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## **REPORT**

with recommendations to the Commission on Access to Basic Banking Services (2012/2055(INI))

Committee on Economic and Monetary Affairs

Rapporteur: Jürgen Klute

(Initiative – Rule 42 of the Rules of Procedure)

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#### MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with recommendations to the Commission on Access to Basic Banking Services (2012/2055(INI))

The European Parliament,

- having regard to Article 225 of the Treaty on the Functioning of the European Union,
- having regard to the Commission Communication of 27 October 2010 entitled
   'Commission Work Programme 2011' (COM(2010)0623), and in particular the reference to planned "legislation on access to basic banking services",
- having regard to the Commission Communication of 13 April 2011 entitled 'Single Market Act: Twelve levers to boost growth and strengthen confidence' (COM(2011)0206),
- having regard to the Commission Communication entitled 'Europe 2020: A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),
- having regard to Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market<sup>1</sup>, and in particular the establishment of Single Euro Payments Area (SEPA),
- having regard to Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing<sup>2</sup>,
- having regard to the Commission consultations on Financial inclusion: ensuring access to a basic bank account from 2009 and on access to a basic payment account from 2010,
- having regard to Commission Recommendation 2011/442/EU of 18 July 2011 on access to a basic payment account<sup>3</sup> and the impact assessment accompanying it (SEC(2011)0906),
- having regard to the Commission Staff working document entitled 'Single Market through the lens of people A snapshot of citizens' and businesses' views and concerns (SEC(2011)1003), and in particular concern 7, which relates to difficulties that citizens encounter when opening a bank account in Member States which are not their country of residence,
- having regard to Rules 42 and 48 of its Rules of Procedure,
- having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on the Internal Market and Consumer Protection (A7-0197/2012),

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<sup>&</sup>lt;sup>1</sup> OJ L 319, 5.12.2007, p. 1.

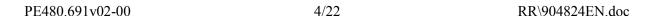
<sup>&</sup>lt;sup>2</sup> OJ L 267, 10.10.2009, p. 7.

<sup>&</sup>lt;sup>3</sup> OJ L 190, 21.7.2011, p. 87.

- A. whereas the smooth functioning of the internal market and development of a modern, social market economy depends, inter alia, on the universal provision of affordable and easily accessible basic payment services and of a socially responsible banking sector;
- B. whereas access to basic payment services is one of the preconditions for consumers to benefit from the internal market, notably from freedom of movement, money transfer and the purchase of goods and services at reasonable transaction costs; whereas basic payment services are essential for consumers to reap the benefits of e-commerce; whereas the annual opportunity cost of not having access to a payment account is estimated at between EUR 185 to EUR 365 per consumer; whereas access to basic payment services is, in particular, increasingly becoming a prerequisite for social inclusion in terms of access to employment, healthcare and housing;

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- C. whereas the Commission estimates that currently 7 % of the Union's adult population, i.e around 30 million people, do not have a bank account, and that an estimated 6,4 million of those have been deprived of or have not dare ask for a bank account; whereas financial exclusion varies from one Member State to another; whereas some Member States have a very low penetration rate of bank accounts with the lowest percentage being around 50 % of the adult population in Romania and Bulgaria;
- D. whereas every consumer has the right to choose not to have a payment account or a basic payment account; whereas, therefore, consumers should not be obliged to have a payment account or a basic payment account; underlines however in this respect the importance of financial education in pointing out the advantages of financial inclusion;
- E. whereas banks can deny a person the opportunity to open a bank account if the person concerned is not a resident of the Member State where the bank is registered; whereas difficulties encountered by non-residents in opening bank accounts obstruct the proper functioning of the internal market;
- F. whereas general economic and social development contribute to high bank account penetration; whereas among Member States, 33 % of the variation in the percentage of the population using a current payment account can be explained by the level of economic development and, therefore, 67 % depend on other factors, such as regulation or self-regulation arrangements;
- G. whereas payment service providers, acting in accordance with market logic, tend to focus on commercially attractive consumers, and therefore in certain cases leave commercially less attractive consumers without the same choice of products; whereas industry codes as initiated in Germany, Ireland, Italy, Luxembourg, Slovenia and the United Kingdom have inter alia been a result of public pressure and demands for legislative initiative; whereas self-regulation instruments have had positive or mixed results and have, for the time being, not guaranteed access to basic payment services in all Member States;
- H. whereas legislative approaches to ensure access to basic banking services have had satisfactory results; for example, whereas close to 100 % of households in Finland and Denmark are covered by payment services while the number of unbanked citizens has

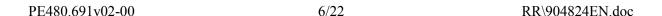




- dropped considerably in Belgium and France, as a result of the implementation of legislative initiatives;
- I. whereas not all Member States have taken adequate action required by the Commission Recommendation on access to a basic payment account and too many Member States still have no legal or voluntary requirement for providers to offer basic payment services;
- J. whereas in order to be effective, a basic payment account needs to be straightforward to open and to provide a specified range of core services, and there need to be measures in place for effective supervision and settlement of conflicts as well as for facilitating access to such an account for consumers with no fixed address; whereas the legislation on antimoney laundering and anti-terrorist financing should be applied in a proportional manner and should never be used as an unfounded pretext for rejecting commercially less attractive consumers; whereas the Commission should explore whether it should be necessary for consumers to have a link to the Member State in order to be eligible for a basic payment account;
- K. whereas payment service providers should provide access to a basic payment account free of charge or at a reasonable cost;
- L. whereas payment service providers should pay particular attention to financially vulnerable consumers when offering overdrafts and additional credit products in order to avoid over-indebtedness; whereas Member States should avoid any potential charges for basic payment services from becoming a barrier preventing financially excluded consumers from having access to basic payment services;
- M. whereas, partly as a result of the social and economic crisis, over-indebtedness has become the most important "new social risk" across the Union and protection against garnishment, which should be managed and developed exclusively at Member State level, is an important aspect in this regard.
- N. whereas distortions of competition should be prevented and consumers' needs in underbanked regions should be taken into account and hence the scope of the initiative should be as broad as possible; whereas new developments in the payment services market, such as prepaid solutions or mobile banking should be taken into account when further developing and assessing initiatives in this field;
- O. whereas for any initiative for access to basic payment services, the availability of understandable information to consumers is a key element; whereas the Commission should therefore encourage Member States to develop well-targeted communication campaigns addressing the particular needs and concerns of unbanked, vulnerable and mobile consumers; whereas in order for basic payment account customers to be serviced in an appropriate manner, providers should ensure that relevant staff are adequately trained; whereas providers should also ensure that potential conflicts of interest do not affect those customers in a negative way;
- P. whereas students, workers and service providers must be able to move across borders and easily take advantage of mobility within in the Union;
- Q. whereas opening a payment account in a Member State should not require the consumer to

close an existing account in another Member State;

- R. whereas existing requirements from the payment service provider for opening a basic payment account are restrictive and may hinder cross-border mobility within the Union.
- 1. Requests that the Commission put forward a detailed assessment of the state of play in all Member States by September 2012; requests the Commission to submit, by January 2013, on the basis of Article 114 of the Treaty on the Functioning of the European Union, a proposal for a directive ensuring access to basic payment services to all consumers legally residing in the Union, unless that detailed assessment demonstrates that there is no need for such a proposal, following the detailed recommendations set out in the Annex hereto;
- 2. Confirms that the recommendations respect fundamental rights and the principles of subsidiarity and proportionality;
- 3. Considers that the requested proposal does not have any financial implications for the budget of the European Union;
- 4. Instructs its President to forward this resolution and the accompanying detailed recommendations to the Commission and the Council, and to the governments and parliaments of the Member States.



# ANNEX TO THE MOTION FOR A RESOLUTION: DETAILED RECOMMENDATIONS AS TO THE CONTENT OF THE PROPOSAL REQUESTED

The European Parliament considers that the directive to be adopted should aim to regulate the following

#### Recommendation 1 (on scope)

- 1. The term "basic payment account" should be defined as a payment account offered in line with the provisions of the proposed legislation. Payment accounts of a basic nature that do not fully comply with those provisions should not be considered to be covered by that term.
- 2. The directive should provide that Member States must ensure access to basic payment services by obliging, in principle, all payment service providers as defined in Article 4(9) of Directive 2007/64/EC that offer payment accounts to consumers as an integral part of their regular business to provide basic payment accounts.
- 3. Any legislative initiative should respect the principle of subsidiarity and should take into account existing legal or voluntary arrangements in Member States where the right to access and use a basic payment account is already successfully ensured;
- 4. Accordingly, in order to avoid undue burdens on payment service providers not offering payment accounts to consumers, the following should be exempt from the obligation to provide a basic payment account:
  - (a) payment services providers referred to in points (e) and (f) of Article 1(1) of Directive 2007/64/EC;
  - (b) payment institutions authorised only to provide one or more of the payment services listed in points 4 to 7 of the Annex to Directive 2007/64/EC;
- 5. Member States should be permitted to exempt other payment service providers from the obligation to provide a basic payment account. Any exemptions should be based on objective and very restrictive criteria, and should cover only payment service providers such as those based on a non-profit business model or those not operating in general retail payment services. Any exemptions should not undermine the right of access for consumers and should be as few as possible so as to minimise the negative effects on competition.

#### Recommendation 2 (on access and identification requirements)

6. The legislation to be adopted should ensure that any consumer, that is to say any natural person who is acting for purposes other than his trade, business, craft or profession, legally resident in the Union, has the right to open and use a basic payment account with a payment service provider operating in a Member State provided that the consumer does not already hold a payment account in that Member State. Member States should ensure

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- that there are workable mechanisms available to the consumer to close a regular payment account in order to convert or shift to a basic payment account. Proof of identity should be required when opening a basic payment account.
- 7. The legislation to be adopted should ensure that it is not unduly burdensome for consumers to demonstrate that they do not already hold a payment account. This could be achieved, inter alia, by requiring a declaration of honour on the part of the consumer.
- 8. Criteria such as the level or regularity of income, employment, credit history, level of indebtedness, individual situation regarding bankruptcy or expected turnover of the account holder should not be taken into account for the opening a basic payment account. Access to a basic payment account should under no circumstances be made conditional on the purchase of other products or services, such as insurance or an additional account.
- 9. The proposal should provide that a basic payment account can be refused or annulled only in objectively justified circumstances under relevant Union or national law not relating to the criteria in paragraph 8 such as in the case of:
  - (a) incompatibility with the legislation on money laundering and terrorist financing,
  - (b) imposture, abuse of confidence or falsification of documents,
  - (c) severe and persistent non-compliance with obligations arising from the basic payment account.
- 10. If needed, Member States should put in place non-discriminatory and flexible measures to assist consumers in meeting due diligence requirements, while complying with the legislation on on money laundering and terrorist financing. Such measures should, in particular, take into account the needs of consumers with no fixed address.
- 11. To facilitate this, Member States should be allowed to classify basic payment accounts as low-risk products in accordance with Article 3(3) of Commission Directive 2006/70/EC implementing Directive 2005/60/EC. Accordingly, providers may be obliged to apply simplified customer due diligence requirements. The Commission should aim to further clarify interpretations of the legislation on anti-money laundering and anti-terrorist financing to ensure that, in the context of basic banking services, they are applied in a balanced and proportional way. Nobody should be denied access to or be disqualified from a basic payment account on those grounds unless there are well-founded and objective reasons for doing so. Such rules should never be used as an unfounded pretext for rejecting commercially less attractive consumers.
- 12. The legislation to be adopted should oblige payment service providers to act transparently in relation to a decision to deny or close a basic payment account, while complying with the legislation on money laundering and terrorist financing as well as on the prevention and investigation of crimes. In order to allow the consumer to question the payment service provider's decision, the payment service provider should inform the consumer in writing of the reason for the refusal to open or decision to close a basic payment account. The provider should also be obliged to inform the consumer about possibilities for alternative dispute resolution mechanisms.

13. The legislation to be adopted should require the provider to act rapidly when verifying whether the consumer has right to access a basic payment account, whereby the provider must inform the consumer in writing about grounds for any delay longer than two weeks. Grounds for which the provider is responsible, such as an excessive workload, cannot justify such a delay. The provider may require consumers to be physically present in the nearest available branch to open the account. However, where it would be impossible or unduly burdensome for consumers to be physically present, alternative solutions should be found

#### Recommendation 3 (on functionalities and cost)

- 14. The legislation should enable the user of a basic payment account to make any essential payment transactions such as receiving income or benefits, paying bills or taxes and purchasing goods and services via both physical and remote channels using mainstream national systems.
- 15. Member States should be able, if they think fit, to allow payment service providers to provide small overdrafts as a buffer to cover temporary negative balances, where appropriate. Providers should, moreover, be free to offer credit products, as separate services, to basic payment account customers, where appropriate. The access to or use of the basic payment account should in no way be restricted by or made conditional on the purchase of such services or products. The fees charged for such overdrafts and for separate credit products should be transparent and at least as favourable as usual pricing policy of the provider.
- 16. Access to a basic payment account should be offered free of charge or at a reasonable cost. If fees are charged, they should be transparent. Every Member State should establish an upper limit for the total annual fees related to opening and using a basic payment account. The Commission should assess the feasibility of establishing a Union-wide upper limit for the total annual fees related to opening and using a basic payment account. The Commission should also explore ways to adapt that Union limit to national circumstances such as general consumer price levels, income levels and average charges associated with regular payment accounts. Payment service providers should be required to ensure that, among the products that they offer, the basic payment account is always no matter how the comparison is made the most affordable account for carrying out basic payment transactions.
- 17. Any penalty charges should be reasonable and at least as favourable as the provider's usual pricing policy. Penalty charges should not be included when calculating total annual fees.
- 18. Providers should be obliged to include only functionalities that are part of their regular offer. Where this is the case, a basic payment account should include the following services:

#### A. Basic account management services

(a) the opening and closing of the payment account;

- (b) services enabling cash to be placed and transactions to be received to a payment account;
- (c) services enabling cash withdrawals from a payment account;
- (d) provision of account statements.

#### B. Standard payment services

- (a) transfers of funds in the currency of the Member State where the account has been opened via the execution of credit transfers including interbank executions;
- (b) transfers of funds in the currency of the Member State where the account has been opened via the execution of payment transactions through a payment card that does not allow the execution of payment transactions that would exceed the current balance of the payment account;
- (c) the execution of standing orders in the currency of the Member State where the account has been opened, including interbank executions;
- (d) the execution of direct debit in the currency of the Member State where the account has been opened including interbank executions in Member States where its use is necessary for the execution of essential transactions.

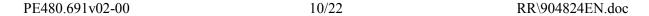
There should be no limitation to the number of operations effected under title A or title B. For the execution of the services under titles A and B, the consumer should be entitled to non-discriminatory access to the different channels offered by the provider, such as manual, over-the-counter transactions in branches, transactions via ATM, including other providers' ATMs where technically possible, online banking and phone banking.

#### C. Additional services

Member States may require further functionalities to be included in the basic payment account. Payment service providers should also be permitted, at their own initiative, to enlarge the range of functionalities, such as a facility for savings or international money remittances to or from accounts outside the Union.

#### Recommendation 4 (on information)

- 19. Member States should provide consumers with necessary and understandable information about the availability of basic payment accounts, targeting the particular needs and concerns of unbanked, vulnerable and mobile consumers. The Commission and Member States should contribute to a high level of awareness among consumers and stakeholders. Providers should use different available channels, for example their websites and, where applicable, branches where information should be visible to consumers.
- 20. Member States should encourage banks to develop arrangements for advising their most vulnerable customers in order to help them to act responsibly and manage their budgets.





- 21. In order for basic payment account customers to be serviced in an appropriate way, the legislation to be adopted should require providers to ensure that relevant staff are adequately trained and that potential conflicts of interest do not affect these customers in a negative way.
- 22. Information requirements deriving from the legislation to be adopted should be without prejudice to the requirements laid down by Directive 2007/64/EC concerning the provision of information to consumers.

#### Recommendation 5 (on supervision, settlement of conflicts, statistics and compensation)

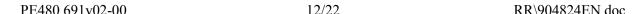
- 23. The legislation to be adopted should oblige Member States to designate competent authorities to ensure and monitor effective compliance with its requirements. Those designated competent authorities should be independent from payment service providers.
- 24. Member States should be obliged to specify principles for sanctions to be imposed on providers for non-compliance with the basic payment accounts framework, including for infringements on statistical requirements as described in paragraph 25.
- 25. Member States should be required to ensure that providers regularly provide the competent national authorities with reliable information on basic payment accounts opened and closed as well as on the applications for basic payment accounts that are refused and the grounds for such refusals. Providers should also make detailed information available to the competent national authorities on the costs related to basic payment accounts.
- 26. Each year, Member States will provide the aggregated information as described in paragraph 25 to the Commission and to the European Banking Authority. The data should be published in an aggregated and understandable form.
- 27. Member States should ensure that appropriate and effective complaints and redress procedures are established for the out-of-court settlement of disputes concerning the rights and obligations established under the principles set out in the legislation to be adopted between payment service providers and consumers, using existing bodies where appropriate. Alternative dispute resolution (ADR) bodies need to be independent, easily accessible and its services should be free of charge. In order to ensure its impartiality, equal representation of providers, consumers and other users needs to be ensured. Member States should ensure that all basic payment account providers adhere to one or more such bodies implementing such complaint and redress procedures.
- 28. Member States should be required to ensure that ADR bodies actively cooperate in the resolution of cross-border disputes. Where disputes involve parties in different Member States, FIN NET should be used to resolve consumer complaints.

#### Recommendation 6 (on implementation and review)

- 29. The legislation to be adopted should be implemented by Member States within 12 months following the date of its publication in the *Official Journal of the European Union*.
- 30. In close cooperation with Member States and stakeholders, the Commission should, within three years after the entry into force of the directive and every five years thereafter, publish a report on its application. That report should evaluate:
  - (a) whether Member States have fully implemented the legislation;
  - (b) progress in ensuring access to basic payment services for all consumers in the Union, including both direct and indirect effects of the provisions of the directive on the elimination of financial exclusion;
  - (c) awareness among the consumers targeted by the directive about the availability and the features of basic payment accounts and consumers' rights relating to those bank accounts;
  - (d) evaluation of charges relating to the provision of basic payment accounts including in relation to consumer price levels;
  - (e) best practices and concrete recommendations for Member States with high or persistent levels of consumer exclusion of payment services;
  - (f) effects on the integration and construction of a internal market for retail banking throughout the Union and distortions of competition between providers of basic payment accounts;

Where appropriate, the report should be accompanied by a proposal for amendments to the legislation and by recommendations for better implementation in Member States. The report should be forwarded to the European Parliament and to the Council.

- 31. The Commission should complement the proposed directive on basic payment accounts by further initiatives aiming at further integration and harmonisation of retail banking services and prevention of financial exclusion. Such a package should, in particular:
  - (a) improve competition in relation to payment and banking services to:
    - (i) ensure prices of fees related to bank accounts are transparent and comparable so that consumers can compare tariffs of different banks and shop around for better deals;
    - (ii) eliminate all technical and administrative obstacles to switching bank accounts to allow consumers to easily move their bank account from one bank to another;
  - (b) improve sellers' acceptance of different types of payment methods in order to allow consumers to reap the benefits offered by e-commerce; with this in mind, sellers should universally offer the possibility of paying by a basic payment card without any payment surcharge;
  - (c) further clarify interpretations of anti-money laundering and anti-terrorist financing rules in order to ensure that such rules are never used as an unfounded pretext for





rejecting commercially less attractive consumers;

(d) improve financial education, including at school, combat over-indebtedness, the most important "new social risk" across the Union and improve access to fair credit and micro credits throughout the Union.

# OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Economic and Monetary Affairs

on access to basic banking services (2012/2055(INI))

Rapporteur: Evelyne Gebhardt (\*)

(Initiative – Rule 42 of the Rules of Procedure)

(\*) Procedure with associated committees – Rule 50 of the Rules of Procedure

#### SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Economic and Monetary Affairs,

- I. as the committee responsible, to incorporate the following suggestions in its motion for a resolution:
  - having regard to Article 114 of the Treaty on the Functioning of the European Union,
  - having regard to the communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 13 April 2011 entitled 'Single Market Act Twelve levers to boost growth and strengthen confidence Working together to create new growth' (COM(2011)0206),
  - having regard to Professor Mario Monti's report to the Commission of 9 May 2010 entitled 'A new strategy for the Single Market',
  - having regard to its resolution of 20 May 2010 on delivering a Single Market to consumers and citizens<sup>1</sup>,

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OJ C 161 E, 31.5.2011, p. 84.

- having regard to its resolution of 6 April 2011 on a Single Market for Europeans<sup>1</sup>,
- having regard to its resolution of 5 July 2011 on the future of Social Services of General Interest<sup>2</sup>,
- having regard to its resolution of 15 November 2011 on a new consumer policy strategy<sup>3</sup>,
- having regard to Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights<sup>4</sup>,
- having regard to the Commission's 2011 work programme of 27 October 2010 (COM(2010)0623),
- having regard to the Commission's 2012 work programme of 15 November 2011 (COM(2011)0777),
- having regard to the Commission proposal for a directive of the European Parliament and of the Council on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR) (COM(2011)0793),
- having regard to the Commission recommendation of 18 July 2011 on access to a basic payment account<sup>5</sup>.
- having regard to the impact assessment concerning the Commission recommendation of 18 July 2011 on access to a basic payment account (SEC(2011)0906, SEC(2011)0907),
- having regard to Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market<sup>6</sup>,
- having regard to the Commission proposal for a regulation of the European Parliament and of the Council of 16 December 2010 establishing technical requirements for credit transfers and direct debits in euros and amending Regulation (EC) No 924/2009 (COM(2010)0775),
- having regard to Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions<sup>7</sup>,
- having regard to Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for

Texts adopted, P7\_TA(2011)0145. Texts adopted, P7\_TA(2011)0319.

Texts adopted, P7\_TA(2011)0491.

OJ L 304 22.11.2011, p. 64.

OJ L 190 21.07.11, p. 87.

<sup>6</sup> OJ L 319 05.12.07, p. 1.

OJ L 267 10.10.09, p. 7.

- the purpose of money laundering and terrorist financing<sup>1</sup>,
- having regard to Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data<sup>2</sup>.
- having regard to the study of 15 November 2011 it commissioned entitled 'Basic Banking Services',
- having regard to Petition 0963/2011 of 17 February 2012 by Triin Saag (Estonian) on problems in closing a bank account in the European Union,
- A. whereas consumers throughout the Union should be guaranteed access to payment services and should be able to take full advantage of the internal market:
- B. whereas that right should be enjoyed by every person legally resident in the Union, and whereas freedom of movement for persons is of fundamental importance;
- C. whereas that right should also apply to people who need a bank account in more than one Member State due to the existence of a relationship with each of those Member States;
- D. whereas entitlement to access to a basic payment account must not be made subject to the purchase of additional banking services and products;
- E. whereas existing restrictive conditions which payment-service providers require persons wishing to open payment accounts to meet go beyond the requirements of the law and curtail EU residents' freedom of movement in the Union;
- F. whereas due account should be taken of differing banking practices in the Union;
- G. whereas in its 2011 work programme the Commission announced its intention of publishing a proposal for a legislative instrument concerning access to a bank account, but whereas on 18 July 2011 it instead merely published a recommendation on access to a basic payment account; whereas despite that recommendation, 15 Member States still have no legal or voluntary provisions requiring banks to offer basic banking services;
- H. whereas voluntary commitment on the part of the banks has not yet succeeded in effectively securing universal access to basic payment accounts; whereas only a legislative instrument can guarantee the legal certainty for citizens;
- I. whereas the market must also adapt by broadly accepting basic bank account cards alongside credit cards if basic payment accounts are to become more widespread:
- J. whereas not having access to a payment account prevents consumers from participating in the main financial services market and from obtaining essential goods and services, and whereas this hampers or rules out social and financial inclusion;
- K. whereas principles governing access to a basic payment account should be laid down and

<sup>1</sup> OJ L 309 25.11.05, p. 15.

OJ L 281 23.11.95, p. 31.

- applied consistently throughout the Union, with a view to fostering social inclusion and social cohesion;
- L. whereas the close link between low income, the lack of a bank account and social and financial exclusion is indisputable;
- M. whereas EU residents wishing to take advantage of mobility within the Union often encounter serious obstacles;
- N. whereas, although the purpose of the current stage of development of the single European payment area (SEPA) is to ensure that a bank account is all that is needed to complete all national and international transactions, the establishment of SEPA has not yet been completed; whereas ensuring transparency in terms of services and the associated costs, and additional measures to make SEPA more effective in all Member States, are therefore essential:
- O. whereas consumers without a bank account are forced to use cash; whereas this not only restricts their choice of payment methods and serves to exclude them from electronic transactions, but is also more expensive;
- P. whereas the lack of a bank account in a person's country of residence makes it much more difficult to find full-time employment, to find rental accommodation, to pay taxes and to receive wages; whereas the denial of a bank account or the offer of less favourable conditions on the basis of a person's place of residence and his or her social and economic situation is discriminatory;
- Q. whereas both consumers and firms would benefit if the 30 million people over the age of 18 who, according to a study commissioned by the European Parliament, do not have a bank account were to be granted access to a basic payment account; whereas this would also strengthen the internal market and consumer rights;
- II. to include the following recommendations in the annex to its proposal for a resolution:

#### Recommendation 1 (definitions)

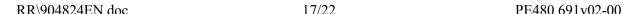
Pursuant to Directive 2011/83/EU, a consumer is a natural person acting for purposes outside his or her trade, business, craft, or profession. The Commission should ensure that the definition of the term 'consumer' includes all mobile residents of the Union and who therefore have a right of access to a basic payment account.

A basic payment account should be defined as a bank account enabling a consumer to effect all standard payment transactions to the extent that the balance allows.

The right of access to a basic payment account should apply to all consumers unless there are serious non-discriminatory reasons to the contrary. It does not, however, imply any obligation to have a bank account.

#### Recommendation 2 (access to a basic payment account)

Member States should ensure that every consumer legally resident in the Union is entitled to open and keep a basic payment account operating on their territory. It should make no



difference whether the consumer has an account in another Member State enabling him or her to make use in that Member State of the services specified in recommendation 3. This entitlement is applicable regardless of the consumer's financial circumstances.

Member States should ensure that all banks with private customers are obliged to offer basic payment accounts, so as to avoid discrimination and unfair competition among banks, except where specific arrangements are in force in a Member State.

The wide range of reasons for reducing and refusing access to a bank account makes it imperative that a solution be found as soon as possible in all Member States in order that consumers are able to exercise their universal right to a bank account. The Commission should therefore immediately put forward a legislative proposal on this matter in order that the right of access to a basic payment account is laid down in Union law.

How this right of access to a basic payment account is to be established in the Member States should remain a matter for the Member States themselves, on account of the diversity of arrangements for the provision of financial services.

Member States should ensure that when access to a basic payment account is denied, the payment service provider informs the consumer in writing without delay, in unambiguous, clear language and free of charge, of the reasons for the denial of access and draws attention to legal remedies. This right to information may be restricted by law where such restriction constitutes a necessary and proportionate measure to safeguard the objectives of national security or public policy. Member States should ensure that consumers have the possibility to complain about a decision of refusal.

#### Recommendation 3 (law in the field of money laundering and terrorist financing)

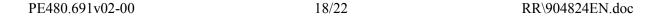
The right of access to a basic payment account in a Member State should be granted in accordance with Directive 2005/60/EC.

The obligations of the payment service provider resulting from the relevant Union or Member State law in the field of money laundering and terrorist financing should not be affected by the Union act being called for.

#### Recommendation 4 (features of a basic payment account)

A basic payment account should serve, without discrimination, to effect all operations required in order to open, operate, and close a payment account, produce account statements, perform services enabling money to be placed in a payment account, transaction to be received as well as services enabling cash withdrawals from a payment account, and execute direct debiting, credit transfer, as well as payment transactions via both physical and remote channels, including the Internet. There should be no limitation to the number of operations effected. Access to a basic payment account should not be made subject to the purchase of any additional services such as insurance, the opening of an additional bank account or to non-monetary considerations such as the prior signing of a rental contract.

Member States should ensure that basic payment accounts are provided free of charge or at a reasonable cost.



Prepaid payment cards or other devices serving the same purpose, which already exist in some Member States, are possible complements to a basic payment account that should be explored and developed further.

Many basic payment accounts are nowadays exclusively internet based, a fact which makes them ideal for e-commerce but also excludes those who have no internet access. Basic payment accounts should be user friendly, simple, and secure. Furthermore, management of such accounts must be made possible not only through online, SMS and other existing remote banking procedures but also at local branches.

All forms of discrimination as a result of the use of a basic payment account must be avoided.

A change of bank or the closure of a bank account must not entail excessive administrative costs or obstacles for consumers.

Member States should be able, if they think fit, allow banks to provide small bridging loans to cover temporary negative balances. Any charges for such small bridging loans should be reasonable and at least as favourable as the provider's usual pricing policy.

They should, moreover, be free to provide for overdraft facilities within reasonable limits.

In any event, consumers' personal data, including those relating to their financial circumstances, should be properly protected and not passed on without permission. This applies especially following the rejection of an application to open a bank account.

Member States and the Commission should launch information campaigns through public bodies and in cooperation with consumer organisations and advisory social institutions on the concept of basic payment accounts in order to increase consumer understanding of the right of access to such accounts.

At Union level, such information campaigns should, in particular, raise awareness about the Union-wide availability of basic banking services and cross-border rights for access. At Member State level, such communication campaigns should aim at giving necessary and understandable information about the features, conditions and practical steps while addressing consumers' specific concerns. Communication campaigns at Member State level should be provided in several languages where appropriate.

Drawing attention to the advantages of using a basic payment account and imparting financial knowledge are matters of crucial importance, since they strengthen the consumers' position and enable them to integrate into the internal market.

Payment service providers should be obliged to provide information to consumers in writing on the basic payment accounts that they offer and any costs and conditions which apply to their use. Consumers should also be told that there is no obligation to use additional services in order to have access to a basic payment account. The costs of the services should be set out in a clear, comparable way, with no small print or hidden costs.

The conditions applying to payment services, and the related information procedures, should be transparent.

Making cash withdrawals from automatic teller machines should as far as possible be free of charge, irrespective of the bank which owns the machine.

#### Recommendation 5 (out-of-court settlement of legal disputes)

Member States should ensure that proper effective legal remedies are available to enable disputes to be settled out of court, making use of existing institutions where appropriate.

Member States should ensure that appropriate and effective complaint and redress procedures are established for the out-of-court settlement of disputes concerning the rights and obligations established under the principles set out in the law applicable to payment service providers and consumers. Such complaint and redress procedures, whether at national or cross-border level should be available in accordance with the applicable law. FIN NET could be involved in the settlement of complaints where appropriate.

Bodies at Member State level tasked with monitoring compliance with the law in this area should draw up best-practice procedures for banking institutions and promote them throughout their territory. The Commission should also be informed of developments in this area. Commission initiatives such as Europe Direct or SOLVIT and national institutions such as financial ombudsmen and consumer organisations which receive complaints from citizens about access to banking services should also inform the Commission of their findings and conclusions, as these reflect the problems encountered by ordinary citizens and consumers.

The relevant national authorities should investigate instances of best practices and take steps against any action by banking institutions which infringes the right of consumers to have a basic payment account.

#### Recommendation 6 (transposition and review)

No later than three years after the Union act has entered into force, the Commission should submit a detailed report to the European Parliament and the Council on its transposition and enforcement. The report should, in addition, discuss whether additional measures are required and contain such proposals as might be necessary to adapt or amend the Union act.

Member States should ensure that payment service providers regularly supply accurate information to the national authorities on the number of basic payment accounts opened, the number of cases in which applications to open an account have been rejected, the reasons for such rejections, account closures, and the costs relating to these accounts.

The Commission should examine the data received and, on that basis, gauge the effectiveness of the law both for persons without a bank account and for mobile workers. If necessary, it should draw up appropriate proposals with a view to further developing Union law in this area.

## **RESULT OF FINAL VOTE IN COMMITTEE**

Date adopted	8.5.2012
Result of final vote	+: 36 -: 0 0: 1
Members present for the final vote	Pablo Arias Echeverría, Adam Bielan, Jorgo Chatzimarkakis, Sergio Gaetano Cofferati, Birgit Collin-Langen, Cornelis de Jong, Christian Engström, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Mikael Gustafsson, Małgorzata Handzlik, Iliana Ivanova, Sandra Kalniete, Edvard Kožušník, Toine Manders, Hans-Peter Mayer, Franz Obermayr, Sirpa Pietikäinen, Mitro Repo, Zuzana Roithová, Heide Rühle, Christel Schaldemose, Andreas Schwab, Catherine Stihler, Róża Gräfin von Thun und Hohenstein, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler
Substitute(s) present for the final vote	Raffaele Baldassarre, Marielle Gallo, Anna Hedh, Emma McClarkin, Antonyia Parvanova, Konstantinos Poupakis, Olle Schmidt, Sabine Verheyen
Substitute(s) under Rule 187(2) present for the final vote	Joseph Cuschieri

## **RESULT OF FINAL VOTE IN COMMITTEE**

Date adopted	31.5.2012	
Result of final vote	+: 37 -: 2 0: 0	
Members present for the final vote	Burkhard Balz, Elena Băsescu, Udo Bullmann, Nikolaos Chountis, George Sabin Cutaş, Leonardo Domenici, Derk Jan Eppink, Diogo Feio, Elisa Ferreira, Ildikó Gáll-Pelcz, Jean-Paul Gauzès, Sven Giegold, Sylvie Goulard, Liem Hoang Ngoc, Othmar Karas, Wolf Klinz, Jürgen Klute, Rodi Kratsa-Tsagaropoulou, Philippe Lamberts, Werner Langen, Astrid Lulling, Arlene McCarthy, Ivari Padar, Alfredo Pallone, Olle Schmidt, Edward Scicluna, Peter Simon, Ivo Strejček, Sampo Terho, Marianne Thyssen, Ramon Tremosa i Balcells, Pablo Zalba Bidegain	
Substitute(s) present for the final vote	Sophie Auconie, Thijs Berman, Philippe De Backer, Roberto Gualtieri, Danuta Maria Hübner, Olle Ludvigsson, Mario Mauro	

