



EACB Answer to EBA's Consultation Paper " Draft Guidelines on national provisional lists of the most representative services linked to a payment account and subject to a fee"

9 January 2015

The **European Association of Co-operative Banks** (EACB) is the voice of the co-operative banks in Europe. It represents, promotes and defends the common interests of its 29 member institutions and of co-operative banks in general. Co-operative banks form decentralised networks which are subject to banking as well as co-operative legislation. Democracy, transparency and proximity are the three key characteristics of the co-operative banks' business model. With 3,700 locally operating banks and 71,000 outlets co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 215 million customers, mainly consumers, retailers and communities. The co-operative banks in Europe represent 56 million members and 850,000 employees and have a total average market share of about 20%.

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The voice of 3,700 local and retail banks, 56 million members, 215 million customers

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General Remarks

The European Association of Co-operative Banks (EACB) has followed with great interest the process leading to the adoption of the Payment Accounts Directive (PAD).

In the context of the Directive's Chapter on Fee Transparency- and Comparability, it has been concerned with the workability of the final text and the possible unintended consequences of enhancing comparability (impoverishment of product offering).

To date, concerns remain with the timelines foreseen in the Directive (more specifically; the period of time between the moment from which the final implementing technical standards specifying the format of the Fee Information Document -FID- and the Statement of Fees -SoF- have entered into force and the moment they need to be effectively in use i.e. 9 months after their entry into force).

At the occasion of the publication of the EBA draft Guidelines on national provisional lists of the most representative services linked to a payment account and subject to a fee, and while recognizing that the Guidelines are in principle addressed to Member States' competent authorities, the EACB wishes to reiterate some of the arguments it has made on the PAD's provisions on transparency and comparability of payment account fees.

Question 3: Do you agree with the analysis of the cost and benefit impact of the guidelines?

The national exercise of drafting provisional lists of most representative payment services will ultimately lead to the provision of a standardised fee information document ("FID") using (European) harmonised terminology, which is to enable consumers to compare different payment account offerings.

Such price comparison tool can indeed be relevant if consumers can also apply this tool to their national markets; familiarity with language and a certain set of payment services will remain an important factor on the basis of which consumers take their decision when it comes to switching/choosing a certain payment account offering.

It is thus important that national specificities are reflected in the final national list with most representative payment services.

A.

For this reason, the EACB would argue for **Option A2** ("considering criteria in addition to those mentioned in Article 3(2) of the Directive for the establishment of the list of most representative payment services") instead of the proposed Option A1 ("considering primarily the criteria mentioned in Article 3(2) of the Directive for the establishment of the list of most representative services, and only exceptionally any other relevant criteria"), as it would give competent authorities more discretion in their decision making. Going for the "maximum harmonisation" option (A1) entails the risk that certain services relevant to a particular market (e.g. cheques, e-invoicing), will be excluded from the final national list that will form the basis for the FID.

B.

The EACB agrees with the EBA that **Option B2** - allowing competent authorities to base their decision either on data available from existing, credible sources or from new data



collection exercise- is the preferred option when taking into account the costs/benefits of such exercise. In the case of new data collection exercises, it is encouraged that market participants are consulted on the content and scope of the data to be collected.

C.

The EACB is in favour of **Option C1**. Where the EBA rightly assumes that the common template proposed in Option C2 would contribute to a higher degree of standardisation, the EACB would like to argue that such standardisation process should not have the negative and unintended consequence of an impoverishment/ innovation stop of payment services offered to the consumer.

Indeed, providers may design products so as to distinguish themselves from their competitors, thereby competing for consumers.

There are concerns that, precisely because the services would be limited to the pre-determined categories and terminology, product diversity in the individual sub-markets could be impaired.

Contact:

The EACB trusts that its comments will be taken into account.

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