

Cross-border bank transfers

1994/0242(COD) - 18/11/1994 - Legislative proposal

The objective of the proposal for a directive is to improve cross-border credit transfer services and, therefore, to assist the EMI in carrying out its task of promoting the efficiency of cross-border payments with a view to the preparation of the third stage of Economic and Monetary Union. The proposal for a directive, which applies to all credit transfers, irrespective of amount, defines the general obligations of transparency which institutions offering cross-border credit transfers are required to comply with in order to ensure that customers receive an adequate level of information. Institutions must provide customers with accurate written information before and after a credit transfer is executed or received (indication of the time needed to clear the funds in the payee's account, basis for calculating commission and charges payable by the customer, reference to redress procedures, reference allowing the customer to identify the payment, value date etc). The proposal also sets out the minimum quality of execution requirements with which institutions offering cross-border credit transfer services must comply. Thus, these institutions have an obligation to: - execute the credit transfer within a reasonable period of time; - execute the credit transfer in accordance with the instructions on the payment order; - pay a refund if credit transfers are not completed, although Member States may be granted a derogation from this obligation for payments of sums in excess of ECU 10,000. Although detailed, these minimum obligations give institutions almost carte blanche in drafting the terms and conditions attached to their services.