



**Brussels, 14 July 2011**  
**FSUG / MARKT/H3 D(2011)**

Mr Michel Barnier  
European Commissioner for  
Internal Market and Services  
European Commission  
BERL 10/034  
B-1049 Brussels

**email:** michel.barnier@ec.europa.eu

**Subject: Withdrawal of Commission's legislative proposal on access to a basic payment account**

Dear Commissioner,

The Financial Services User Group (FSUG) was established by the European Commission to represent the interests of financial services users at the heart of the policymaking process<sup>1</sup>. As such we are writing to express our serious concerns over the decision of the European Commission to withdraw the legislative proposal on Access to Basic Bank/Payment Accounts.

The decision appears contradictory to stated public policy since it was identified as an essential point in the Single Market Act to increase growth and confidence and was planned in the 2011 European Commission Work Programme.

Many studies conclude that having access to a bank account is crucial for citizens to integrate into society and to live a decent social and economic life.<sup>2</sup> Moreover, it is stated in the Financial Services Action Plan, adopted in 1999 that financial inclusion is an essential step towards achieving an integrated EU financial services market. Also, the 2005-2010 EU Financial Services Policy White Paper underlines that "accessing a bank account is the entry point for most consumers to financial services and markets and increasingly important for citizens to participate in the market and society".

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<sup>1</sup> For full terms of reference and more detail of FSUG, please see our website: [http://ec.europa.eu/internal\\_market/finances-retail/fsug/fsug\\_en.htm](http://ec.europa.eu/internal_market/finances-retail/fsug/fsug_en.htm).

<sup>2</sup> *Financial services provision and prevention of financial exclusion*, European Commission, VC/2006/0183, <http://www.fininc.eu/gallery/documents/final-report-2007-and-summary/financial-services-provision-and-prevention-of-financial-exclusion-final-report.pdf>.

Furthermore, there is an important matter of principle involved. The basic rights and human dignity of financially vulnerable citizens is at stake here in the sense of DG Justice's official position: "The EU is based on the values of human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities."

In our view, a simple Recommendation is not the right solution. We strongly believe that it cannot be as effective as a legislative proposal to solve the bank account access problem to the 30 million concerned citizens in Europe. Indeed, too many Recommendations end up not being implemented.

Soft law processes should not be used in cases of basic rights of citizens being concerned: Already in 2001, the European Consumer Law Group<sup>3</sup> argued that "Soft law is not appropriate, ..., to deliver a universal service. There is no community of interest between businesses who do not need those who are unprofitable as customers and those who although unprofitable, have a basic need for the service provided." Self-regulation creates unequal situations between Member States. Therefore, citizens in some Member States are financially and socially excluded. Soft law is not a good way for the European Commission to combat financial exclusion in Europe.

Not having access to a basic bank account can make other key financial services remain inaccessible: they are too time-consuming or expensive. Finding a place to live or a job can become very difficult since most salaries are paid in a bank account. In summary, these citizens are marginalised.

The European Commission must now in 2011 show its role and understanding of the problem that to millions of European citizens are facing, by reviewing its position and going forward with the legislative proposal on an EU-wide right to a current account.

Best regards,



Mick McAteer  
Chairman  
Financial Services User Group

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<sup>3</sup> [http://ec.europa.eu/consumers/policy/eclg/rep03\\_en.pdf](http://ec.europa.eu/consumers/policy/eclg/rep03_en.pdf)