Tánaiste and Ministers for Finance and Public Expenditure & Reform meet CEOs of AIB, Bank of Ireland, Ulster Bank, KBC, PTSB and the BPFI

From Department of Business, Enterprise and Innovation

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The Tánaiste, Leo Varadkar TD, the Minister for Finance, Paschal Donohoe TD, and the Minister for Public Expenditure and Reform, Michael McGrath TD, held a virtual meeting today with the CEOs of the country’s retail banks and the Banking Payments Federation.

The meeting discussed payment breaks, options for borrowers post payment breaks and overall credit and lending in the economy.

The Tánaiste, Minister Donohoe and Minister McGrath underscored the importance of protecting borrowers and offering solutions on a case-by-case basis to customers who are currently on COVID-19 payment breaks.

The lenders will ensure that customers who have difficulties at the end of the payment break will be supported with a range of options so that a suitable arrangement can be agreed.

The Tánaiste said:

"The recession caused by the pandemic is like no other. Nobody is to blame for being unable to pay because their job is gone or business is closed. It's in everyone’s interest that people and firms are given more time to get back on their feet. We want to make sure that COVID-19 results in a lost year of economic activity not a lost a decade and that means forbearance and loan restructuring where appropriate.

"For this reason the banks must continue to offer payment breaks to individuals and business that still need them. Following on from today, the banks agreed that this would be done on a case by case basis with other options also being made available; reduced payments and interest-only, for example. Anyone who is struggling should contact their bank and we expect that arrangements will be made based on each individual’s circumstances. Banks must be understanding of people’s needs at this really difficult time and cognisant of the extraordinary year 2020 has been.

"There is no cliff-edge coming on September 30th. This is merely the last day on which people and firms can apply for a COVID-related payment break if they don’t have one already."
Minister Donohoe said:

"It is vital that lenders work with borrowers to ensure suitable arrangements are put in place for borrowers who are currently on payment breaks. Payment breaks provided temporary relief and breathing space to borrowers. It is essential that borrowers and lenders discuss all options to ensure sustainable outcomes, on a case by case basis. Lenders need to demonstrate a continued awareness of customers’ financial situations and to deal with cases in the most sensitive way possible. I would highlight that the Money Advice and Budgeting Service is available free to anyone who wishes to have an objective and non-judgmental discussion on their options and that mortgage holder who are experiencing difficulty should engage with their lender at the earliest opportunity. It is in everyone’s interest that the number of people who cannot service their loans is minimised; a point I reiterate to the banks during our engagement this afternoon."

Minister McGrath said:

"Throughout the crisis, payment breaks have offered tens of thousands of borrowers important relief. As these payment breaks begin to expire, borrowers should have access to a full suite of measures to alleviate any difficulties they may still be facing including a further payment break where that is appropriate. It is critical that banks and the various non-bank entities find fair and sustainable solutions for borrowers in difficulty. The Banks confirmed today that borrowers currently on COVID-19 payment breaks will be supported with a range of options and that they will discuss these options with borrowers on a case by case basis. The government will be monitoring the situation very closely in the months ahead and will continue to engage with the financial institutions in the interests of customers and the wider economy."