



**Information Release**

**14 July 2014**

## **Central Bank publishes findings of Review of Compliance with the Advertising requirements of the Consumer Credit Regulations**

The Central Bank of Ireland today (14 July 2014) reports on the findings of its Review of the banking, moneylending and credit union sectors' compliance with the Advertising Requirements of the European Communities (Consumer Credit Agreements) Regulations 2010 (the CCR)<sup>1</sup>. The Central Bank examined print, television, radio and online advertisements that were in circulation from November 2013 to March 2014 in a sample of 23 firms<sup>2</sup>.

The Review found that overall approximately 30% of 291 advertisements did not contain all relevant information or display the information in a clear, concise and prominent way by means of a representative example as set out in the CCR. Non-compliance was more frequent in the sample of credit unions reviewed where only one-third of advertisements met the CCR requirements, compared to 99% and 88% compliance rates for the sample of banks and moneylenders respectively.

Director of Consumer Protection, Bernard Sheridan, said "Consumers must be confident that financial products and services, including loans, are advertised and marketed in a way that is clear, fair and not misleading. This is why advertising monitoring plays such an important role in our consumer protection work. The CCR has been put in place to protect consumers who borrow money from firms, and all firms are required to have the appropriate arrangements in place to ensure compliance with them."

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<sup>1</sup> See notes for editors for Part 2, Section 7 of the CCR

<sup>2</sup> See notes for editors for sectoral breakdown

The Central Bank has written to all the firms in each sector highlighting the findings of the Review. Where issues have been identified, firms have been asked to withdraw and amend the advertisements to ensure that they meet with the requirements of the CCR. Further regulatory action may be considered where the issues are not dealt with satisfactorily.

In addition to this specific Review, the Central Bank regularly reviews regulated firms' compliance with the Advertising Requirements of the Consumer Protection Code 2012. During 2013, we investigated 182 general advertising issues. 154 advertisements were either withdrawn or amended (26 of which were withdrawn immediately), while no further action was deemed necessary on the remaining 28. The Central Bank will continue to monitor advertisements for compliance with various regulatory requirements, to ensure that they work in the best interests of consumers.

Should a consumer feel that any regulated firms' advertisement or promotion (this includes TV, radio, print, online, buses, flyers etc.) is unclear, inaccurate or misleading, they can report the advertisement to the Advertising Unit in the Central Bank at [advertising@centralbank.ie](mailto:advertising@centralbank.ie)

Further information: Press Office 01 224 6299, [press@centralbank.ie](mailto:press@centralbank.ie)

## **Notes for editors:**

### **About the firms and the advertisements selected**

The Review examined the advertisements of 5 banks, 4 moneylenders and 14 credit unions. Firms were selected based on their market share, risk impact rating and/or likelihood to use advertising to promote credit agreements to their customers.

Of the 291 advertisements reviewed, approximately 50% related to websites, online and social media and customer communications, 26% related to newspapers and 24% related to billboards, brochures, radio and catalogues.

### **About the CCR requirements that were reviewed**

Part 2 Section 7 of the CCR requires that 'Any advertising concerning credit agreements that indicates an interest rate or any figures relating to the cost of the credit to the consumer shall include standard information in accordance with this Regulation. The standard information shall specify *in a clear, concise and prominent way by means of a representative example*;

- (a) the borrowing rate, fixed or variable or both, together with particulars of any charges included in the total cost of the credit to the consumer,
- (b) the total amount of credit,
- (c) subject to paragraph (3), the annual percentage rate of charge,
- (d) if applicable, the duration of the credit agreement,
- (e) in relation to credit in the form of deferred payment for a specific good or service, the cash price and the amount of any advance payment, and
- (f) if applicable, the total amount payable by the consumer and the amount of the instalments'.

### **About the Advertising Unit**

The Advertising Unit in the Central Bank reviews advertisements of regulated firms for compliance with various regulatory requirements, including the [Consumer Protection Code 2012](#), the Consumer Credit Act, 1995, the Consumer Credit Regulations, European

Communities (Markets in Financial Instruments) Regulations 2007 (MiFID) and the [Consumer Protection Code for Licensed Moneylenders, 2009](#).

### **Other Advertising Requirements**

The Central Bank of Ireland's Consumer Protection Code 2012 includes specific requirements regarding advertising. To further assist firms in raising advertising standards, the Bank issued [Guidance on the Advertising Requirements of the Consumer Protection Code in October 2013](#). The guidance was a culmination of an extensive review of issues arising from our advertising monitoring function. In addition, we engaged with key consumer and industry groups and fellow regulators. We also researched consumer attitudes towards financial services advertising and consulted with our Consumer Advisory Group.