



About the Bulletin

This sixth Consumer Protection Bulletin describes an innovative approach taken by the Central Bank of Ireland to gather data on consumer experiences by monitoring social media and online trends regarding financial services and products.

This provides the Central Bank with a real-time insight into key issues of concern and interest to Irish consumers, which with our wider suite of market intelligence tools, informs our consumer protection work.

Background

The Central Bank began monitoring social media and online platforms in 2013 recognising social media's growing importance as a forum for consumers to discuss financial services.

Currently, 70% of Irish individuals use the internet every day – up 15% since 2013¹. The most popular uses for the internet by individuals are to find information about goods and services and for social networking². Social media is also a channel for some consumers to discuss financial services, including to express concern or dissatisfaction.

Irish enterprises have also embraced social media and online platforms, with 67% of Irish enterprises³ using some type of social media such as Facebook, Twitter and YouTube in 2016⁴. Financial technology initiatives are being introduced in many financial firms, including using social media for interacting with consumers.

Key Points

- Social media monitoring provides the Central Bank with a powerful tool to understand consumers' experiences and concerns around financial services and products in real-time. This informs the Central Bank's analysis and its engagement with individual firms.
- In H2 2016, the Central Bank observed a total of 3,716 online mentions relating to financial products and services in Ireland – an average of 143 mentions per week.
- 84% of these mentions expressed dissatisfaction.
- Account administration was the most common cause of mentions expressing dissatisfaction (69.1%) followed by customer service (12.7%) and fees and charges (9.4%).
- The banking sector represented 98.2% of mentions expressing dissatisfaction.
- Most mentions not related to dissatisfaction concerned technological developments (FinTech) in payment services (47.2%), followed by mentions concerning banking products and providers (25.3%), and those related to Bitcoin/Blockchain (15.5%).

Monitoring Process

The Central Bank monitors publicly available social media platforms⁵, blogs⁶ and online content such as webpages and forums. These are monitored in real-time against a list of approximately 50 key words and a mention is recorded if the key words are matched.

The key word list is updated on a regular basis and includes references to various financial products and services in

addition to a list of financial services firms that are active⁷ in the Irish market. The resulting information is then used to prepare reports categorised by topic, firm name, product sector and social media channel. The monitoring tool can also be used to identify whether the conversation was an expression of dissatisfaction or a more general discussion.

How the Central Bank Uses Social Media Monitoring

Through its monitoring of social media, the Central Bank builds a picture of key issues of concern and interest to Irish consumers in real-time. This provides the Central Bank with a valuable source of information for risk analysis, policy formulation and the supervision of firms.

The expressions of dissatisfaction and general conversations that are highlighted by social media monitoring feed into the Central Bank's ongoing and periodic risk assessment processes, where we assess risks facing consumers and shape our consumer protection priorities and agenda. They can also inform our interventions with individual firms on live issues, for example where consumers' expressions of dissatisfaction on social media indicated that particular firms were outliers among their peers in terms of customer service; or that a firm was operating without Central Bank authorisation. The indications provided by social media activity are a powerful tool in these firm-specific engagements and have supported the Central Bank in challenging firms on the concerns raised by their customers; enabled supervisory interventions, resulting in a firm hiring more customer-facing staff; and have resulted in the Central Bank issuing public warnings.

Case Study – Unauthorised Firm Operating

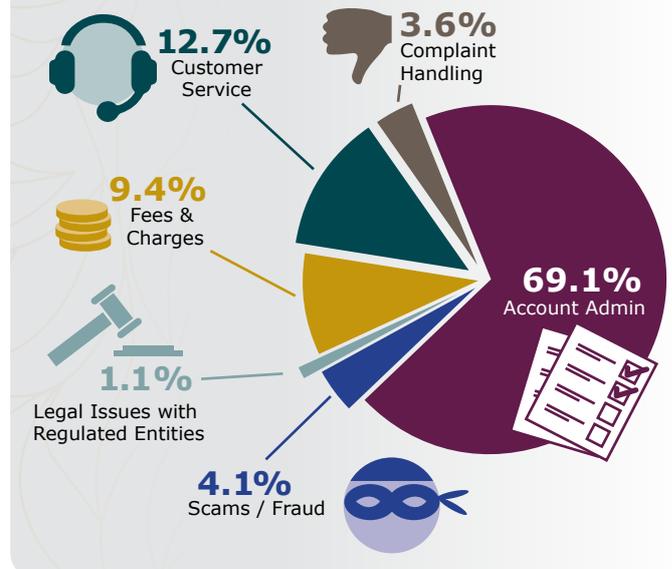
In November 2016, social media monitoring revealed that a firm appeared to be operating without authorisation as a retail credit firm in the Irish market. Investigation by the Central Bank determined that the firm was trading using disposable e-mail addresses and fake names and addresses. The Central Bank moved to protect consumers by issuing a warning and by publishing the name of the firm on 7 November 2016. No further activity involving this firm was seen following this action.

Monitoring Results for H2 2016⁸

In H2 2016, the Central Bank observed a total of 3,716 online mentions relating to financial products and services in Ireland – an average of 143 mentions per week.

This represented an increase of 23% compared with H1 2016. Eighty-four per cent of these mentions (3,135) expressed dissatisfaction. The remaining 16% (581) were categorised as discussions around financial products and services. The majority of mentions expressing dissatisfaction related to account administration (69.1%). The second highest was customer service (12.7%) followed by fees and charges (9.4%).

Dissatisfied Mentions by Topic (%)



When categorised by channel, the highest number of mentions expressing dissatisfaction were on Twitter (91.6%). The second highest from the internet forum 'boards.ie' with 5.4%, and 1.9% of mentions were from online news websites.

Dissatisfied Mentions by Sector – H2 2016

Topic	Number	%
Banking	3,077	98.2%
Insurance	29	0.9%
Credit Unions	29	0.9%

By sector, banking represented 98.2% of mentions expressing dissatisfaction. While not all of these mentions can be classed as being a 'complaint', it is interesting to note that this is also consistent with the trend found in research undertaken by the Central Bank in 2016 on complaints. That research showed that the volume of complaints made about banking products were typically three times the volume of complaints made about insurance products⁹. Consumers typically have more regular interaction with banking services than other financial services, given the nature of the services involved.

Excluding expressions of dissatisfaction, the highest number of discussions related to technological developments (FinTech¹⁰) in payment services (47.2%). The second highest number (25.3%) related to discussions around banking products and providers and the third highest number (15.5%) related to conversations around Bitcoin¹¹ and Blockchain¹² technologies.

Discussions by Alert Topic – H2 2016 (Excluding mentions expressing dissatisfaction)

Topic	Number	%
Payment Services FinTech	274	47.2%
Banking Products & Services	147	25.3%
Bitcoin/Blockchain Developments	90	15.5%
Insurance Products & Services	34	5.9%
Peer to Peer Lending ¹³	27	4.7%
Other ¹⁴	6	0.9%
Credit Unions	3	0.5%

When categorised by channel, the highest number of these (non-dissatisfied) discussions were also on Twitter (72.5%). The second highest number (18.1%) were communicated on online news websites and the third highest (7.2%) were communicated via other online media.

Complaints

The Central Bank encourages consumers who are dissatisfied with their experience of financial products or services to ensure that they communicate their complaint directly to their financial services provider. This ensures that their complaint receives the protections provided by the Central Bank's 2012 Consumer Protection Code. Under this Code, firms are obliged to seek to resolve complaints and there are strict rules surrounding how a complaint should be handled.

If, after following the firm's complaints process, consumers are still not satisfied, they have the right to refer the complaint to the Financial Services Ombudsman, a statutory officer who deals independently with unresolved complaints from consumers¹⁵.

1. Central Statistics Office (2016), CSO Information Society Statistics – Households 2016.
2. The internet was used by 82% of users to find information about goods and services and was used by 70% of users for social networking.
3. Irish enterprises employing 10 or more people
4. Central Statistics Office (2016), CSO Information Society Statistics – Enterprises 2016.
5. Social media platforms include Facebook, LinkedIn, Google+, YouTube as well as others.
6. Blogs include microblogs such as Twitter.
7. Firms active in the Irish market include i.) firms incorporated in Ireland and prudentially regulated by the Central Bank, ii.) firms with branches in Ireland operating under Freedom of Establishment and iii.) firms providing services to Irish consumers under Freedom of Services.
8. 'H2' refers to the second half of calendar year, i.e. 1 July until 31 December.
9. <https://www.centralbank.ie/docs/default-source/Regulation/consumer-protection/compliance-monitoring/reviews-and-research/gns4-2-1-1-complts-handg-reg-fin-sers-firms.pdf>
10. Financial Technology (FinTech) - computer programs and other technology used to support or enable banking and financial services.
11. A type of digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.
12. A digital ledger in which transactions made in bitcoin or another digital currency are recorded chronologically and publicly. Virtual currencies are not regulated by the Central Bank of Ireland. The Central Bank issued a warning informing consumers as to the risks of virtual currencies. <https://www.centralbank.ie/consumer-hub/consumer-notices/eba-opinion-on-virtual-currencies>
13. A financing method where individuals can borrow and lend to one another without requiring a financial institution as intermediary. The Central Bank issued a Consumer Notice informing consumers that crowdfunding, including peer-to-peer lending, is not regulated by the Central Bank of Ireland. <https://www.centralbank.ie/consumer-hub/consumer-notices/consumer-notice-on-crowdfunding-including-peer-to-peer-lending>
14. This category is used where a mention could not be readily categorised.
15. <https://www.financialombudsman.ie/>