



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

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27 April 2022

Re: Withdrawal of retail banks from the Irish market

Dear [CEO]

Fundamental structural changes and consolidation activities are proposed across the retail banking sector over the coming months and years, including those announced by Ulster Bank (UBIDAC) and KBC Ireland (KBCI) in 2021. These banks' withdrawal plans involve KBCI closing current accounts, and UBIDAC closing current and deposit accounts, meaning that customers who continue to require current or deposit account services will be required to move to an alternative provider (c. 900,000 retail accounts to move between April 2022 and April 2023, as per current forecasts).

The need for this volume of customers to move accounts (of which a significant number are primary active personal current accounts) in the planned timeframe is unprecedented in the Irish market and requires all parties involved to play their part in ensuring it is executed successfully. Current accounts in particular are important in the everyday lives of consumers and business alike and play a significant role in the orderly functioning of the economy and the integrity of the market. The Central Bank of Ireland (the Central Bank) is focused on ensuring that all customers are protected and treated fairly throughout this period of change.

We are mindful of the extent to which retail banks will need to engage with other service providers in the market, including direct debit originators (DDOs), in order to ensure a smooth, timely and complete switch of a customer's account, including direct debit payments. Work conducted by the banking sector has identified your firm as one of the top 20 DDOs in the State, and we understand that banks and/or the Banking and Payments Federation of Ireland has been in contact with you with respect to this migration exercise.

As a regulated financial services provider, the purpose of this letter is to reinforce your firm's duty to take action to ensure the account switching exercise is completed smoothly. The Central Bank



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expects that your firm will play its part in ensuring that the best interests of consumers are protected and that you will facilitate your direct debit customers to switch accounts through clear and simple processes that are transparent for customers and effectively implemented. In that context, please submit details of your plan to support your customers in the switching process, including any activities that are already underway. This should include how you plan to engage with banks and, where applicable, the BPF, to ensure a coordinated and effective approach is taken.

This information is required by close of business on Wednesday 11 May.

Please send the above information to my colleague aidan.oconnor@centralbank.ie. You can also contact this email address with any queries you may have in relation to this request.

Yours sincerely

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