

## **Colm Kincaid: A modern code for a modernising movement**

Speech by Mr Colm Kincaid, Deputy Governor of the Central Bank of Ireland, at the Irish League of Credit Unions (ILCU), Dublin, 22 May 2026.

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Good afternoon and thank you for the opportunity to speak to you today. It is great to see the energy and commitment to the credit union movement evident here today and reflected in your agenda for today's conference.<sup>1</sup>

Today's event is especially timely, coming not long since Minister Troy's announcement in April of the Credit Union Strategy Project, which provides an opportunity to future proof the credit union sector to overcome challenges and meet opportunities. The Central Bank welcomes the opportunity to support this project, which will build on recent reforms including the Credit Union (Amendment) Act 2023 and revised Central Bank lending regulations that introduced expanded capacity for house and business lending.<sup>2</sup>

The Credit Union Strategy Project is focused on the future. So too will be my remarks today.

### **The Role of Credit Unions in Ireland's Financial System**

Credit unions occupy a distinctive and valuable place in Ireland's economic landscape. You provide financial services to 4.25 million members across the island of Ireland. You support local economic activity and the full arc of members' lives.

You represent a significant part of our financial system – and one we at the Central Bank must continue to look at through a systemic lens.

This requires that you too think systemically as you develop your community finance model to support your members' needs.

This community finance model also includes credit unions working together through shared service organisations (CUSOs). The Central Bank will shortly commence a consultation process to establish a regulatory framework to further support the development of these CUSOs.

We should all want to see a sector of this scale be strong, trusted and sustainable. This means a credit union sector that is financially sound, well-governed and capable of properly managing risk. It means a sector that protects members' interests and contributes to financial stability.

It also means a credit union sector that is positioned to deliver the services members want to a standard they expect and in an increasingly digital landscape.

### **The Changing Digital Landscape**

Credit unions have adapted before to meet members' needs. I am sure you will look to now do so again in the face of the digital transformation underway.

I have heard that your message to members is "we're digital when you want it, but human when you need it".<sup>3</sup> This is a powerful message and one I applaud.

But the pace and scale of change now being driven by technology is more profound than in the past. It is reshaping services and consumer expectations, as well as opening up new options to consumers for information, advice and financial services that simply did not exist before.

At a societal level, it is also transforming the traditional ideas of community.

To put it bluntly, it is no longer just the local bank you are competing with.

In order to grow within this landscape, credit unions will have to continue to mature to meet member demand, operational necessities and regulatory requirements. Today, I want to put two thoughts in your mind as you look to the future of your movement:

- First, the role of the Consumer Protection Code in supporting the evolution of the credit union movement, designed as it was with this digital landscape specifically in mind.
- Secondly, the more prominent role I believe credit unions could play in supporting their members' financial literacy and broader financial wellbeing during a period of great change.

## **The Consumer Protection Code – rules tailored for a more digital age**

Our modernised Consumer Protection Code (CPC 2025) was published in March 2025 and came into force on 24 March 2026. As you will know, the Code applies to credit unions when providing certain services, such as selling insurance.

But it does not apply to credit union services more generally. This means credit union members do not always have the same statutory protections as bank customers – for example, when taking out a mortgage.

That position is set to change with the application of the modernised Consumer Protection Code to the full breadth of credit union activity. We are in the process of concluding our assessment of the submissions received in our public consultation on the application of the Code to credit unions. I thank the Irish League of Credit Unions for their thoughtful submission which has been helpful in informing our thinking.

This brings me to the central theme of my remarks today – a modernised Code for a modernising credit union movement.

Because one of the aspects of the revised Code that you may or may not have focused on is that it has been tailored to be fit for purpose in a landscape that is more digital and has a wider variety of firms providing day to day financial services and advice. I suggest to you therefore that the new Consumer Protection Code is custom made for a credit

union sector looking to expand its services in a more digital landscape while retaining its core values.

To take a few examples:

- The new Code places "Securing Customers' Interests" at its heart. An emphasis on serving, securing and protecting members interests is not a novel concept to credit unions, given the sector's guiding principle of being not for profit, not for charity, but for service.
- The new Code recognises the vulnerabilities consumers may face in different situations, as well as the scope for financial abuse in our communities. Being at the centre of communities enables credit unions to understand a vulnerable member's needs, and interact in an empathetic and understanding manner.
- The new Code moves us from a standard of simply disclosing things to one of 'informing effectively'. Credit unions consistently rank highest in public surveys on trust and reputation. These scores are underpinned by strong communication flows between credit unions and their members.
- Finally, the new Code imposes obligations to ensure digital services are designed and implemented with a customer focus, with transparency about how data is used, and to maintain robust systems to guard against cyber risks. Credit unions have been careful to continue supporting members through technological change.

## Implementation

Of course, these regulatory reforms will only be as good as their implementation.

Implementing the Consumer Protection Code will require effort.

We've undertaken a costs and benefits assessment, and we've heard from credit unions about the resources required. It tells us that the costs are manageable, not least taking into account the extent to which credit unions' practices already align with many of the Code's principles.

And yes, the Central Bank will support credit unions in their implementation of the Code as we did for its coming into force for other sectors in March of this year.

We see the Consumer Protection Code as the beginning of a living regime rather than the end of reform. The pace of change will continue. Digitalisation will accelerate. New products will emerge. AI will become more sophisticated. Climate impacts will intensify. We will continue to listen and adapt. As a framework for credit unions, the Code is custom made for such an evolving landscape, with its combination of broad future-proofed principles coupled with more detailed provisions in areas where our rulebook is more mature (such as mortgages).

The application of the Consumer Protection Code to the full suite of credit union activities represents a defining moment in the growth of the credit union movement. It recognises the credit union as a professional provider of regulated financial services on a par with other financial institutions providing the same services – while leaving it open to credit unions to develop their business model to suit their members' needs.

## Financial Literacy

The second theme I want to speak to you about today is that of financial literacy and broader financial wellbeing – where I believe credit unions could play a greater role.

The Credit Union Act 1997 requires you to train and educate members in the use of money. This statutory obligation reflects something fundamental: financial capability matters, and credit unions have a responsibility to build it.

The Central Bank, for its part, is supporting financial literacy through Ireland's National Financial Literacy Strategy. The credit union sector has been identified as having a key role to play to deliver concrete change and improved financial literacy in those groups with lower levels of financial literacy and younger people generally. The Strategy recognised the 'Start Money Smart' initiative developed by ILCU as a positive case study in promoting financial literacy in primary schools. Further objectives from the Strategy include a strengthening of consumer understanding of credit and debt, which ILCU affiliated credit unions are providing through their "Clued In" education program that is targeted at second level students.

When considering financial literacy, it is important to recognise that we don't want a population that understands financial concepts for the sake of it. We want a society that has the resilience to withstand economic shocks, the confidence to secure its own financial future, and a financial system that supports consumers to achieve their own financial wellbeing.<sup>4</sup> Credit unions are uniquely positioned to foster this. The provision of budget account services to members is an example. And there's scope to do more. You can educate members to ensure they understand financial products and services and make informed choices. You can support both financial literacy and financial wellbeing and I know that you feel passionate about this. This isn't peripheral to your mission: it is a central tenet of it.

The evidence is there that there are some things we learn better face-to-face. Your movement's commitment to human-to-human interaction in the delivery of your services provides a unique opportunity for you to play this role in our society – to join up financial education, financial services and an overall conversation on your members' financial wellbeing in your communities. I encourage you to consider the evolution of your movement through this lens.

## Conclusion

Credit unions retain an important role in Ireland's domestic financial system. You serve people in their everyday lives in communities across the country. You support local economic activity and provide financial services with a human dimension in an increasingly digital world.

I can see that credit unions are working to evolve in ways that bring real benefits to members.

The Consumer Protection Code is designed to support that evolution - to provide a framework that guides you and protects your members as you expand into new products and delivery channels, consistent with other financial service providers.

The Central Bank is committed to supporting credit unions through its implementation of the Code. We will engage with you on topics or aspects you wish to discuss. We will listen to your concerns. And we will work with you to ensure that credit union members receive the protections they deserve – modern protections for a modernising credit union movement.

Thank you for the opportunity to speak to you today. I wish the Irish League of Credit Unions well for the rest of its Conference. I hope my remarks will be helpful to your discussions today and into the future.

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<sup>1</sup> [My thanks to Eoin Sheanon and Eamon Clarke for their help in preparing these remarks.](#)

<sup>2</sup> [Credit Union \(Amendment\) Act 2023 and revised Central Bank lending regulations that introduced expanded capacity for house and business lending](#)[Opens in new window](#)

<sup>3</sup> [How are Credit Unions Different?](#)[Opens in new window](#)

<sup>4</sup> [View a discussion on the interplay of financial education and financial wellbeing](#)[Opens in new window](#)