



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

**Opening Remarks by  
Derville Rowland,  
Director General Financial Conduct**  
Civic Roundtable: 1 December 2017

# ‘ ’ Good afternoon Ladies & Gentlemen

Welcome to the Central Bank of Ireland. Today we are in listening mode and I am very much looking forward to hearing the views of the people and organisations you represent.

Whether old or young, employed or unemployed, urban or rural dwellers, the people you speak for here today are all consumers of financial services.

Financial services are a necessary part of all our daily lives whether we are paying for goods and services by cash, credit or debit card; transferring money; borrowing from a moneylender; taking out a mortgage; securing a farm loan, or saving for retirement and investing,

Financial products bring benefits. But they can also bring risks or detriment if the right product is not sold to a consumer in the right way.

And that is where the Central Bank of Ireland comes in. We have a twin pillar mission to safeguard stability and to protect consumers. The two pillars are given equal priority.

On September 1st, I was appointed Director General of the Central Bank's recently established Financial Conduct Pillar. I am responsible for Consumer Protection, Enforcement, Securities and Markets Supervision and Policy and Risk. I previously worked as Director of Enforcement at the Bank.

Conduct is wider than consumer protection. It also involves investor protection. But a big part of my job is to ensure that financial services providers, and the people who work for them, behave themselves and that consumers are adequately protected.

For example, you will have seen in recent weeks that we are proposing stricter rules on how brokers can be paid commission by the firms whose products they sell. We consider it unacceptable to allow inducements that give rise to conflicts of interest, such as ones linked to the size of a mortgage or loan.

We also have a major role to play in ensuring that, where people have been wronged, they receive redress, while the wrongdoers are pursued and held accountable.

The Tracker Mortgage Examination is a case in point.

My priority is to ensure that lenders continue to identify all customers affected by their unacceptable failings and pay appropriate redress and compensation to consumers who were wrongly denied their tracker mortgages.

By the end of September, lenders had identified 13,000 affected customers as part of the Tracker Examination and 7,100 prior to this examination. €163m has been paid out so far to customers in relation to tracker-related issues.

Most Redress and Compensation schemes will have started by early December with all schemes up and running by year end.

But we are not done yet. I expect to see more affected customers included in the tracker mortgage redress scheme soon. We have been busy challenging the banks and will continue to do so. I have held a series of meetings with the Chairs and CEOs as part of the Tracker Mortgage Examination process. And I am committed to ensuring that they live up to their promises to put their customers first.

This has prompted some of them to include previously disputed groups of customers in their redress and compensation schemes. You will have seen, for instance, that Bank of Ireland, recently identified an additional 6,000 customers.

More cases and significantly more money will follow. The end result will be an Examination that delivers hundreds of millions in redress and compensation for affected customers, an outcome that wouldn't have been possible without the Central Bank's intervention.

We will be updating the Minister for Finance on the progress we have made in the middle of December.

We are also committed to using all our powers to hold the banks to account for their unacceptable behaviour. I expect that all the main lenders will be subject to enforcement investigations which will look at individuals' fitness and probity as well as rule breaches.

The tracker mortgage scandal is the latest in an unacceptably long list of failings in financial services firms. One of my priorities in 2018 will be to ensure change in the financial services sector, particularly in the boardrooms. I expect them to demonstrate that customers are a first priority, not last.

I acknowledge that it has taken time for redress and compensation, but it is important to remember the scale and complexity of the Examination, and the numbers of people who, because of the Central Bank's pursuit of lenders, will receive redress and compensation rather than having to pursue the lenders themselves.

But there is a lot more to the work the Financial Conduct Pillar does than the Tracker Mortgage Examination – we are very much in the business of prevention as well as cure.

To help our discussions, Colm is going to give a short presentation on our consumer protection priorities more generally and how we do our work in this important field.

Thank you  
& I look forward to  
hearing your views.





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