Payment accounts: comparability of fees, account switching and access to accounts with basic features

2013/0139(COD) - 19/11/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by J|rgen KLUTE (GUE/NGL, DE) on the proposal for a directive of the European Parliament and of the Council on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features.

The Committee on the Internal Market and Consumer Protection, took up its right as an associated committee in line with Article 50 of the European Parliament Rules of Procedure, to be equally consulted and to give an opinion on the present report.

The parliamentary committee recommended that the position of the European Parliament adopted at first reading, following the ordinary legislative procedure, amend the Commission proposal.

Fee information document: payment service providers should provide consumers with a comprehensive fee information document that states the fees for all services **before concluding a contract** linked to the payment account.

The fee information document should: i) state the fees for all services linked to the payment account contained in the list of the most representative services; ii) mention any further fees that can be applied to the account; iii) display a common symbol on the first page, making it clearly distinguishable from sales or contractual communications. The consumers must be informed of any change in fees.

The document should be **accessible at all times** and be published by providers in an electronic format on their website, including for persons who are not clients.

In addition, providers should provide consumers, free of charge, with a **statement of all fees and the interest rates applied** to their payment account on an annual basis.

The Commission will have the power to adopt delegated acts relating to a **standardised terminology at EU level** for payment services common to a majority at least of Member States. In each Member State language a single term will be used for each service.

Comparison websites at national level: the Committee proposed that an independent and free website shall be established **in each Member State** allowing comparison of fees charged and interest paid by banks, as well as their level of service.

By three years after the entry into force of this Directive, the European Banking Authority (EBA) shall provide **a publicly accessible Union comparison website** that enables consumers to compare payment accounts offered within the internal market.

Switching accounts: clients should be able to switch banks within the EU at reasonable costs.

The costs incurred by a customer during a change of bank due to a payment service providers failure to fulfil its obligations must be **reimbursed** within three days from the establishment of non-compliance.

If the Commission does not decide otherwise after a regulatory impact assessment, Member States should ensure, at the latest six years after the entry into force of the directive, that a system be put in place to allow the **automated redirection** of payments from one account to another within the same Member State.

Access to a basic account: holding a basic payment account shall be in no way discriminatory.

Member States shall ensure that a payment account with basic features is **offered to consumers by all payment service providers** that operate in general retail payment services.

This right should apply regardless of the place of residence of the consumer and the exercise of the right should not be made excessively difficult or binding on the customer.

The banks must process applications for access to a payment account with basic features **within seven business days of receiving a complete application** including proof of identity.

Member States must also guarantee that a mechanism is in place:

- to assist consumers with no fixed address, asylum seekers and consumers who are not granted a residence permit but whose expulsion is impossible for legal reasons to meet the requirements of Chapter II of Directive 2005/60/EC;
- to ensure that **unbanked, vulnerable consumers as well as mobile consumers** are informed about the availability of payment accounts with basic features.

To open and use a payment account with basic features consumers shall be required to have **a genuine link to the Member State where they wish to open an account**.That link shall include at least citizenship, family ties, centre of interests, place of work, internship or apprenticeship, pursuit of job opportunities or other professional links, place of study or vocational training, residence, property and any outstanding asylum or migration application.

Payment accounts with basic features **shall not include any overdraft facilities** other than a temporary buffer facility for small amounts. Payment service providers may offer overdraft facilities and other credit products as clearly separated services.

General information on basic accounts: the Committee requested that Member States:

- require educational establishments to develop **services for the most vulnerable customers** providing them with guidance and assistance in the responsible management of their finances. encourage financial education, including at schools;
- ensure that the competent authorities publish, including on their website, **an audit of the performance** of each payment service provider in terms of its compliance with the right of access requirement.

Alternative dispute resolution: the report suggests that Member States establish adequate and effective out-of-court complaint and redress procedures for the settlement of disputes between consumers and payment service providers concerning rights and obligations established under this Directive. For those purposes, Member States shall designate existing bodies and, where appropriate, set up new bodies.