



## Frequently Asked Questions

### Why am I getting this letter?

We're writing to you because we made a mistake when you topped up your loan account. We wanted to let you know that we have fixed this error and have corrected your account.

### What was the mistake?

We made a mistake with your loan documentation (your credit agreement). We did not include interest accrued but not yet posted to your existing loan account in the new credit agreement. This meant your new credit agreement was not correct. The amount we included as the cost of credit for your new loan and the number of repayments you needed to make to clear the loan was incorrect.

While you did owe the interest amount from the previous loan, as it was incorrectly omitted from your credit agreement this amount, and associated interest, does not have to be repaid. Details are outlined in your letter.

A smaller number of customers who topped up their loan, may have received a letter advising of a different type of error. When they topped up their loan, we made additional funds available, where we credited an amount equal to the interest owed but not yet posted from the previous loan to the customer's account. While the customer did receive this amount, in addition to the new amount requested, as this was a mistake this amount and associated interest charged in relation to this will be repaid. Details are outlined in your letter.

### Who does this impact?

The issue primarily impacts personal customers that topped up their loan in the branch network with a smaller group of customers that topped up online or on the phone also being impacted.

### What is a top-up?

A top-up is when you ask to borrow more money on your existing loan account. This new amount is added to the balance of your existing loan account. Alternatively a top-up may have happened where your loan was restructured or re-contracted with us.

### How are we putting this right for you?

- If your loan account is open, to correct this error we are reducing the loan balance by the interest owed from the previous loan that was not correctly reflected in the credit agreement. Details are outlined in your letter.
- If your loan account is closed, we are correcting this error by giving you back the interest owed from the previous loan that was not correctly reflected in the credit agreement. This payment will either be made to an alternative AIB account; or where there is no alternative AIB account, you will receive a cheque. Details are outlined in your letter.
- For a smaller group of customers, we are also repaying any unpaid fees or referral item charges which may have been paid. These will be paid into an alternative AIB account; or where there is no alternative AIB account, these will be issued by cheque. If you have been impacted by this, it will be included in your letter.

**Why didn't I receive my letter before the account correction/payment took place?**

Before customer letters can be issued, we must ensure all account corrections and payments have processed correctly. Once we are satisfied that the error has been rectified, your letter is sent. All letters are issued within 3-5 working days after payments are processed on accounts.

**Has the issue been resolved?**

Yes, we have corrected the necessary processes and systems to make sure it will not happen again.

**Do I need to do anything?**

No you don't need to do anything. We have resolved the mistake on your account.

**The loan was a joint loan, what happens?**

If the joint loan account is open, the correction has been applied to the loan account. If your joint loan account is closed, the payment, has been split between all parties and payment made to a suitable alternative account(s). Where there is no alternative AIB account, all parties will receive a cheque.

**What is compound interest?**

Interest is added to your loan balance each quarter and your loan balance increases accordingly. You then continue to pay interest on the increased loan balance (which included all interest amounts that were previously charged to the loan account on a quarterly basis) so it "gets compounded". This is also more commonly known as the charging of interest on interest.

**What is a Referral Item Charge and why am I getting it repaid?**

A Referral Item Charge is applied when a loan repayment is presented for payment on a current account which does not have sufficient funds to cover the loan repayment amount, however the loan repayment is still paid.

If a Referral Item Charge was repaid to you it is because, due to our error, you had additional repayment(s) taken at the end of your loan from your current account, resulting in a Referral Item Charge being applied to your current account. This should not have happened.

**What is an Unpaid fee?**

An Unpaid Fee is applied when a loan repayment is presented for payment on a current account which does not have sufficient funds to cover the loan repayment amount and the amount is returned unpaid.

If an Unpaid Fee was repaid to you it is because, due to our error, you had additional repayment(s) taken at the end of your loan not included in your credit agreement. When the additional loan repayment was attempted to be taken from your current account there was insufficient funds and you were charged this Unpaid Fee. This should not have happened.

**If my letter mentions my ICB (Irish Credit Bureau)/CCR (Central Credit Register) record was impacted, do I have to do anything?**

ICB/CCR records have not been impacted for the majority of customers. If you are impacted, your letter clearly states this.

Where possible, we have corrected your ICB/CCR record and this is explained in your letter. However, if you think our mistake may have caused other lenders to refuse you credit, please let us know by calling 0818 300 099 and we will look into it for you.

You will need to provide us with written confirmation from the lender that refused you credit as a result of ICB/CCR. If you were refused by AIB you will not need to provide this and we will investigate immediately.

**How can I get a copy of my CCR Credit Report?**

Your report can be requested by going online at [www.centralcreditregister.ie](http://www.centralcreditregister.ie) or alternatively you can phone 1890 100 050. You can request your credit report at any time free of charge (subject to fair usage).

**How can I get a copy of my ICB Credit Report?**

Your credit report can be requested by going online at [www.icb.ie](http://www.icb.ie) or alternatively you can phone (01) 260 0388 and request a copy to be posted to you. You can request your credit report at any time free of charge (subject to fair usage).

**Has the Central Bank been informed of this issue?**

Yes, we have told the Central Bank of Ireland. We have kept them up to date about everything we are doing to put this right for our customers.