E-commerce and financial services

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The committee adopted the report drawn up by Christopher HUHNE (ELDR, UK) in response to the Commission communication. The report pointed out that there were a number of issues relating to financial services, such as the rules affecting insurance, the advertising of unit trusts and electronic money, which needed to be reviewed and updated. Furthermore, there was concern that some Member States wanted to undermine the "country of origin" principle and introduce new national rules to restrict competition. The report therefore emphasised the importance of the country of origin principle applying to financial services as a means of ensuring high standards of consumer protection. At the same time, the committee was anxious to see some form of uniform protection, wherever possible, in order to avoid distortions of the market. The Commission was urged to lay down a clear timetable for the removal of derogations relating to consumer contracts and insurance as well as the advertising of unit trusts. There was also concern that recent moves by the Commission regarding the dispute procedure for consumer contracts could undermine the country of origin principle. While the committee welcomed the establishment of a Financial Services Ombudsman to rule in cross-border disputes, it felt that more measures were needed to facilitate the use of electronic money across the EU and to guard against fraud and money-laundering, for example, by developing new identification and authentication techniques. Consumers should be allowed the right to a refund in the event of non-authorised transactions.