Consumers: financial services. Green paper

1996/2096(COS) - 31/10/1996 - Economic and Social Committee: opinion, report

The ESC considers the white paper to constitute an important opportunity to study the existing problems and barriers in greater depth, in order to provide better protection for the user of financial services and encourage wider cross-border provision of financial services. In the ESC's view, two alternative approaches are possible to producing reliable, comprehensive protection for financial service users: a horizontal directive establishing common rules for financial services targeted at private individuals and, if necessary, specific rules in the directives for individual sectors; or alternatively, the continuation of the current situation, with the Commission continuing to legislate through specific directives, with the aim of identical treatment for all financial products as regards consumer protection. Concerning the question of which courts are competent for contracts concluded with consumers, the Committee believes that reference should be made to Article 5 of the Rome Convention of June 1980, under which the applicable law is that of the country where the consumer usually resides. This is the clearest and most satisfactory solution, since the principle of mutual recognition is only applicable in the field of public commercial law, not contract law, particularly given the provisions in favour of favour of consumer protection. The Committee concludes, after a series of specific comments on various points of the green paper, that a white paper on financial services and consumers should be drawn up, listing the rights to be protected and the mechanisms for protection (right of access, information, transparency of services and means of redress). The ESC also calls for a broad inquiry into disputes on financial services, in collaboration with trade associations from the sector and consumer organizations, in order to identify the priorities for Community intervention.