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Deputy Richard Bruton TD
Dáil Éireann
Kildare Street
Dublin 2

28 March 2022

Re: Ulster Bank and KBC exit from Irish banking market

Dear Deputy Bruton,

I refer to your email of 10 March 2022 to Governor Makhlouf in relation to the decision by Ulster Bank and KBC to leave the Irish banking market and the significant challenges this will pose for customers. We understand your concerns and we are fully aligned on the need for the banks, both those exiting the market and those that will remain, to ensure that they meet the needs of banking customers.

The retail banking sector in Ireland will see significant change over the coming years. The demands that will be placed on the system will pose significant challenges. These demands will have to be matched by plans, preparations and resources from the banking sector, which are in the first instance consumer focused. It is the responsibility of the individual banks to ensure that they are putting their customers first, ensuring the fair treatment of customers and that customers understand what the changes mean for them.

This is a priority issue for the Central Bank and has been since the announcement by both departing banks early last year. We have a dedicated programme of work across the Central Bank, actively supervising both the remaining and departing banks in how they are managing these issues. We are actively engaged with the sector on these issues since last year, including meetings with both the banks and industry representatives.

More specifically, in June 2021, in anticipation of the changes in the sector and the impact on consumers, [we wrote to each of the banks to set out our expectations](#) of the importance of considering consumers' interests in decision-making throughout the withdrawal phase. Included in this letter was an explicit expectation that the retail banks:

- *“Consider specifically the impact of their decisions on vulnerable customers and provide the assistance necessary to reasonably mitigate those impacts and retain access to basic financial services.*



- *Have specific and effective processes and communication plans to support vulnerable customers during this time of increased uncertainty.”*

The Central Bank will remain focused on this issue throughout this period of transition. In particular, as we head into the period during which significant numbers of customers will be looking to move bank accounts, we will scrutinise compliance with the expectations we have set and we are prepared to intervene further, if necessary, should this transition not proceed in line with those expectations.

Yours sincerely,

A handwritten signature in blue ink that reads "Colm Kincaid." The signature is fluid and cursive, with a small dot at the end.

Colm Kincaid
Director of Consumer Protection