

# Cross-border bank transfers

1994/0242(COD) - 29/11/2002 - Follow-up document

The Commission has presented its report on the application of the on the application of Directive 97/5/EC on cross-border credit transfers. This report describes the way in which the provisions of the Directive are implemented in the Member States: both, the legal transposition of the Directive into national legislation as well as the actual application of these provisions by the banking industry in the Member States are dealt with. The report states that in general, Directive 97/5/EC has been adequately transposed in all Member States. However, there are some specific cases of concern: e.g. certain Member States have not fully reflected the prior and subsequent information requirements of the Directive, some Member States have also failed to adequately transpose the provisions obliging them to ensure the existence of adequate and effective complaints and redress procedures. All in all, the legal transposition of the Directive into national legislation is, however, quite satisfactory. As regards the actual situation of cross-border credit transfers in each Member State, the situation is, however, far from satisfactory. Whereas execution times for the transfers are acceptable (this had been a particularly concern addressed in Article 12), the persistent practice of double charging, the lack of customer information and the unwillingness of some credit institutions to compensate for late payments or to refund for lost payments or unlawful deductions is alarming. In conclusion, the report proposes lines for possible action to be taken in order to further improve the performance of cross-border credit transfers. The principle of nondiscrimination between cross-border credit transfers and credit transfers at national level has already been achieved by the Regulation on cross-border payments in euro (2560/2001/EC). However, having in mind the overall objective of "Better Regulation", the report proposes to work towards a more coherent and comprehensive legislation for payments and to integrate the proposals for amending the Directive into a consolidated framework for payments in the Internal Market. Such an initiative would contain all legislative measures regarding retail payments in the Internal Market, thus abandoning the present piece-meal approach and aiming at establishing a single legal act in this field. The Commission intends to propose to shorten the default maximum execution time from presently 6 bank working days to a much shorter period. Furthermore, the Commission promised to raise the threshold of the "money-back guarantee" to EUR 50.000, in order to align it with the general scope of the Directive. The Commission's services, in the spirit of the Communication on Better Regulation, have already widely circulated in an informal discussion document in order to collect ideas and suggestions for such a possible framework. On the basis of those contributions the Commission will establish a Consultative Paper which will present its assessment on possible future provisions for a legislative proposal afterwards to the Council and Parliament in 2003.