



European Banking Authority

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Response to proposed EBA-Guidelines at standardisation of fee terminology for payment accounts in the EU

Ladies and Gentlemen:

Please find enclosed the comments of the Austrian Chamber of Labour to the EBA-Consultation.

Re Question 1

In point 10, the EBA suggests a criterion that says the competent authorities of the member states should weigh (or consider) consolidating standardised terms in certain cases. Specifically, they should consider the payment service provided as a single service irrespective of the potential for providers to differentiate costs by channels of usage or by the identity of the receiving bank. A standardised term of this type should also be used when banks bill different charges for individual types of transactions. This suggestion for the guidelines is incomprehensible and counter-productive from our perspective. We oppose such a consolidation of terms because it would greatly restrict the transparency that is the purpose of the directive.

There are different designations and terms for such services used by banks that differ according to how the services are executed. In recent years, the Vienna Chamber of Labour has identified precisely these terms as a problem (http://akeuropa.eu/en/publication-full.html?doc_id=252&vID=43).

In the Federal Chamber of Labour survey from 2012 on which the cited policy paper is based, one of the major transparency problems was that the unclear description and designation of the individual services meant that consumers were not adequately informed about which price differences exist

- between voucher-based and non-voucher-based transactions,
- between manual bookings (done at branch banks) and electronic bookings (done at home over the Internet or a mobile phone) or
- between automated and non-automated bookings.

The actual practice in Austria is as indicated below.

- There are often price differences for bank transfers depending on whether another bank is involved as the receiving bank (or another bank in the banking group as a variation on this situation).
- Prices sometimes also differ for incoming cash payments within the same bank depending on whether the incoming payment is to be made to the payer's own account or to an outside account at the house bank.

Many of the terms for these services used in the price sheets of the banks are not clearly formulated or the service is not clearly described. In addition, there is a problem caused by the constant advance of technical possibilities. Many banks even price voucher-based payments with paper payment slips differently depending on the type of self-service device the consumer uses for a bank transfer. The electronic transfer is lower priced if the consumer scans the payment slips into the self-service device and confirms the payments with his or her PIN code. With other self-service devices of the same bank, the only option is to carry out an expensive voucher-based transfer. In our view, a separate standardised term would be helpful for each type of transaction because of the major differentiation of services resulting from the different technical possibilities.

The standardised designation of all services has practical relevance also because flat-rate account prices in Austria often exclude certain manual or voucher-based bookings, for which consumers must then pay extra. Consumers are often not aware of this fact because with older account products, these extra charges were not incurred as frequently and not in such large amounts. Separate standard terms are useful for this reason, too, because a key goal of PAD regulation is to ensure transparency regarding the additional prices not included in an account package.

Conclusion

From the standpoint of consumers, the vital thing is that the list of the most representative services contains separate standardised terms and term definitions for each type of transaction in payment procedures. The list of standardised terms is applied to the fee information document, the glossary and the statement of fees according to PAD. A consolidation of individual terms would greatly limit these new documents with respect to information content and with respect to how understandable they are. Banks, in turn, would apply their own often unclear terms in addition to the standardised uniform terms.

Sincerely,



Benedikta Rupprecht