



Mailing list Supervision/Accounting/Money laundering

Brussels, 16 November 2017

Report on the Action Plan on Retail Financial Services

Dear Sir or Madam,

On 23 March 2017, the European Commission published its Action Plan on retail financial services (see EFBS circular of 30 March 2017) and on the same day presented the 12 actions contained in this plan to the Legal Affairs Committee during the EFBS Semi-Annual Meeting 2017. Whether or which measures will follow until 2019 is still open. The Commission is currently consulting on Action 1 (transaction fees) and Action 2 (currency conversion rates).

The European Parliament has given its opinion on the action plan in the form of a report. Its content was agreed by the Parliament on 14 November 2017. This report is an own-initiative report and is not binding for the Commission. However, within the next three months, the Commission should provide information to the Parliament in writing of action taken in response to specific requests addressed to it in the report.

Report

The Parliament essentially supports the Commission's action plan. It believes that it will help to advance the EU market in retail financial services, which is still underdeveloped and highly fragmented.

Simultaneously, it considers that the action plan does not reflect the intention to create a regulatory environment that fosters transparency, growth and innovation, as well as a high level of trust on the part of businesses and consumers in retail financial products.

The Parliament notes for example the continued high levels and opacity of fees and commissions in relation to private pensions, investment funds and other retail products that significantly reduce the real return to retail investors.

As in the Parliament's resolution on the green paper on retail financial services, the Parliament asks the Commission again to put forward a proposal on the creation of an "EU savings account" in order to unlock long-term financing and support ecological transition in Europe (see paragraph 10). In this regard, we are already in contact with the relevant members of the Parliament.

Creditworthiness assessments (Action 9)

The Parliament is convinced that it will be able to embank the high level of household indebtedness through standardised and harmonised credit assessments. It therefore calls on the Commission to propose "harmonised cross-border creditworthiness assessment standards and principles in order to

better mitigate the risk of increasing over-indebtedness when facilitating pan-European online credit”.

The concrete request to achieve this objective of amending the Consumer Credit and Mortgage Credit Directive is no longer included in the final draft. Nevertheless, the Parliament calls on the Commission to “taking the conclusions of published reports on the implementation of the Mortgage Credit Directive and the Consumer Credit Directive thoroughly into account”.

(see page 11)

Deeper single market for consumer credit (Action 7)

The Parliament also stresses in its report that “consumer over-indebtedness must be given priority if the Commission aims to explore ways of facilitating cross-border access to loans”.

(see page 10)

Please find enclosed the report. We should appreciate receiving your observations and comments at the European Office. If you have further questions, please contact us at any time.

Yours sincerely,



Christian König
Managing Director
European Federation of Building Societies

Annex:

- Report on the Action Plan on Retail Financial Services