



## About the Report

The Central Bank commenced collecting detailed consumer data from selected regulated firms in a number of sectors in 2013. This data is part of an overall market intelligence gathering function, with the aim of identifying potential current and emerging consumer risks.

This second Consumer Protection Bulletin concentrates on the data reported by the main credit institutions providing personal credit to consumers in the Irish market up to and as at end H2-2015<sup>1</sup>. It provides a high level overview of trends in the number and value of personal consumer<sup>2</sup> **credit card** and **personal loan**<sup>3</sup> accounts as well as trends relating to arrears<sup>4</sup> and complaints in respect of both these products. Percentage figures have been rounded to nearest unit.

<sup>1</sup> 'H1' refers to the first half of calendar year, i.e. 1 January until 30 June. 'H2' refers to second half, i.e. 1 July until 31 December.

<sup>2</sup> "personal consumer" means a consumer who is a natural person acting outside his or her business, trade or profession as provided for under the Consumer Protection Code 2012.

<sup>3</sup> Personal loans refer to unsecured fixed and variable rate cash loans to personal consumers (including student loans). It does not include revolving loans, overdrafts or secured loans such as mortgages.

<sup>4</sup> 'arrears' arise where a personal consumer:

<sup>a</sup> has not made a full repayment, or only makes a partial repayment, as set out in the original loan account contract, by the scheduled due date; or

<sup>b</sup> in the case of a credit card account, has not made the minimum repayment by the due date.

## Summary Trends

- There has been a **decline in the number of credit card accounts** of almost 16% over the last five reporting periods. This decline is attributable in part to one provider exiting the market and other providers completing a review of inactive credit card accounts in H1-2014.
- The outstanding **value of credit card and personal loan accounts has decreased** within the past five reporting periods, by 17% and 13% respectively since H2-2013.
- Both the total **number of credit card and personal loan accounts in arrears has decreased** overall by 33% in the period H1-2014 to end H2-2015, while noting a slight increase in credit card arrears in H2-2015.
- The number of complaints received as a percentage of overall account numbers for both credit cards and personal loans accounts stand at 0.63% and 0.98% respectively since H2-2015. General **account administration and processing has been the highest area of complaint** for the past three reporting periods for credit card accounts and for the past four reporting periods for personal loan accounts.

## Credit Card Accounts Overview

Number of Credit Card Accounts (fig 1)

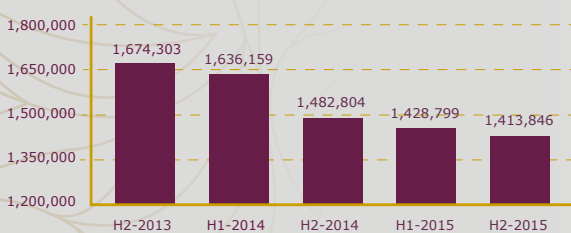


Figure 1 shows a decline in credit card account numbers over the last five reporting periods of almost 16%. This decline is attributable in part to one provider exiting the market and other providers completing a review of inactive credit card accounts in H1 2014.

Value of Credit Card Accounts (fig 2)

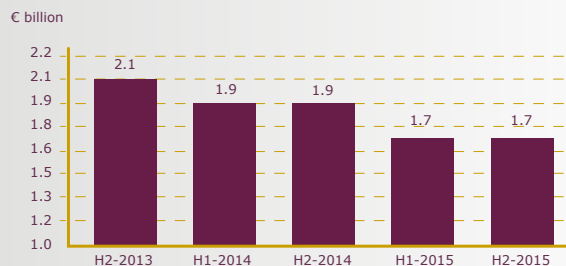
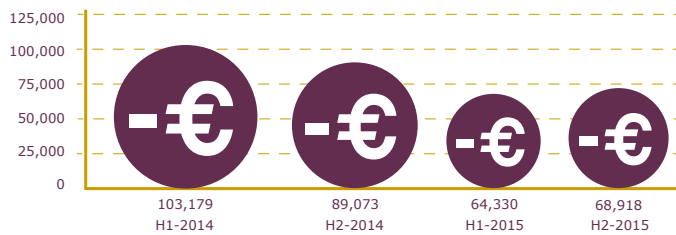


Figure 2 shows that, in conjunction with a reduction in the number of credit card accounts, there has been a decrease of 17% in the outstanding value of credit card accounts (representing a reduction of €356 million since H2-2013).

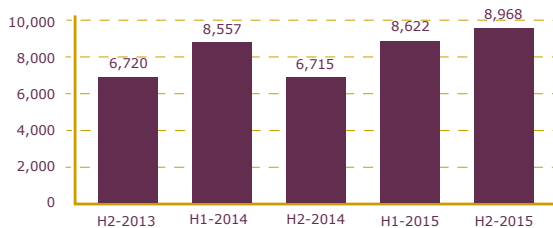
## Number of Credit Card Accounts in Arrears<sup>5</sup> (fig 3)



While noting a slight increase in arrears in H2-2015, figure 3 highlights an overall 33% reduction in the number of credit card accounts in arrears as at end H2-2015 when compared with H1-2014.

<sup>5</sup> Data collection of credit cards in arrears commenced in H1-2014

## Number of Complaints about Credit Cards (fig 4)



8,968 complaints were lodged by consumers in relation to their credit card accounts in H2-2015. These complaints represent 0.63% of the total number of credit card accounts held with the reporting institutions as at end H2-2015.

## Number of Complaints about Credit Cards – by Complaints Type (fig 5)

Account administration and processing issues (such as incorrect customer details, disputed transactions, standing order and direct debit issues) are the most prevalent sources of consumer complaints received in H2-2015, representing 46% of all credit card account complaints lodged, see figure 5. These issues have been the most prevalent complaint issue for this product over the past three reporting periods.

99% of all complaints relating to credit card accounts resolved in H2-2015 were resolved within 40 business days. This is the timeframe prescribed by the Consumer Protection Code 2012 within which a complaint must be resolved or, if not resolved, the complainant must be informed of the anticipated timeframe for resolution.

**1,108** Fees & Charges

**1,341** Customer Service

**440** Customer Communications

**456** Bank Policy

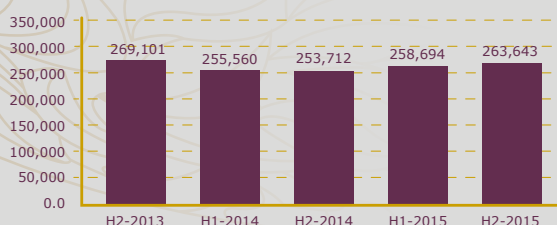
**4,084** Admin & Processing

## Personal Loan Accounts Overview

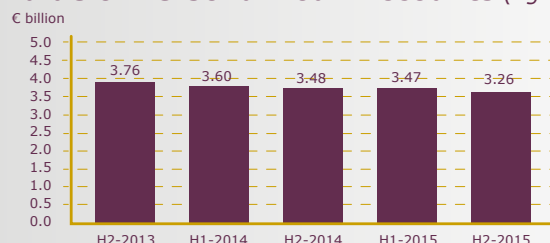
While noting a slight increase in personal loan accounts in H2-2015, the number of personal loan accounts as at end H2-2015 overall has decreased marginally when compared to H2-2013, see figure 6.

However, the value of personal loan accounts outstanding has decreased by 13% over the last five reporting periods to an overall value of almost €3.3 billion at the end H2-2015, as per figure 7.

## Number of Personal Loan Accounts (fig 6)

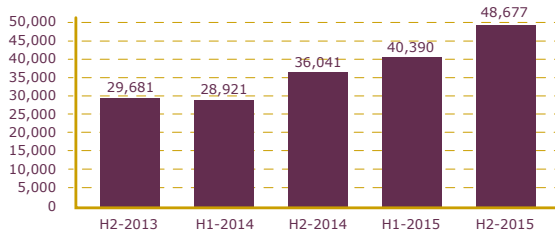


## Value of Personal Loan Accounts (fig 7)



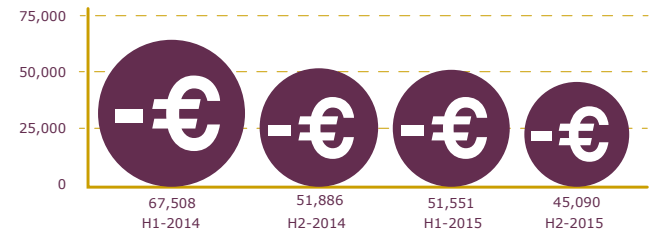
## New Sales for Personal Loans (fig 8)

Figure 8 illustrates the level of new personal loan accounts opened in each reporting period which has been increasing since H1-2014.



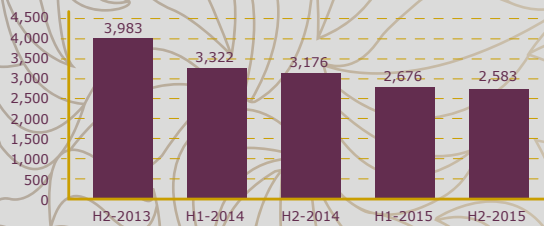
## Number of Personal Loan Accounts in Arrears<sup>6</sup> (fig 9)

The number of personal loan accounts in an arrears position has declined over the past four reporting periods, with the firms reporting a 33% decrease as at end H2-2015 when compared to H1-2014.



<sup>6</sup> Data collection of personal accounts in arrears commenced in H1 2014.

## Number of Complaints about Personal Loans (fig 10)



The number of complaints relating to personal loan accounts has decreased by 35% in the period from H2-2013 to H2-2015. These complaints represent 0.98% of the total number of personal loan accounts held with the reporting institutions as at end H2-2015.

## Number of Complaints about Personal Loans – by Complaint Type (fig 11)

Account administration and processing issues represent 39% of total personal loan account complaints in H2-2015, as shown in figure 11. This issue has been the most prevalent complaint issue for the past four reporting periods for this product.

98% of complaints regarding personal loan accounts resolved in H2-2015 were resolved within 40 business days. This is the timeframe prescribed by the Consumer Protection Code 2012 within which a complaint must be resolved or, if not resolved, the complainant must be informed of the anticipated timeframe for resolution.



**1,009** related to **Account Admin & Processing**



**216** related to **Customer Service**



**242** related to **Other Arrears**



**366** related to **Bank Policy**



**181** related to **Sales**