Basic information

1996/2096(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Consumers: financial services. Green paper **Subject** 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.04 Banks and credit 4.60.06 Consumers' economic and legal interests	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ENVI Environment, Public Health and Consumer Protection	MARINUCCI Elena (PSE)	09/07/1996

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	KESTELIJN-SIERENS Marie-Paule (Mimi) (ELDR)	09/09/1996
JURI Legal Affairs, Citizens' Rights	FLORIO Luigi Andrea (UPE)	23/07/1996

Council of the European Union

Council configuration	Meetings	Date
Consumers	1969	1996-11-25

Key events

Date	Event	Reference	Summary
22/05/1996	Non-legislative basic document published	COM(1996)0209	Summary
03/07/1996	Committee referral announced in Parliament		
25/11/1996	Debate in Council		Summary
17/02/1997	Vote in committee		Summary
17/02/1997	Committee report tabled for plenary	A4-0048/1997	
19/02/1997	Debate in Parliament		
20/02/1997	End of procedure in Parliament		

17/03/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1996/2096(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/4/07905

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0048/1997 OJ C 085 17.03.1997, p. 0014	17/02/1997	
Text adopted by Parliament, single reading		T4-0058/1997 OJ C 085 17.03.1997, p. 0101-0137	20/02/1997	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1996)0209	22/05/1996	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1268/1996 OJ C 056 24.02.1997, p. 0076	31/10/1996	Summary

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.

Consumers: financial services. Green paper

1996/2096(COS) - 25/11/1996

Commissioner Bonino informed the Council of the results of the Commission's consultations on the Green Paper, presented in May 1996. These consultations involved relevant organisations in banking, finance and insurance sectors as well as consumer associations. The Council took note of the Commission's intention to reflect on the appropriate follow-up to these consultations.

Consumers: financial services. Green paper

1996/2096(COS) - 22/05/1996 - Non-legislative basic document

OBJECTIVE: the objective of the Green Paper is to open a debate at European level designed to assess whether the current Community rules guarantee that consumers enjoy the advantages of the single market in the field of financial services (banking, insurance, trading in securities etc.), particularly where the distance selling of financial services across frontiers is concerned. CONTENT: the Commission's Green Paper covers a number of consumer policy issues in the financial services sector, including distance selling, a rapidly expanding sector involving more and more complex activities. The analysis is restricted to a number of problems encountered by private consumers, who generally require a higher level of protection than other categories of users who are more experienced or more able to defend their interests themselves. In Part I, the Commission sets out the extent to which Community legislation already takes account of the interests of consumers of financial services. It emphasizes that all the directives relating to financial services include provisions designed to ensure that the consumer receives correct and comprehensive information, to afford them legal protection and to guarantee their right of access to systems of redress. Furthermore, all those directives endeavour as a general rule to maintain the stability and trustworthiness of the financial services sector by means of the imposition of minimum prudential rules and strict minimum capital requirements. Part II of the Green Paper is devoted to an analysis of a number of problems already encountered by consumers and which need to be reviewed in order for the appropriate measures to resolve such problems to be defined. Among those problems, the Commission refers principally to the refusal to sell financial services to non-residents, the inadequacy of the information supplied and fraudulent activities of some unscrupulous intermediaries. Finally, Part III of the Green Paper considers prospects for development in the methods of selling financial services, in particular distance selling, which implies a special need for consumer information. In this context, special attention will be paid to the clarity and adequacy of information given to consumers before and after the conclusion of the contract. The need for written confirmation will be assessed in this context. The possible need to introduce cooling-off periods in respect of contracts relating to financial services is another important issue. Furthermore, the extent to which the offering of financial services to consumers without their prior consent gives rise to particular problems will have to be reviewed (e.g. supply without the explicit consent of the consumer and the unsolicited use of certain means of communication at a distance such as automatic calling machines and facsimile machines). The Commission notes that several studies begun in 1996 are currently being carried out with a view to evaluating the early results and the impact of the single market in the financial services sector. Their findings will be available in a few months' time. Where gaps or problems are encountered, the Commission will consider what response is called for, including, where necessary, new legislation or changes to existing texts. In the meantime, all interested parties are invited to give their opinions on the issues tackled in the Green Paper by 15 October 1996.

Consumers: financial services. Green paper

1996/2096(COS) - 20/02/1997 - Text adopted by Parliament, single reading

In adopting the report by Mrs Elena MARINUCCI (PSE, It) Parliament noted that the Green Paper clearly showed that there were imbalances on the market for financial services and that the consumer was the weaker party in the contractual relationship. It considered, however, that the Commission could not concentrate solely on distance selling and new electronic means of payment and believed a thorough analysis of consumer protection was required in the area of legislation on banking, securities and insurance. Parliament called on the Commission to act more strictly against fiscal measures that obstruct the operation of the internal market. It hoped to see a common non-discriminatory definition of the concept of the 'general good' and called on the Commission to act on its draft communication on the freedom to provide services and the interest of the general good in the Second Banking Directive. Parliament also called for: - a proposal for a directive on non-regulated financial intermediaries, - amendment of the directive on cross-border transfers to take account of the disappearance of exchange transactions, - action to be taken on its resolution on the settlement of claims arising from traffic accidents occurring outside the claimant's country of origin, - action by the Commission against Member States that impose a no-claim discount scale for motor vehicle insurance as the uniform and compulsory system under national legislation, - investigation of how general minimum provision for insurance contracts could be harmonized without jeopardizing the existing range of insurance products. Parliament called for information of consumers and transparency of markets and prices, protection of the contractual rights of the weaker party, quality and safety of financial products, competence and integrity of intermediaries and access to basic services.