
We would like to bring to your attention a few quotations in order to give a better vision of the three main themes treated during the sessions: I) Retail financial services, II) Private healthcare markets and III) Competition and consumer policy future priorities.

Sir John Vickers, Chairman, Office of Fair Trading

Opening remarks: ‘good consumer and competition policies have one and the same goal — to help markets work well for consumers and for all the fair-dealing enterprises that serve consumers well. Where markets suffer from misleading and deceptive advertising, from cartels, from oppressive sales methods, from anticompetitive mergers, from unfair contract terms, from abuse of monopoly power, or — I would stress — from undue or misguided government intervention, they do not work as well for consumers, or as competitively, as they should and can.’

‘What ultimately counts is whether you the customer — whether as a business customer or a public purchaser or as a final consumer (which all of us in this room are) — have well-informed choice between competing alternatives when you are deciding whether and what to buy. The unifying theme for today’s conference is therefore choice. Better markets offer better choices.’

Mrs Neelie Kroes, Member of the European Commission in charge of Competition

Referring to targets of the Lisbon Agenda: ‘Our citizens expect — and rightly so — to see real and positive results in exchange for the often difficult process of economic and structural change. They want to see the profits of improved market operation being passed on for the good of individuals and society in general. That can be achieved through generating the funds needed to guarantee a high standard of social cohesion and welfare. It can also be through giving individuals a good quality of life and better, more desirable, products and services at lower prices.’

Concerning the Financial Services enquiry: ‘we need to address the concerns of consumers. The Commission has so far mainly looked into wholesale and capital markets, which are crucial for market liquidity and performance. But we know from consumer associations and individual complaints that many are not happy with the financial products they get, with the prices and fees they pay, and with the choice they have between banks and insurers.’

Conclusion remark: ‘Competition is a key driver for competitiveness. This European Commission will use competition policy instruments — old and new — to encourage markets to deliver their full potential, for the benefit of European consumers and the long-term sustainability of Europe’s way and standard of life.’

Dr John Fingleton, Chairperson, Irish Competition Authority

‘Competition has a central role to play in efficiency, innovation, customer focus, and rapid pass-through for consumer and economy. Competition complements better regulation, from barriers to competition towards value and informed choice for customers.’ (note from the editor: Dr. John Fingleton has become the new OFT Chief Executive since October 2005).
Sir Callum McCarthy, Chairman of the Financial Services Authority (UK)

‘Any sensible regulator should be seeking first to encourage efficient markets, as the best means of providing goods and services to consumers. Only after market solutions have been exhausted should regulatory initiatives be contemplated.’ ‘The problem of financial capability is immense, in terms of both the basic requirements of literacy and numeracy which underpin financial capability; and in terms of specific financial knowledge. We at the FSA are seeking to deal with this problem by initiating a programme, involving government employers, schools and colleges, banks and insurance companies, designed to improve the present very poor level of financial capability.’

Mr Jonathan Evans, Member of the European Parliament

Mr Jonathan Evans, MEP, who has been European Parliament Rapporteur on the modernisation of EU competition policy highlighted the direct link between an efficient competition policy and the interests of consumers both in terms of prices and the availability of goods and services. He regretted that too often in the European Parliament, national protectionism had influenced the response to many of the legislative proposals in the Commission's Financial Services Action Plan. Directives had thus been amended, adjusted and rendered much less effective. The Commission's recent Green Paper correctly anticipated the lack of market interest in further legislation. He therefore welcomed the announcement of the cooperation of the Internal Market and Competition Directorates in pursuing sectoral inquiries in the fields of energy and financial services as an alternative and more effective means of creating a true European single market in these areas. He cautioned however against the enquiries becoming diverted from their objective of developing the EU single market into an over-prescriptive and bureaucratic exercise.

Mr. John Sunderland, President, Confederation of British Industry

Presenting his opinion on the importance of competition future priorities he requested: ‘I would like also caution against overuse of sectoral inquiries and market investigations. When they are launched they can have a chilling effect on the market being investigated. A poorly managed inquiry is a waste of valuable resource and a substantial cost to the taxpayer. The scope of the investigation needs to be clearly defined at the outset to avoid ‘mission creep’. There should be a sort and strict timetable for producing a report; markets can change rapidly. And the proposed questionnaire should be ‘road tested’ with some sample companies to avoid overkill and the collection of redundant data.’

Mr. Phil Evans, Principal Policy Adviser, Which? The UK consumer association

‘Markets are made up of consumers that drive firms. How and why those consumers behave should frame how the competitive parameters for that market are set. Priorities for the future: 1) Keep consumer and competition policy together in the OFT and strengthen the consumer side. 2) An EU super-complaints mechanism. 3) Enhance private rights of action across the EU.’

The European Competition and Consumer Day concluded with a broad consensus between the speaker’s messages that could be summarised as follows: Competition and Consumer policies could work together improving efficiency and knowledge of markets, bringing education and information to consumers best choices. Better regulation has to avoid overlapping between the national and the European levels and needs permanent impact assessment.

The next European Competition day will be held under the Austrian Presidency of the Council of the European Union on the 19 June 2006 in Vienna.