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Single Euro Payment Area: Commission proposal to end consumer worries?

BEUC, the European Consumers' Organisation, welcomes today's publication of a European Commission proposal to tackle severe shortcomings of SEPA (Single Euro Payments Area). The proposed legislation - which will make SEPA credit transfer and direct debit compulsory for all payments in Euro across 32 countries - would substantially improve the safety of SEPA direct debit.

BEUC and its member organisations have relentlessly criticised the SEPA direct debit model proposed by European banks which risks being open to fraud. A 2010 study¹ revealed that this year alone 26,000 consumers fell victim to fraudulent direct debits in the UK - sadly confirming fears expressed from long before.

Today's proposal would impose binding requirements to make SEPA direct debit safer and prevent fraud by notably offering the bank client the possibility to:

- block all direct debits coming from specific creditors
- only authorise direct debits coming from one or more specified creditors
- limit a direct debit collection to a certain maximum amount.

Monique Goyens, Director General of BEUC, the European Consumers' Organisation, said:

"We all want our money to be safe at our bank. Consumer confidence in SEPA payment services is key to make SEPA successful. European legislators should embrace this proposal to protect bank clients' money and give them greater control over payments made from their accounts.

"The Commission has done the right thing to make SEPA direct debit safer and lessen the risk of fraud. Without these obligatory requirements, a fraudster could, with my bank details and my name and address, instruct my bank to withdraw money from my account without my consent.

"To establish a truly consumer-friendly SEPA system, the EU must not forget to establish bank identifiers that are simpler than the current IBAN and BIC."

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 **[EC register for interest representatives: identification number 9505781573-45](#)** 

¹ "The UK's real identity fraud crisis", carried out by the *centre for economics and business research ltd* (October 2010).