

Distance marketing of consumer financial services

1998/0245(COD) - 05/05/1999 - Text adopted by Parliament, 1st reading/single reading

In adopting its report, drafted by Ms. Ria OOMEN-RUIJTEN (EPP, NL), the European Parliament approved, subject to a number of amendments, the Commission's proposal for a Directive. One amendment specifies that Member States may not adopt provisions other than those laid down in this Directive in the fields harmonised by this Directive which seek to promote cross-border marketing of financial services and to protect consumers in cross-border purchases of financial services. The Parliament is also seeking to modify the legal base of the proposal by calling for it to be based on Article 47, paragraphs 55, 95 and 153 of the EC Treaty. The Parliament is calling for the supplier of the services to provide a summary of the main contractual terms and conditions in language easily understood by the consumer. this summary would include the following information : - the identity and address of the supplier, - the main characteristics of the financial service, - the price of the financial service, including all taxes, - the arrangements for payment, delivery or performance of the contract, - the existence and duration of the right of withdrawal, - the cost of using the means of distance communication, where it is calculated other than the basic rate, - the period for which the offer is valid, - where appropriate, the minimum duration of the contract in the case of financial services to be performed permanently or recurrently, - information on cancelling the contract, - the applicable law and complaints and redress procedure, including the address of the supervisory authority to which the consumer may address any complaints, - the address of the contact point established in the consumer's Member States in accordance with the Directive on certain legal aspects of electronic commerce in the internal market. Except in the cases of financial services subject to price fluctuations over which the supplier has no influence or non-life insurance contracts valid for less than one month, the consumer has the right to withdraw from the contract without incurring any charge or penalty within 30 days (as opposed to 14 days in the Commission's proposal). The Parliament calls on the Member States to take the appropriate measures to ensure that the consumer : - can request a cancellation of a payment in the case of fraudulent use of his debit/credit card in transactions falling within the Directive, - is reimbursed in case of fraudulent use of the payment. Member States are also called upon to lay down in their legislation that service providers shall provide efficient, free of charge, easy to access and well-publicised means to allow recipients to choose not to receive unsolicited commercial communications. The Parliament would like to see the Directive transposed into national legislation by 30/06/2001 rather than in 2002 as was proposed by the Commission.