



Basic bank accounts for all

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Anyone legally residing in the EU would have the right to open a basic payment account, and no-one could be denied this right on grounds of nationality or place of residence, under a new law passed by Parliament on Tuesday. This law should also ensure that fees and rules for all payment accounts are transparent and comparable and make it easy to switch to another payment account that offers better terms.

"This directive is all about empowering users of common standard payment services. Guaranteeing access to basic accounts to all consumers, including to migrants and mobile citizens, will stimulate economic modernization, facilitate free movement and help the most disadvantaged in our societies", said lead MEP Jürgen Klute (GUE/NGL, DE).

The text was approved by 603 votes to 21, with 51 abstentions.

Open access

Parliament inserted a requirement that basic payment accounts must be offered by all, or at least enough, credit institutions in any given EU country to guarantee both - easy access for all and competitive offers. These offers would not be limited to banks that only provide on-line services

Anyone legally residing in the EU, even with no fixed address, would be able to open a basic account. However, member states could require would-be customers to explain their interest and purpose in opening such an account in a specific country, provided they fully respect the customer's fundamental rights and do not make this request too difficult or burdensome.

Clear information

The law should ensure that anyone who opens a payment account is able to understand its fees and interests rates and to compare account offers – this information should be clear and standardised across the EU. In each EU member state, there should be at least one independent website comparing the interest rates and the fees charged by banks. Banks would also be required to inform their clients that they offer basic payment accounts.

Characteristics of a basic account

"Basic" payment accounts would enable customers to pay in and withdraw cash and execute payment transactions within the EU, including transactions through a payment card and online. Customers would be able to execute an unlimited number of such operations, either for no fee or for a reasonable fee. However, member states may decide that such accounts should not include overdraft facilities, or to limit the amount of such overdraft facilities.

Switching accounts to become easier for all customers

To benefit from the best offers, customers should be able to switch to another bank account in the EU for a reasonable fee. Switching between bank accounts in the same

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currency and country should be done by a receiving bank at the request of the account holder or holders, with their authorisation.

All incoming credit transfers, standing orders and direct debits to be switched should be identified. Within two business days from the receipt of the authorisation, the receiving bank should request the transferring payment service provider to carry out the authorised tasks.

Banks would be obliged to refund any financial losses resulting directly from faults in the switching process without delay.

Next steps

To take effect, the new rules must be officially approved by the member states, which will then have 24 months to transpose them into their national laws.

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