



MINUTES

FIN-NET PLENARY MEETING

24 NOVEMBER 2022

VENUE: A. BORCHETTE 36, 1040, ETTERBEEK, BRUSSELS

1. Welcome by the chairman and approval of agenda

The chairperson welcomed the participants, who approved the agenda.

2. Nature of the meeting

Meeting restricted to FIN-NET members and affiliates.

3. Review of the ADR Directive and ODR Regulation

DG JUST colleagues updated the Fin-net members about the ongoing work on the review of the ADR (Alternative Dispute Resolution) directive and the CPC (Consumer Protection Cooperation) regulation. The current plan is to adopt the package in June 2023. For ADR directive, the Commission will publish: a) the proposal to revise the ADR directive; b) the impact assessment with the evaluation of the current legislative instrument annexed to it; as well as c) the ADR/ODR application report which is a legislative requirement in the ADR Directive and ODR regulation.

The problems identified in the current ADR framework are not specific to financial services, but are common to all sectors. The multi-lingual public consultation and Call for Evidence are open until 21 December 2022.

JUST underlined that the review of the ADR Directive aims to:

- enlarge the scope of ADR Directive on voluntary basis to traders outside the EU;
- stimulate traders to participate in the ADR procedures by imposing an obligation on a trader to provide a response to consumers as to whether it will engage in ADR within a deadline;

- cover disputes with online intermediaries and ensure that dispute resolution solutions provided by large platforms are fair;
- simplify procedures: ensuring that ADR is cost-effective especially in cross-border ADR disputes and streamlining reporting obligations;
- introduce collective ADR procedures;
- encourage the use of artificial intelligence to ensure consistency and faster case-handling while ensuring a human intervention within the ADR procedures; to maintain trust and ensure that vulnerable consumers are not left out.

The Commission intends to repeal the ODR regulation because only few cases get resolved through the platform managed by the Commission. The repeal would enable MS not to continue providing 2 ODR contact points. Online traders will no longer be required to include the link to the ODR platform. To date, many online traders included the link without intending to use the ODR platform to resolve disputes.

For more information/questions, contact: JUST-ADR@ec.europa.eu

4. Commission proposal on Instant Payments

A DG FISMA representative gave a presentation of the proposal for a regulation on instant credit transfers in euro. First, he explained the reason for the proposal: instant payments are a major technological innovation in payments allowing funds to be transferred 24/7/365 and in less than ten seconds. That is why they can bring multiple benefits for EU consumers, businesses, public administration, banks and fintechs. However, the full-scale benefits cannot be achieved without sufficient uptake of instant payments. Today only around 13% of all euro credit transfers in the EU are processed instantaneously (SEPA instant credit transfers, SCT Inst.). Legislative intervention is therefore necessary to remove the obstacles to a higher uptake of euro instant payments and thus unlock the full-scale network effects of instant payments. DG FISMA presented the identified problem drivers and the legislative provisions that aim to address them.

The presentation was followed by questions from Fin-net members, whose main questions were related to fraud-prevention measures.

4. Presentation by EIOPA of the Report on the Credit protection insurance products sold via banks

A representative from EIOPA presented its report on the credit protection insurance products sold via banks. The thematic review analysed how well the EU market for credit protection insurance (CPI) succeeds in delivering good consumer outcomes. The thematic review focused on identifying potential sources of conduct risk and consumer detriment in order to allow EIOPA and NCAs to take relevant policy and supervisory measures if needed. The EIOPA thematic review and the factsheet can be found under the following [link](#).

EIOPA representative presented an overview of the following identified key issues which raise risks to consumers:

- Limited consumer choices and barriers to shop around
- High products diversities and difficulties to compare them
- Cancellation or switching difficulties
- Issues with selling practices

- Conflicts of Interest and high profitability for banks and insurance providers

In general, SCConFin members supported the review and its findings and shared the concerns as regards tying practices for the sale of CPI products.

5. Payment instrument transactions: types of fraud and new trends

A representative of the Bank of Italy gave a presentation on the complaints related to payments instrument transactions and the trends in types of fraud committed in the domain of payments, especially on digital fraud. She provided an overview on how they handle these cases to protect consumers, while taking into account of its assessment of the gross negligence from the part of the consumers. There were some questions followed by a discussion on the concept of negligence within the meaning of Payment Serviced Directive II.

6. EBA retail risk indicators

The EBA presented its ongoing work in establishing a monitoring tool, including possible reliance on the statistics produced by FIN-NET members. The EBA underlined limitations of the existing data on consumer complaints and presented other challenges in selecting robust indicators. FIN-NET members invited the EBA to consider relying on the data points that FIN-NET members provide to the EBA for its consumer trend report.

7. Next meeting and AOB

The next (virtual) meeting is scheduled to take place on 11 May 2023.