



Consumer Protection – Retail Intermediaries and Payment Institutions  
Central Bank of Ireland  
PO Box 559  
Dame Street  
Dublin 2

19 September 2013

Dear Sir/Madam

**Re: Response to Consultation on the Authorisation Requirements and Standards for Debt Management Firms – Consultation Paper 70**

We welcome the opportunity to provide comments and recommendations to the Central Bank of Ireland on the proposals in Consultation Paper 70 (CP70). We understand what the Central Bank is trying to achieve, and a desire to protect consumers, in particular those facing financial difficulties, is an objective we support wholeheartedly.

Following our review of CP70, we would like to draw your attention to an item that we feel is an omission from this paper.

There appears to be no provisions in place in relation to debt management firms based and operating outside the State and providing debt management services within the State. In fact, there is no reference to these types of debt management firms throughout the consultation paper. It is our assumption that unless provisions are put in place in relation to these firms then they will not be authorised to provide debt management services in the State.

We feel strongly on this issue and would welcome clarification in relation to how these firms should be handled going forward.

In addition to the above, we feel that the Central Bank should also consider future regulation of claims management companies which would include authorisation requirements and standards similar to the debt management firms. In light of recent reviews in relation to payment protection insurance, these companies have now become as common place as debt management firms in the State (and operating from outside the State) and should be authorised in a similar manner to protect consumers. In particular, the Central Bank should be aware that in many cases these claims management companies have obtained consent from the consumer to have any refunds paid directly to them. This would presumably be to facilitate the



payment of their fees which appear in some cases to be as high as 30% of any successful claim.

Should you have any queries in relation to the above, please do not hesitate to contact me. We would be pleased to meet with you to discuss or expand on any of the issues raised in greater detail.

Yours sincerely

A handwritten signature in black ink that reads "Fergus McTiernan" followed by a flourish.

Fergus McTiernan  
Director of Compliance