



***** Under strict embargo until 12:00 on Thursday 25 March 2021 *****

ENFORCEMENT ACTION
The Central Bank of Ireland
and
Ulster Bank Ireland DAC

Ulster Bank Ireland DAC reprimanded and fined €37,774,520 by the Central Bank of Ireland for regulatory breaches affecting tracker customers

On 23 March 2021 the Central Bank of Ireland (the “**Central Bank**”) reprimanded and fined Ulster Bank Ireland DAC (“**UBID**” or the “**Firm**”) €37,774,520 pursuant to its Administrative Sanctions Procedure (“**ASP**”) in respect of UBID’s serious failings in the treatment of its tracker customers holding 5,940 mortgage accounts between August 2004 and April 2020.

The Central Bank’s investigation found that UBID breached its regulatory obligations towards its impacted tracker customers, most notably those under the Consumer Protection Codes 2006 and 2012. UBID has admitted in full to 49 separate regulatory breaches. The fine and reprimand imposed is in addition to the more than €128,000,000 that UBID has been required to pay to date in redress, compensation and account balance adjustments to all impacted customers as part of the Central Bank’s Tracker Mortgage Examination (“**TME**”). The TME was established as an industry-wide review in 2015 by the Central Bank to ensure that lenders were providing tracker customers with their tracker mortgage entitlements and to address any circumstances in which they were not.

The Central Bank determined that the appropriate fine was €53,963,600, which was reduced by 30% to €37,774,520 in accordance with the settlement discount scheme provided for in the Central Bank’s ASP. This fine reflects the gravity with which the Central Bank views UBID’s failings. UBID caused unacceptable and avoidable harm to its impacted tracker customers; from extended periods of significant overcharging to the loss of 43 properties, 29 of which were family homes.

The investigation established that UBID failed to adequately protect the rights of those customers who:

1. were on tracker rates when UBID withdrew its tracker mortgage product offering and subsequently requested to fix their rates;
2. had a tracker mortgage entitlement in their terms and conditions; or
3. had a legitimate expectation that they were entitled to a tracker mortgage based on their loan documents.

The result of such failings by UBID was that customers suffered significant detriment.



In particular, UBID:

- 1. Failed to disclose to impacted tracker customers all the consequences of fixing their interest rates:** UBID failed to provide clear mortgage documents to tracker mortgage customers seeking to fix their interest rates setting out the rate that would apply at the expiry of the fixed rate period. Customers were therefore denied the ability to make fully informed decisions in relation to their mortgages. Furthermore, at a time when UBID was withdrawing tracker products, it failed to provide certain of its existing tracker customers with clear documents and/or to provide those customers with vital information that their request to fix their interest rate would lead to the permanent loss of their tracker rate;
- 2. Devised and implemented a deliberate strategy not to provide certain customers with their correct tracker mortgage entitlement unless they complained:** As tracker customers began to complain, UBID assessed the financial cost to the business of providing all of its tracker customers, to whom it had provided unclear mortgage documents and those who it had not warned of the consequences of moving mortgage rate, with their correct tracker rates. On the basis of the cost to the business, UBID decided to only provide the correct tracker rate to customers who complained. Customers who did not complain continued to be denied their correct tracker mortgage entitlements until they were remediated as part of the Central Bank's TME;
- 3. Failed to adequately implement the TME's Stop the Harm principles to protect all potentially impacted tracker customers from further detriment:** UBID failed to put adequate policies and procedures in place to protect all customers potentially impacted by the TME from further harm by ensuring that they were informed that they were potentially impacted by the TME prior to the sale of their properties. A number of tracker mortgage customers, including some in arrears and/or forbearance arrangements, proceeded to sell their properties without being informed that they may be entitled to redress and compensation under the TME; and
- 4. Failed to ensure that its operational systems and controls were sufficient to ensure that its customers were provided with their correct tracker mortgage entitlements:** UBID did not have adequate systems and/or operational controls in place to enable it to meet its contractual and regulatory obligations to customers with the result that customers were not afforded their correct tracker rates and suffered loss. Examples of this included a reliance on numerous disparate and in some cases outdated mortgage systems which were not fit for purpose and necessitated an over-reliance on manual interventions which caused avoidable errors.



In addition to the failings by UBID that caused direct customer detriment, UBID has been sanctioned for two additional failings. Firstly, UBID devised and sought to implement a customer campaign to encourage certain tracker customers to convert their tracker rates to fixed rates during 2008, without informing them that they would not be entitled to return to their original tracker rate if they moved to a fixed rate. No customer ultimately moved mortgage rate as a result of that campaign. Secondly, UBID failed to comply with a statutory deadline for the provision of information in the context of the Central Bank's investigation in breach of Part 3 of the Central Bank (Supervision and Enforcement) Act 2013.

The Central Bank's Director of Enforcement and Anti-Money Laundering, Seána Cunningham, said:

"At the heart of this enforcement action is the avoidable harm caused by UBID to its tracker customers. Over an extensive period, UBID denied customers their tracker mortgage entitlements in relation to 5,940 mortgage accounts, resulting in significant and widespread overcharging. At the most serious end of the detriment caused to UBID's customers, 43 properties were lost, 29 of which were family homes, as a direct consequence of UBID's actions.

Our investigation identified the numerous opportunities that UBID had to do right by its customers and the efforts that UBID went to in order to evade its obligations to these customers. Despite it being clear to UBID from customer complaints that certain customers were paying more for their mortgage than they should be, UBID continued to deny customers the lower tracker rates that they were entitled to. In deciding in 2011 to only return customers who complained to their tracker rates, UBID calculated the cost of returning all impacted customers to their tracker mortgage rate. Instead, informed by that financial analysis, it decided to take the option that cost it the least and return only customers who complained to their correct rate. Having initially provided its customers with unclear information and having failed to warn them of the very real consequences of their mortgage-related decisions, UBID put further impediments in its customers' way. The onus was placed on customers to complain, and to do so in a certain way, in order to get what they were entitled to. Ultimately, UBID only did right by its customers following intervention by the Central Bank. It is unacceptable for any regulated entity to treat its customers in this way.

The Central Bank will intervene where firms seek to evade their obligations to consumers. Where firms cause serious harm to their customers, in circumstances where there were repeated opportunities available but not taken to rectify and remedy this harm, this requires an appropriate and deterrent sanction. The fine imposed by the Central Bank today should serve as a clear message to the wider market of the importance of compliance with the fundamental requirements of the Central Bank's Consumer Protection Codes and of taking prompt action to address issues comprehensively and fully when they are identified. It is the responsibility of each firm to ensure that in all its dealings with customers it acts honestly,



fairly and professionally in the best interests of its customers. Firms must take this responsibility seriously and put it at the heart of their actions and decision making.”

Background to the Investigation into UBID

UBID is a licensed bank pursuant to section 9 of the Central Bank Act, 1971. It has been authorised since 19 September 1973.

UBID introduced tracker mortgages to its range of products in October 2001. Tracker mortgages were withdrawn for new customers from 1 October 2008.

As part of its supervisory work, the Central Bank became aware of complaints by UBID customers that they were being denied their tracker mortgage entitlements following the withdrawal of trackers. The Central Bank engaged with UBID in relation to those complaints and requested that it undertake a review of its tracker customers to ensure that it was providing them with their correct tracker mortgage entitlements. Despite the Central Bank’s engagement and a number of findings by the then Financial Service Ombudsman (“FSO”) that its documents were unclear, UBID initially refused to undertake that wider review and only did so following further significant supervisory engagement by the Consumer Protection Directorate of the Central Bank, and under the auspices of the TME. The enforcement investigation into UBID for tracker mortgage issues commenced in April 2016, shortly after the start of the TME.

Prescribed Contraventions

UBID has admitted 49 separate regulatory breaches of the European Communities (Unfair Terms in Consumer Contracts) Regulations 1995, Code of Practice for Credit Institutions 2001, the Consumer Protection Code 2006 and the Consumer Protection Code 2012. The breaches arose because UBID:

- 1. Failed to disclose to impacted tracker customers all the consequences of fixing their interest rates;**
- 2. Devised and implemented a deliberate strategy not to provide certain customers with their correct tracker mortgage entitlement unless they complained and to treat those customers who did complain in an inequitable manner;**
- 3. Failed to adequately implement the TME’s Stop the Harm principles to protect all potentially impacted tracker customers from further detriment;**
- 4. Failed to ensure that its operational systems and controls were sufficient to ensure that its customers were provided with their correct tracker mortgage entitlements;**
- 5. Devised and implemented a deliberate strategy of encouraging customers to convert their tracker rates to fixed rates during 2008; and**



6. Failed to comply with a statutory deadline for the provision of information in the context of the Central Bank's investigation.

Some customers were affected by more than one of the above issues. Further detail in relation to these failings is set out below.

1. Failed to disclose to impacted tracker customers all the consequences of fixing their interest rates

The investigation found that a large group of tracker customers (comprising over two thirds of the impacted accounts) who fixed their rates for a period of time were provided with documents that did not clearly set out the default rate on expiry of the fixed rate period. This meant that customers were making decisions to move away from their tracker rates without being provided with clear information on the consequences of those decisions. Furthermore, once tracker mortgages were withdrawn, UBID did not tell customers seeking to fix for a period that fixing their rate would result in them losing their rights to tracker products and rates.

As a result of UBID's failure to recognise and remedy this failure, customers experienced loss and detriment with significant overcharging over an extensive period of time. Furthermore, of the 43 properties lost as a result of UBID's tracker mortgage failings, 42 were lost as a result of this failure, 29 family homes and 13 buy-to-let properties. A further buy-to-let property was lost due to a systems error.

The investigation found that UBID's failure to warn certain tracker customers about the consequences of decisions that they might make relating to their mortgage occurred at four key stages of the customer journey: prior to drawing down a loan; prior to entering into a fixed rate period; upon seeking to break from a fixed rate period; and upon exiting a fixed period.

The Central Bank identified a number of ways in which customers were impacted by UBID's failure to provide adequate information and warnings:

"Home Loan" customers

In the case of 3,392 customer accounts, customers had drawn down on a tracker rate mortgage and later elected to enter into a fixed rate period by signing a fixed rate authority form ("FRA"). The specific FRA executed by the customers described the default interest rate to apply on expiry of the fixed rate period as the "Ulster Bank Home Loan Rate" and cross-referenced the customers' original loan documents. The term "Ulster Bank Home Loan Rate" was not defined in the FRA or loan documents, but the term "Home Loan" was used to describe the applicable tracker product in the customers' original mortgage documents.



The Central Bank found that UBID's failure to define the term "*Ulster Bank Home Loan Rate*" in the FRA or loan documents, coupled with the use of the term "*Home Loan*" in the customers' original loan documents to describe the applicable tracker product, may have caused customers to understand that they would default to their original tracker rate on expiry of a fixed rate period. Customers instead defaulted to UBID's standard variable rate on expiry of the fixed rate period and lost the right to return to their original tracker rate or any other tracker rate. UBID's failure to provide these customers with tracker rates resulted in significant overcharging for a lengthy period of time until the Central Bank intervened in the context of the TME.

Additional customers impacted by UBID's failure to disclose information

In addition, the investigation found that UBID also failed to provide adequate information to a further 2,241 customer accounts, with the result that it breached its consumer protection obligations and customers lost their correct tracker rates or entitlements to tracker rates. The investigation found that UBID's failings to these customers can be categorised as:

- Failures to provide customers with their correct tracker rate options;
- Failures, in relation to tracker rates, to clearly set out customers' mortgage entitlements and provide appropriate specific warnings to customers in mortgage documents, correspondence and other communications;
- Failures to warn customers that in switching rate or breaking early from a fixed rate, once trackers had been withdrawn, they would lose their tracker entitlements; and
- Failures to inform customers that it would not be honouring tracker rates set out in their letters of offer in circumstances where those tracker rates were withdrawn prior to the customer drawing down their mortgage.

UBID has admitted to 34 regulatory breaches in relation to its failure to warn customers about the consequences of decisions they might make relating to their mortgage and failure to provide clear information about tracker mortgage entitlements. Specifically, UBID has admitted that it:

- Failed to ensure that, in all of its dealings with customers, it made full disclosure of all relevant material information in a way that sought to inform the customer;
- Failed to ensure that all information it provided to its customers was clear and comprehensible and that key items were brought to customers' attention;
- Failed to ensure that contracts were drafted in plain, intelligible language;
- Failed to act with due skill, care and diligence in the best interests of its customers; and
- Failed to have or effectively employ adequate resources, policies and procedures and systems and controls.

These regulatory breaches continued until UBID returned the final impacted customer to their correct interest rate as part of the TME.



2. Devised and implemented a deliberate strategy not to provide certain customers with their correct tracker mortgage entitlement unless they complained and to treat customers who did complain in an inequitable manner

As customers, who had been provided with unclear documents and were not provided with adequate warnings by UBID, came to the end of their fixed rate periods they sought to return to their original tracker rates. UBID did not allow them to do so, with the result that customers were forced to go to the FSO to protect their rights. Following FSO findings against UBID, setting out that its documents were unclear and as a result that customers were entitled to return to their original tracker rates on expiry of a fixed rate period, UBID assessed the potential financial impact of moving all customers previously on a tracker rate who had been moved to a standard variable rate on expiry of a fixed rate period back to their original tracker rate. Having undertaken the financial analysis, UBID decided instead to place the onus on the customers themselves to complain in order to be returned to the correct tracker rate. In taking this approach UBID chose the approach that cost it the least. In so doing, UBID failed in its regulatory obligations to deal with customers fairly and to undertake an appropriate analysis of the patterns of complaints from customers, including considering whether complaints indicated an isolated or more widespread issue.

Furthermore, customers who did complain (in relation to 352 mortgage accounts) were managed on a case-by-case basis and were not all afforded the same redress and compensation. Later, as more customers complained and were returned to tracker rates, UBID introduced a questionnaire designed to test the extent to which a complainant was “genuinely” confused as to their default interest rate as opposed to whether a complainant had submitted a complaint on the basis that they had heard that other customers with similar terms and conditions had, following complaints, been returned to their original tracker rate. This put in place a higher evidential bar for complaining customers. UBID also did not return all customers who complained by way of filling out the questionnaire to their original tracker rate or provide them with compensation. As a result of UBID’s treatment of complaints, all impacted customers did not receive their correct redress and compensation until the Central Bank required UBID to provide it to them under the auspices of the TME.

UBID has admitted to 4 regulatory breaches in relation to its deliberate strategy to deny certain customers their entitlement to a tracker rate unless they complained. Specifically, UBID has admitted that it:

- Failed, in all its dealings with customers and within the context of its authorisation, to correct errors and handle complaints speedily, efficiently and fairly;
- Failed to regularly undertake an appropriate analysis of the complaints to determine if they represented a more widespread issue for UBID’s tracker customers;
- Did not act with due skill care and diligence in the best interests of its customers; and
- Failed to have or effectively employ adequate resources, policies and procedures and systems and controls.



These regulatory breaches commenced from 28 November 2011 and continued until UBID returned the final impacted customer to their correct interest rate as part of the TME.

3. Failure to adequately implement the TME's Stop the Harm principles in a timely manner to protect all potentially impacted tracker customers from further detriment

As part of the TME, lenders were required to ensure that impacted customers did not suffer further detriment pending the finalisation of the review. This requirement was known as the "Stop The Harm" ("STH") Principles and was communicated to lenders in the Principles for Redress letter issued on 22 December 2015.

The investigation found inadequacies in UBID's internal procedures to comply with the STH Principles. This resulted in UBID failing to identify and therefore inform some customers seeking to sell, or otherwise dispose of their properties, including by way of assisted voluntary sale or surrender, that they may be impacted under the TME and may be entitled to redress and compensation and to have their account balance adjusted. Therefore, in some instances, the customer's decision to dispose of their property was not fully informed. Of the 43 properties referenced above that were lost as a result of UBID's tracker mortgage failures, 7 losses could have been avoided had UBID fully complied with the STH Principles earlier and informed those customers that they were potentially impacted by the TME prior to their sale.

These customers were principally affected because UBID only informed customers that they were potentially impacted by the TME if they sought consent to sell their property or when a final determination had been made that they were impacted and they were being provided with redress and compensation. As a result, customers who did not require consent to sell their property (because they were paying off their mortgages in full or because they were availing of a switcher mortgage) were not told that they might be impacted by the TME and made the decision to sell or move property without the benefit of that information. Some of those customers, despite fully redeeming their loans, were in arrears.

UBID also failed to apply STH protections to some customer accounts whereby UBID was notified of the customers' intention to sell before the STH measures were in place, but the sale was completed after the implementation of the STH Principles. Those customers were not informed that they were impacted or potentially impacted until after their properties were sold.

Finally, one negative equity customer was allowed to proceed to completion of sale without being informed that they were potentially impacted. The investigation found that this failure occurred due to a manual error.

UBID has admitted to 2 regulatory breaches in relation to its failure to comply with the STH Principles in line with the TME framework causing continued detriment to impacted and potentially impacted customers. Specifically, UBID has admitted that it:



- Failed to act with due skill care and diligence in the best interests of its customers; and
- Failed to have or effectively employ adequate resources, policies and procedures and systems and controls.

These regulatory breaches commenced from 22 December 2015 and were fully remediated as part of the TME.

4. Failure to ensure that its operational systems and controls were sufficient to ensure that its customers were provided with their correct tracker mortgage entitlements

UBID did not have adequate systems and/or operational controls in place to enable it to meet its contractual and regulatory obligations to customers. At the heart of this failing was a reliance on numerous disparate and in some cases outdated mortgage systems which were not fit for purpose and necessitated an over-reliance on manual interventions. Many customers were placed on the incorrect product or margin whereas others, including some already in financial difficulty, faced the incorrect application of a higher tracker margin.

Examples of some of the causes of these failings include UBID:

- Moving certain mortgage customer accounts that were already in financial difficulty to a higher fixed interest rate between 7 March 2013 and 7 December 2015 as part of an Alternative Re-payment Arrangement;
- Incorrectly applying a higher tracker margin to certain customer accounts that were availing of more than one tracker product as a result of keying errors when manually entering the customer's mortgage rate into UBID's mortgage system; and
- Manual errors by UBID including: errors at drawdown; application of incorrect product codes; incorrect agent interpretation of loan terms; agent misinterpretation of process; and failing to act on customer instructions correctly.

As a result of these failings, UBID denied 324 customer accounts their right to a tracker product or the correct tracker margin. The detriment suffered by these customers also included the loss of one buy-to-let property as a direct result of UBID's failure to offer that customer their correct tracker mortgage entitlements.

UBID has admitted to 6 regulatory breaches in relation to its inadequate operational systems and controls. Specifically, UBID has admitted that it:

- Failed to act with due skill care and diligence in the best interests of its customers; and
- Failed to have or effectively employ adequate resources, policies and procedures and systems and controls.



These regulatory breaches commenced from 18 October 2004 and continued until UBID returned the impacted customers to their correct interest rate as part of the TME.

5. Devised and implemented a deliberate strategy of encouraging customers to convert their tracker rates to fixed rates during 2008.

The investigation found that, between August 2008 and October 2008, UBID deliberately devised and implemented a strategy to entice customers off tracker rates as part of a customer contact campaign (the “**Campaign**”). UBID knew that if, as a result of the Campaign, customers opted to enter a fixed rate they would be unable to return to their original tracker rate at the end of the fixed rate period. Despite this, UBID did not make clear to customers that they would be unable to return to their original tracker rate at the end of the fixed rate period.

UBID issued marketing letters to an initial sample set of 261 customers on particularly low margin tracker rates as part of a pilot campaign. The marketing letters invited those customers to enter into a fixed rate period, presented as a way of having certainty on their monthly repayment rates. No reference was made in the initial marketing letter to the default rate to apply on expiry of the fixed rate period. UBID intended to roll out the Campaign to other tracker rate customers beyond the sample set. Ultimately, the Campaign proved unsuccessful as no customer opted to enter into the fixed rate period due to increased customer awareness of the financial benefits of tracker rates at that time.

Although the Campaign was ultimately unsuccessful, the investigation found that UBID’s deliberate strategy to entice customers from their tracker rates to variable rates was a breach of its regulatory obligation to act in the best interests of its customers which could have resulted in significant detriment to those customers if, as was UBID’s intention, they had elected to fix their interest rates.

UBID has admitted to 2 regulatory breaches in relation to its formulation and implementation of a strategy to convert customers’ tracker rates to fixed rates during 2008. Specifically, UBID has admitted that it:

- Failed to act fairly and professionally in the best interest of its customers;
- Failed to act with due skill care and diligence in the best interests of its customers;
- failed to have or effectively employ adequate resources, policies and procedures and systems and controls;
- Failed to ensure that all information it provided to its customers was clear and comprehensible and that key items were brought to customers’ attention; and
- Failed to ensure that, in all of its dealings with customers, it made full disclosure of all relevant material information in a way that sought to inform the customer.



6. Failed to comply with a statutory deadline for the provision of information in the context of the Central Bank's investigation

UBID failed to comply with a statutory request issued under Part 3 of the Central Bank (Supervision and Enforcement) Act 2013 (the “**2013 Act**”). Part 3 empowers the Central Bank or an authorised officer to impose a requirement upon a person to whom Part 3 of the 2013 Act applies for the provision and/or preparation of information/documentation/records to the Central Bank or that authorised officer. As a result of UBID's failure, the Central Bank took the unprecedented step of certifying UBID for non-compliance with a statutory request. This would have allowed the Central Bank to seek a High Court order compelling UBID to provide the required information, had UBID continued to fail to comply. Ultimately this was unnecessary as the information was provided.

In relation to this failure, UBID has admitted to one regulatory breach regarding complying with statutory requirements imposed pursuant to Part 3 of the 2013 Act.

Penalty Decision Factors

In determining the appropriate sanction, the Central Bank has considered the guidance on the sanctioning factors set out in Part II of the ASP Sanctions Guidance (November 2019). The following factors are relevant in this case:

A. The nature, seriousness and impact of the contraventions

- UBID's failings impacted **5,940** individual customer accounts from August 2004 to April 2020, resulting in customers being overcharged interest for an extended period;
- **43** properties were lost as a result of UBID's failings, comprising **29 family homes** and **14 buy-to-let properties**. The loss of **7** of these properties occurred when UBID was on notice to stop further harm to these customers and could have been avoided had UBID put in place effective STH measures;
- UBID overcharged impacted customers across an extensive period until the Central Bank intervened within the context of the TME;
- UBID deliberately devised and implemented a policy not to return 3,392 impacted customers to their correct tracker rates unless they complained and to give differing levels of redress and compensation to those customers who did complain;
- The contraventions represent a significant departure from the required standards under the Consumer Protection Codes;
- UBID devised and implemented a deliberate strategy, albeit ultimately unsuccessfully, to entice tracker customers away from their tracker rates and on to fixed interest rates which it believed would be more profitable for UBID;
- UBID failed to meet a statutory requirement imposed by the Central Bank regarding the timely provision of information;



- The systemic weaknesses in management systems and internal controls that led to failures to protect customers; and
- The negative impact on consumer confidence in the market as a result of UBID's failings.

B. Aggravating factors

- Although UBID was aware, through complaints, that its mortgage documents were unclear from 2009 onwards, it failed to bring this to the attention of the Central Bank. Furthermore, when the full extent of the issue was clear to UBID, it actively sought to avoid Central Bank intervention due to concerns about its financial exposure should it have to remediate all impacted customers. Notwithstanding its regulatory obligation to do a read across of complaints to ensure all impacted customers were identified, UBID did not undertake a full review of all potentially impacted customers until it was forced to do so by the Central Bank;
- UBID failed to meet the Central Bank's expectations of adequate co-operation in the context of the investigation by failing to respond to a statutory request in a comprehensive and timely manner, necessitating significant challenge and intervention by the Central Bank, which wasted investigatory resources and caused delay in the Central Bank's ability to progress the investigation; and
- The Previous Record of the Regulated Entity: UBID has been subject to four prior Enforcement Actions.

The enforcement action against UBID has ended. This marks the completion of the third in a series of ongoing investigations arising from the Central Bank's TME.

Under strict embargo until 12:00 on 11/01/2017



Notes to Editors

1. For further information on the settlement discount scheme, see the Central Bank's "[Outline of the Administrative Sanctions Procedure](#)".
2. For further information on sanctions imposed under the Administrative Sanctions Procedure see the Central Bank's "[ASP Sanctions Guidance](#)".
3. UBID is a wholly owned subsidiary of NatWest Holdings Limited. The ultimate parent company is NatWest Group Plc. ("**NatWest**"). NatWest is a UK-centred bank with operations in the UK and Ireland, Europe, Asia Pacific and the United States.
4. The Central Bank's sanctioning powers were increased in 2013, pursuant to Section 68(b) of the Central Bank (Supervision and Enforcement) Act 2013. The maximum penalty which the Central Bank may now impose is €10,000,000, or an amount equal to 10% of the annual turnover of a regulated financial service provider, whichever is the greater.
5. This is the Central Bank's 142nd settlement under its Administrative Sanctions Procedure, bringing total fines imposed by the Central Bank to over €165m, which total includes the fine imposed against, Springboard Mortgages in 2016, Permanent TSB plc in 2019 and KBC Bank Ireland plc in 2020 in respect of breaches of its obligations to tracker customers. This settlement marks the 34th enforcement action in respect of the Central Bank's consumer protection focused codes of conduct, including the 2006 and 2012 Consumer Protection Codes.
6. Funds collected from penalties are included in the Central Bank's Surplus Income, which is payable directly to the Exchequer, following approval of the Statement of Accounts. The penalties are not included in general Central Bank revenue.
7. The Consumer Protection Codes 2006 and 2012 are available on the Central Bank's website www.centralbank.ie or to download [here](#).
8. The 2006 Code ceased to have effect on 31 December 2011 and the 2012 Code came into effect on 1 January 2012.
9. The Tracker Mortgage Examination commenced in December 2015. The examination required all lenders to review their loan book to ensure compliance with both regulatory and contractual requirements in relation to tracker mortgages. Where impacted customers were identified, the Central Bank expected that those customers receive redress and compensation commensurate with the detriment suffered. The supervisory phase of the examination concluded with the publication of the Central Bank's "[Tracker Mortgage Examination Final Report](#)" in July 2019, however the Central Bank continues to monitor the outcomes of any complaints, appeals and court cases,



and further enforcement investigations into how and why customer detriment occurred are ongoing. Additional information on the examination is available on the Central Bank's website www.centralbank.ie or to download [here](#).

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