

**Subject: Ban inducements in the sale of retail investment products**

Dear President von der Leyen,

I am writing to you on behalf of BEUC, the European Consumer Organisation. Consumer organisations have long advocated for an ambitious Retail Investment Strategy (RIS), which must include a ban on inducements in the sale of retail investment products.

We understand that such an intervention is a major shift in the current market structure and accordingly may be quite daunting for market actors. However, there is ample evidence that the way retail investment markets function is significantly harming consumers, social welfare systems, and societies in Europe at large. This must change. There should be no space anymore for the conflicts of interest inherent in inducement-based sales of investment products.

BEUC appreciates that the European Commission is acknowledging this problem and that the political thinking on this subject has evolved since the last time this debate came up. The data on the matter, both from jurisdictions that have already banned such kickbacks and from European institutions themselves, clearly show that banning inducements in retail investment markets is the right way forward. Accordingly, the only form of advice that can serve consumers adequately is independent advice. We fully support this direction and encourage the European Commission to design consumer-friendly policies in accordance with evidence-based policy making.

We are, however, concerned about the delays in the publication of the legislative proposal for this file. We understand that the proposal would have been ready for publication already, but that political considerations may be delaying progress on this important issue. It is important that the European Union moves forward on this file and that the Commission publishes its proposals as soon as possible, so that the Parliament and the Council can hold a democratic debate on this important topic for European citizens.

Under your leadership, the European Commission has focused on creating an economy that works for people. Therefore, we would like to encourage you to support a ban on inducements as this would best reflect a financial system that works for people. The RIS is essential to the financial wellbeing of consumers in Europe, particularly in times of higher inflation, which has caused a cost-of-living crisis and devalues savings.

We would be happy to present the consumer perspective on this file to you or your team in more detail and remain at the disposal of your services to discuss these issues or to give more detailed information.

Yours sincerely,

Monique Goyens  
Director General