

Financial services contracts concluded at a distance

2022/0147(COD) - 30/03/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Internal Market and Consumer Protection adopted the report by Arba KOKALARI (EPP, SE) on the proposal for a directive of the European Parliament and of the Council amending Directive 2011/83/EU concerning financial services contracts concluded at a distance and repealing Directive 2002/65/EC.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Enhanced consumer protection

Before the consumer is bound by a distance contract, or any corresponding offer, the trader should provide the information in **good time** before the consumer is bound by any distance contract. Members called for additional consumer protection regarding financial services contracts concluded online. They proposed that Member States should adopt measures requiring that traders, when concluding financial services contracts at a distance, do not design, organise or operate their online interfaces in a way that **deceives or manipulates** the consumer or in a way that otherwise materially distorts or impairs the ability of the consumer to make a free and informed decision. Measures should be put in place to ensure clear and responsible advertising of financial services products to prevent consumers from being deceived, which may include measures to ensure that any person or company advertising a financial service product on social media platforms, is obliged to prominently label whether he or she is competent to do so, has the appropriate knowledge and competence to communicate on the financial services offered in compliance with applicable regulations and that it is clearly mentioned if there is any **remuneration for this advertising**.

Online requirements

Member States should ensure that, in case the trader uses online tools, the consumer should have a right to request and obtain **human intervention** when concluding a distance contract.

The report stressed that for distance contracts concluded by means of an online interface, the trader should ensure that the consumer can exercise his or her right to **withdraw** from the contract by using a **withdrawal function**. In order to facilitate the exercise by the consumer of his or her right to withdraw from the contract, the withdrawal function should be **labelled** in a legible manner, for example containing the words “withdraw from contract” or a corresponding wording, be placed on the online interface in a prominent manner and be easily accessible to the consumer. When using the withdrawal function, the consumer should be allowed to complete and submit by electronic means a withdrawal statement with the following information: (a) the name of the consumer; (b) the identification of the contract; (c) the details of the electronic means by which the confirmation of the withdrawal is to be sent to the consumer.