



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Addendum to the Consumer Protection Code (2012)

Publication date 16 May 2022

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CONSUMER PROTECTION CODE (2012)

Contents of the Addendum to the Consumer Protection Code 2012 (2012 Code):

- Addendum for Amendments to the Consumer Protection Code 2012 arising from the enactment of the Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Act 2022.

ADDENDUM FOR AMENDMENTS TO THE CONSUMER PROTECTION CODE 2012 ARISING FROM THE ENACTMENT OF THE CONSUMER PROTECTION (REGULATION OF RETAIL CREDIT AND CREDIT SERVICING FIRMS) ACT 2022.

Introduction

The Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Bill 2021 was enacted on 11/04/2022. Arising from its enactment and for the purposes of giving effect to amendments to the 2012 Code required as a result of the enactment of the Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Act 2022, the following parts of the 2012 Code are now amended:

- Chapter 1 – Scope
- Chapter 2 – General Principles
- Chapter 5 – Knowing the Consumer and Suitability
- Chapter 9 – Advertising
- Chapter 12 – Definitions.

LEGAL BASIS

Pursuant to Section 117 of the Central Bank Act 1989, the 2012 Code is hereby amended as set out below. This Addendum is effective from 16 August 2022.

CHAPTER 1 – SCOPE

Application

The following amendments are made, at Chapter 1 (Scope) of the 2012 Code under the heading “Application” to insert the following additional text:

“Where **regulated entities** are providing hire-purchase agreements, consumer-hire agreements and/or BNPL agreements, only the following sections of the Code apply:

- Chapter 2, General Principles;
 - Except where regulated entities are providing BNPL agreements which fall within the scope of the European Communities (Consumer Credit Agreements)

Regulations 2010 (S.I. No. 281 of 2010), in which case only General Principles 2.1 to 2.4 and 2.7 to 2.12 apply.

- Chapter 5, Knowing the Consumer and Suitability;
 - Except where regulated entities are providing BNPL agreements which fall within the scope of the European Communities (Consumer Credit Agreements) Regulations 2010 (S.I. No. 281 of 2010), in which case the Provisions in this Chapter do not apply.
- Chapter 9, Advertising;
 - Except where regulated entities are providing BNPL agreements which fall within the scope of the European Communities (Consumer Credit Agreements) Regulations 2010 (S.I. No. 281 of 2010), in which case the Provisions in this Chapter do not apply.

The following amendments are made, at Chapter 1 (Scope) of the 2012 Code under the heading “THE CODE DOES NOT APPLY TO”:

- The fifth bullet is amended by adding the word ‘and’ after the words ‘Bureau de change business;’.
- The seventh bullet ‘The provision of credit involving a total amount of credit of less than €200; and’ is deleted.
- The eighth bullet ‘Hire purchase and consumer hire agreements.’ is deleted.

CHAPTER 2 – GENERAL PRINCIPLES

The “Clarification of Scope” section at the beginning of Chapter 2 (General Principles) of the 2012 Code is amended to insert the following additional text:

“(c) Where **regulated entities** are providing BNPL agreements which fall within the scope of the European Communities (Consumer Credit Agreements) Regulations 2010 (S.I. No. 281 of 2010), only General Principles 2.1 to 2.4 and 2.7 to 2.12 apply.”

CHAPTER 5 – KNOWING THE CONSUMER AND SUITABILITY

The “Clarification of Scope” section at the beginning of Chapter 5 (Knowing the Consumer and Suitability) of the 2012 Code is amended to insert the following additional text under the heading “Consumer Credit, Payment services and Electronic money”:

“(d) Where **regulated entities** are providing BNPL agreements which fall within the scope of the European Communities (Consumer Credit Agreements) Regulations 2010 (S.I. No. 281 of 2010), the Provisions in this Chapter do not apply.”

Amendment to provision 5.9

Provision 5.9 is amended by adding the words ‘hire-purchase agreement, consumer-hire agreement or BNPL agreement,’ after the words ‘credit product’ and before the words ‘to a personal consumer’.

Amendment to provision 5.13

Provision 5.13 is amended by adding the words ‘hire-purchase agreement, consumer-hire agreement or BNPL agreement,’ after the words ‘credit agreement’.

Amendment to provision 5.15

Provision 5.15 is amended by adding the words ‘hire-purchase, consumer-hire or BNPL facilities,’ after the words ‘additional credit’ and before the words ‘to a personal consumer’.

Provision 5.15 is amended by deleting the words ‘or by a new agreement to provide credit’ and replacing those words with the following ‘or agreement or by a new credit agreement, hire-purchase agreement, consumer-hire agreement or BNPL agreement’.

Amendment to provision 5.16

Provision 5.16(c) is amended by adding the words ‘, hire-purchase agreements, consumer-hire agreements or BNPL agreements,’ after the words ‘in the case of credit products’.

Provision 5.16(c) is amended by adding the words ‘, hire-purchase agreement, consumer-hire agreement or BNPL agreement,’ after the words ‘under the credit agreement’.

CHAPTER 9 – ADVERTISING

The “Clarification of Scope” section at the beginning of Chapter 9 (Advertising) of the 2012 Code is amended to insert the following additional text:

“(c) Where regulated entities are providing BNPL agreements which fall within the scope of the European Communities (Consumer Credit Agreements) Regulations 2010 (S.I. No. 281 of 2010), the Provisions in this Chapter do not apply.”

Amendment to provision 9.21

Provision 9.21 is amended by adding the words ‘, hire-purchase agreement, a consumer-hire agreement or a BNPL agreement,’ after the words ‘term loan,’ and before the words ‘if displaying’.

Provision 9.21 is amended by adding the words ‘the hire-purchase agreement, the consumer-hire agreement, or the BNPL agreement’ after the words ‘cost of credit’ and before the words ‘by means of an example’.

Amendment to provision 9.22

Provision 9.22 is amended by adding the words ‘a hire-purchase agreement, a consumer-hire agreement or a BNPL-agreement,’ after the words ‘fixed-rate loan’ and before the words ‘contains the following’.

The text warning box in Provision 9.22 containing the following:

Warning: You may have to pay charges if you pay off a fixed-rate loan, early

Shall be deleted and replaced with the following:

Warning: You may have to pay charges if you pay off a [*state product type: fixed-rate loan, hire-purchase agreement, consumer-hire agreement or BNPL agreement*] early.

Amendment to provision 9.23

Provision 9.23 is amended by adding the words ‘a hire- purchase agreement, a consumer- hire agreement or a BNPL- agreement,’ after the words ‘personal lending’ and before the words ‘contains the following’.

The text warning box in Provision 9.23 containing the following:

Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future.

Shall be deleted and replaced with the following:

Warning: If you do not meet the repayments on your [*state product type: loan, hire-purchase agreement, consumer-hire agreement or BNPL agreement*], your account will go into arrears. This may affect your credit rating, which may limit your ability to access

credit, a hire- purchase agreement, a consumer-hire agreement or a BNPL agreement in the future.

CHAPTER 12 – DEFINITIONS

Definitions of ‘BNPL’, “BNPL agreement”, “consumer-hire agreement” and “hire-purchase agreement” are added to Chapter 12 of the 2012 Code:

“BNPL” means buy now pay later;

“BNPL agreement” means an agreement for the provision of credit, as defined in Section 28 of the Central Bank Act 1997, indirectly to a consumer for the purchase of goods or services from a vendor, whereby the provider of the credit makes a payment to the vendor in respect of the goods or services and the consumer owes an equivalent amount to the provider of the credit;

“consumer-hire agreement” has the meaning given to it in Section 2 of the Consumer Credit Act 1995;

“hire-purchase agreement” has the meaning given to it in Section 2 of the Consumer Credit Act 1995;

The definition of “retail credit” in Chapter 12 is deleted and replaced with the following:

“retail credit” means the provision of relevant activities (as defined in Section 28 of the Central Bank Act 1997) to relevant persons (as defined in Section 28 of the Central Bank Act 1997);

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