

Contact: Johannes Kleis: +32 (0)2 789 24 01
Date: 13/09/2013
Reference: PR 2013/020

Much remains to be done for consumers 5 years after Lehman scandal

Five years after the collapse of investment bank Lehman Brothers, The European Consumer Organisation is calling on policy-makers to step-up efforts to achieve better consumer protection in financial services.

Despite numerous laws working their way lengthily through the EU pipeline, few have actually been passed. It is particularly concerning that updated measures on deposit guarantee schemes have stalled for over 18 months.

Another crucial deal due to regulate investment services¹ also fails to reduce the damaging effect of conflicts of interests in commission-based advice which can lead to people being sold financial products that aren't necessarily right for them.

Monique Goyens, Director General of BEUC, commented:

"The financial crisis has caused incredible detriment for millions of European consumers. It also brought to light vital failures in the financial sector. 5 years later policy-makers have still not managed to impose a cure to the financial sector's symptoms."

"5 years ago, our lawmakers said such a crisis must not happen again. Consumers still don't trust banks to get their house in order however. Instead, they expect governments to deliver on promises to make the financial industry work for their clients' interest, not just their own."

Key issues the EU needs to address are:

- ensuring financial products are suitable for those who buy them,
- guaranteeing advice on financial services is independent, affordable and reliable
- setting-up effective consumer protection authorities in the financial service area, and
- assuring information on financial products is easy to understand and compare.

ENDS

¹ Markets in Financial Instruments Directive