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European Commission looking to improve cross-border retail financial services

The release today of a 'Green Paper on retail financial services' by the European Commission signals a push to create a single market for banking products, payment services and insurances. The financial sector is one of the few areas where consumers cannot shop around in other EU countries for a better deal or wider choice.

Monique Goyens, Director General of The European Consumer Organisation (BEUC), commented:

"The financial sector has learned very little from the financial crisis. Few consumers trust their banks or financial advisors. The products consumers really need are scarce. The EU should bear this in mind when trying to tackle cross-border barriers.

"A recent study¹ shows substantial price differences across different EU countries for simple products such as bank accounts or savings products¹. Reducing artificial market barriers like inconsistent enforcement of EU legislation or barring consumers from interesting cross-border deals could make life easier for consumers to profit from better offers in another EU Member State.

"A digital revolution is shaking the financial sector to its core. This will bring new opportunities for consumers as well as risks. Consumers who manage their finances online do so without national borders getting in the way. The EU must have a close look at this development and adapt the legal system if necessary."

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¹ http://www.beuc.eu/publications/beuc-x-2015-101_savings_accounts_in_eu-a_dormant_market-study.pdf