



The Consumer Voice in Europe

# Integration of financial markets in the EU – the consumer (non) experience

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Frankfurt, 26 April 2012

# Utopia ?

An integrated well functioning EU financial market for  
consumers

- Consumers can choose across the board the financial services that are most convenient for them
- They benefit from easy, comparable choices within a competitive market, both domestically and cross-border
- They are confident that the financial products and suppliers are supervised by authorities everywhere in the EU that put the consumer interest high on the agenda

# Reality check I !

- Financial markets are fragmented and consumers are being refused cross-border provision of financial services :
  - Indicators of non-integration of markets :
    - Huge price discrepancies in bank charges
    - Plenty of examples of territorial restrictions
      - Arguments of proximity banking easily dismissed
      - Internet banks (no proximity banking) often score best in consumer satisfaction surveys

# Reality check II!

- Financial markets are not competitive :
  - Bank concentration : trend to uniformisation of banking model ?
- Lack of consumer mobility :
  - Not comparable information
  - No easy switching
    - No information
    - No assistance
    - Bundled services
    - No account number portability

# Reality check III!

- financial supervision when it comes to protection of consumer interests does not at all live up to expectations :
  - Fragmentation of supervision vs international groups
  - Different approaches to consumer protection
  - In some countries, no clear identification of authority in charge : supervisory gap (neither financial authority nor consumer protection authority in charge of protecting the financial consumer)

# The way forward ...

- More integration would potentially lead to more competitive pressure by consumers, at some conditions :
  - Access to bank accounts and other financial services
  - Comparability of bank charges
  - Easy switching, including portability of bank accounts

# The way forward ...

- But this needs also consumer confidence
  - DGS/IGS
  - Responsible lending measures (see proposal on credit related to residential property)
  - MIFID, PRIIPS, IMD?
  - Availability of independent advice

# The way forward ...

- And a more ambitious supervisory framework
  - SEPA governance to be reviewed
  - National supervisors prominently in charge of consumer protection
  - Efficient ADR
  - Collective judicial redress



# Some final thoughts

- Info from members indicate raise in credit rates... while many banks have received ECB loans at very low rates to inject into the real economy? : where is the difference going ?
- High time to restore confidence : Consumer market scoreboard results most worrying
- High time to get rid of self-regulatory approach
- Our growth model is based on consumption
  - Need for consumers to spend more than they have
  - Credit must then be responsible and sustainable



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