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

2013/0139(COD) - 12/12/2013 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted amendments to 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 matter was referred back to the competent committee for re-consideration. The vote on the legislative resolution was moved to a later plenary session.

The main amendments were as follows:

Fee information document: in order to help consumers compare payment account fees throughout the internal market easily, payment service providers should provide consumers with a comprehensive fee information document that states **the fees for all services linked to the payment account contained in the list of the most representative services** and any further fees that can be applied to the account. The fee information document should use the standardised terms and definitions established at Union level, where possible

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.

Payment service providers must make available to consumers **a glossary of all services linked to the account** and the related definitions and explanations.

The glossary must be drafted in clear, unambiguous and non-technical language that it is not misleading.

Furthermore, banks 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: Parliament 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**. Making any discrimination visible through, for example, a different appearance of the card, a different account or card number, shall be prohibited.

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.

An amendment adopted in plenary stipulates that a Member State may decide to **exempt payment service providers from this obligation** subject to the approval of the Commission and on objective and restrictive criteria. The Commission shall approve the exemptions where: (i) a level playing field among all payment service providers is guaranteed, (ii) the right of access for consumers is not undermined and (iii) the exemption does not lead to a situation in the Member State concerned where basic account customers face the risk of being stigmatised.

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: Parliament 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: Parliament 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.