



Consumer Protection Code Guidance 2012

Your Partner For What's Next

Introduction

In May 2021, the Central Bank of Ireland ("CBI") updated the Consumer Protection Code ("CPC") Guidance 2012. The guidance does not amend the CPC 2012, it is for information purposes only and is a supplementary document.

Updates to Guidance

The key sections containing updates include the provision of information, knowing the consumer and suitability and other issues. These updates are outlined below.

Provision of Information

- The CBI has amended its guidance on the terms intermediaries may use to describe their principal regulated activities. Previously, per the guidance, the terms 'independent' and 'broker' were used 'where the principal regulated activities of an intermediary are provided based on a fair analysis of the market'. The word 'independent' has been removed from the guidance and firms can only use the term 'broker'. The word 'independent' may still be used, however additional requirements related to fees, commissions and other remuneration under CPC Section 4.16 must be adhered to;
- The CBI has provided guidance on CPC Section 4.58A which requires intermediaries to provide information on arrangement fees, commissions and other remuneration. The following is a summary of the guidance:
 - o The provision applies to all intermediaries and its purpose is to encourage commission arrangements that align to the best interests of the customer;
 - o At a minimum intermediaries must publish an indication of the amount or % amount to be received, an explanation of the remuneration arrangement and details of other amounts received by the intermediary which are not directly linked to sales. The CBI notes that this is the minimum level of information to be made available and as such, is described as a summary;

- o Where possible, the amount to be received by the intermediary must be displayed as an individual number rather than a range. Where it is only possible to display this as a range, the intermediary must disclose the factors that influence the range;
- o Where the intermediary has a website, this information must be provided on the website. This information must be easy for consumers find and all links to the information must be provided on the homepage and be easily identifiable. It is permissible to provide the information in a format that allows for filtering; and
- o Where the intermediary does not have a website, the information must be made available in either soft or hard copy.

Knowing the Consumer and Suitability

- The guidance document provides categories of vulnerable customer, as well as examples for each vulnerability category. Previously, the category of 'limited capacity to make decisions' applied to both 'temporary' and 'permanent' capacity limitations. The word 'permanent' has been removed from the guidance and firms should consider the consumer's circumstances based on having a temporary limited capacity to make decisions only.

For more information on Addressing Vulnerability in Ireland, visit our website:

[Addressing Customer Vulnerability in Ireland - KPMG Ireland \(home.kpmg\)](#)

Other Issues

- The CBI has provided additional information as to why moneylenders are not covered by CPC 2012, noting that they are subject to the Moneylending Regulations. The high cost warning requirement of the Moneylending Regulations was introduced as in September 2020, with all other requirements introduced in January 2021.

For more information on the Moneylending Regulations, visit our website:

[Moneylending \(assets.kpmg\)](#)

Key Considerations for Firms

- Do you meet the requirements under Section 4.16 to be described as an independent intermediary?
- Do you disclose the minimum required information regarding your arrangement fees, commissions and other remuneration?
 - o Is there additional information you could provide to consumers?
 - o Is this information provided on your website and is it easy for consumers to find?
 - o Does the presentation of the information online allow for sufficient clarity to all consumers?
 - o If you do not have a website, is this information provided to consumers in either soft or hard copy?
- Do you have a detailed and embedded vulnerable customer policy with clear expectations? If so, how are you treating customers with permanent limited capacity to make decisions?

- Is there a clear point of contact for vulnerable customers with a specialised support team with experienced staff providing guidance / advice?
- Are you meeting all requirements of the Moneylending Regulations introduced in January 2021 for example regarding, marketing material and customer documentation, record keeping and unsolicited contact?

Contact Us

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