

FECIF's Response to EBA's Consultation on Draft Revised Guidelines on Product Oversight and Governance (ESG Retail Banking Products)

General Position

FECIF, representing over 300,000 financial advisers and intermediaries serving 30 million European consumers, welcomes the EBA's initiative to integrate ESG considerations and anti-greenwashing safeguards into Product Oversight and Governance (POG) Guidelines.

We fully share the goal of building public trust in sustainable financial products. However, success depends on ensuring that these new rules remain workable for advisers and clear for consumers. If the regulatory process becomes overly complex, we risk deterring the very professionals needed to deliver the EU's sustainability ambitions to end-users.

FECIF supports the EBA's selective, proportionate approach but urges vigilance against adding layers of duplication or uncertainty in the distribution chain.

The IFA Perspective – Proportionality and Practicality

Independent financial advisers play the decisive role in connecting citizens to the EU's sustainable finance goals. Yet IFAs, often small or medium-sized firms, face increasing compliance costs and fragmented interpretation across Member States.

The proposed amendments on ESG governance and disclosure, while well-intentioned, could unintentionally:

- Create unequal burdens for smaller distributors lacking large compliance teams.
- Confuse responsibilities between manufacturers and distributors, especially in third-party or outsourcing chains.
- Lead to form-over-substance documentation rather than genuine ESG dialogue with clients.

FECIF therefore calls for:

- Clear and consistent definitions of "products with ESG features," avoiding vague qualifiers such as "where applicable."
- Proportionate obligations for smaller firms, perhaps via simplified ESG due-diligence templates or transitional arrangements.
- Guidance and training rather than new reporting layers, building adviser competence rather than compliance fatigue.

The Consumer Perspective – Clarity and Trust

European consumers increasingly want to invest sustainably but struggle to navigate inconsistent or overly technical product information.

The revised Guidelines must ensure that ESG disclosures to consumers are:

- Plain-language, concise, and comparable across providers.

- Supported by standardised summaries of key ESG claims and limitations.
- Avoiding the risk of greenwashing or “green confusion,” where excessive or unclear ESG data erodes confidence.

Advisers are the natural translators of sustainability concepts for citizens, but only if regulation empowers, not paralyses, their role.

How FECIF Can Support the EU’s Objectives

FECIF stands ready to help the EBA and the European Commission deliver the Green Deal and retail investment strategies in a way that works for both consumers and intermediaries.

Through our Billion-Air initiative and our cooperation with EFPA Europe, we already provide:

- ESG knowledge frameworks and accredited training for financial advisers.
- Carbon-impact and sustainability tools that advisers can share with clients.
- Communication channels to reach millions of households with credible green information.

We reiterate our longstanding message: for us to fully support the EU’s objectives, we need reciprocal recognition and support, including consultation on implementation design, access to EU training resources, and participation in supervisory convergence discussions.

Conclusion

FECIF supports the EBA’s aim to strengthen the governance of ESG retail banking products. However, we stress that rules must remain proportionate, consumer-focused, and implementable by the adviser community that the EU depends on to communicate and distribute sustainable finance solutions.

Together with EU institutions, EFPA, and our Billion-Air partners, we can ensure that Europe’s sustainability transition is not only regulated but also understood and trusted by the citizens it intends to serve.