Green paper on retail financial services

2016/2056(INI) - 17/10/2016 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted an own-initiative report by Olle LUDVIGSSON (S&D, SE) in response to the Green paper on retails financial services.

Members welcomed the Commission Green Paper on retail financial services and stated that its publication is timely, given the need to work proactively at all stages of the policymaking process in order to respond efficiently and adequately to developments in such an innovative and fast-changing market. They stated that **digitalisation** will continue to create new opportunities for consumers, investors, SMEs and other companies in terms of competition, cross-border activities and innovation. They also emphasised, in particular in order to boost consumer trust and satisfaction, that the Green Paper initiative can succeed only if it has a strong focus on creating an EU market in which well-protected consumers have **equal opportunities and access to transparent, straightforward and good-value-for-money products**.

The report underlined that **greater consumer trust in financial services is necessary**, since it remains low, especially with regard to financial products with high currency exchange risks. The Commission is called on to ensure that existing measures aimed at **improved financial literacy and awareness** are fully implemented and that further measures are introduced where necessary in order to empower consumers to make informed decisions.

Furthermore, in order for the single market in retail financial services to be efficient and dynamic, there should be no unnecessary or unfair differences between euro and non-euro Member States. The EU-level capacity for data collection and analysis in this field will probably need to be strengthened.

Short-term priorities: the report emphasised that the enforcement of EU and national financial and consumer legislation needs to be strengthened and that a single market in retail financial services needs high levels of consumer protection legislation and consistent and rigorous enforcement thereof across the Member States.

The Commission is called upon, *inter alia*, to:

- ensure that the authorities get the funding models and mandates needed to take a **more active and consumer-oriented role** in the retail financial services market while ensuring financial stability;
- play a more proactive role in using the Capital Markets Union, as part of the implementation of the Paris agreement, to **support the growing Sustainable and Responsible Investment** (SRI) market by promoting sustainable investments;
- intensify its work against **discrimination** on grounds of residence in the European market on retail financial services;
- set up a well-organised and easy-to-use **EU comparison portal** covering most or all parts of the retail financial services market;
- present a coherent and comprehensive strategy for making EU-wide cross-border switching easier for the consumer;
- strengthen the **Alternative Dispute Resolution** (ADR) structures and to look into the possibility of introducing a European system of collective redress;
- promote the mutual recognition and **interoperability of digital identification techniques**, without affecting the level of security of existing systems or their ability to fulfil the requirements of the EU anti-money laundering framework;

- draw up a plan for establishing a **coordinated network of national 'one-stop shops'** in accordance with the Points of Single Contact, that would assist retail financial firms wishing to make better use of cross-border business opportunities;
- put forward a proposal on the creation of an **'EU savings account'** in order to unlock long-term financing and support ecological transition in Europe.

Long-term considerations: the Commission is invited to:

- study further the feasibility, relevance, benefits and costs of removing existing barriers to the cross-border provision of financial services, thus guaranteeing **domestic and cross-border portability** in various parts of the retail financial services market, for example as regards personal pension and insurance products;
- monitor attentively the transposition and implementation of the Mortgage Credit Directive attentively and to analyse the impact of this legislation on the retail financial services market;
- conduct, with the Member States, a joint analysis of the implementation and **impact of EU legislation on retail financial services** as well as the legal barriers and other remaining obstacles to cross-border operations and to the completion of an EU retail financial services market;
- **analyse what data are necessary to enable lenders to assess the credit-worthiness** of their customers and, on the basis of this analysis, and introduce proposals for regulating this assessment process;
- **investigate further the current practices of credit bureaux** in relation to the collection, processing and marketing of consumer data with a view to ensuring that they are adequate and not detrimental to consumers' rights.

Lastly, Member States should ensure that digital communications and sales related to retail financial services are available in forms accessible to **persons with disabilities**.