FSUG position paper on financial exclusion linked to broader accessibility issues – May 2021

About FSUG

The Financial Services Users Group (FSUG) is composed of 20 experts who represent the interests of consumers, retail investors, micro-enterprises and include individual experts in financial services from the consumer perspective. FSUG's tasks include: advising the European Commission in the preparation and implementation of legislation or policy initiatives affecting the users of financial services; proactively identifying key issues affecting users of financial services; advising and liaising with financial services user representatives and representative bodies at the EU and national level.

Objective

With this paper, the Financial Users Services Group (FSUG) seeks to highlight issues faced by some consumers' groups in accessing basic financial services in today's EU retail financial services ecosystems, putting them at higher risk of financial exclusion.

The FSUG paper aims to contribute to EU action on the prevention of financial exclusion notably to ensure that no one is left behind in the implementation of the EU Pillar of Social Rights, in particular Principle 3 (Equal opportunities), Principle 17 (Inclusion of people with disabilities) and Principle 20 (Access to essential services which clearly refers to financial services).

This paper is complementary to the EU funded Study on risks and opportunities of digitalisation for financial inclusion performed in 2018 by Middelsex University London. This study focussed on accessibility barriers faced by consumers groups covered by the European Accessibility Act.

This FSUG paper looks at some issues faced by a broader range of consumers - older consumers, persons with disabilities, the tech adverse, the unbanked and other groups who - for various reasons - are disadvantaged or indirectly excluded as a result of the lack of adequate solutions.

Given its expected long-term impact on everyone's life, specific attention is paid to the impact that the COVID-19 pandemic and lockdown measures have had on these consumer groups facing access issues, to draw lessons for the post COVID-19 future.

Acknowledgments

This paper was drafted for the FSUG by a subgroup of members composed of Anne-Sophie Parent, Christiane Hölz, Desislav Danov, Martin Smalzried, Olivier Jerusalmy and Vinay Pranijvan.

Table of content

I. Introduction

A range of EU initiatives and legal instruments are directly or indirectly protecting consumers in the EU, and among them some aim to improve citizens' access to the financial services they need to function in today's economy. Since a few years, these initiatives and legal instruments operate however in a broader context endorsed by the EU:

In 2016, the EU committed to support the implementation of the 2030 Agenda for Sustainable Development within the EU and to mainstream the Sustainable Development Goals (SDGs) in the European policy framework and work priorities. SDG # 1 on Eradicating poverty, SDG # 5 on achieving gender equality and economic empowerment of women and SDG # 10 on reducing inequality are particularly relevant for EU internal and external action to ensure no one is excluded from participating fully in society and left behind.

In 2017, the EU and all its Member States endorsed the EU Pillar of Social Rights (EPSR) which includes a set of 20 principles aiming to deliver new and more effective rights for citizens. Principle 3 on Equal opportunities, Principle 17 on Inclusion of people with disabilities and Principle 20 on Access to essential services which include the right to access financial services, acknowledge rights that everyone living in the EU should enjoy.

On 9 March 2021, the European Commission launched its vision for Europe's Digital Decade which aims to make the EU "*digitally sovereign in an open and interconnected world, and to pursue digital policies that empower people and businesses to seize a human centred, sustainable and more prosperous digital future. This includes addressing vulnerabilities and dependencies as well as accelerating investment*".

Addressing vulnerabilities and dependencies in the context of Europe's Digital Decade will require addressing the broad range of factors which are excluding a broad group of citizens such as persons with low income, poor digital skills and/or low financial education, the unbanked and the increasing group of consumers of all ages who do not trust or do not wish to use digital financial services (the so-called tech-adverse). This FSUG paper seeks to ensure that no one will not be left behind as enshrined in SDG#10 and Principle 20 of the EPSR, and those facing barriers will have access to alternate solutions better adapted to their skills and preferences.

Across the EU significant groups of citizens report increasing difficulties in accessing the retail financial services they need to manage their daily lives due to barriers of various nature and the rapidly shrinking availability of alternative non-digital solutions. There are also alarming reports on the disadvantage affecting large groups of citizens who, for various reasons, are missing opportunities for cheaper, better suited financial services because they are not aware of and/or have no access to information which is only available online, what could be called the "double burden of digital exclusion".

The broader accessibility barriers which may directly or indirectly prevent users from accessing digitalised financial services, include for ex. age limits imposed on online purchase of financial products, complex safety requirements for online operations which make ownership of a smartphone a pre-requisite, the relative high cost of mobile phones, home computers and internet connection combined with a sharp decrease in non-digital offer and increasing fees for non-digital solutions, the rapid development of cashless economies, etc. For third countries migrants, the narrow acceptance of proof of identity, obligation to have a bank account in the EU or residence criteria in a EU member state can constitute barriers to access basic financial services.

The COVID-19 pandemic has added a layer of challenges for these groups by accelerating the trend to digital services and putting an abrupt stop to on-site support and use of non-digital services such as cash which was refused in the first few weeks due to undue fear that it might help disseminate the virus. Bank agencies, insurance broker offices, etc. were closed and ATMs were no longer serviced. Non-digital consumers were left with no alternative options but to rely on someone else to pay for them with all the difficulties that this meant for them in terms of respect for their privacy and dignity.

According to a recent OECD publication, *"While Internet take up is reaching saturation in some countries, gaps persist both between countries and between different groups within countries – including men and women, people of different ages, people with different levels of income or educational attainment, and between those living in urban or rural areas. These gaps are particularly relevant in times of crisis and, in the COVID-19 pandemic, are likely to affect how well different groups can continue to work or even remain in contact with the world outside their homes.*[1] *As countries work to respond to and recover from the COVID-19 crisis, now is the moment to ensure an inclusive digital transformation, with co-ordinated and comprehensive strategies that build resilience and bridge digital divides for a post-COVID era*.[2]

Building on a study outsourced by the European Commission to the Middelsex University (UK) in 2018 on the main risks and opportunities of digitalisation for financial inclusion which analysed the perspective of vulnerable users in three EU countries, in particular user groups covered by the European Accessibility Act (EAA) this FSUG paper provides examples of the broader challenges of financial exclusion faced by millions of persons across the EU even before the pandemic, and draws recommendations on what can and should be done to ensure everyone has access to the financial services they need, including in a post-COVID-19 single market for financial retail services.

II. Examples of barriers commonly faced by some groups to access digital financial services they need to manage their daily life

The main barriers faced by significant groups of consumers can be summarised into three types of issues:

[1] OECD, Roadmap toward a common framework for measuring the digital economy, 2020.
[2] OECD, Digital Economy Outlook, 2020

1) Legal and structural issues

Some legal and structural barriers result from measures and policies introduced at EU or national levels to encourage trends to move toward fully digitalised financial services ecosystems or so-called cash-less economies, while other barriers are consequences of persisting gaps in EU anti-discrimination legal framework or indirect consequences of some EU legislation on higher priorities.

- **Barriers resulting from trends to move to fully digital financial services ecosystems**

Many initiatives taken at EU and national levels aim at boosting innovations in the field of financial services with the hope that this would support safer, more efficient and cheaper offers for businesses and consumers. Yet these initiatives are often not accompanied by measures to ensure that they will be designed to be inclusive of all users' profiles.

The European Accessibility Act came into force on 27 June 2019. It has to be transposed by 28/06/2022 and implemented by 28/06/2025 in all EU member states. It is thus too early to see what impact it will have in the field of digital financial services. Meanwhile, non-digital and tech adverse consumers face increasing challenges to keep up with rapidly evolving - yet often poorly accessible - digital retail payments instruments while access to non-digital financial services, including cash, is becoming more difficult and costly for consumers who face accessibility issues. In practice many private and public measures which seek to foster a cashless economy tend to overlook the most vulnerable groups, i.e. those who have no choice, indirectly aggravating their financial exclusion and risk of poverty. Below are a few examples of issues around such national initiatives. Similar accessibility issues are found across the EU.

> **Portugal**: In terms of number of transactions, cash is still the most used payment instrument in Portugal. These users are typically elderly citizens, belonging to more vulnerable socioeconomic groups, with lower levels of education and residing outside of major cities. These are the ones that are in a particularly vulnerable situation in case of a change in the current paradigm of access to cash. Yet in Portugal, in the past decade, there was a reduction of 40% of branches and a decrease of over 20% of ATMs. The central bank keeps monitoring with increasing attention, although there are restrictions regarding general competences and direct mandates in this topic.[3]

> **Italy:** Another recent example is the Italia Cashless plan launched by the Government in December 2020 which offers cashback to consumers each time they use a credit card, debit card or app to make a retail payment. This measure seeks to "*encourage the development of a more digital, fast, simple and transparent system*". Yet, in practice one needs to own a smartphone and use a digital app, making it very challenging for many older people, persons with visual impairments, the tech-adverse and anyone who does not own a smartphone or

[3] Executive summary of the Bank of Portugal report published in July 2020 on "Assessment of credit institutions' ATM and branch coverage" (this report is only available in PT)

has poor digital skills, to benefit from this publicly subsidized cashback programme.

Sweden was known to be a frontrunner in terms of digital payments and researchers were even expecting the country to become a cashless society in the next decade. Yet, according to a survey done by the Sveriges Riksbank (Swedish national bank) in 2020, cash-free is not problem-free. Despite a sharp increase in digital retail payments, significant numbers of citizens are negative about cash decline in their country and these percentages increase, ranging from almost 20% of the 18-29 years old to more than half of 65-84 years old. The study founds also that 37% of the population living in rural areas feel they would not be able to cope without cash. Without cash, vulnerability to interruptions in the electricity network and Internet increases and over half of the population report that they have encountered technical problems when paying in a shop, and 59% say that their problems concerned card payments. The Sveriges Riksbank also noted that with lower volume of cash in circulation, fraud on banknotes and coins increased and more and more retailers have decided to stop accepting cash.

EU Strong Consumer Authentication: PSD2 included a two factor strong customer authentication requirement for transactions and usage. While this is welcome as a general consumer protection measure, as observed by the European Commission in its Communication COM2020/592 final (Item 5, p.11), for the moment customers are faced with very different authentication solutions across the EU. Accessibility measures are not always interoperable in cross-border situations and digital payments tools are unfortunately not designed to be inclusive of customers with functional limitations, creating additional barriers for those who do not own a smartphone or have low digital skills. On 27/04/201, the French consumers organisation 60 millions de consommateurs warned that it might soon become impossible for consumers to buy online without a rather recent smartphone unless accessible alternative solutions are found before 15 May 2021, the date when all online payments will be subject to SCA requirements in France.

Recommendations

EU and national public and private initiatives in support to a broader use of digital financial services should be accompanied by specific measures requiring that all digital retail financial payments hardware and software be in line with PSD2 SCA requirements and inclusive-by-design, and alternative non-digital solutions be easily accessible at an affordable cost for non-digital citizens.

Since the European Accessibility Act covers banking services and thus retail payments services, we welcome the Commission's commitment "*to explore, in close cooperation with the EBA, ways to promote the use of electronic identity (eID) and solutions based on trust services, building on the further enhancement of eIDAS, to support the fulfilment of Strong Customer Authentication requirements under PSD2 for account login and initiation of* *payment transactions.*"[4] This analysis should however also explore ways to ensure that the requirements imposed by the European Accessibility Act are fulfilled. Action is urgently needed to ensure that the commitments made in the EU Retail Payments Strategy will be translated into concrete requirements to the retail payments providers to improve access to digital retail payments for persons with functional limitations without compromising consumer protection of vulnerable groups.

- **Barriers resulting from gaps in the EU non-discrimination legal framework**

Although a proposal to extend the EU non-discrimination legislation to cover discrimination on the ground of age, disability, religion and sexual orientation in access to goods and services was tabled by the European Commission in 2008, discussions are still going on in the Council. This means that consumers do not enjoy the same level of protection as provided by the EU legal framework to combat racism and sexism. For this reason, older consumers and persons with disabilities continue to face direct and indirect discrimination in accessing financial services and to suffer from a lack of reasonable accommodation to ensure that suitable alternative solutions are made available on equal terms to non-accessible options. Meanwhile digital innovation in the financial services sector is highly supported and funded by public budgets at EU and national level but with no pre-requisite to be designed-for-all including through ensuring that alternative non-digital solutions are maintained on equal terms for non-digital consumers.

These barriers are legally accepted discrimination but nevertheless unfair from a user's perspective as they contradict the fundamental principle of equality enshrined in EU treaties and Principles 3, 17 and 20 of the European Pillar of Social Rights proclaimed by all EU Member States.

Recommendations

The relevant EU institutions should draw guidelines as to how to interpret the concept of legal tender in light of the recently published Judgment of the EUCJ on the joined cases C-422/19 and C-423/19[5], which states:

77. *It is nevertheless for the referring court to ascertain whether such a limitation is proportionate to that objective, in particular in the light of the fact that the lawful alternative means of payment of the radio and television licence fee may not be readily accessible to everyone liable to pay it, which would entail providing for those without access to such means of payment to be able to pay in cash*.

Member States should also keep in mind Principle 20 of the European Pillar of Social Rights when they transpose and implement the European Disability Act in their national legislation to ensure that retail financial services and banking services are accessible to all including consumers facing barriers in accessing and using digital financial services.

[4] EUR-Lex - 52020DC0592 - EN - EUR-Lex (europa.eu)
[5] Judgment of the Court of Justice on Joint Cases C-422/19 and C-423/19, dated 26 January 2021

- **Indirect consequences from some EU legislation on higher priorities**

The EU legislation to fight against money laundering (AML) and terrorist financing (TF) requires that every bank account holder is identified by law. As mentioned by Finance Watch in the publication "Financial Exclusion: Making the invisible visible", for the time being, there is no harmonised way to assess the identification documents of citizens or legal residents. A large range of documents are available, which can make the identification process challenging for the financial institutions (how to guarantee the authenticity of the document received). People more exposed to this barrier are homeless people and undocumented migrants, refugees and asylum seekers.

Recommendation
Regarding the legal framework and identified conflicting issues, it is imperative that clarification and alignment are brought to pave the way for the right to have access to a basic payment account and thus guarantee access to financial services to everyone in the European Union.

2) Skills and capacity issues

- **The lack of sufficient digital skills**

Data from the Digital Economy and Society Index (DESI 2020)[6] shows that there are significant differences in the level of digital skills across the EU. On average in 2020 only 58% of people aged 16-74 had basic or above basic overall digital skills in the EU 27, and this figure has not increased since 2017. The highest numbers registered in 2020 were in the Netherlands (79%) and Finland (74%) while the lowest were in Romania (31%) and Bulgaria (29%).

This means that even in EU countries with the highest digitalisation scores, there are significant numbers of consumers who do not have even basic digital skills: 21% in the Netherlands and 26% in Finland. In countries with low digital penetration, consumers who do not even have basic digital skills constitute the largest majority. In Romania they represent 69% and in Bulgaria 71% of the population.

It is worth noting that these Eurostat data cover only individuals aged 16-74. If data would include those aged 75 and over, the percentages of individuals who do not even have basic digital skills would be much higher for all countries.

In addition, in today's context of highly digitalised financial services, having basic digital skills is no longer enough for a consumer to navigate safely through the booming offer of digital retail financial services. Large groups of consumers who use internet even on a daily basis to check their mails, access social media platforms or find information on health issues, do not feel confident to manage their assets or shop online. For example, in 2020 in Bulgaria only 13% of people used online banking (EU average 66%), yet 78% used internet to access

[6] Digital Economy and Society Index (DESI) 2020 | Shaping Europe's digital future (europa.eu)

social networks (EU average: 65%). Across the EU Member States, the share of older people who have never used a computer was higher than two thirds in Italy, Romania, Croatia, Bulgaria and especially Greece (78 %)[7].

As mentioned in a recent Finance Watch study: *"From Sweden to Cyprus and Portugal to Poland, digital solutions penalise those without the skills necessary to use them. As 42% of EU citizens lack basic digital skills, our oldest members are clearly not alone in this penalisation. Despite the usership of the internet for banking purposes expanding 22% and 19% respectively for Europeans aged 55-64 and 65-74 between 2010 and 2019, less than 50% of users in both age groups are currently utilising the internet for banking.[8] In some cases, the frustration or confusion that consumers experience with digital solutions result in avoidance of using the products altogether."*

Recommendation

To get the full picture of financial exclusion resulting from the lack of adequate digital skills, data collected for EU statistics on digital skills should cover individuals aged 16 and over (no upper age limit at 74).

The first cardinal point of Europe's Digital Compass aims to reach by 2030 at least 80% of all adults to have basic digital skills. This leaves 20% of adults without basic digital skills, let alone the necessary skills to use online banking and shop online. The Europe Digital Compass should add a target under Skills to ensure that the remaining 20% will not be left aside and measures will be taken to ensure that they too have access to the retail financial services they need to function in today's economy.

- **The lack of adequate financial literacy**

Often combined with a lack of adequate digital skills, many consumers do not have the level of financial literacy one needs to understand the complex products offered online and make an informed choice.

According to the G20-OECD Report on Adults Financial Literacy in G20 countries[9] which looked at the self-reported financial knowledge of adults up to 79 years, significant numbers of respondents considered themselves to have quite low or low financial knowledge. In 2017, 13% of Germans considered themselves not to have enough knowledge (10% responded "Quite low" and 3% "Very low"). In the Netherlands, 16% rated themselves poorly (14% answered "Quite low" and 2% "very low"). In Italy, more than half of the respondents (51%) were unhappy about their financial knowledge (32% responded "quite low" and 19% "Very low").

The lack of adequate financial literacy affects women even more than men in all countries. For example, in the Netherlands only 51% of women reached the minimum target score of 5

[7] Eurostats 2019 Ageing https://ec.europa.eu/eurostat/documents/3217494/10166544/KS-02-19%E2%80%91681-EN-N.pdf/c701972f-6b4e-b432-57d2-91898ca94893 (p.134)
[8] Eurostat. (2020, October 14). Individuals - internet activities [ISOC_CI_AC_I]. Retrieved 8 December 2020 from https://ec.europa.eu/eurostat/databrowser/view/ISOC_CI_AC_I.
[9] G20-OECD-INFE-report-adult-financial-literacy-in-G20-countries.pdf

in the financial literacy test while 76% of men did. Yet little is done to target financial education to women's needs.

Several EU legal instruments include requirements for Member States to improve financial literacy as a consumer protection measure. Yet improving consumers' financial literacy is more than ensuring consumers know where to find financial information on each product. Improving the financial literacy of the vulnerable groups covered by this paper is more challenging than targeting the educated, digital average citizen.

Another, often neglected issue of digitalized access to financial services, is their "over democratization". Though exactly opposite to difficult access, this phenomenon does not fall short of negative impact on the average user. In a nutshell these are technologically enabled solutions to pass over or shortcut certain restrictions in traditional financial services. Beneficial as may be in principle, in many cases with significant societal impact, this leads to crossing through implicit or explicit barriers, imposed for protection of the users. Marching under the slogan of "easy and low cost, access" those type of fintech products can be much more detrimental when one looks into detail, compared to the first impression, created by their publicly brushed up image. One such example is the trading platform "Robinhood[10]", spreading widely in USA during the first wave of COVID - 19. The main asset of the company is the business model of inverted trading which makes it widely accessible and charges no commission on the trader. With such products, one needs only to download the app in order to start trading. This leads many people to literally hit the wall due to their lack of financial literacy and consequently - to incur significant losses.

This and similar cases just underline the fact that although beneficial in order to alleviate certain bureaucratic burden in financial sector, Fintech solutions may be detrimental as well, when they target not the red tape but the barriers aimed at consumer protection.

Recommendation

The EU and Member States need to develop financial literacy programmes specifically designed for and easily accessible by those with low financial literacy or limited understanding of the risks connected with "highly attractive" offers. It is more urgent than ever to extend consumer protection measures to combat financial exploitation of non-expert consumers, and ensure that everyone has access to reliable and independent sources of information to make informed decisions regarding their short and long term financial needs.

- **Reluctance to use digital instruments for financial purposes**

A significant number of consumers who otherwise use internet for other purposes, feel reluctant to use digital retail payments instruments or online banking due to concerns about their safety and privacy.

Even prior to the COVID-19 crisis, some consumer groups were already particularly concerned about the risk of fraud and spams. Since the pandemic has started, they are worried that the risk of falling prey to the numerous scammers and phishers has increased significantly.

[10] https://robinhood.com/us/en/

With the various reports of social media and public authorities' being hacked and millions of users'/patients' data being leaked, citizens are more conscious of risks connected with digital services. With most social media and operating systems pushing for full integration and interconnectedness of all software used by a consumer, they fear that their personal data including financial data become accessible through various backdoors. Tackling digital fraud and scams efficiently has never been as urgent as today when the COVID-19 creates new needs for new rapidly set-up digital services, some of which targeting new vulnerabilities brought by the pandemic.

Recommendation

In light of increasing large scale hacking events which affect millions of citizens in the EU, the European Commission should take urgent action to rapidly create a secure and trusted online environment that will improve the protection of privacy and personal data, including financial data, and guarantee citizens' digital rights in the framework of the Europe Digital Decade.[11]

3) Costs related to non-digital alternatives and increased risk of poverty

Non-digital consumers are disproportionately affected by the trend to move to digital-only services. Yet many have no choice: the budget related to home-banking (PC and software, internet access, yearly subscription to antivirus, printer, paper, ink, etc.) can be too high for consumers with low or irregular income.

People with low income and people living in remote or rural areas are also disproportionately at risk of financial exclusion as a result of scarce availability of banks agencies and ATMs , lack of broadband coverage, combined with high costs charged for non-digital services, etc. For ex. the high cost of cash withdrawals in rural or remote areas has been reported to be a serious issue in Romania and Bulgaria. This cost has been reported to be as high as 3 euros per withdrawal, which represents a heavy cost when considering the average income in the rural areas in these countries.

During the COVID-19 crisis, many urban dwellers forced to telework have left crowded cities and moved to rural areas. Many consider remaining in the countryside provided they can continue to have adequate access to digital and non-digital services at no extra costs.

Recommendation

In its Communication on its long-term vision for the future of rural areas, the European Commission should draw the lessons of the COVID-19 pandemic and propose concrete actions to facilitate access to digital and non-digital financial services in rural and remote areas at no extra costs for the consumer.

[11] Europe's Digital Decade: digital targets for 2030 | European Commission (europa.eu).

In the framework of its European Pillar of Social Rights Action Plan[12], and upcoming first EU Report on Access to essential services, the European Commission should propose that the costs related to access and use of non-digital essential financial services should be monitored closely and action should be taken to avoid detriment to vulnerable non-digital consumers.

III. What is the EU already doing to protect these groups?

1) European Accessibility Act (EAA)

Adopted in 2019, the EAA requires that EU Member States adopt and publish the laws, regulations and administrative provisions necessary to comply with this Directive by 28 June 2022. If transposed adequately by Member States and implemented in a coordinated way across the SEPA, this legislation would help achieve more accessible financial services for persons with disabilities and older persons and support their access and use of ATMs, banking services, points of sale (POS), ticketing machines and other digital payment services. However, if each Member State is left free to interpret and implement the EAA, we fear that this will lead to further fragmentation of accessibility solutions leading to a lack of interoperability across the EU and barriers to cross-border mobility of consumers with functional limitations.

The EPSCO Council conclusions adopted on 9 October 2020 include an annex to the Council Conclusions on Human Rights, Participation and Well-Being of Older Persons in the Era of Digitalisation, where the Council of the European Union invites Member States and the European Commission to:

> 36. STRIVE TO ENSURE that digitalisation is an inclusive process improving access to services and that the European Accessibility Act (EAA) is implemented fully and in a timely manner, and TAKE OTHER MEASURES to make digitalisation accessible to all;
>
> 37. ENSURE through alternative means that those who cannot fully use digital technologies can enjoy the same rights as other groups of the population.

2) EC Retail Payments Strategy

On 24 September 2020, the European Commission issued its Retail Payments Strategy for the EU in which they state that: "*With digitalisation and changing consumer preferences, cashless transactions are increasing rapidly*[13]*. The COVID-19 pandemic has further reinforced the shift to digital payments and confirmed the vital importance of safe, accessible*

---

[12] https://ec.europa.eu/social/BlobServlet?docId=23696&langId=en

[13] According to the ECB, in 2018, cashless payments reached 91 billion transactions in the euro area and 112 billion in the EU while they were about 103 billion in 2017.

and convenient (including contactless) payments for remote and face-to-face transactions. However, cash remains the means used for a majority of retail payments in the EU."

"At the end-user level, the Commission expects payment solutions to be interoperable, accessible, to add value and meet the needs of a broad range of users, including businesses of different sizes, without excluding categories of customers, such as older persons or persons with disabilities."

"It is equally important to ensure that the authentication approaches chosen by PSPs that rely exclusively on advanced technological devices do not lead to the exclusion of categories of customers, such as older persons."

IV. Examples of member states action to combat financial exclusion in today's digital society

1) Sweden's initiatives to ensure access to essential services

To address the concerns over the decline of cash expressed by citizens of age groups, and the specific vulnerabilities identified by the Swedish national banks in rural areas and in case of electricity or internet breakdowns, Sweden passed a new law giving more responsibilities to the Riksbank for cash handling. Counties' administrative boards are asked to ensure that access to basic payments including cash meet social needs, and to report yearly to the government notably on their measures to facilitate access to cash for older persons and persons with disabilities. The Swedish Post and Telecom Authority (PTS) has also been commissioned by the Government to support the county administrative boards' work in designing and implementing regional support and development initiatives to secure access to basic payment services in those areas where needs are not being fulfilled by the market. In the private sector too, initiatives have been launched to support groups experiencing digital exclusion. One of these is the initiative Betalningshjälpen.se ("help with paying"), which aims to make the digital economy more inclusive so that everyone is able to manage their day-to-day economics, regardless of conditions and age.

2) Portugal

a) Prohibition to charging fees for ATM withdrawals using a debit card

Under Decree-Law n.º 3/2010, it is prohibited to charge any fees for withdrawals (and deposits or payments) in ATMs using a debit card. The objectives of this rule is to protect consumers' interests, preventing directly that they could be charged for those services, while promoting the use of effective payment instruments, under an adequate environment of transparency and competition.

b) Pro-active strategy to keep access to cash[14]

Despite network contraction, Portugal remains the leader in the Euro Area in number of ATMs per capita with on average 1,4 teller machines per 1000 inhabitants in the national territory, a ratio significantly higher to the average of the Euro Area countries.

In this context, it is important to notice that 78% of the population has the availability of a point of access to cash under 1 km of distance from their city council and 98% under 5 km. Nevertheless, anticipating a gradually more uneven context is sufficient to maintain a reflection for a proactive strategy in safeguarding an equal and sustainable network of cash access points. Apart from the issue of the necessary protection of segments of population, there are other reasons for a continuous commitment to cash, such as keeping the payment option that ensures the fundamental right to anonymity and allows for a higher control over expenses.

c) Assessing the implementation of mobile provision of banking services

In a way to address the issue of exclusion due to the closing down of branches and ATMs, Banco de Portugal, the supervisor, issued, in November 2020, a public consultation on the regulatory framework for provision of banking services through mobile extensions of branches. The document aims to set rules to allow banks to set mobile extensions – using vans, buses or similar vehicles - to branches that are considered central geographically.

d) Minimum services bank account regime in Portugal

In Portugal, there was already a specific account to address financial inclusion. This was originally created in 2000, under Decree-Law 27-C/2000. This has been revised many times and has taken up the requirements of PAD for a basic account.

Basic bank accounts (‘*serviços mínimos bancários*’) are a set of essential banking services which citizens can access at a reduced cost. They include the opening of a current account and the provision of the respective debit card.

Basic bank accounts must be provided by all credit institutions authorised to receive deposits from the public and that provide to the public the services included in basic bank accounts.

For the provision of basic bank accounts, credit institutions may not charge fees, expenses or other charges which, on a yearly basis and as a whole, account for more than 1% of the value of the social support index (IAS), i.e. 4,38 Euros according to the value of IAS in 2020.

By the end of the first semester of 2020 there were almost 117.500 accounts under this regime.

3) Romania measure to combat discrimination against persons with disabilities

The Romanian National Council for Combating Discrimination (CNCD) clearly states that “[…] The refusal to grant a bank loan for adapting the home of a person with disabilities to

[14] Bank of Portugal, Report on Assessment of credit institutions ATM and branch coverage, July 2020

[their] needs [...] is an act of indirect discrimination […]". Two national banks and high-street retailers have been fined, because they refused to grant loans to people with disabilities. The applied principle is that a person with disabilities who receives public benefit, regardless of the type of disability, should not be prevented from accessing credit simply because their income is exempt from seizures, if in the case of repayment issues.