

European Commission  
Directorate General Internal Market and Services  
Directorate General Health and Consumers

To: [ec-bank-accounts@ec.europa.eu](mailto:ec-bank-accounts@ec.europa.eu)

Brussels, 12 June 2012

Re: *Eurofinas response to the European Commission's consultation on bank accounts*

Sir/Madam,

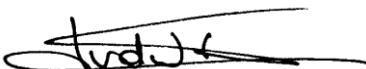
You will find below the Eurofinas response to the European Commission's consultation on bank accounts.

Eurofinas supports the European Commission's objectives to combat financial exclusion and to enable consumers to participate fully in the Internal Market. In particular, Eurofinas supports the Commission's work to ensure that the majority of EU citizens have access to a basic payment account. We take this opportunity to pay tribute to the European Commission's work on financial inclusion so far and principally to the constant effort in consulting various range of stakeholders and coordinating their positions on this important issue.

You will find below a number of observations on the Commission's proposed initiatives in the field of payment accounts. In particular, we draw your attention to the necessary exclusion of overdraft facilities and credit and store cards from the services associated to basic payment accounts. Those are far more complex services/products which respond to more sophisticated needs and above all have an impact on the level of indebtedness of a consumer.

I stay at your disposal to answer any question you may have on our response below; alternatively feel free to contact my colleague Alexandre Giraud ([a.giraud@eurofinas.org](mailto:a.giraud@eurofinas.org) - tel: 02 778 0564).

Yours sincerely,



Tanguy van de Werve  
*Director General*

*Eurofinas is entered into the European Transparency Register of Interest Representatives with ID N° 83211441580-56*



## INTRODUCTORY OBSERVATIONS

Eurofinas, the voice of consumer credit providers at European level welcomes the opportunity to respond to the European Commission's consultation on bank accounts.

Eurofinas supports the European Commission's objectives to combat financial exclusion and to enable consumers to participate fully in the Internal Market. In particular, Eurofinas supports the Commission's work to ensure that the majority of EU citizens have access to a basic payment account. We take this opportunity to pay tribute to the European Commission's work on financial inclusion so far and principally to the constant effort in consulting various range of stakeholders and coordinating their positions on this important issue.

We would like to draw your attention to a number of critical elements for the consumer credit industry.

### 1. TRANSPARENCY AND COMPARABILITY OF BANK ACCOUNT FEES

Eurofinas agrees that clear, easily accessible and comparable information on fees is key to allow a consumer to make an informed choice between payment account offers available on the market.

In the area of consumer credit, a major step towards a high level of consumer protection was achieved with the adoption of Directive 2008/48/EC on credit agreements for consumers (the Consumer Credit Directive – CCD). According to article 5 of the CCD, the lender and, where applicable, the credit intermediary should provide the consumer with the information needed to compare different offers in order to take an informed decision on whether to conclude a credit agreement. This information is provided by means of the Standard European Consumer Credit Information (SECCI) form.

The SECCI provides key information to consumers and is used for all types of consumer credit products including installment loans, overdrafts, credit cards and store cards. It is worth highlighting here that the costs of maintaining an account required for recording payment transactions or drawdowns are included in the SECCI.

As regards general payment accounts, the Federation supports initiatives that would aim at increasing the transparency and comparability of bank account fees including the development of glossaries of terms, the use of representative examples or the provision of ex post information. As mentioned in the past, the Federation would support the set-up of a European platform for sharing best practices on the subject matter via dedicated initiatives such as expert groups and/or informal networks of Member States. We wish to re-emphasise the need to further explore local experiences and sharing of best practices which, in our view, would bring added value to the work currently being carried out by the European Commission.

Although we see some added-value in promoting comparison tools, such as websites, it is not the industry's role to endorse such tools. Therefore, the associated costs should not be borne by the industry.

### 2. SWITCHING BETWEEN PAYMENT ACCOUNT PROVIDERS

Eurofinas members are committed to promoting a competitive environment for Europe's retail banking and financial institutions in the full recognition that competition improves banks and financial institutions' efficiency, lowers prices and drives product diversity and innovation. As an important condition for competitive retail banking and financial markets, consumers have to be able to take advantage of the best offers on the market.

We strongly believe that although the ease with which consumers can change financial services provider is crucial for competition, it does not necessarily lead to high levels of customer mobility. In this context, the benefits of consumers' long term relationships with financial institutions should not be underestimated or imply a lack of competition.



In the field of bank account switching, Eurofinas fully supports the European Banking Industry Committee (EBIC) *Common Principles for Bank Account Switching*. If in the future a case is made for amending the *Common Principles*, we firmly believe that the industry should be consulted and any change should be subject to a thorough testing and cost/benefit analysis.

### 3. ACCESS TO A BASIC PAYMENT ACCOUNT

Eurofinas supports the Commission's overall objective to ensure that EU citizens have access to a basic payment account. We take the view that such account could allow cash withdrawals and services such as transfers, direct debits or standing orders. In this context, overdraft facilities and all types of credit and store cards should be excluded from the services associated to basic payment accounts. This is because while basic payment account may be accessible to all, overdraft facilities, credit and store cards require an assessment of the creditworthiness of the consumer. Those are far more complex services/products which respond to more sophisticated needs and above all have an impact on the level of indebtedness of a consumer.

If the Commission's analysis were to indicate that EU action is needed in the field of basic payment accounts, then Eurofinas would strongly recommend that in order to avoid any misunderstanding, overdraft facilities and other forms of credit and store cards are explicitly excluded from any such action.

A further distinction must be clearly made between the lack of access to a basic payment account and insufficient understanding of how to properly use banking services. In this context, Eurofinas supports the Commission's action to promote voluntary financial education programmes for consumers.

It is also worth stressing that bank accounts are not necessarily the gateway to other types of products such as credit or insurance. In markets where significant levels of consumers do not have bank accounts, national authorities and/or market players may have developed sustainable alternative products. Special attention should therefore be provided to these market characteristics.

In line with the Commission's 2011 Recommendation, access to a basic payment account is currently being addressed in many Member States and different solutions have been proposed. Any new initiatives should therefore not compromise the well-functioning solutions already adopted at national level.