

# Access to basic banking services

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The Committee on Economic and Monetary Affairs adopted the report drafted by Jürgen KLUTE (GUE/NGL, DE) containing the recommendations to the Commission on Access to Basic Banking Services (*Initiative – Rule 42 of the Rules of Procedure*).

Members recall that access to basic payment services is one of the preconditions for consumers to benefit from the internal market. It is essential for consumers to reap the benefits of e-commerce and is increasingly becoming a prerequisite for social inclusion in terms of access to employment, healthcare and housing.

The Commission estimates that currently 7 % of the Union's adult population, i.e around 30 million people, do not have a bank account, and that an estimated 6.4 million of those have been deprived of or have not dare ask for a bank account. Financial exclusion varies from one Member State to another and some Member States have a very low penetration rate of bank accounts with the lowest percentage being around 50 % of the adult population in Romania and Bulgaria.

In its 2011 work programme the Commission announced its intention of publishing a proposal for a legislative instrument concerning access to a bank account, but on 18 July 2011 it instead merely published a recommendation on access to a basic payment account. Despite that recommendation, 15 Member States still have **no legal or voluntary provisions** requiring banks to offer basic banking services.

Against this background, Members requests that the Commission :

1. put forward a **detailed assessment** of the state of play in all Member States by September 2012;
2. submit, **by January 2013**, on the basis of Article 114 of the Treaty on the Functioning of the European Union, **a proposal for a directive** ensuring access to basic payment services to all consumers legally residing in the Union, unless that detailed assessment demonstrates that there is no need for such a proposal.

Members consider that the following recommendations in the annex should be included in the annex to its proposal for a resolution:

**Recommendation 1 (on scope):** the term “basic payment account” should be defined as a payment account offered in line with the provisions of the proposed legislation. The directive should provide that Member States must ensure access to basic payment services by obliging, in principle, all payment service providers that offer payment accounts to consumers as an integral part of their regular business to provide basic payment accounts. In order to avoid undue burdens on payment service providers not offering payment accounts to consumers, certain provisions may be exempt from the obligation to provide a basic payment account.

**Recommendation 2 (on access and identification requirements):** the legislation to be adopted should ensure that any consumer, that is to say any natural person who is acting for purposes other than his trade, business, craft or profession, legally resident in the Union, has the right to open and use a basic payment account with a payment service provider operating in a Member State provided that the consumer does not already hold a payment account in that Member State.

Criteria such as the level or regularity of income, employment, credit history, level of indebtedness, individual situation regarding bankruptcy or expected turnover of the account holder should not be taken

into account for the opening a basic payment account. Access to a basic payment account should under no circumstances be made conditional on the purchase of other products or services, such as insurance or an additional account.

The proposal should provide that a basic payment account can be refused or annulled only in objectively justified circumstances under relevant Union or national law. The legislation to be adopted should oblige payment service providers to act transparently in relation to a decision to deny or close a basic payment account, while complying with the legislation on money laundering and terrorist financing as well as on the prevention and investigation of crimes.

**Recommendation 3 (on functionalities and cost):** the legislation should enable the user of a basic payment account to make any essential payment transactions such as receiving income or benefits, paying bills or taxes and purchasing goods and services via both physical and remote channels using mainstream national systems. Member States should be able, if they think fit, to allow payment service providers to provide small overdrafts as a buffer to cover temporary negative balances, where appropriate.

Access to a basic payment account should be offered free of charge or at a reasonable cost. If fees are charged, they should be transparent. Every Member State should establish an upper limit for the total annual fees related to opening and using a basic payment account.

Providers should be obliged to include only functionalities that are part of their regular offer (basic account management services and standard payment services). Payment service providers should also be permitted, at their own initiative, to enlarge the range of functionalities, such as a facility for savings or international money remittances to or from accounts outside the Union.

**Recommendation 4 (on information):** Member States should provide consumers with necessary and understandable information about the availability of basic payment accounts, targeting the particular needs and concerns of unbanked, vulnerable and mobile consumers. They should encourage banks to develop arrangements for advising their most vulnerable customers in order to help them to act responsibly and manage their budgets.

**Recommendation 5 (on supervision, settlement of conflicts, statistics and compensation):** the legislation to be adopted should oblige Member States to:

- designate competent authorities to ensure and monitor effective compliance with its requirements. Those designated competent authorities should be independent from payment service providers;
- specify principles for sanctions to be imposed on providers for non-compliance with the basic payment accounts framework, including for infringements on statistical requirements;
- ensure that providers regularly provide the competent national authorities with reliable information on basic payment accounts opened and closed as well as on the applications for basic payment accounts that are refused and the grounds for such refusals;
- ensure that appropriate and effective complaints and redress procedures are established for the out-of-court settlement of disputes concerning the rights and obligations established under the principles set out in the legislation to be adopted between payment service providers and consumers, using existing bodies where appropriate. Alternative dispute resolution (ADR) bodies need to be independent, easily accessible and its services should be free of charge.

**Recommendation 6 (on implementation and review):** the legislation to be adopted should be implemented by Member States within 12 months following the date of its publication in the Official Journal of the European Union.

In close cooperation with Member States and stakeholders, the Commission should, within three years after the entry into force of the directive and every five years thereafter, publish a report on its application.

The report should be accompanied by a proposal for amendments to the legislation and by recommendations for better implementation in Member States. The report should be forwarded to the European Parliament and to the Council.