



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Thematic Review:

Limited vs Fair Analysis of the Market in
the Retail Intermediaries Sector

October 2025

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Introduction

The Central Bank of Ireland (the Central Bank) recently completed its Thematic Review of Limited vs Fair Analysis of the Market (the Review) in the Retail Intermediaries (RI) sector. The Central Bank would like to take this opportunity to thank all firms who participated in the Review, during which we found firms to be open and engaged.

The main purpose of the Review was to assess whether firms are effectively disclosing the nature of the services they provide to consumers, on the basis of a ‘limited analysis of the market’ or a ‘fair analysis of the market’ (as per the definition of these terms set out in Chapter 12 of the Consumer Protection Code (the Code))¹.

The requirements of the Code in relation to limited analysis and fair analysis of the market are important from the perspective of the consumer, as RIs provide a valuable service to consumers by offering advice and access to a range of products that a consumer may not have access to if they went directly to a product provider. Consequently, it is important that RIs appropriately inform consumers whether they are providing access to only a small number of product providers (i.e. a limited analysis) or a larger number of product providers in the market (i.e. a fair analysis). This is important because poor disclosure of the nature of advice and any limitations can impede a consumer’s ability to assess the benefits, risks and value of a financial product or service and to make informed decisions.

The Review also looked at the use of the term ‘independent’ by firms and considered it in the context of the 2019 Addendum to the Code², wherein the use of the term ‘independent’ (and similar terms) are prohibited when firms are in receipt of commission payments. In addition, the Review assessed whether firms are disclosing their remuneration arrangements with product providers to consumers.

¹ [Consumer Protection Code](#).

² https://www.centralbank.ie/docs/default-source/regulation/consumer-protection/other-codes-of-conduct/addendum-to-the-consumer-protection-code-2012---september-2019.pdf?sfvrsn=9435bd1d_6

There is a risk that where advice is commission-based, consumers may perceive this as ‘free’ advice, in the absence of a fee being charged. It is therefore important that firms clearly disclose their remuneration arrangements with product providers in a manner that seeks to inform the consumer, and that firms do not promote themselves as being independent when in receipt of commission payments.

This supervisory work is aligned to the Central Bank’s ‘Protection of Consumer and Investor Interests’ safeguarding outcome³, which aims to ensure firms are acting in the best interests of their consumers, and placing consumer interests at the heart of their decision making. It is central to our strategy of addressing the material risks of transparency and ineffective disclosures as previously highlighted in the Regulatory & Supervisory Outlook Report.

The purpose of this industry communication is to outline the key findings from the Review and to remind firms of the related requirements. This report also sets out good practices and areas for improvements that firms should consider to ensure they are securing customers’ interests.

In relation to disclosures, regarding the nature of the services provided (limited or fair analysis of the market) and the aspects of disclosure of remuneration arrangements with product providers which were assessed in the Review. The Review findings were broadly positive with the majority of firms in-scope demonstrating good standards of compliance with the relevant Code requirements.

In relation to the use of the term ‘independent’ or similar terms, the Review found that a small number of firms were using the term ‘independent’ but in general this term was being used incorrectly, i.e. firms are in receipt of commission payments and therefore are not ‘independent’ as provided for in Provision 4.16 of the Code. This reflects that this cohort of firms may not fully understand the Code requirements.

³ The Central Bank’s four safeguarding outcomes are (1) Protection of Consumer and Investor Interests (2) Safety and Soundness of Firms (3) Financial Stability and (4) Integrity of the Financial System.

Background

The RI sector is a key distribution channel for insurance, pensions & investments and mortgage products. RIs provide consumers with advice on a range of financial products that play an important role in their lives on a day-to-day basis. RIs can provide advice to consumers on the basis of either a ‘limited analysis of the market’ or a ‘fair analysis of the market’⁴.

For advice based on a limited analysis, RIs consider a limited number of product providers available on the market before choosing a product for the consumer and making their recommendation. On the other hand, advice based on a fair analysis means providing services on the basis of a ‘sufficiently large number’ of product providers available on the market to enable the RI to make a recommendation.

RIs may operate by providing advice on the basis of both a limited and fair analysis of the market, with the nature of the service provided differing depending on the product type, e.g. house insurance or mortgage protection.

The Central Bank’s Regulatory and Supervisory Outlook Report 2024 ([2024 RSO Report](#)) identified “Commissions and Ineffective Disclosures” as one of the key risks in the RI sector. Firms must clearly inform consumers of the nature of the services provided, e.g. whether the RI is providing advice on the basis of a limited or fair analysis of the market⁵. The majority of the firms in the sector operate on a remuneration via commission model (>95%)⁶, rather than operating a fee-based model. This incentivised remuneration model can present a conflict of interest between the means of generating revenue for a firm and acting in the best interests of consumers. Where RIs receive commissions from a product provider for selling a product(s), they must clearly disclose this arrangement to the consumer⁷. A firm describing or marketing itself as ‘independent’ (or similar terms) cannot take a commission payment from the product provider where providing advice⁸, i.e. it can only offer a fee-based service.

⁴ These terms are defined in Chapter 12, ‘Definitions’ section of the [Consumer Protection Code](#).

⁵ Per requirement 4.13(f) of the Code.

⁶ Based on the responses received to the Phase 1 questionnaire issued during the course of the Review.

⁷ Per requirement 4.58 of the Code.

⁸ Per requirement 4.16 of the 2019 Addendum to the Code.

The Review sought to assess firms' compliance with the relevant Code requirements to determine whether firms are effectively disclosing the nature of the service provided and disclosing their remuneration arrangements with product providers to consumers, and whether firms are misrepresenting themselves as being independent (or similar terms).

The desired outcome of our supervisory work in terms of the 'Protection of Consumer and Investor Interests' safeguarding outcome, is that consumers understand the nature of the service they receive and how they are paying for that service, and that firms are not incorrectly promoting themselves as independent when receiving commission payments. This should help to ensure that consumers are better informed, and can make educated decisions in respect of their financial needs, based on clear, effective and transparent information from their RI.

The Review included three phases:

- *Phase 1 Market Intelligence Survey:* A survey was issued to the RI sector. The main objective was to gather market intelligence in respect of how many firms offer advice on the basis of a limited or fair analysis of the market and the proportion of RIs who describe themselves as independent;
- *Phase 2 Desk-based Review:* A large sample of RIs was selected to complete a more detailed desk-based questionnaire and to submit accompanying documentation and disclosures for review. The main purpose of the questionnaire was to further inform our assessment of firms' understanding and application of the relevant Code requirements and to obtain more detailed information on the provision of advice on the basis of a limited or fair analysis at a product level; and
- *Phase 3 Targeted Review:* Comprised of in-person and virtual inspection meetings of a more targeted group of firms. The main objective was to test responses to the questionnaire completed by firms in Phase 2.

Summary of Findings

There are two main findings arising from the Review:

- (1) Overall, the Review's findings were positive and found that the majority of firms in-scope demonstrated good standards of compliance in terms of effectively informing their consumers of the nature of the service provided (limited or fair analysis of the market) and in disclosing remuneration arrangements with product providers and providing accurate disclosures; and
- (2) A number of firms were incorrectly referring to their service as 'independent' (or similar terms). Firms did not appear to be fully aware of the requirements of the Code relating to the use of the term 'independent' and as such a number of firms were incorrectly referring to their service as 'independent' (or similar terms) while in receipt of commission payments from a product provider(s). It is important that firms do not represent or market themselves as being 'independent' when they are in receipt of commission payments, as this is misleading for consumers.

(1) Disclosure of Limited or Fair Analysis of the Market

As noted above, the overall finding of the Review is that there are high levels of compliance across the RI sector, with the majority of firms included in the scope of Phase 2 of the Review effectively disclosing the limited or fair analysis nature of their service in their Terms of Business (TOB).

In Phase 2 of the Review, we found that 94% of firms were in compliance with the disclosure requirements under review. A number of good practices were identified, including firms documenting their rationale for providing either a limited or fair analysis, as well as firms documenting their approach to the interpretation of 'sufficiently large' when offering a fair analysis service. The Review also assessed firms' websites to ensure they included disclosure of their fee and/or commission arrangements, in compliance with Code requirements, with the majority of firms found to be in compliance. Please see below for additional information on good practices.

In a small proportion of firms⁹, the Review identified the following:

- 6% did not accurately disclose the nature of the service provided (limited or fair analysis) in their TOB;
- 3% did not accurately disclose their remuneration arrangements in their TOB;
- 3% included incorrect regulatory disclaimers in their TOB¹⁰; and
- 1% stated that they did not accept complaints made verbally and that complaints had to be in writing, which is not in line with requirement 10.8 of the Code¹¹.

The Central Bank has addressed these matters with the relevant firms to ensure remedial actions are taken to secure consumers' interests.

In certain cases, Phase 3 of the Review identified firms using a relatively high number of product providers who were reluctant to describe themselves as undertaking a fair analysis of the market, because they didn't cover 100% of the market (even though the number of product providers used could be interpreted as 'sufficiently large'). These firms considered it more prudent to be referred to as undertaking a limited analysis of the market, and avoid any potential breach of the Code.

All firms are requested to review their TOB to ensure they accurately reflect the type of service provided by the firm.

(2) Use of the term 'independent'

In the Phase 1 Market Intelligence Survey, 196 firms of 1915 firms that received the survey stated that they use the term 'independent' to describe their firm. While this is a relatively small proportion of the overall RI sector, as noted above, it is important that consumers are not being misled as to the independence, or otherwise, of the firm. In the [Consumer Understanding of Commission Payments](#) research paper, a majority of respondents (63%) indicated a preference for an advisor describing themselves as 'independent', so it appears that consumers place a

⁹ Note a small number of firms recorded multiple breaches across the different provisions.

¹⁰ Note that regulatory disclaimers were not specifically in scope of the Review, however these cases were identified during the course of inspections.

¹¹ Note that complaints handling was not specifically in scope of the Review, however these cases were identified during the course of inspections.

significant emphasis on this term. As such, it is important that the term ‘independent’ (or similar terms, such as ‘impartial’, ‘unbiased’ etc.), are used consistently across the sector, and in compliance with the [transparency requirements](#) introduced in 2020. Where a firm receives a commission payment from a product provider for selling a product(s), it is not considered to be operating on an independent basis and must not describe itself as such.

In relation to the use of the term ‘independent’ (or similar terms), Phase 2 of the Review found that **all firms included in-scope using the term ‘independent’ were using this term incorrectly** i.e., they were receiving commission payments. This includes references to ‘independent’ and/or ‘impartial’ and/or ‘unbiased’ contained in the firms’ TOB or website. **This raises a concern that RIs in the wider sector that claim to be ‘independent’ may be doing so incorrectly**, as they may not fully understand the requirements, thereby misrepresenting the nature of their service to consumers, and potentially gaining an unfair competitive advantage.

In Phase 3 of the Review, we explored with firms the basis on which they were referring to themselves as ‘independent’ (or similar terms) and their understanding of the Code requirements. Examples of some incorrect interpretations included firms believing they could use the term ‘independent’ (or similar terms) as they:

- are not a Tied Agent;
- were an independent legal entity; or
- work with more than two product providers.

The Central Bank has addressed this matter with the relevant firms.

All firms are reminded to re-familiarise themselves with the term ‘independent’ as defined in the Code and to ensure that this term is only used when it is permitted to do so.

Examples of Good Practice and Areas for Improvement

A number of good practices and areas for improvement were identified during the course of the Review:

Good Practices	Areas for Improvement
1. Documented policy, subject to regular review, outlining the firm's rationale for undertaking either a 'limited' or 'fair' analysis of the market. 2. Documented approach to the interpretation of 'sufficiently large' in firms undertaking a 'fair' analysis of the market. 3. Terms of Business documents for the firms assessed in this review were clear, easy to understand, sufficiently detailed, and referred to the firm's own specific arrangements, rather than generic / high-level detail. 4. Firms communicated the nature of their service as 'Limited' or 'fair' analysis of the market within the Statement of Suitability. 5. Documented record of instances where the firm was unable to offer a suitable product to the consumer.	1. Out of date Terms of Business and/or Commission Statements. 2. No formal documented periodic review of key documentation taking place. 3. Information in Terms of Business and Commission Statements is generic, high-level and not firm specific. 4. Lack of review of regulatory updates, therefore failing to make the required updates to documents and processes. 5. Firms availing of templates provided by third parties, but not adapting them to the specifics of their firm.

The Central Bank expects all RIs to review their arrangements against these practices, with the aim of reinforcing good practices and making improvements where necessary.

Next Steps for Firms

All RIs should review their arrangements, practices, websites, Terms of Business, and all other marketing disclosures against the findings and feedback outlined in this report, including the areas for improvement and the good practices that firms may leverage in their own businesses to raise standards.

In particular, firms who were not included in the Desk-based review and Targeted review phases of the Review, but market or describe themselves as ‘independent’ (or use similar terms such as ‘impartial’ or ‘unbiased’), are expected to consider whether the use of these descriptions are compliant with Code requirements. **Where firms describe themselves as ‘independent’ (or similar terms) but are in receipt of commission payments, they must remove those terms from relevant disclosures and marketing materials with immediate effect. Furthermore, where a firm describes a regulated activity as ‘independent’ (or similar), but receives commission payments in respect of that activity, it must remove those terms from relevant disclosures and marketing materials.**¹²

Finally, all RIs are reminded that the [revised Consumer Protection Code](#) will take effect on **24 March 2026** following a 12-month implementation period. Until then, the existing Consumer Protection Code 2012 continues to apply to regulated firms, and the consumer protections that are currently in place remain effective.

¹² With regard to a regulated activity – the provision of any one regulated product or service *may* be described as ‘independent’ (or similar terms) in certain specific and limited circumstances, provided it meets all the criteria as set out in 4.16. For the regulated activity itself to be described as ‘independent’, that activity must meet both of the following criteria: (a) the activity must be provided on the basis of a fair analysis of the market, and (b) the firm must not receive any commission payment in respect of that specific activity. However, where other regulated activities are provided on a commission-basis, those activities cannot be described as independent, and the firm cannot describe itself as ‘independent’.

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