

Procedure file

Basic information		
INL - Legislative initiative procedure	2012/2055(INL)	Procedure completed
Access to basic banking services		
Subject		
2.50.04 Banks and credit		
2.50.04.02 Electronic money and payments, cross-border credit transfers		
4.60.06 Consumers' economic and legal interests		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs	Shadow rapporteur	
		PPE MITCHELL Gay	
		S&D LUDVIGSSON Olle	
		ALDE DE BACKER Philippe	
		Verts/ALE GIEGOLD Sven	
		ECR STREJČEK Ivo	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
	IMCO Internal Market and Consumer Protection (Associated committee)		14/09/2011
		S&D GEBHARDT Evelyne	
	REGI Regional Development	The committee decided not to give an opinion.	
European Commission	Commission DG	Commissioner	
	Financial Stability, Financial Services and Capital Markets Union	BARNIER Michel	

Key events			
18/07/2011	Non-legislative basic document published	C(2011)4977	Summary
15/03/2012	Committee referral announced in Parliament		
15/03/2012	Referral to associated committees announced in Parliament		
31/05/2012	Vote in committee		
08/06/2012	Committee report tabled for plenary	A7-0197/2012	Summary
03/07/2012	Debate in Parliament		

04/07/2012	Results of vote in Parliament		
04/07/2012	Decision by Parliament	T7-0293/2012	Summary
04/07/2012	End of procedure in Parliament		

Technical information

Procedure reference	2012/2055(INL)
Procedure type	INL - Legislative initiative procedure
Procedure subtype	Request for legislative proposal
Legal basis	Rules of Procedure EP 47
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ECON/7/08181

Documentation gateway

Non-legislative basic document		C(2011)4977	18/07/2011	EC	Summary
Committee draft report		PE480.691	23/02/2012	EP	
Amendments tabled in committee		PE486.164	30/03/2012	EP	
Committee opinion		PE486.093	09/05/2012	EP	
Committee report tabled for plenary, single reading		A7-0197/2012	08/06/2012	EP	Summary
Text adopted by Parliament, single reading		T7-0293/2012	04/07/2012	EP	Summary
Commission response to text adopted in plenary		SP(2012)636	31/10/2012	EC	

Access to basic banking services

PURPOSE: to ensure that consumers have access to payment services in the European Union.

PROPOSED ACT: Commission recommendation.

BACKGROUND: at present, the availability of essential payment services is neither ensured by payment service providers nor guaranteed by all Member States in the Union.

Existing restrictive eligibility criteria imposed by payment service providers to open payment accounts, beyond what is required by law, may prevent full access to the right of freedom of movement of persons within the Union. Moreover, lack of access to payment accounts prevents consumers from accessing the mainstream financial services market and thereby weakens financial and social inclusion, often to the detriment of the most vulnerable part of the population. It also makes it more difficult for consumers to access essential goods and services.

It is therefore necessary to establish principles on access to basic payment accounts. It is important to ensure that principles on access to basic payment accounts are applied consistently throughout the Union. However, in order to be more effective, those principles would need to be implemented taking into account the variety of banking habits within the Union.

LEGAL BASIS: Article 292 of the Functioning of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this Recommendation sets out general principles applicable to the provision of basic payment accounts within the Union. It should apply in conjunction with [Directive 2007/64/EC](#) of the European Parliament and of the Council on payment services in the internal market. The provisions of this Recommendation should not prevent Member States or payment services providers from taking measures justified on legitimate grounds of public security and public order in conformity with Union law.

The main elements of the proposed recommendation are as follows:

Right of access: Member States should ensure that any consumer legally resident in the Union has the right to open and use a basic payment account with a payment service provider operating in their territory provided that the consumer does not already hold a payment account allowing him to make use of the payment services in their territory. Such a right should apply irrespective of the consumers financial circumstances. Member States should ensure that at least one payment service provider is in charge of offering basic payment accounts in

their jurisdiction. Where an application for access to a basic payment account is refused, the payment service provider immediately informs the consumer of the grounds and the justification for such a refusal, in writing and free of charge.

Characteristics of a basic payment account: access to a core range of essential payment services should be guaranteed in any Member State. Services inseparably linked to basic payment accounts should include the facility to deposit and withdraw cash into and from the account. They should enable the consumer to make essential payment transactions such as receiving income or benefits, paying bills or taxes and purchasing goods and services, including via direct debit, credit transfer and the use of a payment card. In order to ensure the fullest financial inclusion possible, such services should allow the purchase of goods and services online where technically possible. They should also give the opportunity to the consumer to initiate payment orders via the payment service providers online banking facilities where technically possible. However a basic payment account should not allow the execution of payment orders where such payment orders would result in a negative balance on the account. Access to a basic payment account should not be made conditional on the purchase of additional services.

Associated charges: Member States should ensure that a basic payment account is provided either free of charge or at a reasonable charge according to one or several of the following criteria: (a) national income levels; (b) average charges associated with payment accounts in that Member State; (c) total costs relating to the provision of the basic payment account; (d) national consumer prices.

General information and supervision: Member States should launch campaigns raising awareness among the public about the availability of basic payment accounts, their pricing conditions, the procedures to be followed in order to exercise the right to access basic payment accounts and the methods for having access to an out-of-court complaint and redress mechanism. They should designate competent authorities to ensure and monitor effective compliance with the principles set out in this Recommendation. Those designated competent authorities should be independent from payment service providers.

Statistics: on an annual basis and for the first time by 1 July 2012 at the latest, Member States are invited to provide the Commission with information on the number of basic payment accounts opened, the number of applications for basic payment accounts refused and the grounds of such refusals, the number of terminations of such accounts as well as the charges associated to basic payment accounts.

Application: Member States are invited to take the necessary measures to ensure the application of this Recommendation at the latest 6 months after its publication and to notify the Commission of any measures taken in accordance with this Recommendation.

Member States should be invited to take the necessary measures to ensure the application of this Recommendation at the latest 6 months after its publication. Based on the reporting provided by Member States, the Commission will monitor and assess the measures taken by 1 July 2012. On the basis of this monitoring, the Commission will propose any necessary action, including legislative measures if needed, in order to ensure that the objectives of this Recommendation are fully met.

Access to basic banking services

The Committee on Economic and Monetary Affairs adopted the report drafted by Jürgen KLUTE (GUE/NGL, DE) containing the recommendations to the Commission on Access to Basic Banking Services (Initiative Rule 42 of the Rules of Procedure).

Members recall that access to basic payment services is one of the preconditions for consumers to benefit from the internal market. It is essential for consumers to reap the benefits of e-commerce and is increasingly becoming a prerequisite for social inclusion in terms of access to employment, healthcare and housing.

The Commission estimates that currently 7 % of the Union's adult population, i.e. around 30 million people, do not have a bank account, and that an estimated 6.4 million of those have been deprived of or have not dare ask for a bank account. Financial exclusion varies from one Member State to another and some Member States have a very low penetration rate of bank accounts with the lowest percentage being around 50 % of the adult population in Romania and Bulgaria.

In its 2011 work programme the Commission announced its intention of publishing a proposal for a legislative instrument concerning access to a bank account, but on 18 July 2011 it instead merely published a recommendation on access to a basic payment account. Despite that recommendation, 15 Member States still have no legal or voluntary provisions requiring banks to offer basic banking services.

Against this background, Members requests that the Commission :

1. put forward a detailed assessment of the state of play in all Member States by September 2012;
2. submit, by January 2013, on the basis of Article 114 of the Treaty on the Functioning of the European Union, a proposal for a directive ensuring access to basic payment services to all consumers legally residing in the Union, unless that detailed assessment demonstrates that there is no need for such a proposal.

Members consider that the following recommendations in the annex should be included in the annex to its proposal for a resolution:

Recommendation 1 (on scope): the term basic payment account should be defined as a payment account offered in line with the provisions of the proposed legislation. The directive should provide that Member States must ensure access to basic payment services by obliging, in principle, all payment service providers that offer payment accounts to consumers as an integral part of their regular business to provide basic payment accounts. In order to avoid undue burdens on payment service providers not offering payment accounts to consumers, certain provisions may be exempt from the obligation to provide a basic payment account.

Recommendation 2 (on access and identification requirements): the legislation to be adopted should ensure that any consumer, that is to say any natural person who is acting for purposes other than his trade, business, craft or profession, legally resident in the Union, has the right to open and use a basic payment account with a payment service provider operating in a Member State provided that the consumer does not already hold a payment account in that Member State.

Criteria such as the level or regularity of income, employment, credit history, level of indebtedness, individual situation regarding bankruptcy or expected turnover of the account holder should not be taken into account for the opening a basic payment account. Access to a basic payment account should under no circumstances be made conditional on the purchase of other products or services, such as insurance or an additional account.

The proposal should provide that a basic payment account can be refused or annulled only in objectively justified circumstances under

relevant Union or national law. The legislation to be adopted should oblige payment service providers to act transparently in relation to a decision to deny or close a basic payment account, while complying with the legislation on money laundering and terrorist financing as well as on the prevention and investigation of crimes.

Recommendation 3 (on functionalities and cost): the legislation should enable the user of a basic payment account to make any essential payment transactions such as receiving income or benefits, paying bills or taxes and purchasing goods and services via both physical and remote channels using mainstream national systems. Member States should be able, if they think fit, to allow payment service providers to provide small overdrafts as a buffer to cover temporary negative balances, where appropriate.

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. Every Member State should establish an upper limit for the total annual fees related to opening and using a basic payment account.

Providers should be obliged to include only functionalities that are part of their regular offer (basic account management services and standard payment services). Payment service providers should also be permitted, at their own initiative, to enlarge the range of functionalities, such as a facility for savings or international money remittances to or from accounts outside the Union.

Recommendation 4 (on information): Member States should provide consumers with necessary and understandable information about the availability of basic payment accounts, targeting the particular needs and concerns of unbanked, vulnerable and mobile consumers. They should encourage banks to develop arrangements for advising their most vulnerable customers in order to help them to act responsibly and manage their budgets.

Recommendation 5 (on supervision, settlement of conflicts, statistics and compensation): the legislation to be adopted should oblige Member States to:

- designate competent authorities to ensure and monitor effective compliance with its requirements. Those designated competent authorities should be independent from payment service providers;
- specify principles for sanctions to be imposed on providers for non-compliance with the basic payment accounts framework, including for infringements on statistical requirements;
- ensure that providers regularly provide the competent national authorities with reliable information on basic payment accounts opened and closed as well as on the applications for basic payment accounts that are refused and the grounds for such refusals;
- ensure that appropriate and effective complaints and redress procedures are established for the out-of-court settlement of disputes concerning the rights and obligations established under the principles set out in the legislation to be adopted between payment service providers and consumers, using existing bodies where appropriate. Alternative dispute resolution (ADR) bodies need to be independent, easily accessible and its services should be free of charge.

Recommendation 6 (on implementation and review): the legislation to be adopted should be implemented by Member States within 12 months following the date of its publication in the Official Journal of the European Union.

In close cooperation with Member States and stakeholders, the Commission should, within three years after the entry into force of the directive and every five years thereafter, publish a report on its application. The report should be accompanied by a proposal for amendments to the legislation and by recommendations for better implementation in Member States. The report should be forwarded to the European Parliament and to the Council.

Access to basic banking services

The European Parliament adopted by 585 votes to 68, with 5 abstentions, a resolution containing the recommendations to the Commission on Access to Basic Banking Services (Initiative Rule 42 of the Rules of Procedure).

Members recall that access to basic payment services is one of the preconditions for consumers to benefit from the internal market. It is essential for consumers to reap the benefits of e-commerce and is increasingly becoming a prerequisite for social inclusion in terms of access to employment, healthcare and housing.

In order to be effective, a basic payment account needs to be straightforward to open and to provide a specified range of core services, and there need to be measures in place for effective supervision and settlement of conflicts and for facilitating access to such an account for consumers with no fixed address.

The Commission estimates that currently 7 % of the Union's adult population, i.e. around 30 million people, do not have a bank account, and that an estimated 6.4 million of those have been deprived of or have not dare ask for a bank account. Financial exclusion varies from one Member State to another and some Member States have a very low penetration rate of bank accounts with the lowest percentage being around 50 % of the adult population in Romania and Bulgaria.

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