer does not make a decision to purchase a life assurance product based on an advertisement alone and the requirements of the Code should reflect this.



### **Exemption From Knowing The Consumer And Suitability**

Under this provision, non-advice based sales are prohibited for all life assurance products other than non-linked protection. Whilst there may be some merit in this in relation to a customer dealing with a financial adviser, customers should be offered the maximum choice as to how they wish to purchase a financial product. Is it reasonable that a customer is unable to contact a company directly and ask to purchase one of their products. Surely this merely serves to limit the options available to consumers?

Is it intended that this provision would relate to internet sales also? It would appear to create difficulties for companies wishing to market their products directly.