

Current Accounts - Ireland - October 2018

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"Although there appears to be a high level of inertia when it comes to how consumers manage their current accounts, there has nonetheless been a fairly dramatic change in terms of how consumers interact with their current account. The online channel is now the main channel for most, while mobile banking is emerging as the preferred channel for a range of day-to-day banking activities."
– **Brian O'Connor, Senior Consumer Analyst**

This report looks at the following areas:

Current accounts can be classified into various sub-types according to their target market and pricing model. In NI, the most common type of current account is the free-if-in-credit (or 'free banking') model. This is where the customer does not pay any direct fees for having the account, if in credit, or for core services such as direct debits and cheques. Interest is usually charged on any money borrowed via an overdraft, which can be either 'authorised' or 'unauthorised'.

Charges are usually significant on borrowing above an arranged overdraft limit. Student and graduate accounts are variants of the free-if-in-credit model and may offer special features, such as an interest-free overdraft. Similarly, basic bank accounts are based on the free-if-in-credit model and do not carry any charges provided there are sufficient funds in the account to meet any payments made.

The other main category is the premium or packaged account. This involves the customer being charged a monthly fee in return for a range of additional benefits, such as travel insurance and motor breakdown cover. In RoI, premium or packaged accounts are far less common. However, even standard accounts typically entail monthly or quarterly maintenance charges – which are fixed, upfront amounts levied on the customer's account – in addition to transaction fees that depend on usage. In certain cases, it is possible to avoid these monthly or quarterly charges by maintaining a certain balance in the account.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The Consumer – What You Need to Know

- Near-universal ownership of current accounts in NI and RoI
- Strong competition within NI main and non-main account markets
- Two banks dominate the current account market in RoI
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