



CONSUMER FINANCIAL SERVICES ACTION PLAN

Better products | More choice | Greater opportunities

#MyMoneyEU

WHAT IS THE CONSUMER FINANCIAL SERVICES ACTION PLAN ABOUT?



Greater transparency on currency conversion fees



Easier product switching and consumer credit



Better car insurance conditions for consumers



Remote customer identification

What do we want to achieve?

More consumer choice and trust



Remove cross-border obstacles for businesses



Harnessing digital technologies for businesses and consumers



- Consumers should be able to choose freely from a wide range of financial services available across the EU, also online
- Consumers should get the best value for their money while being well protected
- Financial services providers should find it easier to offer their services in another EU country



“European consumers and firms should be able to take full advantage of a true Single Market for financial services. Consumers should have access to the best products available across the EU, not just within their own country. At the same time, we want to explore the full potential of the technology that’s out there. If harnessed well, it has the potential to change for the better the financial industry and the way people access financial services.”



Valdis Dombrovskis Vice-President in charge of Financial Stability, Financial Services and Capital Markets Union



WHAT ARE THE PROBLEMS?

Obstacles for consumers

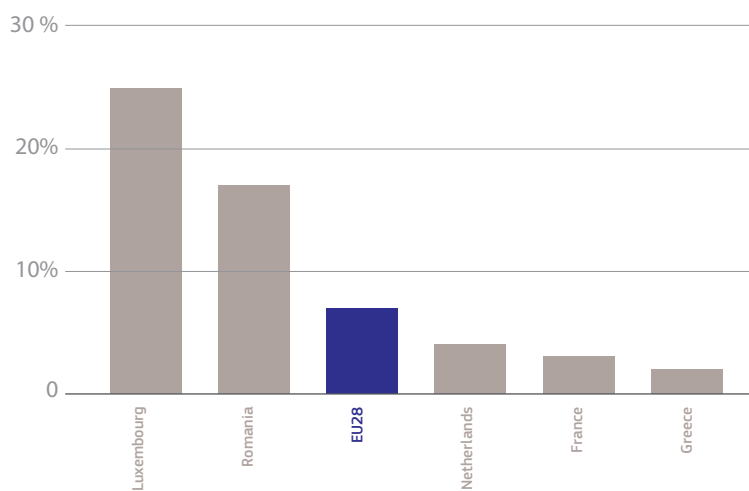
- No product comparison tools
- Unjustified territorial restrictions
- High currency conversion costs
- Clean driving records often not recognised when changing insurers
- Opaque contractual terms and conditions
- Excessive fees and limited choice



Obstacles for financial services providers

- No access to credit data information to assess consumer creditworthiness abroad
- Diverging national consumer protection rules on top of EU law
- EU law is implemented differently throughout Member States
- Providers face market entry barriers when operating across borders

How much do consumers shop abroad for financial services: some examples



On average, only 7% of EU consumers have purchased at least one financial product or service, such as current bank account, credit card, car insurance, in another EU country.



WHAT WILL CHANGE FOR CONSUMERS?

TODAY



“Why should I pay high fees to transfer money to my mother in Poland? Meanwhile, I can transfer money free of charge from my Belgian bank account to friends in France.”



COMING UP



The Commission will propose to extend the cross-border payments regulation to **reduce transfer fees for all currencies in the EU.**

TODAY



“My last holiday was spoiled by the car rental company. They made me pay much more than I had expected from the costs indicated on their website.”



COMING UP



The Commission will ensure that all EU-based car rental companies have **more transparent pricing practices**.



“I went online and found a great offer for a consumer loan. But I cannot get this loan because the company cannot check my creditworthiness as I live in a different country. In this digital age, how can that be?”



The Commission will make it easier for firms to get **credit information** about **potential customers living in other EU countries**. It will develop a standard set of key data that lenders can use to assess borrowers' creditworthiness.

HOW WILL THE COMMISSION BUILD ON EXISTING RULES?

What has the EU already put in place?

- **Low-cost transfers** within the euro area
- Mortgage credit intermediaries can **operate in the whole EU**
- Right to **repay mortgage credit earlier**
- Clear and detailed **information** on mortgage credit
- Everyone in the EU has the **right to a basic payment account**
- Anyone can **switch payment accounts** within the same Member State in **14 days**
- **Requirements for comparison websites** for payment account fees
- **Better information** on non-life insurance products
- **FIN-NET** helps consumers enforce their rights without going to court



WHAT FURTHER ACTIONS ARE PLANNED?

2017

- Legislative proposal to make transfers in all EU currencies cheaper
- Take steps towards more transparent pricing of car rentals
- Make it easier for banks to check customer identities remotely
- Map out an EU strategy for FinTech
- Legislative proposal on a personal pension product, as part of the Capital Markets Union
- Possible legislative proposal to take your good driving records to another another country when buying car insurance
- Possible legislative proposal for better financial protection for car accident victims when insurers become insolvent



2018

- Study on the need for a deeper Single Market for consumer credit and consider how to better address over-indebtedness
- Improve the quality and reliability of comparison websites for consumer financial services
- Work towards more transparent currency conversion when paying in another EU country
- Review of national consumer protection rules to ensure they are fair and simple
- Review of the practices of digital providers to make sure that online selling requirements remain adequate
- Look into ways to make it easier to switch financial products and providers
- Common criteria to assess consumers' creditworthiness and minimum set of data to be exchanged between national credit registers