

CONSULTATIVE CONSUMER PANEL

Minutes of meeting of 18 January 2010
Venue: Central Bank

Attendees: Raymond O'Rourke (Chairman)
Kathleen Barrington
Michael Culloty
James Doorley
John Maher
Noel Mulcahy
Fidele Mutwarasibo
Fiona Reynolds
Eileen Walsh

Also in attendance: Lillian Fleming (acting Secretary)

Apologies: Frances Byrne
Sean O'Sullivan

1. **Apologies** were noted as above.
2. The **Minutes** of the meeting of 7 December 2009 were agreed.
3. Under **Matters Arising**, the following were agreed:
 - An independent review of the effectiveness of the Consumer Panel should be conducted and a tendering process commenced in this regard. The findings of the review may be included in the Consumer Panel Annual Report 2009.
 - The Chairman to issue a letter to the Governor setting out the Panel's position on Monetary Penalties.
4. The Panel received a **presentation on Transparency Directive and Rules** which was delivered by Ms. Louise Campbell and Mr. John Mulcahy from the Markets Supervision Department. A number of issues were raised by Panel members during the course of the presentation. These included:
 - The exchange of AIB bonds at less than par value with 2 days notice;
 - The monitoring of the delegated functions to the ISE by the Financial Regulator;
 - The sale of bonds to Credit Unions;
 - The classification of capital securities issued by financial institutions;
 - CFDs in relation to avoiding thresholds;
 - The relationship between the Financial Regulator and IAASA; and
 - The powers of the Financial Regulator and sanctions imposed on issuers.

Ms. Campbell and Mr. Mulcahy agreed to come back with answers to questions which were not addressed during the presentation due to their specific nature.

It was agreed that a sub-group consisting of John Maher, Kathleen Barrington, Fiona Reynolds and James Doorley should convene to draft a list of issues that they consider need to be addressed in this area. Ms. Campbell and Mr. Mulcahy together with representatives from the ISE will be invited to address the Panel again at its March meeting.

5. The **Work Programme 2010** will be discussed at the February meeting and members were asked to consider which items they would like to see included on the programme.
6. Members were reminded of their obligations under the **Ethics in Public Office Acts 1995 and 2001**. Members were asked to send their completed disclosure forms to the Officer of the Body before the deadline of 31 January 2010.
7. The Panel noted the contents of the **letter from Charlie Weston**, Irish Independent in relation to the publication of the Consumer Panel submission on the Performance Review of the Financial Regulator 2009/2009.
8. In relation to **Tenders**, the Panel noted:
 - a consultant has been chosen to conduct the follow-up work on the Panel's Report on the Future of Financial Regulation Report; and
 - the tender to conduct a study to provide an overview of schemes put in place in other jurisdictions to assist consumers in default on mortgages and other personal borrowings is prepared and ready for issue.

In addition, the Panel agreed that some of the Consumer Panel's 2010 budget allocated to Research should be spent on reviewing themed inspections and feedback letters.

9. **Follow-up Correspondence:**
 - The recent correspondence between the Panel and Mr. Adrian O'Brien, Deputy Head of CPC in relation to the Mortgage Arrears Code was noted. The Panel suggested that the Financial Regulator should produce an Annual Report which would show statistics in relation to mortgage arrears. The issue of risk reward and brokers should also be considered by the Financial Regulator.
 - The Panel are considering the possibility of getting an independent objective outsider to do a scoping study to examine the dematerialisation of products.
 - The Panel agreed that some form of sanction should be imposed on MBNA in relation to overcharging of their customers.
 - The Panel noted the letter from Adrian O'Brien on the Review of the Consumer Protection Code. It was agreed that the Chairman should respond to Mr. O'Brien in relation to the proposed public consultation. Members felt there was not sufficient time for them to prepare a detailed document by the deadline of 26th January but they agreed that they should use the Panel's Research Budget to assist the Panel in this regard in order to provide a robust

and detailed response to this public consultation. The Panel is conscious that CPC is at the early stages of this process but members would be interested in obtaining a detailed timeframe of the public consultation when it becomes available.

- The Financial Regulator Response on Chapter VII companies will be discussed with Matthew Elderfield at the meeting with the Chairman on 8 February.
- It was agreed that the Chairman should seek clarification from the Deputy Registrar of Credit Unions on the correct position regarding negotiations between the Registrar of Credit Unions, the Department of Finance and the ILCU and CIDA on the issue of Section 35 limits.

10. It was agreed that the proposed banking inquiry should be discussed at the next meeting.

Actions arising from the Consumer Panel meeting of 18 January 2010

Action by	Members Interested	Description
Chairman	All	Letter to Patrick Honohan re. Monetary Penalties
John Maher, Kathleen Barrington, Fiona Reynolds, James Doorley	All	Draft list of issues of concern relating to Securities
Secretary	All	Arrange presentation on Securities for March
Secretary	All	Return of Ethics Forms
Secretary	All	Progress tenders
Chairman	All	Letter to A. O'Brien re Consumer Protection Code
Chairman	All	Letter to Deputy Registrar of Credit Union re clarification of Section 35 issue
Secretary	All	

The next meeting of the Consumer Panel will be held on 8 February @ 10.30am

Prepared: _____ Date: _____

**Lillian Fleming
Acting Secretary**

Approved: _____ Date: _____

**Raymond O'Rourke
Chairman**