



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

# Consumer Protection Code Review

One Direct (Ireland) Limited, trading as  
An Post Insurance Response

## Response Information

### I am completing this form as:

An organisation or representative body

### What is the name of your organisation or representative body?

One Direct (Ireland) Limited, trading as An Post Insurance

### Please specify your organisation/representative body type.

Financial service firm or group

## Broad Theme A – Availability and Choice

### Q.1 What are your views on availability and choice of financial services and products for consumers?

The departure of retail banks in the banking sector, specifically Danske, Ulster Bank and KBC has led to reduced availability and choice in the sector, and some have commented that the components of rationale for those Banks deciding whether to stay or leave were twofold, namely the difficulty to grasp share from the two big banks in Ireland and the challenging regulatory environment.

Specifically relating to the Insurance Market, there does appear to be some reduced competition in the Market, which may be owing to both the withdrawal of capacity from the market and / or diminished risk appetite, coupled with recent mergers and acquisitions. There appears to be limited interest of potential new entrants applying to enter the Irish Insurance Market, which may be due to the size of the market, perhaps the authorisations process in Ireland, the regulatory environment, and the unproven impact of judicial council review and legislation in reducing bodily injury awards. The resulting impact could be that while insurance products continue to be available, the competitiveness of those products may be reduced due to limited market players.

### Q.2 How important are new providers and new delivery channels to serving consumers' financial needs?

New providers and delivery channels are critical in ensuring that consumers financial needs are served. We have already seen that without new entrants into the Insurance market, the market has become somewhat stagnant. An increase in new providers and delivery channels will undoubtedly lead to an increase in innovation, diversification, and competition, and will help ensure that the market doesn't have a small amount of overly dominant players.

### Q.3 In implementing its consumer protection mandate, how should the Central Bank reflect the importance of competition in its regulatory approach?

Regulation within the Financial Services industry is critical as has been evidenced many times, however there are some smaller firms who, due to their limited size, resources and/or financial capabilities, may be unaware or unable to meet their regulatory requirements. In its consumer protection mandate, we would suggest that the Central Bank should be mindful of the application of Consumer Protection requirements across the industry, and perhaps consider how smaller firms who should meet the requirements, will do so.

In addition, we would suggest that the Central Bank be cognisant of not over burdening or further complicating the insurance market for customers and also for suppliers of insurance products which should continue to be sold in non-complex manners.

## Broad Theme B – Firms Acting in Consumers’ Best Interests

**Q.4 Do you agree that the Central Bank should develop guidance on what it means for a firm to act in the best interests of its customers?**

Agree

**Q.5 Does the suggested outline of ‘customer best interest’ guidance capture the essence of the obligation to act in customers’ best interests? What other guidance would you suggest?**

Yes

## Theme 1 – Innovation and Disruption

**Q.6 Do you agree with our proposed approach to enhancing our Innovation Hub?**

Yes

While the Central Bank’s approach to enhancing their Innovation Hub is positive, we would also suggest a focus on how the Innovation Hub could benefit existing regulated firms such as Intermediaries, as many Intermediaries are small/medium in size, meaning innovation may appear outside of grasp. With a focus on positive innovation engagement from the Central Bank with Intermediaries, innovation in the sector may increase, leading to improved competition.

**Q.7 What more should be done to support innovation while ensuring consumers’ best interests are protected?**

Support from the Central Bank regarding investment for innovation would be positive, or Government led grants for innovation development within the sector.

Perhaps, a portion of income from the Central Bank’s levy could be reinvested into driving innovation and development within the Financial Service Industry?

From a best interest’s perspective, Firms already have their obligations to act in the customers best interests which will be further supported by Guidance from the Central Bank on the matter.

**Q.8 How can regulators ensure that neither firms currently in the market, nor new entrants, have unfair advantages which could be a barrier to fair competition?**

A level playing field is required across the Financial Services Industry to allow fair competition.

New entrants should be given supports to aid them in entering the market, while Firms already in the market should be supported in remaining competitive in the market. From a regulation perspective, it is important to note that a level playing field shouldn't mean the same application of regulatory requirements across the industry. Many requirements should apply on a proportionate basis, dependent on the nature, scale and complexity of the Firm, and the products the Firm is offering.

## Theme 2 – Digitalisation

### **Q.9 Do you agree with our analysis of the benefits, challenges and risks around digitalisation in the area of financial services?**

#### **What are the key issues for you?**

In relation to the 'Use of Technology in Insurance' aspect of the Central Bank's Discussion Paper, it would be useful to obtain further information on what risks the Central Bank are referring to here. From an Intermediary perspective, the questions asked as part of the Insurance application process are set by Insurers in order to appropriately rate the risk.

In relation to 'speedbumps', while these absolutely would be useful in ensuring a 'stop and think' approach for more complex products, such as investments, credit etc, for non-complex insurance products we would suggest caution in applying these across the board. That being said, it is key that customers understand the products they are purchasing and that the time is taken by the customer to understand the products rather than discovering the restrictions of the products at the time of claim per se. As Insurance quotations are generally valid for a number of days, this allows the customer to take the time to review the documentation issued, including the useful Insurance Product Information Document (IPID), before proceeding, which may not be the case for all products.

We agree that while gamification in the Financial Services industry can be beneficial, the risks associated with gamification are also very evident, and should be closely monitored.

### **Q.10 How do you think the personalisation and individual-targeting of ads can be made compatible with the requirement for firms to act in the best interests of customers?**

This question very much depends on the use of the personalisation and individual targeted adverts and any negative impact on customers. For example, personalising the customer can be a very positive experience for customers, where the personalisation is simply, for example, using the customer's name throughout the digital journey. However, it does become more concerning where long term financial products are continuously advertised to a consumer, due to their opt in to same.

In our view, it is vital that where an advertisement is placed on social media, the advertisement is clearly marked as an ad, for example through the use of #ad, and this should be stipulated in the revised Code.

## Theme 3 – Unregulated Activities

**Q.11 The Code requires regulated firms to provide a statement indicating that they are ‘regulated by the Central Bank’. Do you think this is useful for consumers?**

Yes

**Q.12 How can the difference between regulated and unregulated activities be made clearer for consumers?**

Where a Firm is offering or advertising both regulated and unregulated products or services, it could be useful for a short statement to be included in the advertisement, as regulatory statements etc clarifying which products are regulated and which are not. However, this should only apply for products which could reasonably be considered to be regulated, but are not, and not all products.

**Q.13 Should there be additional obligations on regulated firms when they undertake unregulated activities?**

Not sure

As suggested above, those firms could simply include a statement in their regulatory wording specific which products that they offer are regulated, and which are not.

## Theme 4 – Pricing Matters

**Q.14 What can firms do to improve transparency of pricing for consumers?**

From an Insurance intermediary perspective, we believe that the current requirements to display fees, charges, discounts, and loadings in the premium breakdown are very transparent to customers, coupled with the requirement under the Consumer Insurance Contracts Act to show customers the last 5 years premiums (where applicable).

**Q.15 In relation to pricing, are there examples of firms using unfair practices to take advantage of customer vulnerabilities?**

## Theme 5 – Informing Effectively

**Q.16 How can regulation improve effectiveness of information disclosure to consumers?**

From an Insurance perspective, the provision of the Insurance Product Information Document (IPID), is an excellent example of how firms can provide effective, concise information to Consumers about the product they are purchasing. That being said, information overload is a concern, and a review by the Regulator of the amount of information required to be provided to Consumers, and whether all of that information is of genuine benefit to customers would be welcome. The method of delivery of information should also be considered, for example, delivery of information by way of website rather than including all required information in documentation may be more beneficial to Consumers, particularly at the point of sale.

**Q.17 How can firms better support consumers' understanding – can technology play a role?**

Yes, technology can play a significant role in supporting Consumers understanding of Financial Products and Services. For example, online Consumer Hubs or Portals can be used to provide customers with relevant information, allow them to make information requests in an easy manner, and for example alter the details of their product.

**Q.18 Does the way in which firms approach disclosure in respect of mortgage products need enhancing? If so, how? - taking account of the wide variety of features of mortgage products, and borrowers' different circumstances and needs.**

Our Firm is not party to the distribution of Mortgage products and has no comments to make.

## **Theme 6 – Vulnerability**

**Q.19 Given that vulnerability should be considered more as a spectrum of risk than a binary distinction, how should firms' duty to act in their customers' best interests reflect this?**

Many firms already have what are considered robust processes in place to both identify and assist Vulnerable Customers. These include procedures, system capabilities, and staff awareness and training. While we don't have any further specific suggestions in this regard, we would suggest that the CBI ensure that any updates made to the CPC in relation to Vulnerable Customers are firstly made following consultation with appropriate advocacy groups, and that any changes are not in conflict with the Assisted Decision-Making Act.

**Q.20 What other specific measures might be adopted to protect consumers in vulnerable circumstances while respecting their privacy and autonomy?**

A common occurrence we see as a Financial Service Provider is cases where a third party (who has no official authority or policyholder consent) is attempting to make changes or for example renew a policy on behalf of a customer who may be vulnerable. A conflict we often encounter is our duty to adhere to our obligations under GDPR whilst also wanted to ensure we act in our Customers best interest and provide additional assistance to vulnerable customers. Guidance for firms in this regard would be beneficial to both firms and vulnerable customers.

## Theme 7 – Financial Literacy

### **Q.21 What can the responsible authorities do to improve financial education?**

Improving financial education at both secondary and third level would be beneficial in ensuring younger generations have a greater knowledge of financial products and services as they reach adulthood.

Education campaigns could also be beneficial to older generations, for example education leaflets made available in local Public Offices, Libraries, Post Offices, educational classes made available through groups such as Active Retirement Ireland, and TV campaigns and educational series.

### **Q.22 How can consumers be empowered to better protect their own interests when dealing with financial matters?**

Improving the education framework around financial services and products as suggested above would help empower Consumers.

## Theme 8 – Climate Matters

### **Q.23 How should the financial system best fulfil its role in supporting the transition to a climate neutral economy?**

While all Firms want to contribute to a climate neutral economy, it can be difficult for Firms to make this a priority in the short term. Carbon Offsetting Programs which seek to encourage or incentivise Firms to reduce their carbon footprint would be beneficial.

### **Q.24 How will climate change impact on availability, choice and pricing for financial products and services?**

Climate change will have a huge impact on the availability, choice and pricing of Insurance products and services. For example, climate change could result in withdrawals of components of insurance offerings relating to weather perils as the frequency of storms, floods and other perils increase. The cost of insurance could also increase as a result of an increase in weather events. The cost of reinsurance will also have an impact here as reinsurers insuring global locations may suffer substantial loss, resulting in reinsurance costs increasing across the world.



**Q.25 Does the impact of climate change require additional specific consumer protections?**

Not Sure



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