

EUROPEAN PARLIAMENT

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Committee on the Internal Market and Consumer Protection

2007/2287(INI)

2.4.2008

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Economic and Monetary Affairs

on the Green Paper on Retail Financial Services in the Single Market
(2007/2287(INI))

Draftsman (*): Olle Schmidt

(*) Procedure with associated committees - Rule 47 of the Rules of
Procedure

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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 in its motion for a resolution:

1. Emphasises that, while calling for EU legislation on retail financial services to always aim for very high standards of consumer protection, all market operators - including consumers/investors - need to be fully aware of the basic financial market principle that any higher return opportunity is reflected by a higher risk, and that risk is an indispensable element of any functioning financial market; stresses further that a good compromise between a high level of consumer protection and flawlessly functioning internal market mechanisms should be sought; takes the view that the Commission should encourage national initiatives which impart an understanding of finance, so as to ensure an accurate grasp of the 'risk-return' principle and the specific characteristics of financial instruments;
2. Recognises that although retail financial demand today is primarily domestic, internet and e-banking have become key instruments for consumers wishing to undertake cross-border retail financial activities; calls therefore upon all stakeholders to promote the development of such services, while ensuring at the same time the security of electronic correspondence, particularly regarding consumers;
3. Stresses however that consumers who do not have access to these technologies or have difficulty in using them, for example because of their age, should not be forgotten;
4. Is of the opinion that the simplification of financial service regulations and the dismantling of barriers to customer mobility should not lead to lower standards of consumer protection in the Member States;
5. Takes note of its resolution of 11 July 2007 on financial services policy (2005-2010) - White Paper¹, in particular the recommendation contained therein for the creation of a "European budget line to finance financial market expertise in consumer and SME organisations";
6. Agrees that consumers who wish to change financial service provider must be free to do so at any time, with the minimum legal barriers and costs, and that contract clauses governing such a change of provider must be drafted in transparent, easily comprehensible language and be explicitly brought to the attention of consumers;
7. Is of the opinion that, while product innovation is key to providing the consumer with a wider choice when looking for the most suitable financial products at the most competitive price, all financial products should be presented in a clear, objective and non-misleading way; urges the Commission to present proposals to streamline regulatory requirements with respect to the distribution and organisation of comparable retail products and information thereon; is of the opinion further that such proposals should be

¹ Texts Adopted, P6_TA(2007)0338.

based upon the principles set out in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments¹ (the 'MiFid directive'), such as those of “best advice” and “know your customer”;

8. Supports the Commission's initiatives to raise the level of financial literacy and realises the need for information to do so, but at the same time recognises the difficult balance between information overload and providing consumers with sufficient information; favours quality over quantity; therefore calls on the Commission to consult consumer organisations to determine which information is essential for consumers to make the right choice; underlines that a clear distinction between information and advice should be drawn;
9. Emphasises that consumers need confidence and proper knowledge to make the right choice of financial product; emphasises further that coordinated efforts at national and European level are therefore needed to improve levels of financial literacy in all Member States;
10. Requests that consumers should have access to out-of-court Alternative Dispute Resolution (ADR) mechanisms to resolve disputes on retail financial services issues both at national and cross-border level; calls on the Commission to promote 'best-practices' in ADR;
11. Calls on Member States to promote consumers' awareness and knowledge of FIN-NET; underlines that FIN-NET should play a key role in coordinating public information in all Member States on access to redress and ADR mechanisms, particularly in relation to cross-border financial services;
12. Recalls the fact that conventional court litigation will remain an important dispute resolution mechanism; thus calls upon the Commission to examine the effect on cross-border retail financial services of Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters²;
13. Supports the finding of a coherent solution at European level which provides consumers with access to balanced new forms of collective redress for the settlement of cross-border complaints related to retail financial products; suggests evaluating the impact of systems recently established at national level;
14. Stresses the need to ensure access to financial services for all interested parties; therefore urges financial service providers to offer at least a credit-based giro account to consumers expressing an interest.

¹ OJ L 145, 30.4.2004, p. 1.

² OJ L 12, 16.1.2001, p. 1.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.4.2008
Result of final vote	+: 38 -: 3 0: 0
Members present for the final vote	Godfrey Bloom, Cristian Silviu Buşoi, Mogens Camre, Gabriela Creţu, Mia De Vits, Janelly Fourtou, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Malcolm Harbour, Anna Hedh, Edit Herczog, Iliana Malinova Iotova, Pierre Jonckheer, Alexander Lambsdorff, Kurt Lechner, Lasse Lehtinen, Toine Manders, Arlene McCarthy, Nickolay Mladenov, Catherine Neris, Zita Pleštinská, Zuzana Roithová, Heide Rühle, Leopold Józef Rutowicz, Christel Schaldemose, Andreas Schwab, Eva-Britt Svensson, Marianne Thyssen, Jacques Toubon, Bernadette Vergnaud, Barbara Weiler, Marian Złotea
Substitute(s) present for the final vote	Emmanouil Angelakas, André Brie, Colm Burke, Brigitte Fouré, Joel Hasse Ferreira, Filip Kaczmarek, Othmar Karas, Manuel Medina Ortega, José Javier Pomés Ruiz, José Ribeiro e Castro, Olle Schmidt, Ieke van den Burg, Anja Weisgerber