

Access to basic banking services

2012/2055(INL) - 18/07/2011

PURPOSE: to ensure that consumers have access to payment services in the European Union.

PROPOSED ACT: Commission recommendation.

BACKGROUND: at present, the availability of essential payment services is neither ensured by payment service providers nor guaranteed by all Member States in the Union.

Existing restrictive eligibility criteria imposed by payment service providers to open payment accounts, beyond what is required by law, may prevent full access to the right of freedom of movement of persons within the Union. Moreover, lack of access to payment accounts prevents consumers from accessing the mainstream financial services market and thereby weakens financial and social inclusion, often to the detriment of the most vulnerable part of the population. It also makes it more difficult for consumers to access essential goods and services.

It is therefore necessary to establish principles on access to basic payment accounts. It is important to ensure that principles on access to basic payment accounts are applied consistently throughout the Union. However, in order to be more effective, those principles would need to be implemented taking into account the variety of banking habits within the Union.

LEGAL BASIS: Article 292 of the Functioning of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this Recommendation sets out general principles applicable to the provision of basic payment accounts within the Union. It should apply in conjunction with [Directive 2007/64/EC](#) of the European Parliament and of the Council on payment services in the internal market. The provisions of this Recommendation should not prevent Member States or payment services providers from taking measures justified on legitimate grounds of public security and public order in conformity with Union law.

The main elements of the proposed recommendation are as follows:

Right of access: Member States should ensure that **any consumer legally resident in the Union has the right to open and use a basic payment account** with a payment service provider operating in their territory provided that the consumer does not already hold a payment account allowing him to make use of the payment services in their territory. Such a right should apply **irrespective of the consumer's financial circumstances**. Member States should ensure that at least one payment service provider is in charge of offering basic payment accounts in their jurisdiction. Where an application for access to a basic payment account is refused, the payment service provider immediately informs the consumer of the grounds and the justification for such a refusal, in writing and free of charge.

Characteristics of a basic payment account: access to a core range of essential payment services should be guaranteed in any Member State. Services inseparably linked to basic payment accounts should include the facility to deposit and withdraw cash into and from the account. They should enable the consumer to make essential payment transactions such as receiving income or benefits, paying bills or taxes and purchasing goods and services, including via direct debit, credit transfer and the use of a payment card. In order to ensure the fullest financial inclusion possible, such services should allow the purchase of goods and services online where technically possible. They should also give the opportunity to the consumer to initiate payment orders via the payment service provider's online banking facilities where technically

possible. However a basic payment account should not allow the execution of payment orders where such payment orders would result in a negative balance on the account. Access to a basic payment account should not be made conditional on the purchase of additional services.

Associated charges: Member States should ensure that a basic payment account is provided either **free of charge or at a reasonable charge** according to one or several of the following criteria: (a) national income levels; (b) average charges associated with payment accounts in that Member State; (c) total costs relating to the provision of the basic payment account; (d) national consumer prices.

General information and supervision: Member States should launch campaigns raising awareness among the public about the availability of basic payment accounts, their pricing conditions, the procedures to be followed in order to exercise the right to access basic payment accounts and the methods for having access to an out-of-court complaint and redress mechanism. They should **designate competent authorities to ensure and monitor effective compliance** with the principles set out in this Recommendation. Those designated competent authorities should be independent from payment service providers.

Statistics: on an annual basis and for the first time by 1 July 2012 at the latest, Member States are invited to provide the Commission with information on the number of basic payment accounts opened, the number of applications for basic payment accounts refused and the grounds of such refusals, the number of terminations of such accounts as well as the charges associated to basic payment accounts.

Application: Member States are invited to take the necessary measures to ensure the application of this Recommendation **at the latest 6 months after its publication** and to notify the Commission of any measures taken in accordance with this Recommendation.

Member States should be invited to take the necessary measures to ensure the application of this Recommendation **at the latest 6 months after its publication**. Based on the reporting provided by Member States, the Commission will monitor and assess the measures taken by 1 July 2012. On the basis of this monitoring, the Commission will propose any necessary action, **including legislative measures** if needed, in order to ensure that the objectives of this Recommendation are fully met.