Busy year, more to come

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2007 will undoubtedly have been a busy year for European policy makers, consumer credit providers and consumer groups.

For Eurofinas, the voice of the specialized credit providers in Europe, the main focus of attention has been the Consumer Credit Directive.

The Common Position adopted by the Council was seriously flawed in a number of key respects. These related to the level of harmonisation, the right of withdrawal, the information requirements regime, linked credit agreements and credit intermediaries.

The second reading represented an opportunity to address the industry major concerns. Unfortunately, as things stand at the time of writing, it seems that the whole CCD story will be a missed opportunity as far as the creation of a single consumer credit market is concerned. Besides, according to recent research, it will not benefit consumers and will not lead to greater levels of consumer confidence.

The co-decision process is, however, not yet over. Hope therefore remains.

Other policy issues on which Eurofinas concentrated its efforts this year include, inter alia, the review of the Consumer Acquis and the Green Paper on Retail Financial Services in the Single Market.

Eurofinas’ support of the Consumer Acquis is conditional upon the objective (and end-result!) of the whole exercise being a genuine simplification and a streamlining of the Consumer Acquis. Indeed, the risk is real that such an initiative, however well intended, results, at the end of the co-decision process, in additional red tape.

It is very encouraging to note that the Commission favours, in that context, a targeted full harmonisation approach. Clearly minimum harmonisation has shown its limits when it comes to creating a real consumer internal market.

Yet it remains to be seen whether any future Commission’s proposal will not be watered down, and thereafter gold plated, by Member States… as too often happens in the field of consumer protection. Also the fact that the Commission is considering fully harmonizing definitions such as
that of ‘consumers’ or some conditions of the right of withdrawal by way of a Directive and not of a Regulation, for fear of resistance from Member States that prefer the leeway that Directives provide, is a source of concern and disappointment.

The Green Paper on Retail Financial Services provided Eurofinas with the opportunity to stress the importance, as regards credit intermediaries, of differentiating between entities that provide credit mediation to third parties for remuneration as their main activity (e.g. brokers, agents, etc.) and entities that practice credit mediation as an ancillary activity (i.e. dealers and retailers involved in the distribution of credit at the point of sale).

Also it gave the specialized credit providers the occasion to highlight the need for proper (cross-border) access to credit, as well as fraud, data. These two topics are at the core of ACCIS members’ business and have been identified by Eurofinas’ Board as priority issues for 2008.

Other 2008 priorities include, inter alia, the CCD, credit intermediation, the follow-up to the review of the Consumer Acquis (a proposal for a framework Directive on consumer contractual rights is to be expected), the review of the Distance Marketing of Financial Services Directive and the announced Commission’s work on the consistency and appropriateness of consumer information requirements across all EU financial services Directives.

Finally I would like to seize this opportunity to commend ACCIS for the way it has recently strengthened its representation at EU level. It certainly did not remain unnoticed.

We look forward to furthering our working relationship with ACCIS.

Happy New Year!

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