



23 June 2021

Mr John McGuinness TD  
Chair  
Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach  
Leinster House  
Dublin 2

By email: [financecommittee@oireachtas.ie](mailto:financecommittee@oireachtas.ie)

Dear Deputy McGuinness

I refer to your letter dated 31 May seeking further information on issues raised during scrutiny of the Consumer Credit (Amendment) Bill 2018 at the meeting of the Joint Committee on 12 May 2021. At the meeting, I committed to providing the Committee with additional information, where available. While some of the specific information requested by the Committee is not available in the format or to the level of detail requested, the response sets out the available information.

In relation to the Committee's request for information in relation to the cost of credit in the moneylending sector over specified time periods, the table below sets out the average rates:

Term of Loan	APR %	APR % (Inc Collection Charge)	Cost of Credit %
Zero - 12 Weeks	53.10	53.10	17.68
13 - 26 Weeks	113.92	147.24	26.31
27 - 52 Weeks	105.07	119.86	41.33

On the request for information regarding the cost of credit for short-term loans of varying terms offered by credit unions and retail banks, the Central Bank gathers and publishes regular statistical information in line with its mandate to inform the decisions of the European Central Bank, the Government, financial services firms and the public. We [publish monthly statistics in on retail interest rates](#), collected from credit institutions. The statistics outline the prevailing interest rates, updated monthly, for overdrafts and consumer loans (categorised across lending periods of up to 1 year, 1-5 years and greater than 5 years). For instance, the average retail interest rate for April 2021 was 13.05% for loans up to 1 year. Apart from the moneylending sector and overdrafts,

the Central Bank does not collect statistics for loan terms of durations shorter than 1 year. These statistics do not cover lending by Credit Unions.

In addition, at the meeting of 12 May, the Committee also requested further information on our approach to handling complaints from customers of regulated and unregulated financial firms and information on insurance data collection.

On the questions raised in relation to complaints received from individual customers in relation to moneylenders, it is important to state that the Central Bank does not have a statutory role in dealing with individual customer complaints. The statutory body for dealing with individual customer complaints is Financial Services and Pensions Ombudsman. Where the Central Bank receives a complaint or information related to any regulated firm from an individual consumer, we will always assess the information received. Where issues are raised that are potentially systemic in nature, or point to the potential for broader impacts for consumers and investors, they will be considered by the relevant supervisory team in the context of the Central Bank's regulatory remit. Where issues of a systemic nature are identified, the Central Bank will intervene to ensure consumers' best interests are protected.

The Central Bank will always acknowledge complaints or information received from individual consumers, advising them of the statutory complaints process, with information on the FSPO. There are specific requirements on firms in handling individual consumer complaint, which the Central Bank requires firms to adhere to when dealing with their customers.

Where a complaint is received in relation to unregulated moneylending activity, the Central Bank has a dedicated unit, the Unauthorised Providers Unit, which investigates alleged instances of unauthorised activity carried out by entities (individuals or firms) that are not authorised or regulated by the Central Bank. Members of the public can report alleged instances of unauthorised activity through the Central Bank's website or directly by telephone.

All instances of alleged unauthorised activity are investigated in full by the Central Bank and all statutory reporting obligations are complied with over the course of the investigations. The UPU liaises closely with An Garda Síochána, in respect of unauthorised activity to effectively address these wrongdoings through crime prevention and consumer protection initiatives. In 2020 the Central Bank issued nine warning notices in respect of entities engaging in unauthorised moneylending and received 21 complaints in respect of these nine entities. The list of unauthorised firms in respect of which the Central Bank has published warning notices is available on the [Central Bank's website](#).

In response to the query raised by the Committee on the collection of insurance data, the National Claims Information Database (NCID) continues to review the data specifications used to collect data on Private Motor, Employer Liability (EL) and Public Liability (PL) Insurance and to extend these specifications, where possible, to further increase the insight that can be derived on the cost of insurance claims. The NCID will be commencing an engagement with necessary stakeholders to investigate the potential for further data to be collected on settlement channels that provides additional insight, following the introduction of judicial guidelines earlier this year.



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Yours sincerely

A handwritten signature in black ink that reads "Gráinne McEvoy".

**Gráinne McEvoy**  
**Director of Consumer Protection**



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