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### **EU authorities supervising financial markets to get stronger and long-awaited consumer protection powers**

The EU has struck a deal to strengthen and better fund the authorities which are responsible for supervising financial markets at EU level [1].

BEUC welcomes the reform that gives the authorities more teeth to protect consumers.

Monique Goyens, Director General of The European Consumer Organisation (BEUC), said: "The supervision of the financial system in the EU was wholly inadequate before the financial crisis, but it didn't improve much for consumers afterwards either. Mis-selling is still widespread, many financial products are still far too complex and existing legislation is unequally applied throughout the EU. This reform is part of the puzzle to improve the situation consumers face in finance.

"Consumers need supervisory authorities which have greater resources and which take action to remove toxic products from the market. I look forward to strong and energetic regulators which take consumer protection seriously."

A new tool the EU supervisory authorities can use will be to take financial products off the market if they cause significant consumer detriment.

The EU authorities will also have greater powers to supervise the way EU legislation is applied across EU countries, with the ability to call on Member States to improve their implementation. This role is crucial to achieve a high level of financial consumer protection across all EU countries.

Their resources should also increase to allow them to fulfil their additional powers. Currently, their combined personnel is only 7% of that of Italy's equivalent supervisors and 16% of the European Central Bank's, which is totally insufficient to carry out the tasks the EU authorities are expected to. [2].

The EU has unfortunately fallen short of setting up a specific EU financial consumer protection agency, which BEUC believes would help better protect consumers [3].

ENDS

[1] The European Supervisory Authorities (ESAs) are made up of a pensions and insurance authority (EIOPA), a banking authority (EBA) and a securities and markets authority (ESMA).

[2] See BEUC letter, [Proposal for the EU financial supervisory reform](#) (2017).

[3] Centre for European Policy Studies, [European Supervisory Authorities still playing second fiddle to national financial regulators](#), 2018.

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