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## **European Parliament basic bank account vote - a life-belt for millions of consumers**

The European Parliament today voted for binding European rules to make basic payment accounts available to all EU consumers. These should offer most basic payment functions, be free of charge or reasonably priced and open to all existing and new bank customers<sup>1</sup>.

A year after the European Commission's non-binding recommendation, The European Consumer Organisation now urges them to respond to MEP's call and make the right to a basic payment account mandatory throughout Europe.

Approximately 30 million<sup>2</sup> Europeans do not have a bank account and so are deprived of leading a normal life in our societies. Essentials such as renting accommodation, getting a job, receiving social welfare or paying bills are often more time-consuming and costly or can amount to insurmountable challenges for someone without a bank account.

Monique Goyens, Director General of BEUC, commented:

"Turning down a person who wants to open an account amounts to denying this person a normal life. This is intolerable in today's Europe and legislation is urgently needed. Our banks and legislators must realise that a bank account is an essential service which should work properly for all of Europe's consumers."

"A cheap and simple bank account would fit the bill for most bank customers, yet they are too often plagued by pricey and packaged accounts containing often useless services. Banks should offer all their clients the possibility to change to a simple bank account which extends only the most basic services."

"MEPs rightfully call on the European Commission to bring in laws to make bank account fees more transparent and make switching easier so that consumers can compare prices and shop for a better deal."

END

Note to editors:

<sup>1</sup> Summary of European Parliament demands:

- A basic payment account should allow making *any essential payment transaction* such as receiving income or benefits, paying bills, purchasing goods online etc.

- The European Parliament calls for the adoption of a *binding instrument (directive)*;
- *All payment service providers* (e.g. banks) that offer payment accounts to consumers, should in principle provide basic payment accounts;
- *Basic account accessible to all consumers*: Consumers should be able to close their 'regular' payment account in order to convert or shift to a 'basic' payment account;
- Access to a basic payment account should be offered *free of charge or at a reasonable cost*. If fees are charged, they should be transparent. Member States should establish an upper limit for the total annual fees related to opening and using a basic payment account;
- A basic payment account should allow for *the possibility to provide small overdrafts* as a buffer to cover temporary negative balances;
- Member States, the Commission and payment service providers should *provide consumers with necessary and understandable information* about the availability of basic payment accounts;
- *Harmonisation of anti-money laundering rules*: The Commission should propose initiatives aiming at further clarifying interpretations of anti-money laundering and anti-terrorist financing rules in order to ensure that such rules are never used as an unfounded pretext for rejecting commercially less attractive consumers.

<sup>2</sup> European Commission press release, 18 July, 2011. <http://bit.ly/P7PBhN>