Financial Services User Group

FSUG RECOMMENDATIONS TO THE COMMISSION 2024 – 2029

European citizens and the real economy encompassing financial consumers, retail investors, and pension savers among others, are all facing a myriad of societal and economic challenges stemming from the COVID and cost-of-living crises as well as an underdeveloped and incomplete Capital Markets Union. At the same time, trust in financial services amongst European Union (EU) citizens remains low and digitalization is rapidly increasing, creating both opportunities and risks for financial services users. The European Commission's (EC) work on strengthening a single EU financial services market which upholds the key fundamental features of common, transparent, fair, and efficient systems in which all EU citizens are integrated, and which they can trust and which delivers for their financial and economic well-being instead of harming it – can be achieved by integrating and prioritising the following FSUG recommendations for the next European Commission: **the CMU, retail investors, vulnerable groups, digitalisation and sustainability**, as well as other horizontal elements, including but not limited to, gender gap and **support to independent consumer organisations**. The appropriate integration of these tenets is of paramount importance for the future of Europe and its main beneficiaries: its citizens.

I. Capital Markets Union

Despite some progress on the CMU, there are still less choices in suitable financial products for EU citizens. Several policy options have not always proven to be in the best interest of consumers and retail investors, including the inaction on **reviving European equity investing**, where EU households collectively remain a modest, small shareholder of the European economy, as most listed equity remains on the balance sheets of financial corporations. Other policy files in relation to the CMU which deserve urgent attention from the next Commission include the revival of **PEPP, review of SRD II, improvements to withholding tax, the establishment of an EU-wide personal insolvency scheme, protective measures against fraudulent payment services and reforms in relation to audit market**.

1. Facilitate access to simple, cost-efficient and Pan-European investment products[1]

- **Ensure direct access to simple and cost-efficient investment products** (such as listed equities, listed bonds, index ETFs and UCITS funds) bringing EU citizens as investors closer to real economy assets instead of pushing them further into more packaged, complex, opaque and fee-laden products.
- **Make key investment product disclosure simple, short, intelligible, relevant, comparable** and digitally readable and ensure consistent level of consumer, investor and shareholder protection throughout the EU.
- **Revise the Pan-European Personal Pension Product (PEPP) regulation** to ensure safe basic personal pension products are widely available and can be accessed by all consumers with low or no fees. PEPP has so far been a failure and is hardly offered at all in the EU. At a

[1] See: https://betterfinance.eu/publication/simple-products-for-retail-investors-what-they-look-like-vs-what-they-should-look-like-2/

minimum, ask Member States (MS) to promote it and ensure a level playing field by not establishing tax and other non-tariff barriers.

- **Consider creating a Pan-European corporate long-term pension plan**, looking at developing experiences such as simple and cost-efficient equivalent to the US "401k".

2. Enhance consumer and investor protection rules with appropriate reforms across-borders

- **Review the second Shareholder Rights Directive (SRD II) without delay** to enable the exercise of shareholders' rights not only cross-border but also regardless of the general meeting format (in-person, virtual or hybrid) and to **harmonise the definition of the term 'shareholder'** across the EU. To counter shareholder short-termism and reorient capital flows towards sustainable economic activities while mitigating financial risk, it is important to strengthen the SRD II as a framework for long-term shareholder engagement. The general meeting season of 2023 has shown that in various EU countries the shift from in-person to virtual general meetings negatively impacted the rights of (especially individual) shareholders[2]. At a minimum, listed companies should be required to offer both in-person and virtual access with full rights encompassing voting as well as speaking for AGM participants, irrespective of how they participate.
- **Eliminate existing tax discriminations for individual investors within the EU**, such as the double taxation of dividends from another MS, and the uphill battle to try to get a refund of the **withholding tax**. This point is not addressed in the Faster and Safer Tax Excess Relief (FASTER)[3] proposal, which may end up leaving consumers even more dependent on intermediaries.
- **Improve audit quality and market concentration in the public interest** to address any similar accounting scandals (as in the Wirecard case) affecting European citizens in the future and to restore trust in capital markets for investors. Recommended measures include: increased competition among audit firms by removing hurdles for smaller audit firms, elimination of conflicts of interests to strengthen auditor independence by banning the provision of non-audit (consultancy) services to audit clients, and enhanced accountability of auditors towards shareholders by requiring auditors to present their findings at AGMs of companies and answer questions raised by shareholders. At a minimum, appoint the European Securities and Markets Authority (ESMA) as the competent body for direct supervision of the largest audit firms.

[2] See: https://betterfinance.eu/publication/barriers-to-shareholder-engagement-srd-ii-revisited/ and https://betterfinance.eu/publication/investors-advocates-call-for-enhancements-to-hybrid-agms-and-shareholder-representation-frameworks-decrying-virtual-only-meetings/

[3] See https://betterfinance.eu/publication/report-withholding-taxes-EU-dividends-shareholders-2023/ and https://betterfinance.eu/publication/better-finance-feedback-to-european-commission-on-withholding-taxes-faster-proposal/

II. Vulnerable Groups, consumer and retail investor protection

The number of EU citizens falling into the category of vulnerable has increased in recent years and is set to increase due to the consequences of the COVID and cost-of-living crises. As confirmed by data from Eurostat, in 2022, 21.6% of the EU population, accounting for 95.3 million people, fell into this category. At the same time, numerous surveys such as the Commission's Consumer Markets Scoreboard, show that consumer trust in the financial services market remains very low.[4] The study on consumer over-indebtedness published in 2023 proves that the level of over-indebtedness did not decrease since 2014 when the previous study on the same subject was published. Deterioration happened during Covid Pandemic.[5] Therefore, there is a strong need to continue to promote financial inclusion and consumer protection measures in financial regulation to promote the financial well-being of consumers, increase the number of citizens included in the financial system and create the trust needed to encourage citizens to engage in the financial services sector, including investing in financial markets.

With regards to investing, one of the main reasons as to why EU savers invest so little into capital market products such as listed stocks, listed bonds and low-cost listed index funds is that these products are very rarely "advised", promoted, and sold at the retail points of sale. On the other hand, some consumers have a low resilience to financial shocks and are overrun by the complexity of existing and new financial products, often exposing them as vulnerable consumers encompassing the elderly and people with disabilities among others.

To this end, the FSUG recommends the next Commission to **prioritise access to independent financial advice, revise the Mortgage Credit Directive, harmonise personal insolvency schemes in the EU, improve provisions to prevent, detect and address fraud, regulate peer-to-peer lending and robo-advice, revise the Payment Accounts Directive, guarantee affordable access to cash for citizens, and implement the EU referral scheme.**

1. Ensure easy access to independent financial advice and education

- **Make a clear distinction between 'sales of' and 'advice on' investment products** since under the dominant "commission-based" distribution system, so-called "advisors" receive remuneration based on the number of products they sell, or the kind of product manufacturer whose products they sell, rather than for the efforts they put into advising clients. Chronic underperformance of investments puts citizens at a risk of old-age poverty and fosters consumers' distrust towards any kind of professional financial and investment advice.[6]
- **Ensure bias-free and high-quality investment advice is available** for retail investors across Europe and implement clear rules on better value for money financial products that are transparent, understandable, and comparable for the average retail investor.

[4] See: EU Consumer Conditions Scoreboard https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1891

[5] https://vidensfunktionen.dk/wp-content/uploads/2023/10/European-Commission-Study-of-consumer-over-indebtedness-and-its-implications-2023.pdf

[6] See: https://betterfinance.eu/wp-content/uploads/Individual-Investors-National-Key-Priorities-for-2024-2029-2.pdf

- **Support the development of independent, user-friendly** digital tools based on independent behavioural studies that would assist consumers in checking and improving their financial health and promote effective independent investment education initiatives, encouraging consumer and retail investor organisations to take part in such initiatives. In cases where financial education efforts come from the industry, ensure this is supervised by independent bodies.

2. Provide adequate regulation and revise existing rules for better financial inclusion

- **Urgently revise the Mortgage Credit Directive -** the current legislative situation is that of multiple gaps. The first is still pending revision of Mortgage Credits Directive (MCD). Rising interest rates (while a big part of mortgage credits are on variable rates) make mortgage credits a risky product. Required application of creditworthiness check is not sufficient because of long duration of those credits (even 30 years) when the situation of the family can dramatically change. Treating completion of creditworthiness assessment by the creditor as an excuse for refusing forbearance to him is totally inadequate and should not be practiced. In addition, implement stronger forbearance measures, aligning the rules with the new CCD which makes it mandatory for firms to consider forbearance measures and change the terms and conditions of the credit offer for example. There is also a need for prohibiting in the MCD misleading advertising and aligning it with the Consumer Credit Directive (CCD) rules on consumer-friendly pre-contractual information among others. Another important change should address the barriers faced by consumers to benefit from better offers in the market, eliminating early repayment fees and making refinance of a mortgage free of charge (eliminating valuation reports and notary intervention) and much more simpler, to be as easy as switching a mobile phone number from one provider to another.
- **Introduce an EU harmonised personal insolvency scheme** incorporating best practices to ensure that all EU citizens who need it have access to personal insolvency schemes that are fair, effective and provide a true fresh start. Over-indebtedness has worsened due to the COVID and cost-of-living crises, plunging many EU households in over-indebtedness or putting them at risk of becoming over-indebted. EU households are currently faced with high inflation that severely outpaces wage growth and has been persistently high for essential goods such as food, putting a big strain on consumers' finances, hitting vulnerable households the most. Therefore, the need for fair and accessible personal insolvency schemes in the EU is as important than ever. Currently, however, there is a patchwork of different national personal insolvency schemes in the 27 EU MS. Most of these national schemes are ineffective as they have high barriers to access them and fail to provide the consumer with a true fresh start. Therefore, an EU harmonised scheme is needed which would not have any unreasonable access barriers such as debt thresholds or minimum payment amounts to creditors to access the insolvency framework. In addition, to ensure a true fresh start, the scheme should, for example, entail effective debt discharge either immediately or after a short repayment plan that does not exceed 3 years.[7]

[7] For more information regarding what an effective harmonised scheme should look like, please see the 2023 FSUG Opinion Paper on the topic which can be found here.

- **Introduce measures to prevent, detect and address fraud** types and expand the liability regime to make sure consumers are not left unsupported. The continuous trend of payment fraud merits timely adjustment to the legislation, with clarity in definitions of gross negligence, authorisation, and consent. Unfortunately, the PSR[8] does not cover many forms of fraud/scams leaving a significant number of consumers/users out of possible reimbursement. One of the issues relates to social engineering techniques which are used to perform frauds/scams. The liability assessment leads to consumers who were tricked, influenced or nudged into performing actions such as giving away access codes, transaction codes or even making payments, being considered responsible for something they would not be willing to do without the external influence.
- **Regulate peer-to-peer lending**, making sure consumers receive adequate pre-contractual information, as well as appropriate creditworthiness assessments before granting credit via peer-to-peer lending.[9] Regulation can happen either through a new standalone legislation or by integrating it into the already existing business crowdfunding regulation.
- **The FSUG draws the EC's attention to the risks that delaying the full adoption of CCD2023 (Directive 2023/2225)** to 20 November 2025, so more than a year from now, is perceived by the creditors as an invitation to not respecting new, more stringent rules of borrower protection. This is in particular the case of small loans (below 200 euros), of formulas like buy now - pay later (which proliferate now) and activity of non-regulated creditors and intermediaries. The FSUG suggests using Unfair Commercial Practices Directive, which contains measures which should be evaluated according to their potential of leading a consumer to take decisions detrimental to her/him. The referred Directive applies to financial services in particular to complement specific legislation. This would apply to incompletely transposed CCD2023.
- **Regulate robo-advice**, providing consumers the right for human intervention to review the outcomes of any advice provided by such tools. In addition, the MCD should provide provisions mandating AI-assisted robo-advice tools to be properly documented and explained and ultimately allow for regular reviews by supervisory bodies.
- **Implement revisions to the Payment Accounts Directive (PAD)** to ensure that basic payment accounts are readily available and affordable to citizens who need them most, especially vulnerable consumers and groups (e.g. low and no-income consumers, asylum seekers and refugees). The number of EU citizens who are not at all financially included is still high in several EU MS and at the same time, the recent economic challenges have seen a rise in the number of vulnerable citizens. Having access to a payment account is the first essential step to ensure that someone is financially and socially included and thus has access at all to the financial sector, including financial markets. Changes should integrate mandating basic payment accounts to be free and a default option for vulnerable consumers

---

[8] See: https://finance.ec.europa.eu/publications/financial-data-access-and-payments-package_en and https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023PC0367

[9] A Finance Watch study on the consumer credit market, for example, has shown that consumer-borrowers are currently facing considerable consumer protection risks linked to this product (e.g. mis-selling risks due to poor pre-contractual information and poor CWAs and poor/misleading advertising).

and enabling the opening of such accounts for consumers lacking appropriate documentation (with a provision that their accounts have more limited features and stricter monitoring requirements) and introducing robust and more prescriptive awareness raising measures by firms and MS.

- **Ensure access to cash[10] is guaranteed for all EU citizens**, especially for those who are living in rural areas. In the last years, we have seen a sharp reduction of the number of bank branches and ATMs at EU level, and this is made at the detriment of those who need to have access to cash.[11] Equally important is to ensure such access to cash is made at affordable prices for consumers, through ATMs (where possible) and through POS (at no additional costs for consumers). Following some of the best practices from MS (Portugal)[12], cash should be provided free of charge for all consumers at ATMs.
- **Ensure access to finance for micro-enterprises and vulnerable groups** through the development of financial instruments for social finance providers to allow them to distribute financial services to these groups. The next Multiannual Financial Framework (MFF) should provide additional financial instruments to ensure both financial and social inclusion of vulnerable groups. These groups are excluded from traditional capital market and banking sector to start or develop the projects that will help them get out of their precarious situation. For social finance providers such as microfinance institutions, the cost of funding, especially funding under EU instruments, is key to price their product at an affordable rate for the final beneficiaries. Equally important, as these microfinance institutions also distribute non-financial services to help their beneficiaries to succeed in their project, blended instruments at EU level are needed to cover part of the cost of such an activity and enhance their development.
- **Implement the EU referral scheme** to direct micro-entrepreneurs to alternative sources of funding when their loan applications have not been accepted by banks. The recent SMEs Relief package, albeit positive for small and medium enterprises, does not provide any specific solutions for the difficulties faced by micro-entrepreneurs when it comes to funding. Current referral schemes between banks and microfinance institutions have been set up with good results in the Netherlands[13] which indicates the possibility of replication on an EU-level.
- **Secure an adequate level of pension and minimum benefits for the elderly**, to provide older people with financial security. For long-term and pension savers, the year 2022 was disastrous. Poor capital market performance and skyrocketing inflation across all EU MS

[10] The ECB has formally stated that it "fully shares the view that access to cash is necessary to preserve the effectiveness of its legal tender status. If citizens do not have access to cash, they will not be able to use it as a means of payment and store of value" (Opinion of The European Central Bank of 13 October 2023 on a proposal for a regulation on the legal tender of euro banknotes and coins (CON/2023/31)). Relevant policy objective on the matter shall be pursued by strengthening the provisions of art. 8 of the current EC proposal for a "Regulation of the European parliament and of the Council on the legal tender of euro banknotes and coins".

[11] See: Primele efecte ale limitării numerarului: Mai multe bănci au transmis clienților că urmează creșteri de comisioane pentru operațiunile cu numerar de la ghișee / 60.000 de mici comercianți din zonele rurale, afectați - HotNews.ro

[12] See: https://www.bportugal.pt/page/paga-se-por-levantar-dinheiro-nos-caixas-automaticos-eis-tudo-o-que-precisa-de-saber

[13] In the Netherlands, the organization Qredits, receives from the banks, via a digital process, leads of entrepreneurs who asked for a professional loan to the bank and were rejected.

resulted in mostly low and negative real returns.[14] The elderly consumers need equal and affordable access to key essential financial products and banking services.

III. Digitalisation and Sustainability

The twin digital and green transitions must be continuously enabled to reach the carbon-neutral goal of the EU by 2050. All aspects of digital finance affect supply chains, business models, practices and by extension consumers. While some of those effects may be positive, a myriad of risks for consumers will continue to persist if not addressed on an EU level. These include but are not limited to, cyber risks, scams, 'finfluencer' marketing, limited rights to redress, biases and financial exclusion based on profiling, data misuse and manipulation and so-called "dark patterns". Similarly, keeping sustainable finance as a priority for the next Commission, can ensure climate and other ESG factors are integrated by financial intermediaries in alignment with the European Climate Law and the Green Deal's ambitious path to net zero, considering both impact and financial materiality perspectives. The FSUG recommends the next Commission to **prioritise further regulation of artificial intelligence, social media (f)influencers, ensure common practices and evaluation of active engagement vis-à-vis investments, ESG compliance and a common EU label for financial products, accompanied by clear rules on greenwashing and mis-selling.**

1. Ensure digitalisation of financial services works for consumers without harm, discrimination or exclusion

- **Supervision and regulation of automated decision-making tools assisted by AI** (including algorithms) which are used by financial institutions, can avoid outcomes that lead to discrimination/exclusion. Tackle biases and transparency issues in AI-driven systems for retail clients by promoting an active consumer-centric approach. Ensure algorithmic accountability, also through human oversight and re-assessment, and provide clear information to facilitate clients' evaluations.
- **Regulate social media influencers ('finfluencers')** promoting financial services, where the 'advice' given is often misconstrued and misleading. For example, finfluencers recommend risky products such as crypto investments, without disclosing that they are paid to do so by crypto providers. Other times, they are advising consumers on how to do early repayments, even if they lack local knowledge on specific legislation and ultimately provide the wrong advice. Especially young consumers are negatively affected by finfluencers, who don't bear any responsibility for their misleading or wrong advice. Therefore, there is a need to ban influencer promotions for risky investment products such as crypto and to properly regulate it for other financial products. For example, finfluencers should be obliged to be licensed/authorised to promote financial products. Active influencers in financial services should be registered and there should be an assessment of whether they should be subject to regulation similar to the one for advisers in MiFID.
- **Dark patterns must be adequately regulated in the UCPD**[15], prohibiting common forms of dark patterns such as nudging consumers to make choices that are not necessarily in their best interest but in the commercial interest of the firm by providing more prominence to certain products or choices over others. Addressing fraudulent online marketing channels and digital services' misconduct can also prevent consumer and retail investor harm.

---

[14] BETTER FINANCE, Will You Afford to Retire (2023 Edition)

[15] See: European Commission, https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1585324585932&uri=CELEX%3A02005L0029-20220528

2. Ensure sustainability of financial services benefits consumers

- **Introduce a mandate for a unified engagement mechanism**, ensuring common practices and the evaluation of engagement. This would reduce greenwashing and enable the timely phase-out of highly emitting sectors while avoiding the risk of creating stranded assets. Ensure clear transition plan requirements for firms across applicable legislation, with rules specific to transition investing, including a set of "Transition KPIs".[16] Mandate supervisors to monitor them, impose enforcement measures, and sanctions whenever necessary. The next Commission should use this opportunity to ensure SRD II sets a strong standard for stewardship that embeds sustainability in investor engagement, enhances stewardship disclosures with a focus on effectiveness and escalation actions, and tightens the rules of the disclosure of votes, among other measures to foster long-termism in financial and company activity.
- **Evaluate the understanding of sustainability preferences of consumers** across the EU. With retail investors' growing interest in sustainable investment products on the one hand and new scandals concerning such products on the other, the EU must implement measures to improve trust and transparency in sustainable investment products and minimise greenwashing, by focusing on transition and impact investing, and address the lack of positive impact and counterproductive effects of the currently dominant "exclusion" investing approach. For ESG compliant products (in relation to the sustainability preferences of clients), the Commission should support independent consumer and investor organisations to conduct research and inform policy makers regarding adding warning signs in pre-disclosure templates, which would mention that the normative exclusion approach to ESG portfolio has no impact on ESG and may be counterproductive to the environmental transition (the necessary "greening" of the brown economy).[17]
- **Enable retail investors and consumers to access competitive sustainable products** and services. This can be achieved on one side by stimulating clear and consistent requirements for companies to consider ESG risks and impacts, and on the other implement meaningful and achievable transition plans which leverage existing regulatory tools. As in other domains, consumers are prepared to and often explicitly looking for sustainable products. Sustainable investment opportunities should be the easy choice, for instance by requiring that a financial advisor always provides at least one sustainable investment option within a package of products presented. The next Commission should avoid any potential "watering down" of reporting standards, and work with the ESAs to reinforce educational tools and guidance, as well as avenues for redress in regard to greenwashing. Similarly, the pre-disclosure templates (SFDR) should introduce the concept of transition finance, in parallel to the concept of sustainable investment.
- **Ensure that micro-entrepreneurs and vulnerable groups have access** to financial services and products that help them achieve their green transition. There is also a need for specific financial and ecological education and financial instruments targeted at vulnerable groups. To achieve such an ambition, microfinance institutions could provide those financial and non-financial services. To be efficient, such a scheme would require various EU instruments, starting with quasi-equity loan funds or subsidy funds for the final beneficiaries. Also, since transition investments are heavy (energy efficiency for the professional premises or personal

---

[16] See: European Commission, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023H1425

[17] See: https://betterfinance.eu/publication/retail-investor-sustainability-knowledge-preferences-eu/

homes, electric vehicles, etc.), and having limited repayment capacity, vulnerable individuals and micro-entrepreneurs won't be in capacity to face the challenges of green transition. As a result, to provide these services, social finance institutions such as microfinance institutions, will need an EU blended instrument, with a grant component, to cover partially the costs of ecological education of their target beneficiaries.

IV. Horizontal priorities

EU citizens as consumers and financial services users, are represented through their respective local and EU-wide organisations to make their concerns heard within Brussels. However, in order to allow the voice of financial services users to be at the forefront of policy-making, the next Commission should ensure that independent experts from user organisations are adequately represented on the one hand, and on the other, compensated in all expert consultative groups of the EU institutions. The lack of representatives from consumers and users of financial services creates a stark imbalance in the policy-making process, especially since thousands of financial industry representatives and their lobbyists are present. This imbalance is further reinforced when commissioning large scale paid studies from consultancies, who rely on consumer representatives' feedback for free. The FSUG urges the next Commission to **prioritise remuneration of experts from user organisations and continue to not only involve them in the policy-making via expert groups, but also extend the possibility of conducting paid research which is currently being undertaken by other stakeholders who do not represent consumers nor users of financial services.**

1. Support consumer organisations for their involvement in EU policy making

- **Further involve, consult and empower EU citizens** as financial users and investors, and their representative organisations. Capacitating independent consumer organisations, many of them working as not-for-profit entities, will reduce the current imbalance of power and resources between industry and its lobby activities and those representing consumers' interests nationally and at the EU level. The next European Commission should assess the measurement of financial inclusion, access to finance and promotion of educational materials by expanding its reliance to neutral consumer organisations and groups.

2. Gender gap

Women-led businesses only raise 2% of venture capital in the EU. Women are less likely to apply for a loan, and usually invest less in financial markets and tend to prefer risk-averse strategies in forming their investment portfolios. Only one in ten European angel investors are women.[18]

The FSUG highlights the need to create a gender-balanced investment ecosystem. which would only be possible by fighting the bias and changing perceptions of the public. For this to happen, the Commission, together with MS, should aim to strengthen policy frameworks to inform, ground and sustain different types of women's entrepreneurship programs. We also need to use tailored policy interventions to meet the diverse needs of women investors and

[18] Teare, G. (2020), Global VC Funding to Female Founders Dropped Dramatically this Year, https://news.crunchbase.com/news/global-vc-funding-to-female-founders/.

entrepreneurs. For the policy measures to work in a targeted way, there is a need to improve measurement of women's entrepreneurship, barriers and impacts of policy.

3. Insurance

The FSUG identified several areas that the Commission should address in the insurance space. **To tackle the pensions savings gap**, within the Retail Investment Strategy (RIS) proposal, there should be actions in order to ensure the protection of small investors when seeking financial advice to secure their life savings. Regulations provided by the next Commission should aim to achieve simple and transparent product disclosures, to improve the value for money of investment products and to increase the financial literacy as well. **The review of the Packaged Retail Investment and Insurance Products (PRIIPs) Regulation** should be a strategic priority, to ensure that retail investors get meaningful, concise, and simple, transparent information about the investment and pension products they are engaging with.

A review of the Pan-European Personal Pension Product (PEPP) should be considered to increase its availability and coverage across the EU. The Pan-European Personal Pension Product (PEPP) Regulation is applicable since March 2022 and until now its impact has been very limited, with only one provider in the EU offering PEPPs.

A sound regulation of the use of AI in insurance services and the challenges generated by cyber risk should be envisaged.

More transversally, the Commission should consider the challenges posed by matters such as preventing gender and/or race discrimination in the marketing of insurance products, enhancing financial inclusion tackling, aging population, climate risks and natural catastrophes resilience.

We are mindful that there was a missed opportunity to address issues related to inducements and conflicts of interest. The FSUG would still reinforce the need to revisit the topic.

Overview of possible actions for the next Commission 2024-2029

Capital Markets Union

1. Ensure direct access to simple and cost-efficient investment products

2. Make key investment product disclosure simple, short, intelligible, relevant, comparable

3. Revise the Pan-European Personal Pension Product (PEPP) regulation

4. Consider creating a Pan-European corporate long-term pension plan

5. Review the second Shareholder Rights Directive (SRD II) without delay

6. Eliminate existing tax discriminations for individual investors within the EU

7. Improve audit quality and market concentration in the public interest

Retail Investors and Vulnerable Groups

1. Make a clear distinction between ‘sales of’ and ‘advice on’ investment products

2. Ensure bias-free and high-quality investment advice is available

3. Urgently revise the Mortgage Credit Directive

4. Introduce an EU harmonised personal insolvency scheme

5. Introduce measures to prevent, detect and address fraud

6. Regulate peer-to-peer lending

7. Implement revisions to the Payment Accounts Directive (PAD)

8. Ensure access to affordable cash is guaranteed for all EU citizens

9. Ensure access to finance for micro-enterprises and vulnerable groups

10. Implement the EU referral scheme

11. Secure an adequate level of pension and minimum benefits for the elderly

Digitalisation and Sustainability

1. Regulate social media influencers

2. Dark patterns must be adequately regulated in the UCPD

3. Introduce a mandate for a unified engagement mechanism

4. Evaluate the understanding of sustainability preferences of consumers

5. Enable retail investors and consumers to access competitive sustainable products

6. Ensure that micro-entrepreneurs and vulnerable groups have access to financial services

Horizontal priorities

1. Further involve, consult and empower EU citizens

2. Create a gender-balanced investment ecosystem

3. Revise insurance services to benefit retail investors and consumers