

**Question for oral answer O-000082/2018
to the Council**

Rule 128

Roberto Gualtieri

on behalf of the Committee on Economic and Monetary Affairs

Subject: Mis-selling of financial products

On 19 June 2018, the ECON Committee held a public hearing on the mis-selling of financial products based on five studies commissioned by the committee. The hearing served as follow-up to these studies and a number of petitions submitted by retail investors in several Member States to Parliament in recent years. Those petitions have brought up several allegations and numerous documented cases of mis-selling with the marketing and sale of financial products, violations and insufficient implementation and enforcement of EU and national law concerning consumer protection in financial services, and serious concerns over gaps in the protection of retail investors against mis-selling practices.

As regards its intentions to deal with the ongoing challenge of mis-selling and consumer protection in financial markets, the Council is asked to answer the following:

1. How does the Council intend to address cases of mis-selling, especially those cases related to breaches of Union law or insufficient implementation and enforcement thereof by Member States, in particular when it comes to rules on the design and distribution of financial products (e.g. MiFID II, IDD, UCITS, MCD, CCD) and those related to ancillary payment protection insurance products?¹
2. Does the Council see any room for stepping up supervisory efforts, considering the cross-border nature of financial markets and the ongoing plans to achieve a Capital Market Union?
3. What initiatives does the Council plan to enhance coherence in consumer and investor protection throughout financial services legislation, to provide more transparency and clearer information to investors, to address insufficient national implementation and enforcement of Union law, to improve the availability and effectiveness of collective redress procedures for all retail investors, to prevent over-indebtedness of consumers, and to better inform European consumers, including retail investors, of their rights and strengthen their financial literacy?

Tabled: 18.7.2018

Forwarded: 19.7.2018

Deadline for reply: 9.8.2018

¹ e.g.: issues regarding closet indexing, problems with the implementation of provisions on foreign currency loans (e.g. in HR, HU and RO), floor-rate clauses (e.g. in ES), disproportionate prepayment penalties (e.g. in DE), insufficient restrictions of cross-selling practices without benefit for consumers (e.g. in DE), and other cross-selling practices with usury profits in ancillary payment protection insurance products (e.g. in the context of consumer credit).