



Consumer Protection Bulletin

Current Accounts

Edition 9
June 2019

The Central Bank of Ireland commenced collecting detailed consumer data from selected regulated firms in a number of sectors in 2013.

This bulletin builds on the information presented in the previous editions of this Consumer Protection Bulletin published in 2015, 2016 and 2017 on current accounts and switching. The data is reported by credit institutions participating in the personal consumer current account market in Ireland¹. This bulletin provides a high-level overview of the number and value of current accounts held by personal consumers, the number of consumers using the Code of Conduct on the Switching of Payment Accounts with Payment Service Providers² (“the Switching Code”), and the number of consumer complaints received by firms in relation to current accounts.

¹For the purpose of this Bulletin, current accounts are payment accounts offered by credit institutions. Payment accounts can also be offered by other payment service providers including payment institutions (PIs) and e-money institutions (EMIs). This Bulletin does not include data on PI and EMI payment accounts.

²In September 2016, the Switching Code was revised and renamed “The Code of Conduct on Switching of Payment Accounts with Payment Service Providers”. The Switching Code now applies to credit institutions, payment institutions and e-money institutions that offer payment accounts. The Switching Code is primarily a set of procedures that must be followed by both consumers and credit institutions, payments institutions and e-money institutions when a consumer decides to switch their payment account from one provider to another. It provides for:

- A smooth, efficient switching process for the consumer;
- Consistency of approach to the process by all relevant institutions; and
- Protection and support for consumers contemplating, undertaking and/or completing the switching process.

³‘H1’ refers to the first half of calendar year, i.e. 1 January until 30 June. ‘H2’ refers to second half, i.e. 1 July until 31 December.

Summary Trends

The number of current accounts held by personal consumers has decreased by 1.5% to 5,345,752 over the reporting period H2-2013 to H2-2018³.

There continues to be an increase in the value of current accounts held by personal consumers over the period H2-2013 to H2-2018 from €16.2 billion to €31.0 billion.

The number of consumers switching current accounts to a credit institution under the Central Bank’s Switching Code in H2-2018 was 1,542, the lowest level of switching observed in the reporting.

While switching levels remained low, over 99% of the current account switches completed under the Switching Code were completed within the timeframes prescribed by that Code for the nine most recent reporting periods.

Complaints relating to current accounts continue to represent the largest number of consumer complaints about banking products. The number of complaints as a percentage of the total number of current accounts is less than 1%.

Current Account Overview

At the end of H2-2018, there were six main credit institutions active in the consumer current account market.

FIGURE 1 shows the movement in the number of current accounts held by personal consumers with these credit institutions as reported over the period H2-2013 to H2-2018. It shows that the number of reported personal current accounts has decreased by 1.5% over the reporting period since H2-2013.

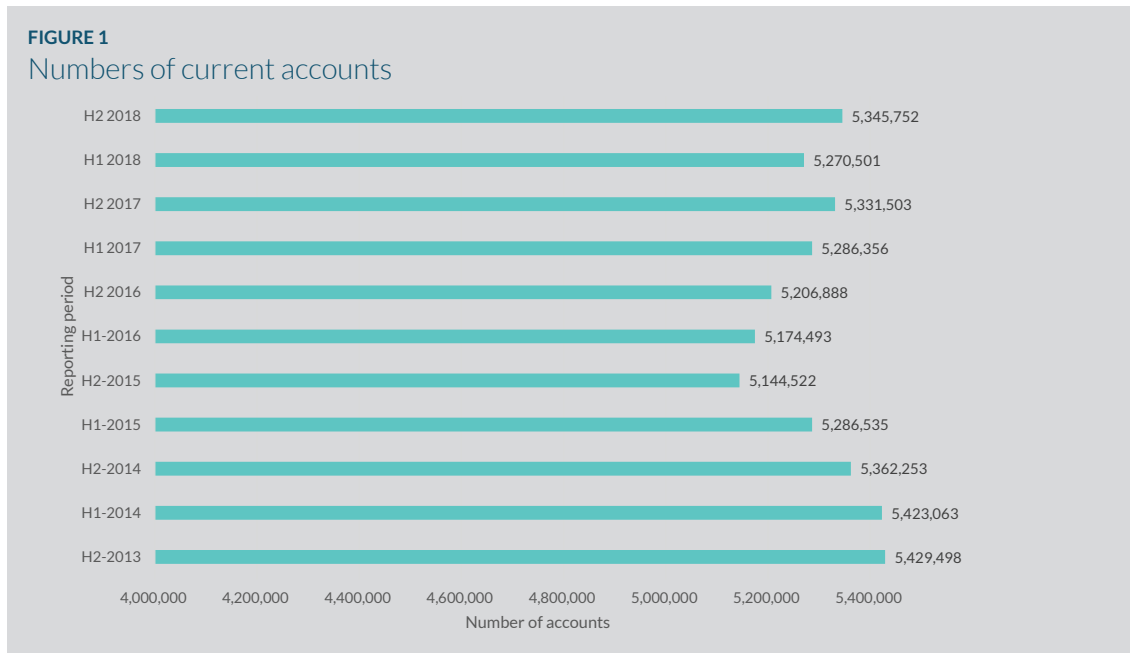
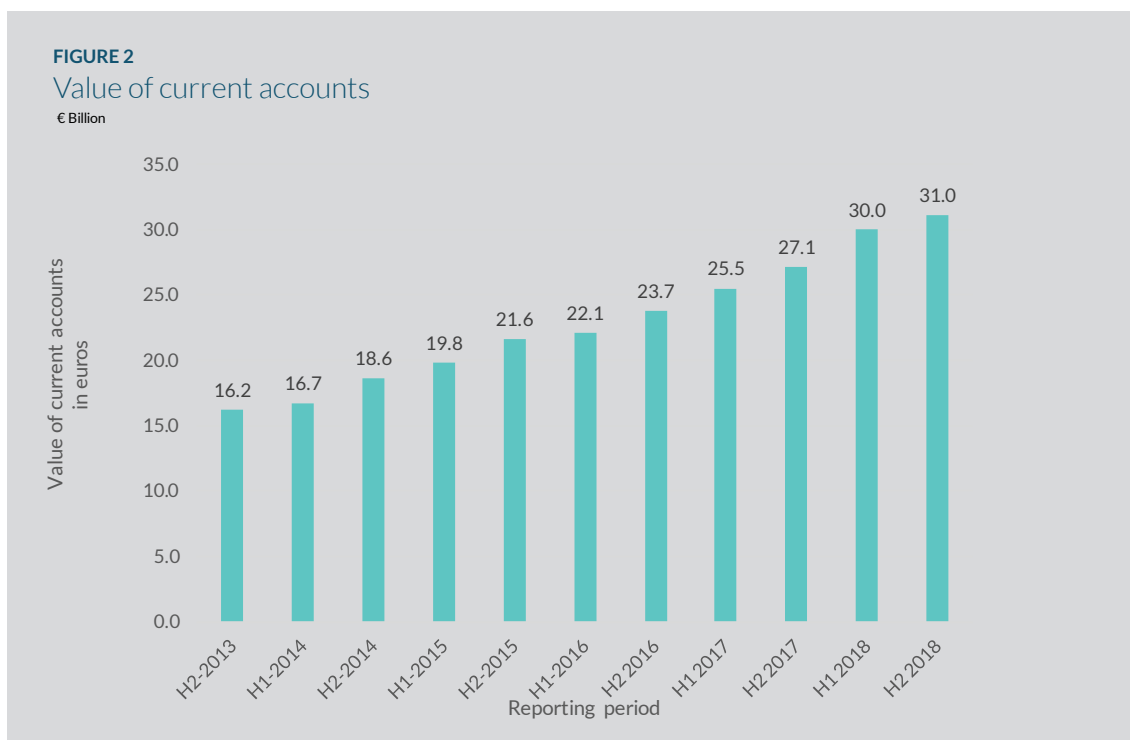


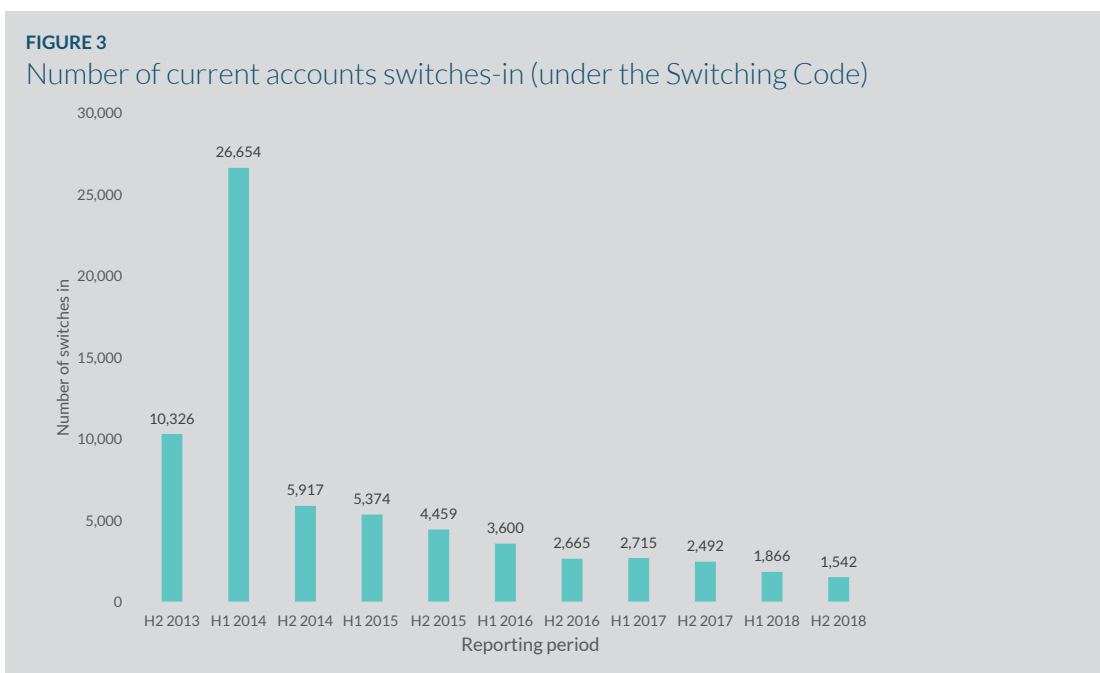
FIGURE 2 shows that the value of these current accounts has risen by €14.8 billion over the same reporting period, representing an increase of 91%. Since our last bulletin on this topic reporting on the period H1-2017, there has been an increase in value of €5.5 billion (22%).



Current Account Switching

All credit institutions providing current accounts in Ireland are subject to the Switching Code, which was introduced by the Central Bank in October 2010 and revised in 2016. Its purpose is to make the process of switching current accounts easier and quicker for consumers.

The number of consumers switching current accounts to a credit institution under the Central Bank's Switching Code in H2-2018 was 1,542, the lowest level of switching observed in reporting to date. As reported in our previous Consumer Protection Bulletins on this topic, there was a spike in numbers using the switching process in H2-2013 and H1-2014 coinciding with the withdrawal of some current account providers from the market.



Current account switches have to be completed by the credit institutions within the 10-day timeframe prescribed by the Switching Code. This includes the transfer of all direct debits and standing orders. For the nine most recent reporting periods, over 99% of all current account switches-in were completed within this timeframe.

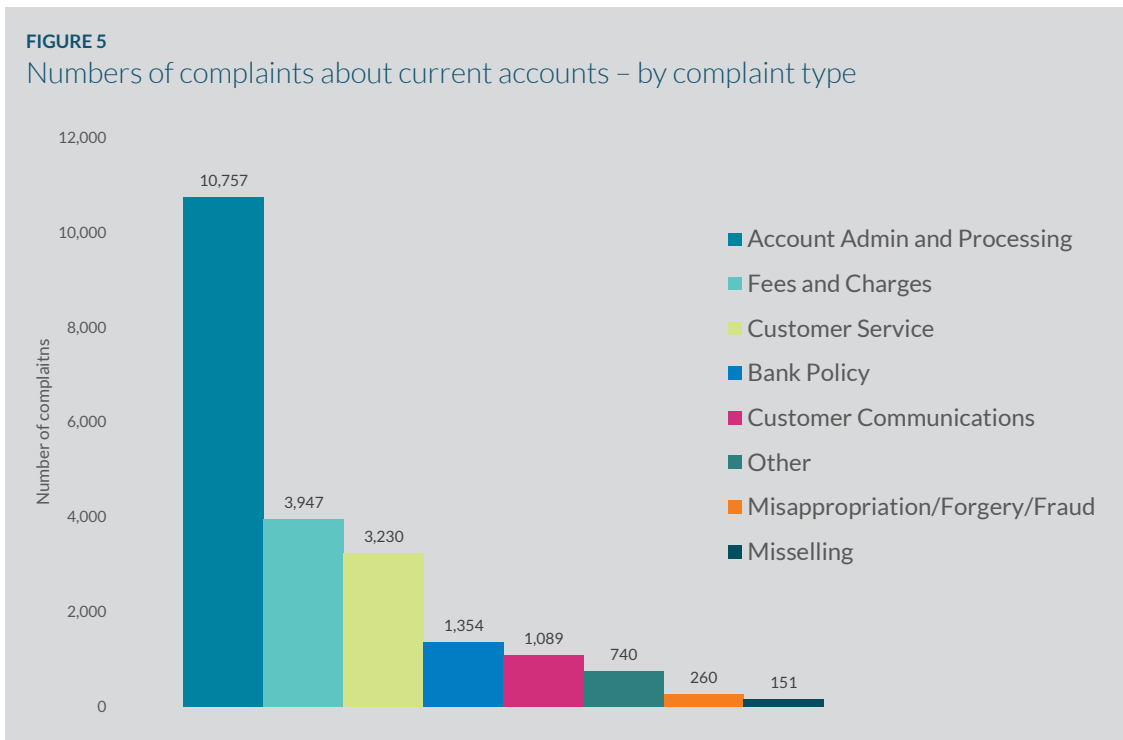
Current Account Complaints

A key component of the consumer data received from the reporting credit institutions relates to the number and type of consumer complaints received, as defined in the 2012 Consumer Protection Code. The reported data shows that current accounts, the main type of account held by consumers, were the most complained about banking product in H2-2018. When the complaints received in H2-2018 are analysed as a percentage of overall current account numbers, this continues to represent less than 1% of the total current account numbers since our first Consumer Protection Bulletin on this topic (H1-2016).

The number of complaints received by credit institutions in relation to consumers' current accounts in the period H2-2018 is displayed in **FIGURE 4**.



FIGURE 5 below shows a breakdown of the types of current account complaints received by credit institutions in H2-2018. 'Account administration and processing' represents 50% of all consumer current account complaints.



95% of new complaints regarding current accounts in H2-2018 were resolved within 40 business days. 40 business days is the timeframe prescribed by the Consumer Protection Code within which a complaint must be resolved or, if not resolved, the complainant must be informed of the anticipated timeframe for resolution.

To find out more about what the Central Bank of Ireland is doing to protect consumers go to www.centralbank.ie/consumer-hub

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