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European Parliament SEPA vote marks positive shift in leadership of European payment project

Tomorrow (14 February) the European Parliament is due to vote a regulation on credit transfers and direct debit in euro in the EU making in particular the use of IBAN and BIC mandatory from 2014.

BEUC, The European Consumer Organisation, welcomes the fact that SEPA payments will be safer in the future when compared to the banking sector's initial plans and that bank customers will have better control over payments made from their accounts. They can instruct their banks to limit a direct debit order to a specified amount, frequency and duration as well as only authorise direct debits coming from one or more specified creditors.

Making SEPA payments has never been a priority for European consumers. In 2010, only 9.3% of credit transfers and around 1% of direct debits used the SEPA format and most consumers' payments will remain domestic.

Monique Goyens, Director General of BEUC, commented:

"At the beginning, SEPA was a project led by the banking industry. It served banks' interests while consumer expectations were neglected unjustifiably. Now legislators are in the driving seat and this is reassuring for consumers.

"When IBAN and BIC become compulsory, it should not be at the consumer's expense. We urge banks to make every effort to ensure the use of IBAN and BIC is as simple as possible.

"We also call for European and national authorities to engage in widespread information campaigns to explain to consumers how this regulation will change the way in which they pay."

ENDS