socialplatform

To:
John Dalli
Commissioner for Health and Consumer Policy

June 12, 2012

Re: Social Platform response to the consultation on bank accounts

Dear Commissioner,

We welcome the consultation on bank accounts, as we believe that after the adoption of the Commission Recommendation there has not been significant progress through self-regulation, in particular in those countries where there is no legal right to a bank account. Access to a basic payment account for all is crucial to make people "fully participate in the economic and social life of today's modern society". Even if having a bank account does not ensure that the risk of being financially excluded is avoided, it is indeed the first primary step to ensure financial inclusion in our society.

What do we recommend?

- **Propose a directive at EU level with explicit acknowledgement that access to a basic bank account is a service of general interest and a right for all**. It should build on the objectives of quality, safety, affordability, equal treatment and the promotion of universal access and of users' rights, as recognised in Protocol 26 on Services of General Interest of the Lisbon Treaty.

- Consider the opening of a basic payment account only the starting point and **engage in adopting a broader approach to promote financial inclusion, covering access to credit, savings and insurance, as well as the growing problem of over-indebtedness** which has increased as a consequence of the economic crisis and is also due to unfair credit and lending practices[1].

- **Ensure that access to bank accounts is accompanied by accessible, affordable, and quality services that are required for opening a bank account**, such as affordable loans; decent housing and access to energy (e.g. for homelessness people, migrants); home-care facilities (e.g. for older people or other dependent people); social services (e.g. for vulnerable users); specific measures for people with disabilities, to ensure accessibility, reasonable accommodation and alternative measures such as phone banking; mobility; secure access to digital services (e.g. for older people, people with low income, persons with disabilities)[2].

- **Develop partnerships among financial institutions, public authorities and civil society organisations to set up measures and pathways to prevent and tackle financial exclusion and over-indebtedness**, paying particular attention to vulnerable users (such as people with low incomes, the homeless, migrants including undocumented ones, persons with disabilities, transgender people).

[1] European Commission, *Financial services provision and prevention of financial exclusion*, March 2008
[2] EESC Opinion TEN/421 "What services of general interest do we need to combat the crisis?", September 15, 2010

- **Mainstream the protection of vulnerable people against financial exclusion**, through consumer protection (education, information) and by collecting information, monitoring and regulating potential dangerous practices in the internal market such as advertising.

How?

- **Ensure that access to bank accounts is free of charge and covers a number of relevant services** such as: payment card, free or low cost bank statements, withdrawals and transaction cheques, direct debit or standing orders, no overdraft possibility, and making remittances.

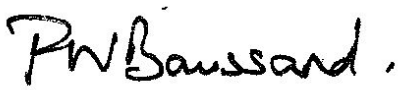
- **Drop the requirement of having a national residency address set out by many banks**: a valid address anywhere in the EU should be sufficient.

- **Oblige all providers to offer basic bank accounts to all people resident in Europe**. At the same time, **acknowledge, encourage and strengthen the commitment and expertise of "alternative providers", such as social economy or non-profit initiatives** (e.g. credit unions, ethical banks).

- **Appoint a competent authority in all member states to assist people in the case of a refusal from the bank**, to provide information on the eligibility criteria to be entitled to a basic bank account, and to give advice on what do and whom to contact. This service should be accessible, available throughout the whole territory of member states and free of charge (for instance a free telephone number per country, and several addresses and physical contact points in the country, etc.).

We hope that we can count on your willingness to propose an EU directive to mark the first steps to ensuring financial inclusion and to prevent and alleviate the still ongoing cases of discrimination in access to a bank account on the basis of race, ethnic origin, disability and sexual orientation.

Yours sincerely,



Pierre Baussand

Director

Enclosed: Social Platform response to the consultation on bank accounts

Social Platform is the largest civil society alliance fighting for social justice and participatory democracy in Europe. Consisting of 46 pan-European networks of NGOs, Social Platform campaigns to ensure that EU policies are developed in partnership with the people they affect, respecting fundamental rights, promoting solidarity and improving lives.