

CITIZENS SIGNPOST SERVICE

FEEDBACK REPORT N°2

Financial Services

An Analysis of Enquiries made to the Citizens Signpost Service

Prepared for the European Commission,
Directorate General for the Internal Market and Financial Services

by the Citizens Signpost Service Management Team,
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Note: this report was drafted by Antoine Fobe, with the help of Richard Upson and Edita Barauskaite, who all gratefully acknowledge the help provided by members of the CSS team and the technical support of Laurent Merchez.

Introduction

This report aims to provide indications of what consumers of retail financial services in the Internal Market are telling us through their enquiries to the Citizens Signpost Service (CSS), focusing on situations with a cross-border dimension. As it is necessarily based on what citizens say to us, the report does not claim to provide a legal analysis of the issues raised, nor a summary of Community law in this field. Rather, the report has the unambiguous aim of setting out the issues raised by citizens as clearly as possible so that they can be considered both from a practical and policy point of view.

Our report focuses on the following aspects of financial services: bank accounts; day-to-day banking services; credit and loans; insurance; private pensions; investment; betting and lotteries.

The analysis is based on enquiries submitted to the CSS from 1 January 2006 to 28 February 2007. How we used the CSS database's list of topics and subtopics and, additionally, free keyword searching to identify key areas of concern and look into relevant records is described in the Annex I to this report. Annex II provides the full list of keywords used and the respective numbers of cases which they produced. For each of the seven headings we eliminated double counting (where a case was identified by more than one keyword) so as to produce a count of "distinct" cases. Annex III summarises the earlier work carried out in the field of financial services in the first feedback report dated 15 January 2007.

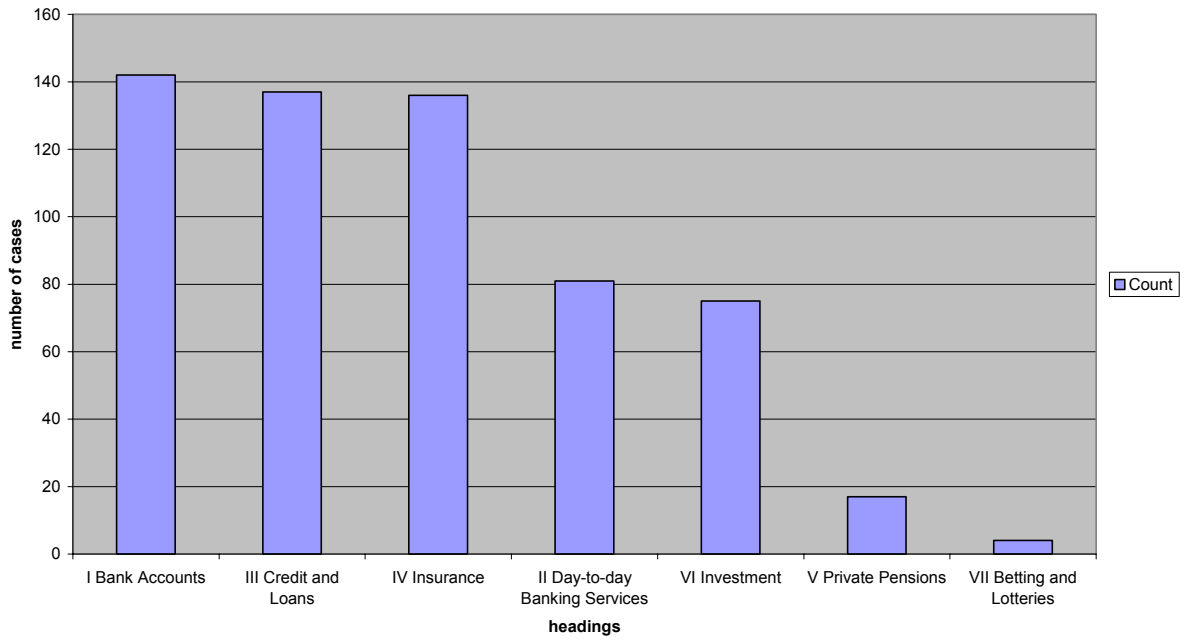
The result is that we found 497 distinct cases, which amounts to 4.4% of the total number of eligible enquiries handled during the fourteen months concerned (this is a slightly smaller percentage than found in the first report – 5.1% - and is due to the greater precision of our keyword searching, as set out in the Annex). These 497 cases are spread across the seven headings¹ according to the table and chart below.

The three main financial services topics raised by enquirers to the CSS concern bank accounts, credit and loans, and insurance. Other important topics are banking services and investment. The small number of cases found under headings 5, private pensions, and 7, betting and lotteries, means that we cannot attempt to paint a general pattern.

Topic	Count	Percent
1 Bank Accounts	142	28.6
2 Day-to day Banking Services	81	16.3
3 Credit and Loans	137	27.6
4 Insurance	136	27.4
5 Private Pensions	17	3.4
6 Investment	75	15.1
7 Betting and Lotteries	4	0.8
Total distinct count	497	

¹ Adding the count for each of the seven headings gives a total of 592. The difference is due to double counting of cases which appear under more than one heading.

Financial Services: 7 Headings: Count



General remarks

In theory any EU citizen is free to use financial services in any member state of the EU. In practice, the report shows that it is not as simple as that. The service providers often have legitimate, objective, reasons to restrict their offer, whether due to consideration of risk factors or due to differences in national legislations. But there also appears to be a degree of bad will, with some private companies sometimes paradoxically putting as much red tape in dealing with uncommon situations as administrations could. For instance, it is difficult to understand why, other than because it is convenient to separate the national markets, large business with branches in every or many member state continue to act as if clients of one national branch are perfectly unknown to them in other branches.

We suspect that national rules and administrations, when they do not impose directly discriminatory rules – and this is fortunately seldom mentioned – also play a role by complicating international business. How, is hard to tell from where the CSS stands.

What we *can* tell for sure, based on the wide variety of enquiries made to the CSS, are two things:

- obstacles to financial services in the single market, whether legal or not, can affect the mobility of persons, because these services are at the heart of the daily lives of citizens and are very much a visible aspect of the reality of mobility;
- people feel that any difficulty in using financial services across borders discredits the message that there is a single market for services and of free movement of capital. Often overestimating the reach of EC provisions, they expect some national or European authority to enforce their rights.

As long as it is citizens' possibility of choosing better or cheaper services that is affected, one may consider that it is not dramatic and that one should let time do its work to bring to reality the single market to the full extent. But where the difficulties are actually obstacles to the exercise of fundamental freedoms, because they deprive mobile citizens of access to essential services adapted to their needs, then a case to take action could be envisaged. For example, what can be done to ensure that a remote worker can get a salary paid to a bank account in the country where his employer is established, if the employer cannot pay it to an account in another country? And if the employer will not, for no good reason, what can be done to require him to do so? That raises the delicate question of enforcement of EC law principles by private economic actors, without which commitment there cannot be a genuine single market.

1. BANK ACCOUNTS

Count: 142 (28.6%)

There were many enquiries on this topic, most of which concerned **opening a bank account** in relation to **residence** (see e.g. 28723, 30875). And there is much evidence that residence remains in fact an obstacle, despite the free movement of services in the single market.

The most common problem, logically, is that the opening of an account is refused to people not residing in the country where the bank is established (examples: 34616, 25462, 25781, 32082, 34063). Applicants are required to show their residence permit/card, or some other proof of residence in any case. One case interestingly points out how that can affect modern forms of work, namely remote work (working at a distance): *“I have started work for a British company but will be working from home in Hungary (...) the company has just requested that I open a bank account in the UK so that my salary can be paid into it. However when I left the UK I closed my bank account. I have been trying to open a bank account in the UK for the last week but (...) all the banks refuse me an account on the grounds that I do not live in the UK anymore and I am not a UK citizen. (...) the company is still refusing to pay the salary into an account in Hungary”* (24236).

Even Internet accounts: *I would like to open an internet bank account outside of the Netherlands to take advantage of higher interest rates for my savings but seem unable to do so. Banks seem to restrict accounts to residents of their country. Isn't this contrary to the idea of the single market?* (28766)

There are also cases of people complaining that the opening of an account is refused to people who are short term residents only (33139). In one case, the applicant was advised to contact other banks and lie about his planned length of stay (32950). The definition of short stay can be very restrictive, judging by the following case: *“How can I open one bank account in UK? I tried the [name of the bank in the City] and I read about 3 years of residence in England to do that”* (29298).

Then there are cases where the opening of an account is refused to residents not holding a residence card, regardless of the fact that they are newcomers, or simply that they are not obliged to hold such a card anymore (32950). This can lead to creating vicious circles, as illustrated in the case (32082) of a German student arriving in France and looking for accommodation in France: the landlords usually demand a deposit at a French bank and the French banks demand a French residence card to open an account, but the local authorities will not deliver residence cards anymore to EU citizens. Even for EU citizens that are still subject to the residence card formality under transitional measures, there are unforeseen consequences: *“La banque me demande un ‘titre de séjour’ en France, arguant qu'il est nécessaire pour exercer une activité professionnelle en France. Je sais bien que des restrictions ont été conservées sur la libre circulation des travailleurs lituaniens en France, mais il me semble que j'ai le droit, comme tout citoyen européen d'ouvrir un compte bancaire dans n'importe quel pays de l'Union même sans y exercer d'activité professionnelle. »* (34949).

We found a couple of cases where the reason for refusing to open a bank account was apparently **nationality** as such (24236, already mentioned above, and 37127). There have also been some submissions of a closely related problem: the bank will not accept, for the purpose of opening a bank account, any national **identity document** other than a passport, although

EU citizens do not need a passport within the EU/EEA if their country delivers official national identity cards (see e.g. 35715).

We also came across some (marginal) cases of non-national resident EU citizens complaining about **other special documentation** in order to open a bank account. For instance, a special personal tax registration number is requested in Sweden (35865) and in Spain, but it is not clear from submissions whether this is something that is not requested also from nationals of the country. In one case the bank refused to recognize the applicant's new name gained through marriage because it did not appear in her passport, although there was a stamp in the passport from the consulate saying that the citizen was married and with whom, and showing a work contract issued on her married person's name was not accepted as sufficient (26672).

There were also some interesting submissions from departing residents concerned that the **delays and procedures for closing an account** are incompatible with their situation. Apparently it is frequent that one will close one's bank account after having left a country, and it happens that distance then becomes critical to get things done properly. *“Since moving to Germany one year ago I am trying to close a Bank Account with a Dutch bank. They are fooling me. (...) Which UE Office could help me? Should I get a Dutch lawyer? Do I have right to damages from the bank for all the time they locked my money, and the time I had to spend on the issue?”* (27534). Another citizen simply complains that a Dutch bank is simply not answering his letters – even registered ones – requesting to close the account. There is also an unusual case of an Italian national resident in France and wanting, as sole inheritor of her father after his death, to close his French account, but unable to do so because a certificate is required that French and Italian authorities claim each other is responsible for delivering (26200).

See also the section VI (investment) which touches upon bank account related problems.

2. DAY-TO-DAY BANKING SERVICES

Count: 81 (16.3%)

Just like for opening a bank account, **non nationals** are sometimes imposed special identification (ID) requirements for some banking operations, in particular the requirement to show a passport (i.e. excluding the ID card), for instance to withdraw money from the desk or to get a credit card (see e.g. 32036, 34646, 25841, 37485). One consumer is surprised that her bank accepts an ID card when it comes to opening an account, but then later does not accept anymore just an ID card for identification reasons (24818).

We also got indications that some banks only offer special accounts with limited services to non-nationals, even if resident in the country. For example (30383): *“I work in Italy, I have a permanent residency in Italy, I live in Italy and I have an Italian personal registration number (‘codice fiscale’). My salary is paid into an Italian bank. My problem is that I am not allowed to get a normal bank account like Italian citizens get, instead I have a so-called “non resident” account. This means that I for instance only may deduct 1500 Euro per month. In addition to this I am not allowed to transfer money to other EU countries without having to pay extra charges. On top of this I have to actually go to the bank personally every time I want to make a transaction. I have been inquiring at several different banks and none is prepared to give me a normal bank account. According to the banks the only way I can get that type of account is if I receive an Italian ID card.”* A number of migrant students in the UK also complained to our service about restrictions connected to rules for “international student”, regardless of EU citizenship. In one case a Swedish student had to open a special international students’ account, which he had to keep for at least one year and possession of which obliged him to pay monthly fees (33085). In the other case a German student was refused a prolongation of his international students’ “regular saver’s” account subject to “international student rules” (26225).

It also happens that special conditions are imposed on using cheques or credit card. For instance, a bank refused to cash the employer’s cheque without a work or residence permit (30734), or allows the deposit of the amount into the account for non-nationals but with a longer delay to clear the cheque (34209). There can even be extra charges for the clearance (35865). There are also stories of shops not taking cheques from non-national EU citizens unless they can show a residence card or ID with the same address in the country than on the cheque (38142). The same problem appears for credit cards, as illustrated by one case that shows that many problems are connected: *“I have studied in Sweden and during this period I had my residence in Sweden and got myself a Swedish bank account with a Swedish VISA card connected to it. The only ID cards I have ever had are a Finnish passport, Finnish driver’s licence and a Finnish ID card which is supposed to be valid as travel document within the EU. I visited a shop in Sweden and wanted to buy something but was rejected from using my Swedish VISA card since I couldn’t produce a Swedish ID card which supposedly “was in conformity with bank rules”. I cannot anymore get a Swedish ID card since I don’t have my residence here, what can I do? Is it right that with my Finnish ID documents I can get a Swedish VISA card which I then can’t use since I don’t have Swedish ID documents: is that right?”*

But we would like to focus in this section on problems that specifically concerns **cross-border services**.

Money transfers. We found only one case of a complaint about unreasonable delays for bank transfers (33322). Many cases by contrast concern the cost of transfers.

Clearly there is a proportion of misinformation or misunderstanding here about internal market rules: some people believe that fees for transfers have been abolished altogether, not just extra-fees for cross-border transfers (see e.g. 26398); or at least it is not clear what they mean when they criticise the persistence of “fees charged for transfer to another EU country” (30131). It is not always specified if the transfer is an electronic transfer with the necessary IBAN and BIC codes and/or if it is in Euros, but there are reasons to believe that these conditions are sometimes overlooked, by the bank or by the customer (27344, 33175, 29939, 36789, 37530).

It is nevertheless clear that EC rules are far from being always respected, extra fees being sometimes actually charged for transferring sums to another Member State, even with the necessary precautions. *“I have made a transfer between banks, from a Portuguese account to a German account and the bank charged me 80 euros for that transfer, even though they had the BIC/swift code and the IBAN, claiming that they were missing the address of the receiving bank”* (26595). There are many similar complaints (e.g. 31224, 32417, 31085, 27231, 28768, 26781, 25167). In one case (32688) the enquirer points out: *“Brochures actually show different pricing for domestic and European transfers - I have demanded a formal, written response as to their interpretation of (the EC) regulation but, so far, have received nothing.”* One angry consumer says he is amazed how arrogant and careless his bank is about not applying EC rules – *“we do as we always did”* (24726). Some citizens flag how that affects the cross-border payment of their pensions (38187, 28883).

Some people in new member states – from which there are a significant proportion of enquiries on this matter – enquire if the transition period applies in this area, a sign that progress is hardly visible... Others enquire if the EC provisions apply only to transfers from one eurozone country to another.

Lack of transparency in bank charges is part of the problem, with banks attributing the levy of charges to one another. It is not always easy for the client to distinguish charges for the transfer and exchange charges, when the transfer is not in Euros. There are also cases of complaints that it is difficult to tell if the employer is really facing higher charges from his bank, or is misinformed, or is just inventing a pretext to avoid having to pay the fees or salary to a bank account in another member state, where the worker is established (see e.g. 36241). In one interesting but isolated case, the user complains that the bank charges high exchange fees for the unsolicited exchange from Euros to UK Pounds of a private pension paid on his UK account from The Netherlands; here again, he is unable to understand where it is happening (28187+28883).

Some cases deserve to be flagged as interesting examples of how Internal Market rules can apparently be side-stepped:

- *“My bank (one of the big retail banks in the UK) side-steps these rules simply by not allowing its personal customers to make online IBAN payments. If I want to send money to an account in another EU country, I have to ask the bank to do it for me, and it will charge me ukp20 each time. Of course, this huge charge bears no relation to the costs incurred by the bank. It is a calculated obstruction to the free movement of goods and services within the EU. As far as I know, other UK retail banks do likewise. Does the EC plan to put an end to this abuse?”* (35367);

- A similar submission (32594) is made by the customer of a UK bank, complaining that in January 2006 they doubled charges for transfers to Germany by imposing the 'CHAPS' payment system (as opposed to the BACS system): *"I have never requested a CHAPS payment and therefore I have never paid 20 GBP. CHAPS payments are significantly more expensive, because they represent bank-to-bank same-day value payments. On the other side, it takes 4 to 5 working days for my money to arrive at the German bank account, despite IBAN and BIC. If I want to make a cross-border payment in Euros to Germany as BACS payment, Barclays refuse to let me use that payment system. Contrary to that, I have no problem at all to make a cross-border payment from Germany to Britain. It costs only 0.50 GBP. That is hardly equal."* What also makes this case particularly interesting is that it tells of difficulties experienced in defending one's rights with the competent authorities: *"I have written to the financial Ombudsman. Several European consumer websites quote the Ombudsman as the place to go to when having problems with British financial service providers and they are also part of FIN-NET. The Ombudsman refuse to deal with the problem. In fact, they call it 'the firm's legitimate use of its commercial judgement'. They claim, they have no "policing" function with regard to banks and no "power to ... recommend that a bank should limit its charges to a particular level or should exercise its discretion in levying charges in particular circumstances". Thus, the Ombudsman calls a cross-border payment a particular circumstance? I have also written to Euroconsumer / Citizens Advice, but they think they cannot take this further if the Ombudsman cannot act. Basically, I believe that nobody actually understands what I am talking about and what it says in EU Regulation 2560/2001."*

- Another interesting question (26512) comes from a Belgian resident and concerns French banks' practice when handling cross-border life insurance payments : *« Je voulais conclure plusieurs contrats d'assurance vie auprès de compagnies françaises ; je me suis chaque fois vu opposer le fait que ces compagnies allaient me retenir, sur chaque versement de prime que je ferais, un montant à titre de frais. Des agents de ces compagnies que j'ai rencontrés sur place, m'ont précisé, gênés, qu'ils semblaient (que ce soit, non pas) la compagnie d'assurance qui prenait cette somme mais bien leurs banques, en vertu du contrat de partenariat les liant mutuellement. Ils m'ont encore dit que si un Français leur faisait un virement, aucun frais n'était retenu ; de même si je leur faisais un virement depuis un compte français. Belle manière de contourner la réglementation européenne en matière de virements transfrontaliers!!!!!! Ainsi, la banque française se garde bien de me retenir directement cette somme, mais elle profite de l'existence d'une tierce personne, la compagnie d'assurances, pour le faire indirectement! »*

Online personal banking facilities. An interesting question about these, considering the growing importance they are having in modern banking: *"Bank of Ireland advised me that while I can use their personal online banking facility to transfer funds within Ireland, I cannot use it to transfer funds to Portugal online"* (34919).

Credit cards. A variety of problems are mentioned here. One already touched upon above is connected to residence in a country other than that of the bank issuing the credit card. Example: *"I am resident in France. I have received a letter from a UK banking institution advising me that I no longer qualify for its credit card as I am not a UK resident. This is despite my principal income being a UK Civil Service Pension and payment of the monthly bill by direct debit via a UK bank. The wording of the letter is, "We had previously allowed existing cardholders who moved outside the UK to continue to use their credit card. This had been on a discretionary basis following a change in our lending policy a few years ago to stop issuing new credit cards to customers resident outside the UK. This discretionary policy was revised and we have reluctantly had to advise a small number of our cardholders that we*

are no longer able to provide them with their credit card.” This practice appears to be discriminatory. Does it infringe any EU legislation?”(28898)

But using a credit card in another member state raises its own specific problems. The charging of double exchange fees is mentioned by one customer, surprised to observe that, without due information, when using in a non-eurozone country his credit card attached to a bank in another non-eurozone country, exchange fees with Euros are charged twice (34450). We also found an isolated but interesting submission about automatic payment machines, coming from a frequent traveller who asks (30031): *“Can there be a unified market if credit/bank cards are not accepted when there is no other real alternative means of payment (airport, stations, taxis, parking...)?”*

Paying with a credit card on the Internet also raises some questions, e.g.: *“I am a German citizen with a German bank account living in France and have encountered a problem while trying to buy something from nokia.com (<http://direct.nokia.com/shopcart.aspx>). They tell me explicitly it is not possible to buy at their website if the bank account is in a different country than the delivery address. They already reserved the money of the purchase on my German credit card but then released it again, when they saw it is not a French card. Their refusal to do business with me has no technical reasons, it is just because my country of residence is different than the country my bank is located in.”* (36940 – see also 31815).

Cheques. Complaints here concern both delays for cashing in a cheque drawn on a bank of another member state and the charges paid for such operation – judging by some figures, these can appear somewhat disproportionate indeed, up to 25% of the cheque’s sum (24285, 28118). An interim worker posted in another member state complains that his employer pays him his monthly salary by cheques on an account in the country of provenance, and that he had to negotiate a rather high monthly charge taken by the bank in the country of work on each cheque (30574) – why the employer does not make bank transfers sends us back to issues considered above. Another citizen who is purchasing real-estate in France enquires whether a French bank can refuse to accept a cheque issued by a Spanish bank as mean of payment, given that it is required that a cheque be placed with a local notary (30255).

Automatic cash dispensers. There are complaints that more is charged by one’s bank, when withdrawing cash from a cash dispenser in another member state, by comparison with using a dispenser in one’s own country (29672), though in some cases it is not clear if comparable situations are being considered by the consumer – for instance when banks of a same country have agreements between them to use a shared network of dispensers with no cost attached (32863). Some consumers specifically complain about the proportionately high cost of withdrawing cash from a dispenser of a non-eurozone country, namely the UK (see e.g. 29868 and 29973).

Bank statements and communication with the bank in general. In one case a bank refused to send its correspondence, or to do so at a normal rate, to a new country of residence of a citizen (allegedly because of higher postage costs). But the difficulty of dealing normally with a bank from abroad, especially in complex situations, is also raised : one resident in France, for example, tells how his account was blocked in Spain due to overdraft, with his debt growing with interest charges and how it was difficult to get information on the exact situation of the account ; he also complains that the transfers eventually made on the account to reduce the overdraft were not properly acknowledged, resulting in a total lack of transparency (25550).

3. CREDIT AND LOANS

Count: 137 (27.6%)

In most of the many cases concerning credit, the issue is **residence**. There are lots of questions from many countries to verify that it is possible to get credit (consumer credit or mortgages) in another member state. The questions normally do not specify if they concern possible legal or commercial obstacles, but one may reasonably suppose that many consumers are still not aware of the implications of free movement of services and of free movement of capital in the Internal Market.

There are also scores of records indicating that there would be good reasons to doubt, in practice, the effectiveness of a single market for financial services, at least as far as credit is concerned, whatever the type of credit. Problems include :

- Cases of credit refused on grounds that the tax residence is in another member state (37415);
- Cases of the bank requesting residence in the country for a certain time – this appears to be a problem in the UK in particular, with different people pointing to a three-year qualifying period (36762, 37109);
- In the UK again, banks requesting a stamp in the passport attesting of residence in the country (31088).

A significant proportion of cases point to problems with **mortgages**, in particular where the **location of the real-estate** is relevant. Popular questions are of the following type:

- Can I use real-estate located in a member state other than that of my residence to get mortgage credit with a bank in the member state of my residence? (26030). And in echo, there are complaints that no bank in a given country will grant mortgage credit to a non-resident (e.g. in the Netherlands, see 24379).
- Can I get a mortgage in another member state in order to buy a house in the member state of my residence? (27707, 26365). And in reverse, there are also stories of mortgages denied on grounds that the credit is sought to buy real-estate in another member state;
- Can I change my mortgage for one from another country? (35595).

In most cases, the attraction of more convenient interest rates is invoked, but there are also purely practical reasons, for instance the fact that one would like to use one's bank in the country where the house one wants to buy is located, though living and working in another member state (26754). Here again, the message is discouraging: the mortgage is denied on ground that applicant works and resides in another member state (25651) or that the main source of income is in another member state (24692).

Note: in one interesting case, the citizen reports that the bank required the opening and keeping a bank account with them as a condition for mortgage, and contests this requirement by invoking the EC code of conduct – failing though to observe that a code of conduct does not oblige banks (33048).

In two cases, the problem concerned access to a **shop's own credit system**. In one of these, the problem was that a residence card was requested, which authorities of the host country do

not deliver anymore (36905). In another case, again, discrimination based on nationality was at the heart of the problem: *“I entered a shop yesterday with the intent to purchase a computer. This shop clearly offers purchase on the installment plan (hire purchase). When I asked about this option, the salesman said that I couldn't take advantage of it; he said it was for Czechs only. I have a bank account in the Czech Republic, a trade license in the Czech Republic, and most importantly, I have permanent residency here. Is it against the law for a company to refuse to grant me the option of purchasing an item on the installment plan?”* (37577)

As attested by all the above observations, residence is clearly felt to be an obstacle to access credit and loans. But, inversely, being engaged into reimbursing a loan is also felt to be a barrier to moving to another country. This transpires in the following question: *“I plan to go to Germany this year in order to settle there with my boyfriend and work as well. I am single, have no bank loan and have made voluntary pension insurance in Estonia. Which specific documents do I have to take with me before leaving Estonia?”* (35310); and also in this one, in which the enquirer says that, because he has a bank loan in Poland and he will need to be repaying it for another 6 years, he cannot envisage to de-register his residence in Poland (31030).

In general, for mortgage credit like for consumer credit, it is true that credit seekers will find, and probably even expect to find, obstacles due to the banks' commercial or prudential strategy. In this respect, one enquiry is interesting in that it puts its finger on one key reason why banks are reluctant to extend their loan facilities to non-residents: the citizen bluntly asks whether it is possible to “escape” his record of insolvency in his own country by seeking credit with a bank in another member state... (37941). In another case, the citizen enquires more indirectly whether there is exchange of information between the tax or bank authorities of his home country and the host country where he is applying for a mortgage... (37598).

What people do *not* expect in the single market, or at least will not accept, is to face discrimination based on **nationality** in banks' policy of granting credit. Hence indignation that mortgages can be denied on grounds of nationality, even for locally-based non-national residents, who are sometimes long term residents (25817). Apparently this is a frequent problem in some of the newer member states of the Eastern Europe. It can concern foreign resident EU citizens that earn their revenue in another member state (25214), but it in some cases nationality is the only reason (29721, 27083, 26223) and this can create a vicious circle for some migrant workers: *“I have been living in the Czech Republic for around six months, I have a decent job here earning a good salary for Czech standards. Having previously worked in Belgium I have to now pay my Belgian taxes for the previous year. This is a substantially large amount I need to reimburse, so I want to take out a loan in the Czech Republic to reimburse this, but I am having many problems getting a loan here, I am all the time turned down by the Czech banks as I do not have Czech nationality. Can you please give me some advice on what I can do to get a loan to pay back my taxes, as the Belgian banks will not grant me the loan because I do not work in Belgium anymore. Is there a European emergency bank which can lend me the money or do you know what I can do to get a loan here? »* (32002).

We have also received complaints about discrimination based on nationality, for foreign residents, in the conditions for mortgages, for instance with a higher minimum contribution requested (32995, 31710). The following is a good illustration: *“I have moved permanently from Denmark to Spain. In Spain I am trying to purchase a property with my Fiancée. But the*

banks in Spain will not grant me a loan under the same conditions as a Spanish citizen. I am only able to loan 70% while Spanish citizens are able to loan 80-100% (depending on the bank). The banks justify this policy with reference to that I am not a “resident”, even though I am registered as a resident in the municipality in Spain where I live and I have obtained a Spanish tax identification number (NIE/NIF)” (27084).

There are also some, marginal, problems with **identity documents** required for credit granting purposes, namely with credit institutions requesting for foreign resident EU citizens nothing else but the national passport, i.e. excluding ID cards (26475).

But in any case, whether they expect or not to find obstacles, citizens have their own reasons to be cautious before entering into cross-border situations. They fear, here as elsewhere (see sections V and VI , investment and on private pensions), a loss of tax advantages. They ask if is possible to get tax deduction for a mortgage either in the country of residence and work, or in the country where the real-estate is located (34663). In reverse, some complain that tax advantages are impossible for people living and working in one member state and paying mortgage on a house in another member state (35691). In light of this, to avoid losing out in taxation, some ask if it is possible to keep their domicile in a given country for tax purposes (32819).

Although not strictly speaking “credit”, we find it useful to mention two questions about **car leasing** (a long term rental with option to buy the car for a determined price at the end of the contract) and moving to another country: it is pointed out that the obligation to register the car in the country of residence as its effective user, combined with the leaser’s (understandable) refusal to agree to let the car become registered in another member state, in practice makes it impossible to have cross-border services in this area (24331, 24676). There was also a question on leasing in general pointing to the same problem.

4. INSURANCE

Count: 136 (27.4%)

Car insurance. As one would expect, because cars are closely related to mobility, car insurance is a very “popular” area of concern. There are many questions on the possibility of keeping a car insured with an insurer of the country of provenance when moving or returning to another country; or to simply choose to insure one’s car in another member state, regardless of residence and/or the car’s licence plates (35193, 36163, 32865, 33720, 29415, 25414, 31392). Note: many questions from Cyprus on the possibility of keeping in Greece a car registered and insured in Cyprus (see e.g. 37967)

As a matter of fact, it is widely observed that insurers will not insure a car that is registered in another member state, even in the case of a car bought in another member state and delivered with foreign plates, by a resident in the country where the insurer is established (24676, 33964). Apparently, the insurers are concerned, not only about limiting their geographical range of activity, but also about not insuring cars that are not in order with administrative obligations in the country of residence of the owner or user.

But we also hear of cases of a member state imposing administrative obligations that are not compatible with free movement of services (24171): *“My family and I are normally resident in the UK, are still paying UK taxes and so on, but are currently house sitting for half a year in France. I have a UK-licenced car, with French car insurance, and I am trying to renew its UK tax disc. However, the UK car registration office (DVLA), says that I have to provide proof of UK car insurance for this, and since the car is insured with a French company (much cheaper), the DVLA refuses to renew my tax disc.”* This type of obstacle is more worrying, because it would give credence to the idea that a valid insurance is necessarily in the country of residence. In one case (is it credible?) it is said that Irish authorities will not accept insurance from a non-Irish insurer (24331).

Questions also came from would-be car travellers in Europe in need of short-term insurance because their normal insurance would not cover them abroad beyond three months (33857, 29280).

There are also right/left hand drive specific concerns: *“I am Spanish, am now in the UK, bought a car and want to drive with it here for 1 month. This is why I need to get an insurance, but no insurance company will ensure me, “because I am not a UK citizen” (i.e. not resident). Is this legal?”* (29077). This raises more generally the problem of short term residents that aren’t yet insured in another country before moving and acquire a car in the host country. See also the following case (35681): *“I decided I need to buy a UK car (steering wheel on the “wrong” side). As it now shows, it is actually impossible, because UK insurance companies are refusing to sell me an insurance policy (on ground of me not being UK permanent resident (meaning having lived there for 5 years) or at least having been resident there for 12 months), which means I am not able to register my car in UK either - registration requires proof of insurance cover.”* Another citizen (37210) contacted our service in order to find out if it is possible to insure in Poland for a period of time a vehicle registered in the UK (right hand drive), apparently anticipating that he might experience difficulties.

Another area of concern is the recognition of one’s no claim records: *“The insurance company of our choice in UK does not accept the “No claims Discount” that I have earned in*

my own name on my Irish motor insurance policy. I feel that this is a very unfair treatment, especially since insurance market and the rules of the road in Ireland are very much identical to the ones in the UK." (36610). In fact, a lot of consumers ignore that there is a special insurers' form for comparing no?? insurance records, though it is on a voluntary basis: some insurers will avoid mentioning that there is a system of recognition. There was also one interesting case of an insurer requesting, for a foreign no claims record to be taken into account, that the insured stop any vehicle insurance record altogether in the country of provenance (see e.g. 22247).

In one case, the enquirer tells us that Swedish insurance companies apply one price to a car bought in Sweden and another - higher - price to the car which has been bought e.g. in Germany (35013). If this were true, i.e. it concerned comparable models, it would be very difficult to explain with objective criteria. Reciprocally, a Swede tells us (26809): *"I'm living in Germany and want to get a car insurance here. I have a Swedish drivers license, had it since 1989. The insurance company want to give me different conditions, higher yearly premium, because it's a Swedish and not a German drivers license."* Apparently, the insurer is basing this discrimination on consideration that this Swedish driver should have changed his licence to a German licence (before the new regime for driving licences applied), which may be true but should not be the insurer's concern.

One enquirer questions the validity under EC law of territorial restrictions within the EU to the scope of his insurance – in this case, the anti-theft insurance not applying to theft in Poland unless a special locking device is installed. Such submissions show how consumers easily overlook the fact that the contracting parties, in their free will, may set their own limits based on objective criteria (e.g. bad theft statistics in Poland). The question is whether the insurance company is abusing its position of strength to impose unfair restrictions.

Some drivers ask if their compulsory civil liability insurance provides the minimum insurance required by law in another EU country, or if there is EC law setting minimum standards (36627, 26182). Such questions betray ignorance of the "green card" system. But this system is also pin-pointed as not working perfectly: *"I was in a car accident that was caused by a French driver in France this August. My question regards the payment of damages made to my car. Because the French insurance company is extremely slow, my family and I are getting into difficult financial situation. The situation is complicated as well by the Czech insurance company."* (32122). More worrying because it affects the confidence the public can have in a common area of justice: an enquirer says he was involved in his own country in an accident with a foreign (Polish) driver and was told by the police that he would not be able to prosecute or pursue a claim against the driver due to the foreign insurance of the car, and also because the driver could change his license on return to Poland, and was therefore immune to any bans or points he might have been given (32140).

An interesting complaint from a Norwegian national concerning insurance practice in Spain for ending a contract (32714): *"I have a car insurance with the Spanish company [name]. The insurance was terminated with about 100 € in my account. I asked to get my money back; but the company claim that they will keep the money for one year and if I do not want any other insurance with them, they will take my money. I have checked with another insurance company and they claim that this is the rule in Spain."*

Health insurance. It is worth mentioning that this area is a source of confusion for some ill-informed people, who believe that EC rules on free movement of health services (including

health insurance) apply also to social security schemes. We received a number of questions, in particular from self-employed workers in France trying to liberate themselves from compulsory contributions to the French social security system (see e.g. 36215).

Otherwise, interestingly, there are many enquiries – from Germany in particular – of people wanting to keep their private health insurance in a country they are leaving, and asking if this is possible (e.g. 26910, 29504, 29905, 30769, 32100, 36812, 36880). The following cases help to understand the reasons that motivate the above: *“A German national asks how he can export his German old-age provisions without deductions when changing to another private health insurance fund (...) his private health insurance fund offered that he could pay a monthly fee to maintain the entitlement while working abroad. He considers these difficulties of changing his health insurance fund a violation of the Community spirit regarding free movement.”* (36688, as reported by the CSS expert); because she is pregnant, a woman is not accepted under her husband’s private health insurance, when relocating to Germany where he lives and works – she was covered by a private insurance in Ireland but presumably could not keep it (2563).

Note: having access to or keeping private health insurance can be crucial for migrants for the purpose of exercising a right of residence, in cases where they do not qualify as migrant workers or members of the family of such worker, and cannot rely on a social insurance scheme.

A special mention needs to be made of a complex issue in the Netherlands which has to do with a change in the Dutch healthcare legislation, resulting for residents abroad in a cancellation of their private health insurance (see 24955, 25143, 29464, 29588, 29606). Apparently this raises a lot of indignation among plaintiffs, who are sometimes organised. Other risk insurance. We received three enquiries concerning aircraft liability. Two came from a new member state and raised the same problem: following EU accession owners of ultralight aircraft which are only used for sport activities and local flight instruction, and never cross EU internal borders, are obliged to enter into an expensive insurance scheme that, they say, under Regulation 785/2004, is only meant for big passenger carrier aircraft. (27220). Another submission raises the problem of how to comply with the obligation of compulsory aircraft insurance in case there is no insurer offering such insurance in your country, and you can’t find an insurer from another member state anymore (26006).

Life insurance. On this subject, enquiries related more to health aspects (e.g. concerns about the secrecy of medical results if taking a test in another member state – see 28214). Actually, interesting cases had to do mostly with banking services, referring usually to the problems already indicated above. Examples: a German national resident and working in France in vain looked for a German bank that would allow him to run a giro account independently from his relatives residing in Germany but found none. Residence in Germany was always required. To make things worse, the private German life insurance fund stated that they were unable to debit from a French giro account or to accept banking transfers from France (37871). See also the case described above concerning the cost of bank transfers (26512).

5. PRIVATE PENSIONS

Count: 17 (3.4%)

This area raises interesting issues, even though the number of cases is not large. Generally speaking, it clearly appears that the development of private pension funds raises obstacles to the mobility of services, but also, indirectly, to the mobility of workers. And these are obstacles that are hard to overcome because they touch upon (here again) the contractual will of the parties or (more specifically in this area) the fiscal sovereignty of member states.

One important issue is **access** to a private pension schemes in other member states. People ask whether it is possible to contribute to a private (personal) pension scheme in another member state. This appears namely in situations where the country of residence and work is not that of social insurance (see e.g. 24464 – a case of posted work presumably) and may be a sign that people find it convenient to seek complementary pension in the same country where they contribute to the state pension scheme.

But the question of access to private pensions schemes also arises in relation to company pension schemes, as is illustrated in this case (33127): a Dane employed by a UK company and working mainly from home in Denmark, but with frequent travel to the UK, complains that, though his employment contract states that he is entitled to join the company's pension programme, the latter rejects his application on grounds that he does not reside in the UK, regardless of the fact that he pays full UK tax on his earnings (admittedly, he has an E101 exemption from UK NHS contributions). He asks if it is legal and, if so, if he would have any right to compensation from his employer – he mentions the loss in tax relief in Denmark as a consequence (see below, on taxation).

We did not find cases relating to the issue of preservation of one's private pension scheme when moving to another member state, which logically would raise substantially the same problems as applying to a scheme from another member state. But we did hear of related difficulties with the **payment** of private pensions after moving to another country. These difficulties are connected to the bank account problem described earlier in this report. The following example is significant (26790): *“I am about to receive my retirement pension from the UK. I also have a small private pension. That fund will only pay into a UK based Sterling account. But, I cannot have a fully functional account in the UK because I do not live there [note: the enquirer lives in Spain]. Nor will they work with Spanish Banks. I have tried to arrange an account through Spanish banks. They will have nothing to do with UK based accounts, even though there are banks of the same name. How can I get money paid into a UK account in Sterling without some exorbitant transfer costs or unrealistic terms to the account.”*

The **portability/transfer** of a pension scheme (occupational or other) to another company when one moves to another member state is also a matter of concern. Some people just enquire about the possibility, before or after a change of employer – an important proportion of cases relate to UK or Dutch schemes – and it clearly appears to be difficult to get information, as is shown in the following example (28634): *“I worked for five years in the Netherlands and paid social security and paid into two occupational pension schemes. I now want to sort out my pension and possibly transfer my occupational pensions from the Netherlands to my new pension scheme in the UK. I have written several times over the past six months to the Dutch pension companies about this and tried to phone and email but have*

received no reply. Is there a pensions advice service in the Netherlands that could help me?" In some cases, the information is there but is hardly that which the clients hoped it would be. For instance (36095), a French worker who had contributed, under a company scheme, to an Irish pension fund complains, upon returning to France and seeking to transfer their scheme to another equivalent fund in France, that the Irish fund, allegedly due to provisions in Irish legislation, is not allowed to authorise such transfer, other than to a few countries (not including France but including other EU and non-EU countries). This specific enquirer says that are "thousands" of French workers in Ireland in the same situation.

In many records related to private pensions, the consequences of cross-border situations on **taxation** are mentioned, whether this is the primary object of the enquiry or a related concern, as already illustrated by cases mentioned above. Popular questions are of the following type: where will my pension be taxed? (typical question from newly retired or soon-to-retire workers – see e.g. 36577, 34502 and 31315); or: will I be able to get the same tax advantages in the country where I live in respect of a private pension scheme if it is with a company in another member state? (see e.g. 24464).

More complex questions about taxation arise in relation to the transfer of a scheme to another country, e.g. (30641): *"I have a UK personal private pension scheme with the Scottish mutual and wish to transfer it to a pension fund in Latvia as I intend to retire in Latvia. There is a 3 tier pension fund available in Latvia that suits my requirements and my UK financial adviser tells me that the Scottish mutual have no objection to transferring the fund. The Latvian pension funds tells me that I would have to pay 25% tax on all contributions to a private pension fund. I cannot get an answer from the Latvian Tax authorities. What is the position regarding income tax when transferring a personal pension fund from one EU country to another?"*

Note: beyond taxation, **subsidies** also can be a matter of concern apparently, as is shown in the enquiry (34416) of a German citizen worried that he might lose the subsidy to his "Riesterrente" (semi-private pension subsidised by the German government) were he to relocate abroad.

6. INVESTMENT

Count: 75 (15.1%)

Section I (bank accounts) dealt with current accounts, but saving and investment **accounts** also raise the same sorts of problems, for instance: “international students rules” are invoked by UK banks to deny a saving account to a student, even from another member state (in case 26225 the enquirer flags that this restriction is new compared to “last year”, and that in any case the bank’s website stating the conditions for such account does not mention that international students are not eligible); the opening of an investment account is denied to non residents (see e.g. 25781), and there are the same stories for savings account, for example (34063): *“I am a British citizen living in Spain. I have been refused permission to open a Savings Account in a UK bank as my address is not in the UK, though my pension is paid through a UK bank and I pay UK taxes. As a citizen of the EU, is this refusal valid?”* Note: some consumers still doubt that it is legally possible to have a savings account in another member state, despite free movement of capital, and specifically enquire about this (see e.g. 34100).

There are also, here too, like for ordinary bank accounts, difficulties connected to closing an account. For example (29376) a Spanish couple in France are having a hard time trying to get the payment of what was left on their savings account in Spain when it was closed, without informing them, by the bank, apparently because they had not made any operation on it since 1979. The bank’s services (including its ombudsman) say there can be no refund because they have not kept the relevant documentation of the account (but these clients have all the necessary evidence) and they invoke time prescription (after only two years). It may be that, in cases like this, the bank is taking advantage of the distance factor to take liberties with its contractual obligations.

In fact there are other cases of complaints about **enforcing your rights** when the financial service provider is established in another country, even in very clear situations of abuse. As is expressed by one enquirer (27197): *“I am out of pocket and see no way of getting these sums back - due primarily to the fact that the [name of investment program] is in Madeira and it is difficult to know what legal avenues are open to me.”*

As in other areas, **taxation** is a major concern. Questions include: where to pay taxes of interest on savings? (34100) – Note: this type of question can become complex where more than two countries are involved (see e.g. 24918). Some enquirers are more explicit in criticising what they feel is contrary to EC law: is it normal that I am taxed on capital gain in my country of residence if the gains are made abroad and are paid to my bank account in another member state, never entering my country of residence? (the enquirer explicitly mentions fear of being taxed twice in 34756). In another enquiry on the same subject, there was also the opposite consideration, which is very pertinent if the system of tax competence is to work both ways: what about the possibility of claiming in a given country, if it were to become my tax residence, the losses incurred in another member state? (33399).

In one case (25359) an interesting question is raised that deserves attention, concerning Luxembourg legislation which could be discriminatory and incompatible with the principles of fair competition and free movement of capital: a law of December 2005 introduces a 10% payment at source on interest gains of individuals, but only if these are collected on bank accounts located in Luxembourg. By contrast, a resident of Luxembourg placing his savings

in another member state would be taxed over 30%, says the enquirer, who asks: “*did the Commission agree to this legislation?*”

Another case (27669) flags an odd situation in case of merger of banks of two different member states. Here is the enquiry from a German citizen, as reported by our expert: “*The Italian Bank Unicredito merged with the German Bank HVB. As a consequence of this union, the citizen’s shares were turned into Unicredito shares. According to the Italian law, the Italian fiscal authorities impose 27% withholding taxes on shares. Yet, according to an agreement between Germany and Italy to avoid double taxation, German citizens should get 12% back. The citizen says that his German Bank told him that he can get the money back only through his bank and that this would cost 50 Euros. He asks if there is any alternative to this system.*”

Other interesting but marginal cases include: a question whether it is possible, in a will made under the legislation of a given member state, of bequeathing your savings deposited in an account which is in another member state (25017); a question whether there are any European standards on the transfer of stocks from the Central Securities Deposit of a member state to the accounts of its clients (it is not specified if in the same country or not) or on buying and selling of stocks and bonds (32188). Worth noting too, the question from a Pole asking if buying shares of a company in another country opens up a right of residence (37533): the answer of course is no, unless seeing it through the sufficient resources condition for the right to stay as inactive, but it would have been interesting to know what triggered this unusual question.

7. BETTING AND LOTTERIES

Count: 4 (0.8%)

Considering the low number of directly relevant records on this topic, there is no point in making general observations. We do however feel it useful to flag 4 significant records.

The most interesting case (26407) concerned **access to lotteries**: a permanent Greek resident wishes to participate through internet or mobile phone to a lottery game organised by the British national lottery. This game has been also established in many other EU countries (but not in Greece) through their national or semi-national lotteries. The enquirer is irritated that he is not allowed to participate on grounds that he does not reside in the UK, although he has a UK bank account and related credit card. He reports that his contact at the British national lottery told him that there is also an agreement between the national and semi-national lotteries of the EU not to allow their residents to participate in such games in an EU country other than the one where they have their residence. He wonders if this is in line with the principles of the Internal Market.

Interesting also is this other question concerning the **legal state of play** – presumably from an entrepreneur’s point of view – for delivering a specific type of lottery service: *“Is there any law in the EU that restricts lottery on mobile phones? Meaning a free lottery, where everyone buying a content for their phone have a ticket in a draw for the prize.”* The answer has potentially important cross-border implications

Two other cases concerned **fraud and legal protection**. One user received surface mail from another member state informing him that he had won the ‘International Promotion Programme’ lottery and, in order to collect his win, was invited to send a copy of his passport and his bank details. Which he sees as “scam” and he would like to act against it (36304). Another user asks where to start legal proceedings against a company that is arranging betting competitions when one resides in a country other than that of the company (36458).

Annexes

I- Methodology

When entering into the analytical phase, the reporting is complicated by the fact that, in the CSS database, the enquiries from the public are recorded according to a topic/subtopic selection that does not meet the needs of this specific report. The only topic and subtopic directly related to financial services are “Buying goods and services in the single market” (topic) and from there “Opening a bank account in another member state”² or “Motor vehicle insurance”³ (subtopics). This limited the interest of using the database’s own search engine (for more on these subtopics, see the Annex II).

In preparation for this report, the first feedback report (“What the database tells us”, 15.01.07) explored the potential volume of enquiries about financial services by means of keyword search. The results (summarised in the Annex III) showed the power of keyword searching, in particular that there was a volume of enquiries about financial services which far exceeded the numbers recorded under the two subtopics.

To identify relevant records, we therefore refined the initial keyword search used in the first report. When defining the keywords, we were inspired by the following:

- General feedback from the CSS experts, each for their respective countries (we also used cases provided by experts as examples);
- Our own impression, as CSS management team, of what the issues were, based on seeing large numbers of enquiries through assessing their eligibility, allocating them, and scrutinising many of them as part of our quality control procedure;
- The Commission’s concerns related to retail financial services in the Internal Market, as expressed, for example, in the White Paper of December 2005 on “Financial Services Policy, 2005-2010”.

What we were interested in were records where the keyword or combination of keywords was found in the **text** of the question put by the enquirer or in its translation. After an initial scrutiny of the **replies**, we did not continue with keyword search into them because they were often of a summary nature which did not produce useful results. The keyword search was done in English and in French given that some records are in those languages, and all others are translated into one of them.

II- Results of keyword searches for this report

The table below gives details of the keywords used for each of the seven topics in the report, and the number of times a distinct case was found.

It may be of interest that when comparison is made with the table in the Introduction (page 3), it can be seen that, when double counting is eliminated at the level of topics, the number of

² For the period of 1.1.2006-28.2.2007, this subtopic was used 66 times for eligible enquiries.

³ For the period of 1.1.2006-28.2.2007, this subtopic was (also) selected 66 times for eligible enquiries.

distinct cases for day-to day banking and credit and loans was a good deal less than the simple count of keywords.

Table: Count by keywords, listed by topic

Topics	Keywords	Count
1 Bank Accounts	bank account	122
	compte bancaire	13
	compte en banque	7
2 Day-to-day Banking Services	credit card	31
	bank + credit card	21
	bank charges	7
	bank transfer	9
	bank + correspondence OR extract...	6
	Découvert	6
	bank + cheque	4
	bank + withdraw OR retrieve + money OR cash...	4
	frais bancaires	4
	transfert + banque	5
	banque + chèque	3
	cross-border payment	3
	banque + retrait + argent	2
	bank fees	1
	banque + extraits	1
	overdraft	1
	banque + carte de crédit	0
carte de crédit	0	
3 Credit and Loans	credit	69
	crédit	53
	credit + bank	34
	mortgage	30
	loan + bank	17
	crédit + banque	11
	hypothèque	4
	prêt + banque	3
	crédit immobilier	2
4 Insurance	private health insurance	33
	car insurance	32
	private insurance	25
	insurance policy	23
	assurance automobile	7
	motor insurance	6
	assurance vie	5
	motor vehicle insurance	5
	life insurance	4
insurance contract	3	

	assurance privée	1
	complémentaire santé	1
	contrat d'assurance	1
	assurance + responsabilité civile	0
	house insurance	0
	police d'assurance	0
	Prime d'assurance	0
	RC	0
5 Private Pensions	private pension	11
	occupational pension	6
	pension complémentaire	0
	retraite complémentaire	0
	supplementary pension	0
6 Investment	savings	47
	assets	16
	shares	8
	épargne	4
	bonds	1
	stock options	0
7 Betting and Lotteries	lottery	3
	betting	1
	jeux	0
	loterie	0

III - The first feedback report

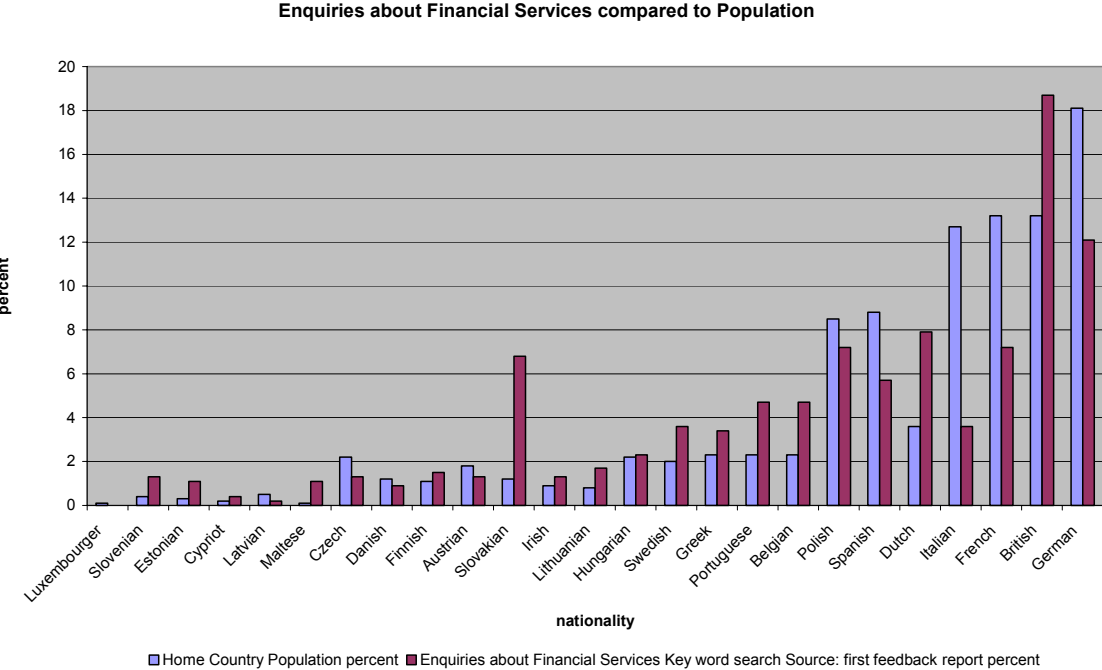
The first feedback report (“What the database tells us”, 15.01.07: chapter 8 and Annex, paragraph 6) explored the potential volume of enquiries about financial services by means of keyword search. By applying 21 keywords (in EN and FR) to four the fields - enquiry, reply, translated enquiry, translated reply – we found 495 distinct matches (ie avoiding double counting), which amounted to 5.1% of all the cases for the period covered by the report (1 January to 31 October 2006)⁴. This is significant at subtopic level (see, for example, chart 18 of the first report).

This demonstrated the usefulness of the keyword search tool and also that there was a volume of enquiries about financial services which far exceeded the numbers recorded under the two subtopics. We noted in the first report (and not only with financial services in mind) that the current list of subtopics does not fully reflect the variety of subject matter in the cases handled.

Chapter 8 also showed that those enquiring about financial services were, by comparison to the average, more likely to be male and employed/self-employed. It also examined the nationality of enquirers (chart 33), and we have extended this chart by comparing nationality to population. It shows that there is a skew in favour of certain nationalities eg Slovaks, Dutch,

⁴ For comparison, the keyword search used for this report found 497 distinct matches, which amounts to 4.4% of the total number of eligible enquiries handled during the period (11,433).

British, and also several others - Belgians, Portuguese, Greeks, Swedes, Lithuanians, Slovenes, Maltese, Estonians. Nationalities which are under-represented are Germans, French, Italians, Spanish, plus several others - Poles, Czechs.



The first feedback report (chapter 7 part IV) also looked at the subtopic “opening a bank account in another member state” for which there 40 cases (0.5% of the total considered). Despite the small number of cases two issues already appeared: the refusal to open an account on grounds of non-residency, and excessive fees for euro bank transfers.

Another aspect of financial services looked at in the first report was motor vehicle insurance (chapter 7, part III), for which there were 47 enquiries (0.6% of total). For country of problem, a quarter of these cases concerned the UK, and a link was found to nationality: British nationals were found to relate their questions of motor vehicle insurance mainly to the UK as country of problem.