

Comments

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

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The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent more than 2,000 banks.

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Preliminary remarks:

We do not agree with the statement made on page 14 of the Consultation Paper that: 'Consequently, the internal market for payment account products in the EU is incomplete.' This requires a much more differentiated assessment based on the principles of subsidiarity and proportionality, which should include an analysis of the individual sub-markets. This is the only way for targeted measures for the individual sub-markets to be identified. Applying these principles would arrive at the conclusion that there is already considerable competition in the German market for payment accounts. This competition is evident from the large number of payment account offerings for consumers, which are also accompanied by a large number of different fee models.

In addition, we are also highly critical of another policy objective of the measures: 'Moreover, these Guidelines seek to promote sufficient homogeneity of those national lists across Member States.' Homogeneity of the national lists cannot be allowed to lead to a reduction in the diversity of products available to consumers in the individual sub-markets. Adequate consideration must be given to national specificities.

Question 1: Do you agree with the proposed guidelines?

From the perspective of the German Banking Industry Committee, which represents the interests of more than 2,000 German banks, there is currently no need for any cross-border comparison between fees for current accounts because, as a rule, consumers open their current account at a provider in the Member State that is their primary place of residence. A price comparison will only add value for consumers if the underlying services are tailored to the current account markets in the Member States concerned. In turn, this can only be achieved if the national competent authorities are able to consider the specificities of the relevant markets when identifying the most representative services.

In light of this, we welcome the Guidelines proposed by the EBA because they will give the national competent authorities broad discretion when identifying the most representative services.

Question 2: Are there any additional requirements that you would suggest adding?

For the reasons mentioned above, no additional requirements should be imposed on the national competent authorities.

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

In our view, the EBA should apply **Option A2** to the Guidelines. If national competent authorities consider that additional criteria are important for ensuring that the new fee presentation formats reflect established practice, they should be authorised to apply them. As explained above, the new fee presentation formats will only add value for consumers if the national competent authorities can apply all criteria that are relevant to established practice when identifying the most representative services.

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Like the EBA, we regard **Option B2** as the more appropriate option on which the Guidelines should be based. It is true that collecting and requesting data regularly from banks and payment service providers under Option B1 could be a costly and resource-intensive process for those firms. However, under Option B2, the national competent authorities should not be entirely free in their decision about which data and information to use. For example, the market participants affected could be consulted regarding the content and scope of the data to be collected.

In our view, the EBA should base the Guidelines on **Option C1**. The EBA rightly assumes that the common template proposed in Option C2 would contribute to a higher degree of standardisation. However, it should be considered that the services to be identified by the Member States are products that providers design so as to distinguish themselves from their competitors and thereby compete for customers. There are concerns that such a standardised template could impair product diversity in the individual sub-markets and they should therefore not be used.

Question 4: Please provide any evidence or data that would further inform the analysis of the likely cost and benefit impacts of the proposals.

No comments.