

Central Bank of Ireland publishes CP158 – the Consultation Paper on the Consumer Protection Code

April 2024

On 7 March 2024, the Central Bank published a Consultation Paper on the Consumer Protection Code (CP158).

CP158 seeks feedback on the Central Bank's proposed revisions to the existing Consumer Protection Code (**CPC**). The proposed revisions aim to modernise the CPC and seek to assist firms in effectively incorporating customers' interests into their commercial decision-making, through "securing customers' interests". The Central Bank has explained that the concept of "securing customers interests" does not introduce new customer best interests obligations for firms but instead seeks to provide firms and their customers with increased clarity on already existing requirements.

As part of CP158, the Central Bank has published the following draft legislation and guidance as Annexes to CP158:

- Annex 3 - Draft Central Bank Reform Act 2010 (Section 17A) (Standards for Business) Regulations (the "**Standards for Business**");
- Annex 4 - Draft Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Conduct of Business) Regulations (the "**General Requirements**");
- Annex 5 – Draft Guidance on (1) Securing Customers' Interests (Part 1) and (2) Draft Guidance on Protecting Consumers in Vulnerable Circumstances (Part 2) ("**Draft Guidance**").

The Draft Standards for Business will align with proposed "business conduct standards" referenced in the Central Bank (Individual Accountability Framework) Act 2023. It will include standards relating to governance, resources and





risk management, along with firm conduct standards, which build on and update the existing General Principles of the CPC. These Standards for Business will be complemented by Supporting Standards for Business which provide further detail on firms obligations. All “regulated financial service providers” will be required to comply with such business conducts standards once they have been finalised and enter into force, with the limited exception of those firms providing MiFID services and/or crowdfunding services (on the basis that both of these types of firms are already subject to equivalent regimes under EU legislation) and credit union savings and lending activities.

The General Requirements will reflect existing, enhanced and new requirements and will address structural fragmentation by bringing a number of existing Central Bank standalone codes and rules together in one place. The cross-sectoral requirements will cover, *inter alia*, digitalisation, informing effectively, customers facing vulnerability, advertising and complaints resolution. The sector specific requirements will cover the provision of consumer banking, credit and arrears, insurance, investments and crowdfunding. The General Requirements will apply to all regulated financial service providers, other than reinsurance undertakings, firms providing MiFID services, and credit union savings and lending activities. The Central Bank has indicate that while the General Requirements will not apply to firms providing MiFID services, rules aimed at protecting consumers when purchasing unregulated products or services should also apply to MiFID services. As a result, the Central Bank is proposing to amend the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2023 to include similar provisions as in the General Requirements.

The proposed Guidance on Securing Customers’ Interests will explore the need for firms’ culture, strategy, business model, decision-making, systems, controls, policies, processes and procedures to reflect a consumer focus. This will include new requirements for firms to take all necessary

steps so that customers understand both the regulatory status of the products and the protections that do not apply to the unregulated product or service. The Central Bank indicates that it expects firms providing MiFID services and/or crowdfunding services to consider and apply this guidance in the context of their obligation to ‘act honestly, fairly and professionally in accordance with the best interests of its clients’ under the legislative regimes applicable to them.

In addition to the CPC, the Central Bank has clarified that it will develop explainers and guides and it will explore how digital tools can be utilised to present information in accessible form.

In its related press release, the Central Bank has outlined that it expects to publish the revised CPC in early 2025. The Central Bank is proposing a 12-month period for implementation of the revised CPC, starting from the final date of publication of the revised CPC.

The public consultation on CP158 is open until 7 June 2024.

A copy of CP158 is accessible [here](#).

A copy of the related press release by the Central Bank on CP158 is accessible [here](#).

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