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Campaign against bad advice that consumers receive in finance

At a time when consumers are increasingly encouraged to turn to financial markets for their pensions or for investments, BEUC today is launching a campaign to improve the quality of advice people receive in finance.

Most people rely on the advice they receive for taking out mortgages or pension, investment or insurance products but the quality of advice they receive is often not trustworthy enough. The campaign [The Price of Bad Advice](#) (username and password below) provides a snapshot of the major mis-selling scandals consumers have fallen victims to in the past 15-20 years across Europe.

BEUC is calling for a fundamental revision of the way financial advice is given to consumers, including a ban of sales incentives which fuel the mis-selling of complex financial products to consumers. Sales incentives often mean the product proposed to a consumer is in the financial advisor's interest, not in the consumer's. We also believe there should be minimum qualifications for financial advisors to exercise their trade.

Monique Goyens, Director General of the European Consumer Organisation (BEUC), said: "Behind every statistic we have managed to compile there are countless personal tragedies. What's worse, our campaign only highlights the mass mis-selling scandals, not all the individual cases of mis-selling, which don't receive enough attention. In many ways, this is only the tip of the iceberg and it is a European problem.

"It's high time that the issue of bad advice in finance is tackled given that more and more people are being pushed to capital markets to beef up their pensions or to invest their savings. The EU needs to address this problem and a key solution would be to ban sales incentives, as is already the case in the UK and the Netherlands."

The Price of Bad Advice is the first time a map of mass mis-selling scandals has been compiled across the EU. The campaign is being launched as studies from the [European Commission](#) and [European Parliament](#) are emerging into the varying quality of advice available on financial markets and the costs and fees associated with investment products.

The campaign is a long-term one where details of new scandals will be added in time.

Notes to editors

You can consult our [position paper](#) and [factsheet](#) which provide more information on this issue and on our policy recommendations at EU level.

URL: www.ThePriceofBadAdvice.eu

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