

Distance marketing of consumer financial services

1998/0245(COD) - 19/11/1998 - Legislative proposal

PURPOSE: to approximate the laws, regulations and administrative provisions of the Member States concerning the distance marketing of consumer financial services, amending Council directives 90/619/EEC, 97/7/EC and 98/27/EC accordingly. **CONTENT:** this proposal for a directive is designed to establish a common basis setting out the conditions under which contracts for distance marketed financial services are offered and requested, negotiated and concluded, in such a way as to reduce divergences in national approaches to this policy area, while at the same time establishing the fundamental rights of the consumer in this area. To this end, the proposal sets out principles relevant to distance marketing and establishes, in particular: - the right of the consumer to receive all contractual terms and conditions before conclusion of a distance contract; - the principle that the terms and conditions of the contract should remain fixed for a certain period of time (reflection period); In the event that the contract is concluded without the consumer having received the contractual terms and conditions or that conclusion of the contract is unfairly induced by the supplier during the reflection period, the consumer shall have a right of withdrawal for 14 days without incurring any charge or penalty, and without prejudice to his right to seek compensation for the damage he has suffered. The proposal sets the conditions to be applied in the event that the financial service which is the subject of the contract is partly or totally unavailable. Provisions are also made concerning unsolicited services and communications. Finally, the proposed directive makes provision for the right of appeal by professional organisations and consumers in order to ensure correct implementation of the directive.