



28.9.2017

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Economic and Monetary Affairs

on Action Plan on Retail Financial Services
(2017/2066(INI))

Rapporteur: Josef Weidenholzer

PA_NonLeg

SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the Consumer Financial Services Action Plan and its focus on many of the key issues and initiatives raised in Parliament's report on the Green Paper on Retail Financial Services and the opinion of the Committee on the Internal Market and Consumer Protection (IMCO), for example those on cross-border transaction fees, pricing for car rentals, motor insurance and eIDAS, and those aiming to increase the transparency and comparability of financial products and services at EU level; underlines that digitalisation and innovation have changed the retail financial services market, with the emergence of new financial products, business models and players such as new financial technology companies (Fintechs); believes that these developments can improve consumers' choice, as well as support new entrants and innovation, and increase the uptake of cross-border financial services by enhancing consumer trust in such services;
2. Welcomes the fact that the Action Plan aims to tackle a number of important issues and that in some of the areas it sets out specific actions to be taken by the Commission, with a clear timetable;
3. Believes that the completion of the capital markets union will help support the development of a true single market for cross-border financial products and services throughout the European Union;
4. Agrees with the Commission that a comprehensive legal framework alone is not sufficient and effective enforcement is crucial; notes that implementation, and particularly implementation of the post-crisis legislation, the impact of which might only be visible after a few years, is an important step for several proposed actions;
5. Notes that the Action Plan should be part of a longer-term vision for financial retail services in order to provide all stakeholders, including consumers and the financial markets, with transparency and certainty;
6. Underlines that consumers need to be able to identify the most suitable option when choosing the best offer and need to be aware of fees and other associated costs when making transactions or payments abroad, including when using dynamic currency conversion (DCC); asks the Commission to identify and monitor non-transparent practices which should be completely banned in the Union, to require, wherever appropriate, that the value of a transaction be displayed both in local currency and in the consumer's home currency at the time of the transaction, and that rates offered by different financial service providers be displayed similarly in a transparent manner that includes all fees in both currencies, that, in addition, a neutral reference rate provided by a non-business actor should be displayed to allow consumers to easily identify the real cost the transaction will entail;
7. Welcomes the review and cutback of national trade barriers but cautions that this should neither result in lower consumer protection standards, nor put consumers at risk, and that financial stability must be maintained; stresses that a high standard of consumer protection

and consumer confidence are essential for a genuine internal market in retail financial services; welcomes the Commission's aim of checking that existing EU legislation is appropriate and calls on the Commission also to support the portability of retail financial products;

8. Reiterates its view that online comparison tools can improve comparability between various financial products and help consumers to make an informed decision, for example through benchmarking by consumer organisations and digital solutions, provided that the comparison tools are neutral, inclusive and involve full disclosure of any relevant financial interests and of any potential conflicts of interest; believes further that the comparison tools must focus not only on the prices of products, but also on their quality, bearing in mind that only similar products/services can be compared across jurisdictions; asks the Commission to work with stakeholders to enhance the quality and reliability of financial services comparison websites and to consider monitoring the rollout and uptake of the stakeholders' initiative 'Key principles for comparison tools', including voluntary certification schemes, and to evaluate the need for compulsory certification;
9. Calls on the Commission to consider its resolution on FinTech: the influence of technology on the future of the financial sector¹, and to promote consumer protection, security, innovation and fair competition, and to ensure that the principle of 'same services, same risks, same rules, same supervision' applies to all companies regardless of their sector or location; stresses that FinTech should be understood as finance enabled by or provided via new technologies, affecting the whole financial sector in all its components, from banking to insurance, pension funds, investment advice, payment services and market infrastructures;
10. Recalls that fees for cross-border payments outside of the Euro area still remain high; calls, therefore, on the Commission to rapidly propose an amendment to Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001² in order to reduce charges for cross-border transactions in all Member States; regrets, in this context, the lack of a common European online banking payments system, such as an EU-wide, European-owned, credit or debit card;
11. Calls on the Commission to maintain a fair competitive environment which encourages innovation, offers regulatory flexibility for testing, while ensuring a high level of consumer protection and security;
12. Stresses the potential of e-signature and e-identification for easier transactions and calls on the Commission to build on the work of the eIDAS Regulation; underlines the need to take into consideration persons unable or unwilling to use e-signature or e-identification; promotes the interoperability of cross-border e-identification in the financial services sector and calls for a level playing field across Member States (and possibly beyond in EEA countries and Switzerland) to be ensured; asks, furthermore, the Commission to urgently assess the current regulatory barriers to e-identification techniques and stresses that any initiative taken should be technologically-neutral;

¹ Texts adopted, P8_TA(2017)0211.

² OJ L 266, 9.10.2009, p. 11.

13. Underlines the importance of cybersecurity and regrets the fact that the Commission does not address cybersecurity issues in its Action Plan, calls therefore on the Commission to do so as part of the work of its task force;
14. Stresses the necessity of maintaining the provision of high street banks, which provide an essential public service and are of particular benefit to SMEs, the elderly and vulnerable consumers, who are less likely to use e-banking and favour face-to-face interaction; recognises that branch closures degrade financial infrastructure at a local level and can be extremely damaging to communities;
15. Draws attention to low switching levels of consumers for most banking and non-life insurance products, which are a barrier to entering retail cross-border markets and thus encourages the Commission to enable consumers to make it easier to switch to more advantageous retail financial services across the EU as well as to terminate financial contracts, to make loans and other financial products available across borders; highlights the large potential for the provision of cross-border insurance products, such as motor insurance; notes, however, that the principle of contractual freedom allows financial institutions to decide with whom they enter into a contract; urges the Commission, in this context, to recognise the importance of controlling predatory lending and payday loans, which have resulted in the exploitation of vulnerable consumers and SMEs;
16. Acknowledges that the ability to assess realistically and precisely the financial risks involved in lending to consumers in another country is a prerequisite for cross-border loans; calls on the Commission to develop, together with the financial industry, comparable criteria and standards of creditworthiness assessments, making locally created creditworthiness assessments comparable between Member States in order to enable and facilitate cross-border loans;
17. Underlines the potential of data in creating more accurate and personal creditworthiness assessments; underlines the importance of data protection and privacy when creating creditworthiness assessments in this way; underlines that a negative credit rating cannot be based solely on a lack of such data, and that traditional ways of creating creditworthiness assessments need to be explored in cases where data is insufficient;
18. Urges the Commission to ensure that the European financial supervisors EBA, ESMA and EIOPA are provided with appropriate resources and empowered to perform their full range of regulatory and supervisory duties in the interests of consumer protection.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.9.2017
Result of final vote	+: 32 -: 3 0: 2
Members present for the final vote	John Stuart Agnew, Pascal Arimont, Dita Charanzová, Carlos Coelho, Sergio Gaetano Cofferati, Anna Maria Corazza Bildt, Daniel Dalton, Nicola Danti, Pascal Durand, Evelyne Gebhardt, Maria Grapini, Robert Jarosław Iwaszkiewicz, Liisa Jaakonsaari, Philippe Juvin, Antonio López-Istúriz White, Jiří Maštálka, Eva Maydell, Marlene Mizzi, Nosheena Mobarik, Jiří Pospíšil, Marcus Pretzell, Virginie Rozière, Christel Schaldemose, Olga Sehnalová, Igor Šoltes, Ivan Štefanec, Catherine Stihler, Mihai Țurcanu, Anneleen Van Bossuyt, Marco Zullo
Substitutes present for the final vote	Lucy Anderson, Edward Czesak, Kaja Kallas, Adam Szejnfeld, Matthijs van Miltenburg, Lambert van Nistelrooij
Substitutes under Rule 200(2) present for the final vote	Vladimir Urutchev

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

32	+
ALDE	Dita Charanzová, Kaja Kallas, Matthijs van Miltenburg
ECR	Edward Czesak, Daniel Dalton, Nosheena Mobarik, Anneleen Van Bossuyt
PPE	Pascal Arimont, Carlos Coelho, Anna Maria Corazza Bildt, Philippe Juvin, Antonio López-Istúriz White, Eva Maydell, Jiri Pospíšil, Ivan Stefanec, Adam Szejnfeld, Mihai Turcanu, Vladimir Urutchev, Lambert van Nistelrooij
S&D	Lucy Anderson, Sergio Gaetano Cofferati, Nicola Danti, Evelyne Gebhardt, Maria Grapini, Liisa Jaakonsaari, Marlene Mizzi, Virginie Rozière, Christel Schaldemose, Olga Sehnalová, Catherine Stihler
Verts/ALE	Pascal Durand, Igor Soltes

3	-
EFDD	John Stuart Agnew
ENF	Marcus Pretzell
GUE	Jiří Maštálka

2	0
EFDD	Robert Iwasekiewicz, Marco Zullo

Key to symbols:

+ : in favour

- : against

0 : abstention