



EUROPEAN PARLIAMENT

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Committee on the Internal Market and Consumer Protection

2012/2040(INI)

14.9.2012

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Economic and Monetary Affairs

on Towards an integrated European market for card, internet and mobile payments
(2012/2040(INI))

Rapporteur: Sergio Gaetano Cofferati

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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. Points out that while electronic payments are playing an increasingly important role in Europe and in the world, serious obstacles remain for a fully and effectively integrated, competitive, innovative, safe, transparent and consumer-friendly European digital single market with regard to these forms of payments;
2. Notes that in the current crisis it is essential to take action to boost economic growth and job creation and restimulate consumption, that while the digital market provides a great opportunity to achieve these objectives, the EU must for this purpose be in a position to establish a full digital internal market, and that it is vital to demolish existing obstacles on the one hand and boost consumer confidence on the other; believes, in this connection, that the existence of a neutral and safe European single market for card, internet and mobile payments facilitating free competition and innovation is essential for the achievement of a genuine single digital market and could make a major contribution to increasing consumer confidence;
3. Notes that the development of transparent, safe and effective payment systems in the European digital market is essential in order to ensure a genuine digital economy and facilitate crossborder e-commerce;
4. Underlines the important role that e-payments and m-payments play in the framework of the fight against the grey economy and, in particular, against tax evasion; calls on the European standardisation bodies such as the European Committee for Standardisation (Comité Européen de Normalisation, CEN) and the European Telecommunications Standards Institute (ETSI), in cooperation with the Commission, to play a more active role in standardising card payments;
5. Recognises in this connection that the Single Euro Payments Area (SEPA) is a cornerstone for the creation of an integrated European payments market and should serve as a basis for developing it and making it more innovative and competitive;
6. Points out that a safe, trustworthy and transparent European framework for electronic payments is essential for the launch of a digital single market; emphasises the importance of information campaigns for consumer awareness regarding the options available on the market and the conditions and requirements for safe electronic payments, and considers that such campaigns should be put in place at European level, also in order to overcome the frequently ungrounded worries about these forms of payment; believes that in this regard, consumer-friendly contact points would enhance trust in remote payments;
7. Believes that transparency of electronic payments systems, correct information for consumers in all payment transactions, and direct and easy access to information are prerequisites for a well-functioning European market for electronic payments;

8. Welcomes the provisions in the new Consumer Rights Directive with respect to additional payments and outlawing excessive fees for the use of means of payment, which will help boost consumers' confidence when shopping online; calls on the Commission, nonetheless, to continue its efforts with respect to the creation of a level playing field in the area of card, internet and mobile payments, which will benefit consumers and businesses alike in a Digital Single Market;
9. Stresses that, in this connection, measures should be taken to put an end to the frequent discrimination occurring against European consumers whose payments for crossborder online transactions are not accepted because of their provenance;
10. Believes that consumer refund rights should be strengthened, in the case of both unauthorised payments and in undelivered (or not delivered as promised) goods or services, and that effective collective redress and alternative dispute resolution systems are indispensable tools for the protection of consumers, also in the field of electronic payments;
11. Stresses that in order to enable the full development of the potentialities of electronic payments, consumer confidence is essential and a high level of security needs to be ensured as a safeguard against the risk of fraud and in order to protect consumers' sensitive and personal data;
12. Stresses the importance of clear rules on consumer protection policies at European level; believes that further standardisation at European level is needed, in the form of a regulatory framework establishing security standards and transparency of costs for each form of electronic payment (also extending to non-banking service providers) and regulating all the actors involved in the provision of payment services as well as all intermediaries, including merchants (e.g. storage of credentials); believes that when defining standards it is necessary to take account of those systems which have brought about significant shifts towards safer payments (e.g. the CHIP&PIN system for cards; two-factor authentication systems; e-signatures and online payments passing through e-payment services), of those systems which are more vulnerable to fraud (e.g. where consumers' sensitive personal data are transmitted to third parties, as in online payments through overlay services, or the magnetic strip system for cards), and of innovations that could make the processes safer;
13. Notes that the European market for cards, internet and mobile payments is fragmented both across and within national borders; takes the view that standardisation should not be limited to the definition of security standards but should include measures necessary to ensure a more open, transparent, innovative, competitive and unfragmented electronic payments market that brings advantages to all consumers (for example with regard to interoperability or, in m-payments, portability); considers that, to reach this target, the tool of co-badging for payments cards, to be provided by the bank to the cardholder upon request, should be taken into consideration (in that case the choice of PSPs available on the card and of priority between them should be up to the consumer) and that the remaining obstacles to crossborder acquiring should be eliminated;
14. Asks the Commission to assess the possible ways to promote new entrants into the card market, also by taking into consideration, for example, a common payment infrastructure

for all transactions regardless of the card provider;

15. Notes that care must be taken to ensure that any such measures always comply with the principles of free and fair competition and free market entry and access, taking account of future technological innovations in this sector, so as to adapt to future developments and consistently promote and facilitate innovation and competitiveness;
16. Believes that all crossborder and domestic multilateral interchange fees (MIFs) should be made public, and calls on the Commission and the Member States to ensure that they are published;
17. Notes that multilateral interchange fees in the Single Euro Payments Area (SEPA) vary significantly between Member States and are often higher than necessary; Believes that these fees should be progressively harmonised in the SEPA by a fixed deadline, in such a way as to respect the European competition rules and encourage market openness and transparency so as to ensure that consumers are not overcharged; calls on the Commission to conduct an impact assessment, by the end of 2012, on the option of setting a cap for MIFs and progressively reducing it; believes at the same time that it is necessary to devise mechanisms and safeguards to ensure that costs are not, in one way or another, passed on to consumers; calls, in parallel, for unfair treatment of consumers in the form of surcharges, rebates, hidden costs or the use of steering practices limiting or restricting consumer choice to be progressively outlawed, paving the way for a more transparent, accessible and, in the eyes of consumers, trustworthy European single market in payments; believes that existing 'No Discrimination' and 'Honour All Cards' rules should be maintained and not changed;
18. Considers that enforcement of the rules on electronic payments is often difficult, inadequate and variable in Europe, and that stronger efforts should be made to ensure the proper and uniform enforcement of the rules;
19. Stresses that it is necessary to require greater transparency and better consumer information regarding surcharges and additional fees for the various payment methods, given that traders generally include transaction costs in the prices of their products and services, with the result that consumers are not properly informed in advance regarding the total cost and thus pay more for their purchases, a circumstance which undermines consumer confidence;
20. Affirms that a self-regulatory approach is not sufficient; considers that the Commission and the ECB, in cooperation with Member States, should take a more active and leading role, and that all relevant stakeholders, including consumer associations, should be properly involved and consulted in the decision-making process.
21. Considers it likely that there will be a growing number of European companies whose activities are effectively dependent on being able to accept payments by card; considers it to be in the public interest to define objective rules describing the circumstances and procedures under which card payment schemes may unilaterally refuse acceptance;

22. Stresses that non-bank entities should not have access to information on a customer's bank account balance, apart from a simple confirmation at the point when the transaction takes place that there are sufficient funds to complete a transaction.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	6.9.2012
Result of final vote	+: 27 -: 2 0: 0
Members present for the final vote	Pablo Arias Echeverría, Adam Bielan, Sergio Gaetano Cofferati, Birgit Collin-Langen, Lara Comi, António Fernando Correia de Campos, Cornelis de Jong, Christian Engström, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Louis Grech, Małgorzata Handzlik, Malcolm Harbour, Sandra Kalniete, Toine Manders, Hans-Peter Mayer, Sirpa Pietikäinen, Phil Prendergast, Robert Rochefort, Zuzana Roithová, Heide Rühle
Substitute(s) present for the final vote	Regina Bastos, Jürgen Creutzmann, María Irigoyen Pérez, Emma McClarkin, Pier Antonio Panzeri, Marc Tarabella, Kyriacos Triantaphyllides, Sabine Verheyen