



Health Services Staffs
Credit Union

SUBMISSION BY

Health Services Staffs

Credit Union Ltd

to the

Central Bank of Ireland

on CP 83

**Fitness and Probity regime for
Credit Unions that are also authorized as
Retail Intermediaries**

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Introduction

Health Services Staffs Credit Union Limited currently has 28,278 members and assets of €175M. We provide the following services to our members,

- Savings
- Budget Accounts
- Educational Bursary
- Deposits
- Repayment Protection Insurance
- Loan Protection & Life Savings Insurance
- Death Benefit Insurance
- Loans
- Car Draw
- Motor Home & Travel Insurance (referral)
- Juvenile Accounts

HSSCU is authorised as a retail Intermediary for the provision of repayment Protection Insurance. We currently earn 7.5% commission from the sale of Repayment protection insurance. Income from this product in 2013 amounted to € 57,099 or 0.6% of total income. We believe that our Repayment protection Insurance product is of benefit to our borrowing members and currently have 900 policies in place.

Our credit union has experienced an increase in costs in the last financial year mainly due to the introduction of the new risk and compliance requirements and the fitness and probity regime. We estimate these costs to be in the region of € 140,000. We would be anxious therefore that no further costs are imposed on the credit union.



HSSCU broadly welcomes the revised tailored approach detailed in CP83. This approach recognises the inappropriateness of transferring credit unions to the fitness and probity regime for other regulated financial service providers.

Revised Approach for Credit Unions authorised as Retail Intermediaries

Do you agree with the revised approach proposed for the application of fitness and probity requirements to credit unions that are also authorised as retail intermediaries? If you have other suggestions, please provide them along with supporting rationale

- HSSCU agrees with the reduction in the number of PCF's from a potential 17 roles to the two roles already in place. We would suggest that an increase of 15 roles to allow the sale of products which earn 0.6% of our income would be excessive. The workload in processing an additional 15 roles would add an unnecessary and increased cost to the credit union.
- HSSCU welcomes the review of fitness and probity implementation in 2017.



Do you agree with the proposals regarding the Standards, Guidance, timelines and transitional arrangements for the implementation of fitness and probity requirements for credit unions that are also authorized as retail intermediaries? If you have other suggestions in relation to the proposals, please provide them with supporting rationale.

- HSSCU agrees with the Standards as proposed, and with the implementation framework for the application of the existing Fitness and Probity regime to credit unions authorised as retail intermediaries. We note the Central Banks intention to issue an updated “Guidance on Fitness and Probity for Credit Unions” following CP 83 consultation. We believe It is important that all credit unions interpret the regime in a consistent manner
