



EUROPEAN COMMISSION  
Impact Assessment Board

Brussels,  
D(2012)

**Opinion**

**Title**                    **DG MARKT/SANCO - Impact Assessment on the Bank Accounts Package**  
**(resubmitted draft version of 29 October 2012)\***

**(A) Context**

This Impact Assessment identifies specific problems in the retail banking sector (restricted access to a payment account, the lack of transparent and comparable fee information and barriers to switching of payment accounts), considers their consequences and analyses different options for addressing them. Other problems which may also be relevant - low levels of financial literacy, the tying and bundling of payment accounts to other products, anti-money laundering requirements, social and economic factors (labour market changes, technological gaps, demographic changes, income inequalities, physical disabilities), the level of banking sector development - are left outside the scope of the analysis. The focus of the report is on payment accounts held by consumers. Accounts held by businesses (including small or micro enterprises), unless held in a personal capacity, are not analysed in this impact assessment. It also does not cover savings accounts, which may have more limited payments functions.

**(B) Overall assessment**

**While the report has been improved on a number of points along the lines of the Board's recommendations in its first opinion, the evidence presented to demonstrate the need for, value added and proportionality of a binding EU legislative initiative in the area of access to bank accounts, fee transparency and switching remains very weak. The report should therefore be further strengthened in a number of important respects. Firstly, the problem section should still explain more clearly how the different problem areas are related. It should provide a more in-depth analysis of the scale of the transnational aspects, with respect to each of the three problem areas, and provide more robust evidence of cross-border obstacles. On this basis the report should strengthen the arguments regarding subsidiarity aspects and the proportionality and EU value added of the presented options involving binding measures and acknowledge that the evidence is inconclusive. The report should further improve the presentation of the options and the analysis of their costs and benefits, and provide a more transparent presentation of the expected costs and benefits. Finally, more consistent references to the views of different stakeholder groups and Member States should be provided on a number of critical issues, such as the necessity and proportionality of binding EU action.**

\* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

### **(C) Main recommendations for improvements**

**(1) Further improve the problem definition.** Although the report now explains better how information from different sources has been combined and claims that data from different sources are consistent, the robustness of the evidence should be further improved in terms of representativeness and completeness (including a discussion of the other causes for developments in 'bankedness'). The empirical analysis of the cross-border aspects should be considerably strengthened. While the number of mobile citizens in the EU willing to have an account who have been denied opening one has been quantified, the arguments presented regarding the impact on cross-border mobility of the lack of fee transparency and difficulties with switching are theory-based rather than supported by factual evidence. The analysis should go beyond noting existing price differences to a more substantial proof that actors that try to enter other markets consistently experience problems. The report should still reinforce the analysis of links between the three problem areas covered by the initiative, rather than discussing the consequences of these problems.

**(2) Better demonstrate subsidiarity and proportionality.** The report produces additional evidence with regard to the legal impediments to access to bank accounts in a number of Member States (e.g. Slovak Republic), but it should more adequately address the important issue that 7 Member States consider that there is no problem (see Table 3), whereas another 7 Member States consider that self-regulation (already in place or under consideration) would be sufficient. Given that the evidence presented in Table 3 seems to indicate that non-binding solutions (e.g. Germany, Netherlands) can be more effective in reducing the number of people with no account than those in line with the Recommendation (e.g. Belgium, France), this should be more explicitly reflected when discussing the need for, value added and proportionality of binding EU action, while taking fully into account the rather limited scale of the transnational problem (e.g. mobile citizens). The aggregation and comparison of existing frameworks in Table 4 is methodologically flawed and should be corrected or omitted. Given that the analysis on transparency and switching is based almost exclusively on theoretical grounds, the report should present additional evidence or at least some additional concrete examples to underpin the conclusions. The report should also be more exact in assessing the practical consequences with regard to fee transparency and switching. Furthermore, the former should be presented in quantitative terms. For the latter a more robust calculation should be provided instead of the current extrapolation of Eurobarometer results. The arguments concerning the proportionality of the proposed options should be clarified, and the references to section 9 should be checked and corrected. The subsidiarity arguments for transparency and switching will need to be supported by more convincing examples.

**(3) Further strengthen the presentation of options and expected impacts.** The report describes the content of the policy options in greater detail, but it should more explicitly describe which elements have been retained in the preferred option package (per issue and overall) and subsequently assess it (as well as other feasible packages) against the baseline scenario. The report provides a somewhat improved description of the calculation method used, but it should still make an effort to present the expected costs and benefits in a more transparent and accessible way.

**(4) Better present stakeholder views.** The report should more explicitly discuss the critical views of different stakeholder groups and Member States throughout the report concerning the magnitude of the problem, the necessity and proportionality of EU binding action, and the methods used to gather evidence, such as stakeholders' criticisms

regarding the switching mystery shopping exercise.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report*

**(D) Procedure and presentation**

The report should streamline the presentation of the problems by avoiding as much as possible repetitions.

<b>(E) IAB scrutiny process</b>	
Reference number	2012/MARKT+/004
External expertise used	No
Date of IAB meeting	Written procedure This opinion concerns a resubmitted draft IA report. The first opinion was issued on 7 September 2012.