



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Gabriel Makhlouf
Gobharnóir / Governor

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A handwritten signature in blue ink, appearing to read 'Gabriel Makhlouf'.

Re: National Financial Literacy Strategy

The Central Bank of Ireland welcomes the development of the National Financial Literacy Strategy announced on 12 July. I would like to take the opportunity to share some views and insights to support your ongoing work in this area.

Protecting consumers is at the heart of the Central Bank's role and financial literacy is an important aspect of this. I support the development of the strategy, and in particular the focus on bringing multiple stakeholders together to deliver a cohesive approach to financial literacy.

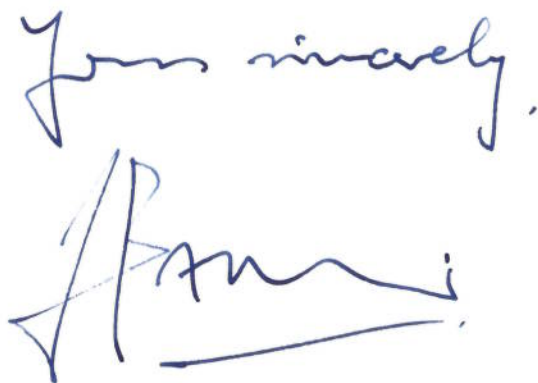
Financial literacy enables consumers to make effective and informed choices to improve their financial well-being. Consumers who understand the financial products and services available – including risks, benefits and costs – are better able to make informed financial decisions. The importance of financial literacy was highlighted in the Central Bank's Consumer Protection Code review discussion paper published in October 2022 and was echoed in stakeholder feedback, as outlined in our engagement update published in July.

Financial services firms have an important role in financial education and enhancing financial literacy levels in Ireland. The Central Bank expects firms to provide information in a way that enables consumers, to understand what is relevant to them and make informed decisions

accordingly. Finding your way in today's financial services market also requires an ability to use digital technology, as well as financial knowledge and skills. We expect firms to support their customers when moving to a digital service so that they are not excluded or disadvantaged as a result of poor digital literacy. We will address these issues as part of our review of the Consumer Protection Code.

The emergence of some new products, such as crypto, can also pose high risks to consumers and it is important to ensure that they are informed of the associated risks with purchasing such products.

A number of financial education and awareness initiatives undertaken by the Central Bank are summarised in the annex to this letter and have been shared with your officials. I look forward to engaging with you and other stakeholders on the development of the strategy.

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

Gabriel Makhoul

Annex: Financial Education and Awareness

- **Central Bank Consumer Hub**

The Central Bank's Consumer Hub is a dedicated consumer information section on the Central Bank website designed to support consumer awareness and understanding of financial services. The aim of the Hub is to answer the questions most often asked of us by providing information on issues affecting consumers, topical issues being discussed publicly, and information related to our work and outcomes relevant to consumers. This information is provided through digital content including video, text 'explainers' and frequently asked questions on topics such as mortgages, credit provision, banking services and dealing with financial distress. The Central Bank also publishes warnings about developments in the financial services markets, including scams and frauds, which pose a threat to consumers. For example, in March 2022, the Central Bank issued a warning on purchasing crypto, which highlighted their risky and speculative nature and alerted people to the risks of misleading advertisements, particularly on social media. The Consumer Hub is regularly marketed through social media channels to reach as wide an audience as possible and the information is continually updated.

- **Educational Resources**

- The Central Bank's educational resources and games website page provides links to multimedia and games to help young people, students and the general public learn more about key economic concepts such as inflation and price stability.
- The Central Bank sponsors a Young Economist of the Year award. The Award aims to discover and highlight the talent of emerging economists in Ireland, with a focus on the Irish economy and monetary policy. The entries by second-level students are reviewed by a judging panel made up of Central Bank economists.
- As part of our outreach visits, the Governor and Deputy Governors visit 3rd level institutions to meet with students to discuss the work of the Central Bank and to answer questions from the students on their work.

- **Generation Euro Students' Award**

In conjunction with the ECB, the Central Bank participates in the Generation Euro Students' Award, a national competition for Transition Year and 5th Year students, which promotes awareness of monetary policy and macroeconomics.

- **Digital Public Awareness Campaigns**

- In July 2022, the Central Bank ran an online public awareness campaign titled "How can I protect myself from financial scams?" This campaign sought to inform the public on how to recognise a potential scam, and provide them with information

- about how to protect themselves using the Central Bank's "SAFE" test. A featured video also highlighted the fact that the Central Bank will never contact anyone directly asking for money or for personal data such as a Personal Public Service (PPS) number. This video was promoted via paid-for adverts on LinkedIn and YouTube, as well as organic posts on Twitter, and it generated over 160,000 views.
- In November 2022 we launched a campaign to help consumers understand the implications of buying goods on short term credit. The campaign was aimed at informing consumers about things to consider and the risks when buying on short term credit. This campaign was aligned to the introduction of new legislation requiring hire-purchase, PCPs, consumer hire and indirect credit agreements (e.g. Buy Now Pay Later (BNPL)) to be authorised by the Central Bank. The campaign was promoted on social media channels, with a plain language video garnering over 145,000 views.
 - The Ireland for Finance strategy has prioritised financial education in the context of financial innovations. In 2022 and 2023, the Competition and Consumer Protection Commission (CCPC) led on the development of educational consumer resources to support consumers when engaging with BNPL and crypto, with support from the Central Bank and Department of Finance. In November 2022 and February 2023, the CCPC launched social media educational campaigns to educate consumers about BNPL and crypto. The BNPL campaign explained the product and outlined the hidden costs. The crypto campaign addressed issues of volatility and fraud within the crypto eco-system.
- **Animated Explainer Series**
The Central Bank's animated explainer series ran from September 2019 to May 2020. The series explained to the public what the Bank does on a daily basis, in plain language and in a format that has resonated with the public and industry alike – generating 130,000+ video views and winning numerous awards, including "Best in Financial Services" at the Digital Media Awards 2020 and the "Best Content Marketing Award – Finance" at The Irish Content Marketing Awards 2020.
 - **"Word on the Street" Video Series**
In March, the Central Bank launched a new video series "Word on the Street", asking members of the public questions related to the themes of the Consumer Protection Code Review Discussion Paper and Public Survey. The series sought to engage people in financial matters and draw them onto the Central Bank's website, where they might learn more. It was supported by a digital marketing campaign, including organic and paid activity on our recently launched Instagram channel and on YouTube. The Central Bank also used paid promotions on social media when publicising the Consumer Protection Code Review Discussion Paper to inform stakeholders, including the general

public, on the consumer protection issues being explored within the paper. The “Word on the Street” videos have amassed over 330,000 views.

- **Archives**

The Bank facilitates tours of the Bank’s archives for small educational groups where they are given a history of the Central Bank and Irish bank notes.