

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

2013/0139(COD) - 23/07/2014 - Final act

PURPOSE: to ensure access to basic payment accounts and improve the availability of information on fees related to payment accounts.

LEGISLATIVE ACT: Directive 2014/92/EU 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.

CONTENT: the Directive lays down : (i) rules concerning the **transparency and comparability of fees** charged to consumers on their payment accounts held within the Union, (ii) rules concerning the switching of payment accounts within a Member State and (iii) rules to **facilitate cross-border payment account-opening** for consumers.

The Directive also defines a framework for the rules and conditions according to which Member States are required to **guarantee a right for consumers to open and use payment accounts** with basic features in the Union.

In [its resolution of 4 July 2012](#), with recommendations to the Commission, the European Parliament said that more must be done to improve and develop the internal market for retail banking.

The main points of the Directive are as follows:

Comparability of payment account fees: in order to help consumers compare payment account fees throughout the internal market easily, banks should provide consumers with:

- **a fee information document** that states the fees for all services linked to the payment account contained in the list of the most representative services linked to a payment account and subject to a fee at national level. The document should where applicable use the standardised terms and definitions established at Union level. It should: (i) be a short and stand-alone document; (ii) be presented and laid out in a way that is clear and easy to read, using characters of a readable size; (iii) be written in the official language of the Member State where the payment account is offered. The following must be provided in an easily accessible manner, including to non-customers:
- **a glossary** of at least the standardised terms set out in the final list of the most representative services and the related definitions. The glossary must be drafted in clear, unambiguous and non-technical language;
- **a statement of all fees** and the interest rates applied to their payment account on an annual basis.
- **free access to at least one independent website** allowing comparison of fees charged by banks for their most representative levels of service.

Switching accounts in a Member State: payment service providers must provide a switching service between payment accounts held in the same currency to any consumer who opens or holds a payment account with a payment service provider located in the territory of the Member State concerned.

The switch from one bank account to another **without change of currency or country** should be supported by the recipient bank, at the request of the authoriser and with his authorisation.

The authorisation should allow the consumer to: (i) specify the incoming transfers, standing orders and direct debits to be transferred; (ii) specify the date from which standing orders for credit transfers and direct debits are to be executed from the payment account opened or held with the receiving payment service provider. That date shall be **at least six business days** after the date on which the receiving payment service provider receives the documents transferred from the transferring payment service provider.

The recipient bank should within **two working days** of receiving the client's authorisation, request the transfer service provider to carry out the authorised tasks.

Fees connected with the switching service must be reasonable. The banks must **reimburse the customer** without delay for any financial loss, including charges and interest, resulting directly from mistakes in the switching process.

When a client instructs his bank that he wishes to **open an account in another Member State**, the bank with which he holds an account should provide assistance on receiving his request.

Access to a basic payment account: the Directive ensures that credit institutions do not **discriminate against consumers** legally resident in the Union by reason of their nationality or place of residence.

Specifically, consumers legally resident in the Union, including consumers with no fixed address and asylum seekers, and consumers who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons, will have the right to open and use a payment account with basic features with credit institutions located in their territory. consumers should show a genuine interest in opening an account, but **this requirement must not be made too difficult or burdensome for the consumer**.

The application for access to a basic payment account should be **rejected without delay and no later than ten working days** from receiving the completed application. In any case, it would be turned down if the opening of an account involved infringing the provisions on the prevention of money laundering or the fight against terrorism.

Basic accounts will allow customers:

- services enabling all the operations required for the opening, operating and closing of a payment account;
- services enabling money to be placed on a payment account
- to withdraw cash withdrawals within the Union from a payment account at the bank counter and at automated teller machines during or outside the bank's opening hours;
- execution of the following within the Union: i) direct debits; ii) payment transactions by way of payment card including online payments; iii) credit transfers, including standing orders, at terminals, counters and via the online facilities of the payment service provider.

Customers may carry out an **unlimited number of operations**, either free of charge or at a reasonable price.

When they allow credit institution to provide, at the request of the customer, **an overdraft facility** linked to a basic account, Member States have the option to set a maximum amount or duration for this overdraft.

Competent authorities: the Directive requires Member States to designate the national competent authorities empowered to ensure the application and enforcement of the Directive and ensure that they are granted investigation and enforcement powers and adequate resources necessary for the efficient and effective performance of their duties. Competent authorities of different Member States shall cooperate with each other whenever necessary for the purpose of carrying out their duties.

Review: by 18 September 2019, the Commission shall submit a report on the application of the Directive accompanied, if appropriate, by a legislative proposal.

ENTRY INTO FORCE: 17.9.2014.

TRANSPOSITION: 18.9.2016.