



To: Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

From: Brian Walsh, Interim CEO, Vhi Group

Date: 13th June 2022

Subject: **Banking Issues, including the withdrawal of Ulster Bank and KBC from the Irish market**

Thank you for your request to make a submission to your committee and provide you with information regarding Vhi's approach to the above matter.

Vhi has over 1.2 million customers and is the largest provider of private health insurance in Ireland. Correctly, the Irish Banking Federation has identified Vhi as a significant direct debit originator. Our records show that that approximately 10% of our customer's health insurance policies are linked to Ulster Bank or KBC bank accounts.

We are aware of the withdrawal of Ulster Bank and KBC Bank from the Irish market and, for some months now, we have been making preparations to ensure a seamless transition of our customers' payment arrangements from the departing banks to their new banking providers.

We have put in place a dedicated team that is closely monitoring all aspects of this market change and assessing any potential impacts that it may have on our customers. I am pleased to say that to date no issues have arisen.

At the beginning of the year, there were approximately 33,000 Vhi Health Insurance Policy Holders who were registered as having their policy premiums deducted from Ulster Bank or KBC Bank accounts. Already this figure has reduced to 24,000 policy holders and currently the number of policy holders is reducing by approximately 500 every week as policy holders update their direct debit details.

Vhi have met with the banks and are engaging with their "switching processes". We apply a 5 working days turnaround time on all administration activities and have plans in place to ensure this is maintained. For those customers who choose to update their own bank details i.e. choose not to avail of an Institutions 'Switching process', Vhi will continue to accept these changes through all our communication channels. We have made some changes to our Member Only website – MyVhi - allowing customers to easily access a secure self service online option to make those changes. We have also made changes to our online claiming system "Snap and Send" to remind customers to update their bank account details here also.

We will continue to monitor the volume of policy holders that update their bank details and will contact any remaining customers directly should the need arise.

If any member of the committee requires further information, please don't hesitate to contact me.

A handwritten signature in black ink, appearing to read 'Brian Walsh'.

Brian Walsh
Interim CEO, Vhi Group



Aviva Insurance Ireland DAC One Park Place Hatch Street Dublin 2 Ireland D02 E651

Telephone 01 898 8000
Web www.aviva.ie

Cathaoirleach
Joint Committee on Finance,
Public Expenditure and Reform and Taoiseach
Leinster House
Dublin 2
D02 XR20

Re: Impact of withdrawal of Ulster Bank and KBC from the Irish market - Aviva Insurance Ireland DAC Submission

Dear Cathaoirleach,

Aviva Insurance Ireland DAC ("Aviva") welcomes the opportunity to provide input into the Joint Committee Report on the impact of the withdrawal of Ulster Bank and KBC from the Irish market. As requested, we have provided feedback on the main issues which have impacted on our general insurance business and customers and have summarised actions we will take to support impacted customers.

1. Issues that have arisen for Aviva in the context of the withdrawal of both banks from the market

We have identified two main issues due to the withdrawal of both banks.

(a) Home/Commercial Lines insurance customers who have mortgages or loans with KBC or Ulster Bank

Aviva have at least 2,000 direct home insurance customers in this category and other intermediated customers where we hold a letter of interest on our home insurance policy on behalf of either of the two lending banks. We also have some commercial lines insurance customers where the letter of interest is in relation to a commercial property.

Following the transfer of our customers' mortgage or loan to a new agreed lender they will need to provide details of this lender to Aviva, for inclusion in an updated letter of interest. Where the customer has originated through an Aviva distribution partner or broker, they will contact the customer to obtain these updated details and provide them to Aviva. Aviva will then update the customers records including the letter of interest.

(b) Customers (Home or otherwise) that bank with KBC or Ulster Bank and who pay their insurance premiums through instalment or direct debits

We have over 6,600 insurance customers in this category who have approved direct debit mandates with the two banks. These customers must now provide Aviva with an updated direct debit mandate in favour of an alternative bank as failure to do so could lead to their cover lapsing.



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We are receiving an increasing number of requests from customers in both categories seeking assistance in completing the required changes with their new bank/lender. We are fully committed to providing support to them in completing these processes. We are conscious that the volume of work to support our customers may increase as the exit dates for the banks draws nearer and so we have established a project group to ensure that we will have the necessary capacity to deal with any increased volumes of requests. The focus of the project group is based on the recommended actions as defined by the Banking and Payments Federation of Ireland (BPFI)

2. The impact on Aviva customers as a result of the withdrawal of both banks from the market

Impacted mortgage or loan customers need to ensure Aviva pay the appropriate bank in the event of certain types of home or property insurance claims and so the letter of interest must be updated. Customers who pay their premium by instalment will see their cover lapse if they do not complete a new direct mandate.

Aviva is providing necessary support to its direct customers and is communicating with them. Customers of brokers or Aviva distribution partners are being assisted by them in meeting these requirements. Aviva is communicating with these brokers and distribution partners and will support them as required in meeting these requirements.

3. The actions your organisation has taken and will continue to take to mitigate any difficulties arising for your customers arising from the withdrawal of both banks and the need to source alternative banking services, and

We are supporting customers who contact us online, by email or by phone. We are planning to proactively communicate with impacted customers who have not yet updated their bank details or completed their new direct debit mandate. Prior to communicating to mortgage or loan customers, we are waiting confirmation that Ulster Bank and KBC have written to them confirming the transfer of their mortgage or loan to the agreed new lender. In parallel we will also issue a communication to those insurance brokers or distribution partners with impacted customers advising them of their role in updating their customers' requirements.

We also plan to issue follow up communications to instalment/direct debit customers and their brokers or distribution partner where we have not received a new direct debit mandate. We are also putting in place processes to monitor the progress of impacted customers in updating their bank requirements with us.

To ensure we pay a claim to the correct lender where required we are introducing a step at notification of claim stage whereby, we will notify a customer who still has a KBC/Ulster Bank interest noted on their policy that they need to take immediate action to amend it. This will give them a period while the claim is open to contact their new bank, broker, and Aviva to confirm their updated bank details.

Directors: M Shaw (Chairman) (Canadian), D O'Rourke (Chief Executive Officer), L Caslin (British), E Galicier (French), A O'Riordan, T O'Rourke A Winslow (British), S O'Brien, J Poole (British)

Aviva Insurance Ireland Designated Activity Company is regulated by the Central Bank of Ireland. A private company limited by shares.
Registered in Ireland Number: 605769 Registered Office One Park Place Hatch Street Dublin 2



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4. Any further information that you believe would be of assistance to the Joint Committee in its consideration of this matter.

We can also confirm that as part of an existing agreement between Aviva and Ulster Bank we continue to underwriting existing Home and Motor insurance policies for Ulster Bank which have been sold by them to their bank customers and will continue to do so until further notice from Ulster Bank.

The information in this response is in respect of Aviva's general insurance business only. Aviva have a separate life assurance business in Ireland which is addressing similar banking requirements with KBC/Ulster Bank customers to those noted in this response. If you require any further information, please contact David Elliot, Chief Executive Officer of Aviva Life and Pensions Ireland DAC at david.elliott@aviva.com

Yours sincerely,

A handwritten signature in black ink, appearing to read "Declan O'Rourke", with a long, sweeping horizontal line extending to the right.

Declan O'Rourke

Chief Executive Officer
Aviva Insurance Ireland DAC



Ref: **JFPERT-I-0573**

Aileen Fallon
Clerk to the Committee
Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach
Leinster House
Dublin 2
D02 XR20

17 June 2022

Dear Ms. Fallon,

Following the committee's submission request, dated 03 June 2022, enclosed is Royal London Ireland's submission related to the withdrawal of Ulster Bank and KBC from the Irish market.

For any follow-up information, please contact:

Sara Murphy
Marketing Lead, Royal London Ireland
sara.murphy@royallondon.ie
087-1460998

Yours sincerely,

Noel Freeley,
Chief Executive Officer
Royal London Insurance DAC (Royal London Ireland)

47-49 St Stephen's Green, Dublin 2

T: 01 429 3333 F: 01 662 5095 E: service@royallondon.ie W: royallondon.ie



Royal London Ireland's Submission to Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

Ref: JFPERT - I - 0573

Royal London Insurance DAC (Royal London Ireland or the Company) is fully aware of our responsibility to take action to ensure the account switching exercise, as a result of the withdrawal of Ulster Bank (UBIDAC) and KBC Ireland (KBCI) during 2022, is completed as smoothly as possible.

While we have seen an increase in volumes of calls from customers regarding switching, we are firmly committed to playing our part in ensuring that the best interests of customers are protected and as detailed below, the Company has and will pre-emptively and actively provide the utmost assistance in facilitating our customers to switch accounts.

Details of the work we have undertaken to date and our plan to support customers in the switching process are set out below:

1. We have already engaged and attended meetings with Ulster Bank, KBC and the Banking and Payments Federation of Ireland (BPFI) to ensure we are aware of the details of the banks' withdrawal plans and so our own plan is co-ordinated appropriately to provide the right level of customer support.
2. We have interrogated our own existing books of business to ascertain how many policies relate to the two institutions withdrawing. This has identified all our customers across all business channels who will need to switch accounts.
3. During June and July, we will be writing to all affected customers emphasising the need to find an alternative banking provider for their current or deposit account services, offering them support and alerting them that policies may lapse if account switches are not made before the account is closed.
4. To ensure that our customers are afforded maximum support, we will write to the Financial Brokers who distribute our products, asking them to be proactive in highlighting to customers the importance of appointing an alternative banking provider.
5. In our communication to all policyholders as well as annuitants and those in receipt of income drawdown, we will offer them the option to:
 - a. Contact their bank and update their account details using their bank's 'switching' process.
 - b. Complete a new hard copy Direct Debit Mandate form (copy to be enclosed with letter to customers) with their new bank account details and return either in an enclosed pre-paid envelope or as a scanned copy by email.

- c. Log on to www.royallondon.ie and access a secure area of our website where they can access a new Direct Debit Mandate form online. We will continually refine our online approach to make the switching process as simple as possible for customers.
 - d. Telephone Royal London Ireland's Existing Business Team and provide their new Direct Debit Mandate details over the phone.
- 6. We will be providing a 100-day re-instatement period to all affected customers to ensure that customers can reinstate their policies without having to complete new medical or underwriting information forms and any claims arising during that period are to be treated as valid submissions. This supports customers in situations where administration issues within the switching process to a new bank account could cause an inadvertent lapse of the policy.
- 7. The Company will actively monitor replies and track the volumes of remaining affected customers, following up with policyholder reminders as required.
- 8. The Company will supplement staffing numbers to ensure that we are properly resourced to deal with the expected spikes in communication and administrative work.

Royal London Ireland recognises the significance of ensuring that our customers with an Ulster Bank or KBC account are supported and facilitated by an efficient and effective switching process that meets the needs of all stakeholders and is committed to delivering these requirements in a meaningful way.



Submission: Joint Committee on Finance, Public Expenditure
and Reform, and Taoiseach

17 June 2022

Sky Ireland (hereafter 'Sky') welcomes the opportunity to provide an overview to the Joint Committee on the impact for Sky of the withdrawal of Ulster Bank and KBC from the Irish market as well as the subsequent steps Sky has taken to ensure that customers who wish to change their banking details can continue to do so simply and are aware of how to do this.

Sky TV is in over 40% of homes in Ireland and our market share in the broadband market is just over 14%. Sky is a significant investor in Ireland and currently employs over 1000 people, the majority of which are based at our Head Office on Burlington Road in Dublin. Sky will further expand our customer base outside of our current products in the coming period, launching our TV, Sky Glass, in 2022 and entering the mobile market in 2023. This, alongside the recent opening of our flagship retail stores in Cork, Limerick and Dublin, will see Sky further invest in Ireland with an additional 75-100 jobs to be created as a result.

The withdrawal of Ulster Bank and KBC represents a significant shift in the Irish banking market. Since the announcement of both banks exit from the Irish market, Sky has been cognisant that part of our customer base may be impacted and that we want to continue to provide excellent customer service to our customers. To ensure a seamless as possible process for our affected customers, Sky set about a number of months ago to undertake a project to assess the percentage of our customer base impacted and subsequently implement additional customer engagement processes for those customers.

While all Sky customers have the ability to easily change their banking details for direct debits and recurring card payments via our customer service centre or online via our 'My Sky' app, Sky has adopted a variety of additional pro-active customer engagement processes for impacted customers.

This includes the below pro-active processes that Sky has put in place for customers who to date have not contacted Sky about their banking details:

- A **multi-wave contact strategy** for impacted customers via SMS, email and letters – this is a proactive approach taken by our customer engagement team to remind impacted customers that their direct debit/recurring card payment is assigned to either Ulster Bank or KBC and outlining various options for customers to change their banking details.
- As of mid-June, another proactive process implemented will be that impacted Sky customers who contact our customer service team for any reason (and before being connected to a customer advisor) will be identified and will hear an **automated message** informing them that they need to change their banking details and the option to change their banking details immediately will be provided.
- All of our **customer service advisors have been informed** of the withdrawal of both banks from the Irish market and the impact for Sky customers. Advisors will also receive an **automated prompt** which will be flagged in our system when they are connected to an impacted customer to remind them that customer needs to change their banking details.

For those impacted customers who contact Sky re their banking details:

- If customers contact our customer service centre they will have been identified as one of the impacted customers by our system and will receive an automated message with directions on how to immediately update their banking details without having to speak to an advisor.
- As has always been the case, customers will still have the option to speak to an advisor if they wish to change their banking details or use their 'My Sky' app to update their details

Sky has taken a proactive and customer focused approach for our customers impacted by the withdrawal of KBC and Ulster Bank from the Irish market. If the Joint Committee has any further questions on the above, please do not hesitate to contact Sky.

-ENDS -



Ref: **JFPERT-I-0563**

Ms. Aileen Fallon
Clerk to the
Joint Committee on Finance,
Public Expenditure and Reform, and Taoiseach
Leinster House
Dublin 2.

17 June 2022

Dear Ms. Fallon,

Please find attached the submission of the Department of Social Protection on the withdrawal of Ulster Bank and KBC Bank from the Irish market, for consideration by the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach.

As requested by the Cathaoirleach of the Joint Committee, Mr. John Mc Guinness T.D., in his letter of 3 June 2022, I have replied on the following aspects:

- the issues that have arisen for the Department of Social Protection in the context of the withdrawal of both banks from the Irish market;
- the impact on social welfare customers as a result of the withdrawal of both banks from the Irish market;
- the actions the Department of Social Protection has taken and will continue to take to mitigate any difficulties arising for our customers arising from the withdrawal of both banks and the necessity to source alternative banking services; and
- any further information that we believe would be of assistance to the Joint committee in its consideration of this matter.

Yours sincerely,

Philomena Mc Shane

Philomena McShane
Chief Accountant



Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach
Submission of the Department of Social Protection on
the withdrawal of Ulster and KBC banks from the Irish market.

Department of Social Protection (Department) responses to the submission request are outlined under each request:

1. The issues that have arisen for your organisation in the context of the withdrawal of both Ulster and KBC banks from the market.

The Department's current banking service provider is Danske Bank. This reduces the direct impact on the Department of the withdrawal of Ulster Bank and KBC Bank from the Irish market.

However, the withdrawal of both banks from the Irish market affects thousands of customers of this Department. In that respect, the Department has been working to enable account migrations to happen in a smooth manner and on time. This work has involved:

- Assigning dedicated staff to manage the migration of customers between financial institutions;
- Developing and implementing technology changes, including online change of payment options, to facilitate customers changing payment details;
- Moving staff resources to process customer change of payment method requests;
- Liaising with external bodies to co-ordinate the response to the withdrawal of KBC Bank and Ulster Bank from the Irish market;
- Developing and implementing internal and external communication plans;
- Collecting project statistical data to monitor progress and ensure all stakeholders are being kept up to date;

2. The impact on your customers as a result of the withdrawal of both banks from the Market.

- Approximately 186,000 social welfare customers have accounts in either Ulster or KBC banks. All of these customers are required to move their accounts to another financial institution in order to continue to receive social welfare payments. In addition, approximately 2,000 customers, who are on repayment plans with the Department, will have to change financial institution in order to continue making repayments to the Department.



- Once a client has established an account with a new banking provider the process of changing payment instructions with the Department is relatively straightforward for customers. Clients with verified MyGovID.ie accounts can complete the process online in a matter of minutes. Clients can also request a change to payment instructions by post or in person.

3. *The actions your organisation has taken and will continue to take to mitigate any difficulties arising for your customers arising from the withdrawal of both banks and the necessity to source alternative banking services.*

- The Department reached out to both Ulster Bank and KBC Bank at an early stage to co-ordinate managing the customer account migration process. Regular meetings are now held with both banks. This has resulted in both banks including key messages around social welfare payments in their own communications with customers.
- Department officials are also actively liaising with the other banks via the Banking Payments Federation of Ireland to assist in the transitioning. Again, this includes ensuring that key messages related to social welfare payments are included in banks' information packs for potential new customers.
- At an early stage, a dedicated task team was established to manage the migration process. This team meets frequently with both withdrawing banks, the Department of Finance, and the Banking & Payments Federation of Ireland (BPFI).
- Enhancements were made to the Department's online 'change of payment' functionality on MyWelfare.ie to enable customers to update their financial institution details. This involved diverting resources to developing, testing and implementing changes to our customer facing online systems. These changes have facilitated automated updating of customer financial details on the Department's systems for the majority of verified customers, i.e. customers who have a verified MyGov.ie account.
- All payment-change requests that require staff intervention are being monitored carefully to ensure they are being processed as quickly as possible.
- The Department has moved resources to process the increase volume of requests to change customer bank account details and respond to customer queries. Supplementary training has also been provided where appropriate.
- A communications plan for both internal and external customers was developed and is being implemented.
- All of the Department's customers who have accounts in either KBC Bank or Ulster Bank are being contacted directly, on a phased basis, to provide them with information to assist in their transition from these banks to another financial institution.



- The account migration task team are managing the project within the Department and are providing statistical data to both internal and external stakeholders on project progress, including information on the volume of social welfare customers who have moved their payments from Ulster Bank and KBC Bank.
- The task team also hold regular meetings with the Department of Finance to co-ordinate the Government's response and to report on the progress of social welfare customers' migration.

4. *Any further information that you believe would be of assistance to the Joint committee in its consideration of this matter.*

At present the Department offers payments into all of the retail banks, credit union accounts, post-office accounts, online banking providers within the EU such as Revolut and in person at post-offices. As indicated above we can facilitate prompt changes to payment instructions to divert payments from one provider to another.



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Ms Aileen Fallon
Clerk to Joint Committee on Finance, Public Expenditure and Reform
Leinster House
Kildare Street
Dublin 2

17 June 2022

Re: Impact on customers of the telecommunications sector of the withdrawal of Ulster Bank and KBC from the Irish market

Dear Ms Fallon

Please find attached a submission from Ibec's Telecommunications Industry Ireland to the Joint Committee on Finance, Public Expenditure and Reform regarding the impact on customers of the telecommunications sector of the withdrawal of Ulster Bank and KBC from the Irish market.

If the Committee has any questions on the attached or would like to discuss further, please do not hesitate to contact me.

Yours sincerely

"Bears no signature as sent electronically"

Torlach Denihan

Telecommunications Industry Ireland submission to Joint Committee on Finance, Public Expenditure and Reform re regarding the impact on customers of the telecommunications sector of the withdrawal of Ulster Bank and KBC from the Irish market

17 June 2022

Telecommunications Industry Ireland recommends that a project plan to manage the impact on consumers of the withdrawal of Ulster Bank and KBC from the Irish market be put place by the Central Bank of Ireland with input from other relevant sectoral regulators and that they coordinate its implementation.

The industry's views on the specific issues raised by the Joint Committee on Finance, Public Expenditure and Reform in recent correspondence with Telecommunications Industry Ireland member companies are set out below.

The issues that have arisen for telecommunications industry in the context of the withdrawal of both banks from the market

This issue primarily impacts on the banking sector and we note that Ulster Bank and KBC Bank Ireland and indeed the remaining banks are actively communicating with and seeking to facilitate affected customers. Our members are also implementing supplementary communications campaigns targeting the subset of customers in each of their customer bases still using these two banks for their automated payments (direct debits and recurring card payments).

To enable the telecommunications sector to prepare and ensure appropriate resources are in place at the right time clarification is needed as soon as possible on the following:

- How long customers have to move their accounts;
- Monthly estimates of numbers of customers expected to move their accounts, including whether the banks expect there to be a surge towards the end of the period for customers to move their accounts;
- Details of any contingency planning, including how the banks plan to mitigate the impact of other events (e.g. a possible further Covid surge, Black Friday, the peak Christmas sales period for handsets, and seasonal annual leave) on the telecommunications companies' customer communications channels in terms of staff numbers and volumes of customer enquiries;
- How the banks plan to discharge their responsibilities in terms of assisting vulnerable customers;
- How the banks plan to complete switching code requests in a timely fashion and the associated target timeframe;

- A commitment by the banks to refrain from closing accounts if outstanding direct debits to the telecommunications industry and other relevant industries remain above a certain level.

The impact on customers as a result of the withdrawal of both banks from the market

As would be expected from their share of current accounts in Ireland, Ulster Bank and KBC Bank Ireland are less commonly used for automated payments. Our members' focus is on ensuring a smooth process for customers to update their payment details and so already provide streamlined on-line methods of updating payment details and/or customer care as an alternative channel.

The focus and priority for our members is to minimise the potential impact and inconvenience to our customers that use KBC Bank Ireland and Ulster Bank for their payments. Industry wants to ensure that customers are provided with an easy mechanism for them to update their bank details and so has been proactively preparing for the impact of the banks' exit since it was announced. Our members have dedicated internal teams planning the actions that need to be taken, as well as assessing the challenges and potential risks posed by the banks' exit.

The actions the telecommunications industry has taken and will continue to take to mitigate any difficulties arising for customers arising from the withdrawal of both banks and the need to source alternative banking services

Industry's communications to affected customers are and will refer them directly to the aforementioned channels through which they can update their payment details while also referring them to the Ulster Bank and KBC Bank Ireland support channels. Our members will continue to monitor the progress of these customers in updating their payment details and will tailor communications campaigns and any further measures accordingly.

The telecommunications industry's intention is to provide convenient methods for customers to update their payment details, and, where appropriate, with a focus on easy-to-use digital processes via their respective websites and apps. All our respective members' customer care agents have also been briefed to ensure they are aware of the implications for customers of the withdrawal of Ulster Bank and KBC from the Irish market.

Companies have worked with the Banking and Payments Federation Ireland, KBC Bank Ireland and Ulster Bank so they can include links on their websites to the telecommunications companies' websites for customers wishing to update their payment details. As an industry, we will also proactively engage with customers to explain how they can update their bank details as quickly and easily as possible to minimise the risk of any potential service disruption for those customers who still have not updated their payment details.

Over the coming months, our members will continue to work with the banks and will communicate with customers so that they can change bank details with minimum disruption. The telecommunications industry will stay close to customers throughout this process to ensure that any concerns arising can be addressed promptly and effectively.

END

Dear Aileen,

Thank you very much for your letter of 3 June and the invitation to provide feedback to the Joint Committee which is very welcome.

HSBC's banking business in Ireland focuses on supporting Irish clients with international operations and, supporting inward investment into Ireland from global multinationals. In this regard the withdrawal of Ulster Bank and KBC from the Irish market has not given rise to any particular impact on HSBC's business or our customers, nor required HSBC to take any mitigating actions as a result. I therefore wish to advise that HSBC Ireland does not have specific items to bring to the Joint Committee's attention by way of a submission for consideration in its report.

We greatly appreciate being consulted in the preparation of your report and would like to thank again the Committee for this collaborative approach. In addition, we would welcome further opportunities to engage on future issues should the Committee address these, such as, for example, the implementation of SEAR or Crypto-currencies and Digital Assets in the future or as part of the other banking issues covered by the report.

Kind regards,
Laura



Ms Aileen Fallon

Clerk to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

Dear Ms Fallon

Please find attached the submission from Vhi Group to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on matters relating to Ulster Bank and KBC Bank as requested by John McGuinness, TD on 3rd June 2022.

Yours sincerely

A handwritten signature in black ink, appearing to read "Brian Walsh".

Brian Walsh

Interim CEO, Vhi Group



To: Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

From: Brian Walsh, Interim CEO, Vhi Group

Date: 13th June 2022

Subject: **Banking Issues, including the withdrawal of Ulster Bank and KBC from the Irish market**

Thank you for your request to make a submission to your committee and provide you with information regarding Vhi's approach to the above matter.

Vhi has over 1.2 million customers and is the largest provider of private health insurance in Ireland. Correctly, the Irish Banking Federation has identified Vhi as a significant direct debit originator. Our records show that that approximately 10% of our customer's health insurance policies are linked to Ulster Bank or KBC bank accounts.

We are aware of the withdrawal of Ulster Bank and KBC Bank from the Irish market and, for some months now, we have been making preparations to ensure a seamless transition of our customers' payment arrangements from the departing banks to their new banking providers.

We have put in place a dedicated team that is closely monitoring all aspects of this market change and assessing any potential impacts that it may have on our customers. I am pleased to say that to date no issues have arisen.

At the beginning of the year, there were approximately 33,000 Vhi Health Insurance Policy Holders who were registered as having their policy premiums deducted from Ulster Bank or KBC Bank accounts. Already this figure has reduced to 24,000 policy holders and currently the number of policy holders is reducing by approximately 500 every week as policy holders update their direct debit details.

Vhi have met with the banks and are engaging with their "switching processes". We apply a 5 working days turnaround time on all administration activities and have plans in place to ensure this is maintained. For those customers who choose to update their own bank details i.e. choose not to avail of an Institutions 'Switching process', Vhi will continue to accept these changes through all our communication channels. We have made some changes to our Member Only website – MyVhi - allowing customers to easily access a secure self service online option to make those changes. We have also made changes to our online claiming system "Snap and Send" to remind customers to update their bank account details here also.

We will continue to monitor the volume of policy holders that update their bank details and will contact any remaining customers directly should the need arise.

If any member of the committee requires further information, please don't hesitate to contact me.

A handwritten signature in dark ink, appearing to read "Brian Walsh", is positioned above the printed name.

Brian Walsh
Interim CEO, Vhi Group

17 June 2022

Ms. Aileen Fallon
Clerk to the Committee
Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach
Leinster House
Dublin 2
D02 XR20

BY EMAIL: financecommittee@oireachtas.ie

Ref: JFPERT-I-0561 - Submission Request – Banking issues (including the withdrawal of Ulster Bank and KBC from the Irish market)

Dear Ms. Fallon,

The Commission for Communications Regulation (“ComReg”) welcomes the opportunity to make a submission to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on specific aspects of the withdrawal of Ulster Bank and KBC from the Irish market.

Overview

ComReg understands that both Ulster Bank and KBC are advising their customers on what they need to do to close their Current and Savings Accounts. ComReg also understands that Ulster Bank and KBC will give customers up to six months’ notice of the closure.

ComReg does not have any regulatory responsibility for financial institutions. Assisting customers to switch to a new bank account is a matter for the alternative bank chosen by the customer and the exiting bank (Ulster Bank or KBC).

However, ComReg recognises the benefit of mitigating any risk of any associated issues to customers of electronic communications service (“ECS”) providers. Such risks might arise if payment information (direct debit) has not been updated with the ECS provider within the required timeframe. Therefore, ComReg has engaged with ECS providers to assist in mitigating these risks.

Potential impact of these withdrawals on customers of ECS providers

Should affected ECS subscribers fail to implement alternative banking payment facilities (e.g., direct debit payments/standing orders) by the closing date they may experience difficulties in paying their bill on time. This could have consequences such as late payment charges, debt collection issues, increased contacts to customer care and risk to continuity of service.

Issues that have arisen and actions taken by ComReg to assist in mitigating ECS consumer difficulties

To date, ComReg Consumer Line has received no ECS consumer queries or complaints pertaining to the withdrawal of Ulster Bank and KBC from the Irish market. ComReg will continue to monitor the situation closely on an ongoing basis.

ComReg has engaged with ECS providers reminding them of the need to have arrangements in place to ensure a smooth transition and to manage their affected customers. ComReg has also sought information on ECS providers' plans to mitigate any risks associated with the failure of customers to update payment details.

ComReg has been contacted by the Banking and Payments Federation of Ireland ("BPFI") and ComReg has conveyed this information request to ECS providers and sought responses to this request to be provided to both ComReg and BPFI.

ECS Consumer Information

ComReg is planning a consumer engagement and awareness campaign to alert and advise ECS customers of relevant issues to assist in mitigating associated risks.

I hope this information is of assistance to you and the members of the Committee.

Yours sincerely,



Robert Mourik
Chairperson



Withdrawal of Ulster Bank and KBC

Submission to Joint Committee on Finance, Public Expenditure and Reform
and Taoiseach

Irish Life Group Submission
June 2022

ABOUT IRISH LIFE GROUP

Irish Life Group (ILG) includes Irish Life Assurance and Irish Life Health as well as its associated companies Irish Life Investment Managers and Setanta Asset Management. We currently have over 3,000 people working at our campuses in Dublin and Dundalk, and we continue to grow.

Irish Life is one of Ireland's leading financial services companies, providing life and health insurance, pensions and investments to over 1.4 million customers in Ireland. For over 80 years, it has helped people in Ireland embrace change and build better futures through its innovative products and dedication to customer care.

Since 2013, Irish Life Group has been a part of Great-West Lifeco Inc., one of the leading financial service providers in Canada. Great-West Lifeco Inc. cares for more than 30 million customer relationships around the world.

EXECUTIVE SUMMARY

Irish Life Group welcome the opportunity to make a submission to the Joint Committee on Finance, Public Expenditure and Reform and Taoiseach on the withdrawal of Ulster Bank and KBC from the Irish market. This submission is made on behalf of Irish Life Assurance which is the largest life assurance and pensions provider in the State and Irish Life Health which provides health insurance coverage to over 470,000 members.

Submission

[The issues that have arisen for your organisation in the context of the withdrawal of both banks from the market.](#)

The withdrawal of Ulster Bank and KBC from the Irish market is likely to cause significant disruption within the wider marketplace for consumers and will impact a large number of Irish Life customers who have direct debits or payments linked to bank accounts provided by these banks.

The focus within Irish Life has been on determining what steps we can take to assist our customers to transition their policies to their new bank account provider, to ensure customers are informed of actions that they are required to address due to these changes and to safeguard against any unintended consequences that may occur where accounts are not moved on time.

Irish Life has put in place a number of Project Teams across the business to specifically manage and assist customers as they move their current banking relationship to a new provider of their choice. This Project has involved the recruitment of additional staff and the redeployment of existing staff to ensure a smooth transition and an efficient experience for our customers who are impacted by this change.

[The impact on your customers as a result of the withdrawal of both banks from the market](#)

The withdrawal of Ulster Bank and KBC from the Irish market has the following impacts to our customers:

- Direct debit payments for life insurance, savings, pensions and health insurance individually need to be moved to the customers' new bank account;
- Payments of pensions benefits to retired customers need to be changed to the customers' new bank account;

- Payments of claims need to change bank account details.

Irish Life Assurance – Life Insurance, Savings and Pensions

As general background, each month Irish Life handles around 45,000 digital interactions and 60,000 calls and emails from our customers. Within this, we get around 1,000 requests per month from customers to change bank accounts. Approximately 75% of bank account changes come as individual requests direct from customers, with the remaining 25% coming through the bank account switcher process offered by the banks.

In terms of Ulster Bank, we currently have circa 64,000¹ -customers who pay their premium from an Ulster Bank account. We make regular pension payments to 6,500 pension customers with an Ulster Bank account. We also have over 40,000 plans that are assigned as mortgage protection to Ulster Bank mortgages.

Approximately 4,000 of our customers with Ulster Bank accounts are aged 70 or older and so are potentially considered as 'vulnerable customers'.

We have agreed with Ulster Bank that around 45,000 customers who have been receiving financial planning advice from Ulster Bank will be given the option of receiving advice from Irish Life Financial Services in the future.

For KBC we have 10,116 plans that are paid from a KBC account; 151 plans where we pay a payment out to customers' KBC bank account; and 7,326 plans that are assigned as mortgage protection to a KBC mortgage.

Some of our customers have a separate Irish Life mortgage protection policy that is assigned as protection to a mortgage they have with either Ulster Bank or KBC. It is understood that the bank will sell that mortgage to another lender which will require the associated mortgage protection policy to be reassigned to that new lender. The exiting bank will be required to provide us with details for which customers' plans need to be reassigned so we can address and issue confirmation to the customer without the customer needing to take any action.

Irish Life Health – Health Insurance

Irish Life Health has c12,000 customers who pay premiums through an Ulster Bank account and also receive claims payments into this account. There are a further c5,000 who use an Ulster Bank account just for receiving claims payments. For KBC, there are currently c2,000 customers who pay their premium from a KBC account and also receive claim payments into this account. There are a further c3,000 who use a KBC account for just receiving claims payments.

In addition to claims payments to our customers, we also process claims payments to our Providers (for example, Hospitals). There are 389 health providers in total including 4 hospitals that are impacted and we are actively engaged with them on the changes needed.

[The actions your organisation has taken and will continue to take to mitigate any difficulties arising for your customers arising from the withdrawal of both banks and the need to source alternative banking services.](#)

Irish Life Assurance – Life Insurance, Savings and Pensions

¹ Please note all customers numbers are the total number of customers when first assessed. The number of members impacted will reduce over time.

A significant project has been mobilised to efficiently support customers as they move their bank accounts from Ulster Bank and/or KBC to their new provider. This will involve a very significant increase in bank direct debit mandate changes over the next 6 months.

The objectives of the project are to:

- Offer new online functionality that allows customers quickly, easily and securely complete a change of their bank account details for payments. We will promote this facility as part of our communications to customers around the exit of Ulster Bank and KBC.
- Increase the number of staff available to handle additional inbound calls. We are in the process of recruiting and training 10 additional employees for this purpose and will supplement this with additional help by redeploying experienced employees from other parts of our organisation as required.
- Engage proactively with customers around the change. We have already commenced building awareness by including specific communications on the changes with our annual benefit statements issued to affected customers.
- We will also run an e-mail campaign to impacted customers.
- We will write out to any customer who does not respond to the email campaign.
- For elderly customers, we will also look to make contact through outbound customer service calls to provide them with information.
- Where a plan with risk benefits (e.g. life insurance, specified illness cover or income protection) looks likely to lapse due to the non-payment of premiums from an Ulster Bank or KBC account, we will react promptly to make arrangements with the customer before they go off cover.

We will track the number of accounts moved and the number still left to move. This will give us the opportunity to react promptly and take further steps if we see areas where progress is too slow.

Our plan is to commence communications to customers urging them to “act now” over the summer months once we have the additional employees in place and the new online functionality is available. Our first preference will be to use text and email to communicate this message. As noted above, where this is unsuccessful or where we do not hold email/phone details, we will write out to the customer. In the event that there is a “correspondence hold” on a plan (e.g. returned post due to a house move) we will work actively with the customer’s financial adviser to reach out and contact customers.

We also plan to commence outbound calls to elderly customers from next month.

Irish Life Health – health insurance

We are aware of the importance of having a frictionless payment process (inbound and outbound), particularly considering the nature of our business, the medical vulnerability and medical cost affordability of our customers, and the cash-flow importance to our Providers. For these reasons, we have and will continue to support and accommodate all customers and providers throughout the period of withdrawal of the two banks.

It’s essential for customers to maintain their health cover for two reasons. It ensures that they continue to have access to their valuable health benefits and it ensures that they can move provider without any waiting periods with the new provider. We will work closely with our customers to mitigate against the risk of a break in cover due to a failure in payments caused by the need to move banks by providing a variety of options to address the issue.

Significant activity and customer communications are planned over the coming months. We have mobilised a project team to coordinate this activity and ensure effort is made to achieve a successful transition for all our impacted customers and providers. This includes the following steps:

- Engage proactively with customers around the change. We will have a dynamic pop-up message on our website and member portal commencing from July to encourage customers to commence the bank switching process.
- Commence an outbound SMS campaign to customers in August to support them in switching / updating their bank account details. We will write out to any customer who does not respond to the SMS campaign.
- Advise customers of our online functionality that allows customers quickly, easily and securely complete a change of their bank account details for payments.
- Provide additional training and support to our call centre employees to handle any additional inbound calls.
- For vulnerable and elderly customers, we will make contact through outbound calls to help them through the process.
- Where a health insurance plan looks likely to lapse due to non-payment of premium from an Ulster Bank or KBC account, we will react promptly to make arrangements with the customer before they go off cover to minimise the risk of a break in cover or delayed procedures.
- Engage directly with health Providers to make the appropriate changes.

We have developed a management dashboard that provides oversight and visibility of the number of customers still using an Ulster Bank/KBC bank account, and this is reviewed monthly by senior managers (moving to weekly and daily as the project progresses).

[Any further information that you believe would be of assistance to the Joint Committee in its consideration of this matter.](#)

The switcher process run by the banks has the potential to be a significant part of the solution to this change. The switcher process is attractive to customers since it allows them to be sure that all their banking payments have been moved without needing to engage directly for each individual payment. This approach should also greatly reduce error levels through the changeover process.

However, we see two blockers to this currently:

1. **Capacity:** The Banking and Payments Federation of Ireland has indicated that there are significant capacity constraints on the switcher process. We believe that an increase in capacity is an important part of dealing with this volume of change.
2. **Paper requests:** We receive requests arising out of the switcher process one by one and on paper. It would both simplify the process and boost capacity if these requests were transferred in a secure electronic format. We are flexible on the timing, method and format of such a transfer but see it as an important opportunity to achieve improved outcomes with less risk for customers.

Addressing these two issues would deliver a material benefit to customers as they face into the complexities of moving bank account over the coming months.

There are some minor gaps within the switchers code (e.g. if the name on the switcher request differs from the name on our records) but these gaps are manageable and don't undermine the general point that the switcher process could be a significant part of the solution to the challenges caused by the exit of these two banks.

Irish Life is assessing the required communication of these changes on other impacted stakeholder groups such as our employees and suppliers also to ensure their transition does not impact continuity of payments from us also.

Conclusion

Irish Life has placed the needs of our customers at the centre of our considerations when reviewing the actions required to allow for a smooth exit of Ulster Bank and KBC from the market. Irish Life has expended time and costs to ensure it has sufficient resources in place to assist customers, however, there are also practical steps that can also be implemented at a market level to ensure a smooth transition.

While Irish Life will make every possible effort to assist customers it is inevitable that not all customers will have transitioned to a new bank account by the time Ulster Bank and KBC have exited. Due to the essential nature of retail banking, we believe it would be worth exploring adopting an approach similar to other industries such as energy, so that a supplier of last resort be established within the banking market to ensure that no customer is left stranded without an alternative bank account.



Vodafone Ireland Submission to the Oireachtas Joint Committee on Finance,
Public Expenditure and Reform, & Taoiseach

Withdrawal of Ulster Bank and KBC from the Irish Market

Version: Non-Confidential

Date: 17/06/2022

Introduction

Vodafone Ireland welcomes the opportunity to engage in this important matter. We remain at your disposal to discuss any aspect of this submission in more detail.

Vodafone Ireland

For the purpose of the consultation, we confirm that Vodafone is a business; and is Ireland's leading total communications provider with 2.3 million customers and employs over 2,000 people directly and indirectly in Ireland. Vodafone provides a total range of communications solutions including voice, messaging, data, and fixed communications to consumers and to small, medium, and large businesses. Since 2011, Vodafone has expanded its enterprise division, offering integrated next-generation fixed and mobile solutions in addition to cloud-based platforms, machine-to-machine services, and professional ICT support.

In this submission, we provide responses to the topics posed in our Submission Request from 3 June 2022.

Background & Context

Our recent figures for May 2022 payments indicate that we have a significant number of customers, both consumer and business, who use KBC or Ulster Bank for billing purposes with the Vodafone Ireland network. This includes both SEPA and recurring card instructions.

Given the increasing importance of connectivity for economic and societal resilience, we have identified these customers and are focussed on ensuring that they do not experience any service interruptions as a result of this process.

Aside from the customer perspective, we would point out for the Committee's information, that Vodafone itself is not immune to potential disruption due to the withdrawal of the two banks from the market, particularly given that we hold an Ulster Bank account ourselves, managed by our Collections Team, and where Vodafone pay suppliers to Ulster Bank or KBC bank accounts, which is being managed by our Supply Chain Management team.

Vodafone Focus

As you will appreciate, Vodafone's focus is on ensuring that the potential inconvenience to our customers is minimised as much as possible. We believe that we already do this by providing an easy mechanism for all customers to update their payment details at any time once they have switched providers.

Since we became aware of the exit of both KBC and Ulster Bank from the Irish market, Vodafone has been taking actions internally to prepare for the impact on our customers. This has included the establishment of an internal team within our Payments Division, who have been leading on Vodafone's response, which has crucially included exploring the potential risks, challenges, and actions necessary.

Vodafone Approach

In terms of our customer engagement, we plan to directly engage with our customers as part of this campaign to inform them how they can update their details. Our intention is to provide convenient methods to update their payment details, with a focus on an easy-to-use digital process via our app or website, and to avoid any scenario where a customer may lose service down the line.

In addition, we will have system reminders for our agents in instances customers are contacting us via our other channels, to ensure a full suite approach to customer engagement.

As above, our approach is digital first and we have taken several steps to support our customers, including:

- A pop-up on the My Vodafone App for customers who have Ulster or KBC details registered on our system, which reminds them to amend their details when they can. This is now live for those customers to see.
- We have reached agreements with Ulster Bank, KBC and the BPFI, for them to share links to our website on their own respective sites for customers impacted.
- Messages on the Interactive Voice Response are being developed to advise customers how to update their payment details. This will ensure that customers contacting Vodafone have all the information they need on how to update their details - This in progress and will be live shortly.
- Unified Frontend and online campaigns: This frontend integrates the various systems required to provide Vodafone customers with ordinary day-to-day information regarding their bill, plan, orders etc., and manage customer interactions. Using a single frontend application, agents and partners are able to access a 360° view of the customer in a matter of seconds. Thus, improving customer-facing moments and removing the complexity of dealing with a high number of systems, ensuring any Vodafone employee dealing with an impacted customer will have the information they need – this is also in progress and will be live shortly.

We have briefed all our customer care agents to ensure they are aware of the industry changes. As KBC and Ulster Bank begin to ramp up their own communications with customers, particularly over the summer months, we have plans to proactively communicate with our own impacted customers to explain how they can update their bank details as quickly and easily as possible, with a plan in place to proactively outreach to customers in July and August.

In July, we will commence pilot outreach, before broadening our outreach in August based on our learnings in July.

Vodafone Customer Support

Given the increasing importance of connectivity for economic and societal resilience, we are clear on which of our customers transact with us via KBC and Ulster Bank and are focussed on ensuring that our customers do not experience any service interruptions as a result of this process.

If we compare our March payment volumes to May payment volumes alone, it is clear that several thousand customers have already successfully switched their payment details from Ulster Bank or KBC.

Our priority is to communicate clearly with our remaining impacted customers so that those changing payment details have all the information they need to do so, and that our processes are as straightforward and user-friendly as possible. We will stay close to our customers throughout this process to ensure that any concerns arising can be addressed.

Vodafone Ireland continues to engage with KBC, Ulster Bank and the Banking and Payments Federation of Ireland (BPFI) to assist in raising customer awareness on the steps they may have to take and to support a smooth transition for customers as they change their bank.

ENDS



Deputy John McGuinness, T.D.
Cathaoirleach to the Committee,
Joint Committee on
Finance, Public
Expenditure and Reform,
and Taoiseach
Leinster House
Dublin 2
D02 XR20
Tel: (01) 618 3850

By email: financecommittee@oireachtas.ie

Private and Confidential

17th June 2022

Re: Ref: JCFPERT-I-0564

Dear Deputy McGuinness,

Thank you for the letter of 3rd June 2022 where you requested that we outline how we plan to engage with the relevant banks and where applicable, the Banking and Payments Federation of Ireland (BPFI) following the decision by two retail banks to withdraw from the Irish market. This engagement will help to ensure a coordinated and effective approach is taken to protect and fairly treat customers throughout this period of change.

We acknowledge the unprecedented situation and the impact that it will have on the market and customers. As the only Irish-owned Insurer in the market, we are committed to delivering a proposition to our customers that they value and, commit that we will play our part for our customers.

Details of our current and future activities to continue to support our customers in the switching process are contained in the following pages.

I hope that this satisfactorily answers your queries in relation to the specific issues raised.

Yours sincerely,

Tomás O' Midheach
Chief Executive Officer
FBD Insurance plc

Protection.
It's in our nature.

FBD Insurance plc and direct debit mandates with exiting financial institutions

FBD Insurance policy holders with active direct debits make up 18% of our 500,000 policyholders. At the time of writing, KBC and Ulster Bank currently account for 5,667 policyholders with active direct debits, with this number reducing weekly. While we have experienced an increase in the number of switching requests compared to normal circumstance, this has had no impact on our operations and the service we provide to our customers. We remain fully committed and dedicated to assisting our customers during this challenging time.

Actions and structures to support customers:

Ease of Switching

FBD accepts all switching requests from our customers (face to face, over the phone or by post). To support this, we have the following:

- An experienced team in place within Head Office that is well placed to act promptly on bank account switching notifications received on paper.
- 34 Sales Offices located throughout Ireland and a supporting Contact Centre in Mullingar. All customer facing staff have the expertise and access to action these customer instructions.

It is a relatively quick process to execute the request and we are satisfied that the current resourcing structure is adequate to ensure a prompt and efficient turnaround.

IBAN Discrimination

We do not engage in IBAN discrimination. Any SEPA-reachable IBAN can be used by our customers.

Monitoring

- On a weekly basis, we actively monitor the level of direct debit rejections and resulting policy cancellations.
- In the event of a rejection, we never automatically cancel a direct debit policy without first sending a letter to the customer who owns the mandate (and the policyholder, if different). This letter will give at least 10 working days for the customer to respond. Additionally, our staff have flexibility to support the customer by re-attempting the direct debit to the same bank account, or to a new one, on a suitable date agreed with the customer. Alternatively the customer can pay by cash, cheque or card in a local office, over the phone or by post.

Fees

- We currently waive fees associated with all direct debit rejections (This relates to customers of all banks, not just KBC and Ulster Bank). This was one of the consumer centric solutions introduced by FBD Insurance in March 2020 in response to the COVID-19 pandemic.

Additional Planned Activities:

Communication

- In the short-term we plan to issue an internal communication to all customer-facing staff, reminding them of the requirement to support customers in this process and re-familiarising them with the flexibility they have in responding to rejections.
- We are planning to issue a communication to affected customers to remind them of the impending requirement to switch to a new bank and telling them how to contact us to update their details once they do so. Reminder communications may also be issued, as required.
- We will update our website advising how FBD customers can switch.
- We are planning a series of social media service posts advising the same.

Engagement with the BPFI / Banks

- To date, we have attended two BPFI meetings and will continue to attend any future meetings. We undertake to engage constructively with the BPFI in their initiatives to improve the switching notification process.
- FBD has established a point of contact with KBC and Ulster Bank in the event that any issue arises.
- We will continue to attend any meetings hosted by KBC or Ulster Bank.

Further information:

- At this point in time, we do not have any further information or comment, which we believe would be of assistance to the committee in its consideration of this matter



17 June 2022

Ref: JFPERT-I-0559

Deputy John McGuinness,
Cathaoirleach
Joint Committee on Finance, Public Expenditure & Reform, and Taoiseach
Leinster House
Dublin 2
D02 XR20

Re: Report on Banking Issues including Withdrawal of Ulster Bank and KBC from Irish Market

Cathaoirleach,

I am responding to your recent letter (June 03, 2022) on the above matter.

As requested, please find attached our response to the four questions posed in that letter.

Clearly the departure of the two banks represents a significant change for many of our customers and we are determined to make that change as easy as possible for those impacted.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Bradley', with a stylized flourish at the end.

Philip Bradley.



Ref: JFPERT-I-0559 – Response from AXA Insurance dac

Question	Response from AXA
[Set out] The issues that have arisen for your organisation in the context of the withdrawal of both banks from the market	<p>A very common method of payment of insurance premiums amongst our customers is by monthly Direct Debit and we estimate that approximately 25,000 customers of Ulster Bank and KBC pay their premiums to AXA via this method.</p> <p>The challenges therefore are to assist relevant customers to; (1) realise the need to alter their DD arrangement, (2) help them to make that alternation as easily as possible, (3) ensure that nothing happens to their insurance cover as a result of, for example, an administrative delay in the transfer of the DD mandate from one bank to another or the receipt of funds by AXA and (4) guard against any over payments made in error.</p> <p>The challenges in this area are particularly acute in the case of vulnerable customers and we have taken this into consideration in our plans.</p>
The impact on your customers as a result of the withdrawal of both banks from the market	<p>Inconvenience and worry.</p> <p>Inconvenience in that they now need to establish new payment details with AXA.</p> <p>Worry, that the process between their new banking partner and insurance provider may not run smoothly and impact their insurance cover.</p>
The actions your organisation has taken and will continue to take to mitigate any difficulties arising for your customers arising from the withdrawal of both banks and the need to source alternative banking services,	<p>We have established a dedicated cross functional team to scope, manage and deliver a solution that helps our customers, and ensures that our internal processes will be aligned with the evolving needs of those customers as we move closer to the bank(s) withdrawal date.</p> <p>A key element of this team's responsibilities is to proactively analyse and monitor payments from relevant customers, to help deliver a smooth transition and to efficiently and effectively help customers if any issue arises.</p> <p>An integrated communications plan spanning Operations, Marketing and External Communications is being devised to help ensure our impacted customers are aware of what is required of them from an AXA perspective.</p> <p>Meeting regularly with BPFI to monitor developments.</p>
Any further information that you believe would be of assistance	<p>Nothing of significance at this time.</p>



JCFPERT-
R-0739-2022
Rec'd 17/06/22

Revenue 
Cáin agus Custaim na hÉireann
Irish Tax and Customs

www.revenue.ie

Cathaoirleach
Chairman

Oifig na gCoimisinéirí Ioncaim
Caisleán Bhaile Átha Cliath
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Éire

Office of the Revenue Commissioners
Dublin Castle
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D02 F342
Ireland

Your Ref: JFPERT-I-0565
Ref: 100352-22

17 June 2022

Mr. John McGuinness T.D.,
Chair to the Committee,
Joint Committee on Finance, Public Expenditure, and Reform, and Taoiseach,
Leinster House,
Dublin 2.
D02 XR20
financecommittee@oireachtas.ie

Dear Deputy McGuinness,

I refer to your correspondence dated 3 June 2022 regarding the Committee's preparation of a report on banking issues, including the withdrawal of Ulster Bank and KBC from the Irish market.

I note your request for a short submission covering the issues that have arisen for Revenue in the context of the withdrawal, the impact on our customers, the actions Revenue has taken and will continue to take to mitigate any difficulties arising from the withdrawal of both banks, and any further information that may be of assistance to the Committee in its consideration of this matter.

The requested submission is attached at Appendix A.

If any further information is required please contact Angela O'Gorman at
angela.ogorman@revenue.ie.

Yours sincerely,

Niall Cody,
Chairman.

Revenue submission to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on the withdrawal of Ulster Bank and KBC from the Irish market,

Introduction

1. Revenue is very mindful of the disruption that may arise for some of our customers as Ulster Bank and KBC leave the Irish banking market. Our approach is to inform, support, and assist our customers in the changeover of customer bank details. Revenue has attended and will continue to attend information sessions led by the exiting banks and the Banking Payments Federation of Ireland (BPFI). Our approach will continue to evolve as the bank account switching gathers pace over the coming months and as further updates are received from the BPFI information sessions.
2. Ensuring an orderly and smooth transition for all stakeholders is predicated on customers having access to a new banking provider as a first step to begin the switching process, either online or using the Central Bank's Switching Code. This factor is outside the control of Revenue and depends entirely on the remaining banks having sufficient capacity and scale to facilitate the account opening and onboarding process in a time efficient and seamless manner for the impacted customers.

Switching process

3. In switching to a new banking provider, customers will have two options as follows:
 - *Option 1:* customer manages the process themselves i.e. opens a new bank account (or use an existing account with another banking provider) to set up their recurring payments including Direct Debits (DD), standing orders, etc. This option will suit the more digitally enabled customer who can avail of online channels provided by the Banks and Revenue to make the switch and update their bank details as required.
 - *Option 2:* customer may opt to use the Central Bank of Ireland's *Code of Conduct on the Switching of Payment Accounts with Payment Service Providers* (the Switching Code), whereby the old bank undertakes to notify all Direct Debit originators of the customer's new bank details, with the intention that the Direct Debit/recurring payment instruction is 'switched' seamlessly from the old to the new bank account for the customer.
4. While we expect that the majority of our customers will avail of online channels to manage the process themselves, some customers may opt to use the Switching Code. The Code has been in existence for over two decades and historically Revenue would have seen very low volumes of customers switching accounts.
5. The Switching Code is manual and paper-based and is not considered scalable for the unprecedented volumes of switching requests expected over the coming months. At the BPFI information sessions, concerns have been raised by the high-volume DD originators, including Revenue, regarding the very significant manual effort that will arise in processing switching requests in the absence of an electronic solution from the Banks. It is disappointing that an

electronic solution has not been considered to date by the Banking industry to alleviate this administrative burden, given that the industry was aware of the departure of the two Banks in mid-2021.

6. Given the absence of an electronic solution, Revenue, as a high-volume DD originator, has planned for the processing of paper notifications from the exiting banks. Each notification requires a manual input into our internal systems, along with robust quality control measures and contingency resource capacity to guarantee a timely and accurate process.
7. Ensuring that bank details are updated seamlessly and quickly for tax collections and refunds is in the interests of both the customer and Revenue to avoid undue disruption to direct debit collection, refund processing and phased payment arrangements already in place. Revenue will seek through an active programme of engagement with our customers to manage the risk of issues arising inadvertently for our compliant customers such as bounced payments due to closed accounts or insufficient funds. Such matters would result in tax payments being late because of avoidable processing delays, payment demands issuing to customers due to delayed payments, lapsing of agreed payment arrangements because of late payment, tax refunds being delayed pending the receipt of updated bank details thereby impacting cash flow for our customers.

Current Revenue position – Ulster Bank and KBC accounts

8. For the year 2021, 770,334 payments totalling €9bn were collected from taxpayers using Ulster Bank accounts, which represent 10% of the tax collection in 2021. A total of 67,645 payments of €72m were collected from taxpayers using KBC accounts. Customers with payment mandates of a 'recurring' status (81,284 and 10,096 customers respectively) are a priority for direct communication as these are repeat payment instructions processed on a monthly basis using our online ROS and Direct Debit payment methods.
9. Bank accounts used for repayments are retained on our system as active regardless of when or how often they are used and until we are notified otherwise by the customer. Currently we have over 280,000 active UB/KBC bank accounts on record for tax refunds; accounts used for PAYE refunds account for 55% of the total accounts on record.
10. Revenue is already seeing that customers have begun the switching process using our online channels to update their bank details themselves, in addition to some customers availing of the Central Bank 'switcher code' option. Since the announcement of the Bank's departure, Revenue has received over 7,000 paper-based switcher forms in 2022. We are processing the current volumes within our existing resource capacity and this will be kept under review as volumes are expected to increase. Additional resource capacity will be made available should volumes ramp up significantly over coming months.
11. In relation to peak pay and file periods such as for Local Property Tax (LPT) and Self Assessed Income Tax, it is clear to us that the majority of taxpayers want to do the right thing by paying their taxes on time, either in full or on a phased basis, if they have temporary cashflow difficulties. If a customer misses their payment due to delay in the transfer of their bank account, the taxpayer will be able to engage with Revenue in the first instance. Where it is evident that the taxpayer has made best efforts to meet their obligations, Revenue will treat those taxpayers as having complied with their requirements on time, providing they follow up by making payment promptly. As always, taxpayers can contact Revenue using our online My Enquiries channel or contacting one of our national helplines for assistance. We will be making details of these contact arrangements known again to customers as part of our direct engagement campaign with them.

Communications approach

12. Our approach is to provide sufficient information on our online channels to facilitate the customer to 'self-serve' and update their new bank account details directly onto our customer facing systems as early as possible in the switching process. Customers will be directed to the relevant portal on ROS or MyAccount where they can follow instructions on how to update their bank details. Those customers who are not digitally enabled can contact one of our National helplines for assistance.
13. A key message in our customer communication will be a Fraud Alert message. This disruption in the banking market will be a significant opportunity for fraudsters to exploit the situation and request customers to update bank details on fraudulent sites. Further detail on our approach is as follows:
 - We will update the Revenue website by 30 June with a single point of information for customers on how to update bank account details for both payments and refunds. This information will be shared with the Banks who can host this information on their website or provide it to impacted customers at their Branches.
 - Conduct a communication campaign to customers using Ulster Bank and KBC accounts for payments and refunds to include contact details for queries and assistance where required. The timeline for this campaign is Q3 2022 to allow time for Ulster Bank and KBC to reach a critical mass in their direct customer notifications in the coming months.
 - Continue with our customer awareness campaign in bulk issue communications to remind customers to update their bank details, e.g., message will be included in the Pay & File (P&F) reminder notice issuing to c.180,000 ROS customers in June 2022.
 - Add messaging to customer facing screens where bank details are input for payments and refunds to alert customer to update bank details if they have changed banking providers.
 - Conduct targeted customer campaigns in the run up to peak filing and paying periods such as Income Tax P&F in November, PAYE refunds period in January 2023 and the LPT annual payment due date in March 2023.

JCFPERT-R-0740-2022
Rec'd 17/06/22



17th June 2022

Ref: JFPERT-I-0569

The Clerk
Joint Committee on
Finance, Public
Expenditure and Reform,
and Taoiseach
Leinster House
Dublin
2 D02 XR20

I refer to your email of 3rd June inviting a short submission to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach which I understand is currently preparing a report on banking issues, including the withdrawal of Ulster Bank and KBC from the Irish market. Zurich Ireland has been liaising with the Banking and Payments Federation of Ireland via monthly forums regarding the continued operation of banking processes, such as direct debits, standing orders, and other items.

We are working proactively to minimize the impact on our customers and will endeavor to ensure that it is seamless as possible within the constraints of what will be a largely manual, paper based switch across the banking system. The withdrawal of Ulster Bank and KBC impacts several different areas within our business. The largest impact is for Customers who pay their premiums through direct debits (in excess of 30,000) and for Customers who receive pension and benefits directly from us. We also have the disruption of being a major customer of one of the departing banks which requires significant work to update our new banking details for all existing customers who interact with us on EFTs.

I attach a submission on behalf of Zurich Ireland which encompasses our two individual regulated business units, Zurich Life Assurance PLC which operates in the Life Insurance market and Zurich Insurance PLC which operations in the General Insurance market.

Yours sincerely,

Anthony Brennan

CEO Zurich Ireland

Zurich Insurance plc

PO Box 78 Wexford Tel: 01 667 0666 Fax: 01 667 0644 www.zurich.ie

Registered in Ireland under number 13460. Registered office Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.

Directors: A Martin (Chair) (UK), S Signorelli (USA), D Englberger (Germany), R D Campbell (UK), S Dargan (Ireland),

D Roberts (UK), H Keelan (Ireland), N Freshwater (UK), M O'Neill (Ireland), N Dunne (Ireland).

Zurich Insurance plc is regulated by the Central Bank of Ireland.

• The issues that have arisen for Zurich in the context of the withdrawal of both banks from the market

- It is not clear at this stage how many customers will opt for which form of bank details update, i.e., phone call, paper mandate, via broker, via switcher code, or via their digital banking apps.
- The timing of **when** a customer will take action after they receive their notification from their bank is uncertain. Will they be proactive or slow to take action?
- We also do not know which of our customers are in which wave of notifications the banks are issuing out.
- Additional capacity is needed to facilitate our direct debit customers who currently pay their polices with us via KBC and Ulster Bank accounts.
- We have a number of customers in receipt of pension income which is currently being paid to their Ulster Bank/KBC Bank accounts. These customers will need to provide new bank account details for these payments to continue.
- Currently the process for changing direct debit for our customers would involve them contacting us via phone, email or posting a paper mandate. We understand that the banks are recommending their customers use the switcher code. That process involves the banks sending a paper file to Zurich which we then must process. The Switcher Code was not designed to accommodate a large number of switches over a short period of time. It has been communicated very clearly from the outset that the Banks have no intention to seek a digital alternative to this.
- Zurich Life is an Ulster Bank customer, and we have a project underway to move to a new banking partner. Part of this internal project will involve communicating our new EFT bank details to both brokers and customers.

• The impact on your customers as a result of the withdrawal of both banks from the market

- The inconvenience for the customer – they will need to set up a new bank account and decide whether to use that bank's switcher code process or contact each service provider individually to amend the Direct debit details.
- Updating their direct debit details at the correct time of the month to avoid missing premiums/payments which could cause cover to lapse.
- There is a risk that a timing issue could mean that the customer either does not have sufficient funds in their old bank account or their new bank account when that bank attempts to process the next direct debit withdrawal.
- There is a risk of delays to customers receiving their pension payments if they have not provided their new bank account details to Zurich and their Ulster Bank/KBC Bank account has been closed. Comms are planned for all customers as noted in the next section.
- Existing customers may have Zurich's Ulster Bank account details saved on their online banking app. This will need to be updated to Zurich's new bank account to make future pension top ups or lump sum investments by EFT. We will be communicating with customers in relation to the need to update these details.

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• The actions Zurich has taken and will continue to take to mitigate any difficulties arising for your customers arising from the withdrawal of both banks and the need to source alternative banking services,

- We have formed internal working groups to ensure that this is treated as a high-priority item within Zurich – we recognise that this will directly impact a lot of our customers so robust readiness planning is underway.
- We have plans in place to communicate with our Brokers about the potential impacts to our customers.
- We intend on issuing a communication to our impacted customers explaining all their options on how to change their direct debit details and provide details of how we will support them.
- We will set up a dedicated IVR phone line to direct these customers to the appropriate agents.
- All Customer Facing Agents have been briefed in how to assist these customers effectively.
- We are putting in place a process to monitor customer transition to new bank accounts to ensure we identify and follow up with any Ulster Bank or KBC Bank customers where premiums lapse in case this was in error.
- We will in due course communicate our new banking partners details to both customers and brokers. This is likely to take place late 2022, early 2023.

• Any further information that you believe would be of assistance to the Joint Committee in its consideration of this matter.

- Not currently

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