

Contact: Johannes Kleis: +32 (0)2 789 24 01
Date: 16/02/2012
Reference: PR 2012/006

Futile European Parliament vote on bank deposit guarantees

Today's European Parliament vote on EU rules governing deposit guarantees – which protect consumers when banks go bankrupt – has regrettably been in vain. In failing to reach an agreement with the Parliament, the Council of Ministers has let down consumers. As a consequence, there will be no European legislation to improve protection of consumers' bank accounts.

Key elements of the text Parliament will vote on are:

- Payouts of bank client's deposits within 5 working days of the bank folding;
- Security of balances which are temporarily above the €100,000 threshold e.g. when having received an insurance indemnity or when selling a house.

Those and other measures would significantly increase consumer confidence in guarantee schemes and prevent further bank runs. Highly unfortunate is Parliament's unwillingness to compulsorily protect separate accounts a consumer holds with different brands of an overall parent bank.

Monique Goyens, Director General of BEUC, commented:

"It is a scandal that Member States take a 'wait and see' approach when bank customers across Europe are losing confidence in the banking sector. It is ironic that in the midst of a financial crisis Member States are not taking all possible steps to increase trust in the financial system.

"We urge the Council to get back to the negotiating table and take responsibility. For years, Europeans had to make sacrifices. They should at least have reassurance that they can reclaim the money they have entrusted to their bank."

ENDS