

Nordic Financial Unions

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NFU Response to Consultation on bank accounts

Summary of main points

- Access to basic bank accounts and enabling customer and worker mobility is important to the NFU.
- However, consumer access cannot be the sole, over-arching imperative in terms of reinventing the market for bank accounts. NFU supports the idea of a level playing field in terms of financial access, but it cannot lead to a situation where increased costs for companies are balanced with reduced personnel costs.
- In order to ensure that less attractive customers can be serviced in an attentive and accommodating way, the bank employees should be given adequate training, sufficient time and reasonably adapted sales targets when dealing with this group of customers

General remarks

NFU welcomes this opportunity to contribute to the consultation on bank accounts. Easy access to comparing fees, switching bank account provider and access to basic payment services whoever and wherever you are resided in the EU are decisive for a well-functioning banking sector and European labour market with true mobility.

To NFU the alliance between consumers and finance sector employees is clear. The employees make a company work and, as a part of this, consumers get good advice. Consumer objectives can only be achieved in close cooperation with and when employees and their organisations are on board. Empowered and well-informed consumers are of great advantage as seen from an employee perspective. Sufficient numbers of staff and well-qualified staff are imperative. Training is paramount. It is necessary to see the interests of employees, consumers and the industry as integrated, not separated. Therefore, access to bank accounts and enabling customer and worker mobility is important to the NFU.

It must be pointed out, however, that consumer access cannot be the sole, over-arching imperative in terms of reinventing the market for bank accounts. NFU supports the idea of a

level playing field in terms of financial access, but it cannot lead to a situation where increased costs for companies are balanced with reduced personnel costs.

When defining what criteria are allowed to be taken into account for the opening of a basic bank account, potential increased costs and/or red tape for financial companies need to be considered. Because of the plethora of reasons behind limited or no payment account access in different member states, general criteria risk creating undesired or harmful effects in some member states, with potential undesired or harmful effects also on finance employees. There is a need for careful case-by-case assessment when designing these criteria, bearing in mind the potential consequences for finance employees, which in turn affects consumers.

Specific remarks

2. Switching payment accounts providers

Question 10: *Should switching principles/measures also cover cross-border switching of bank accounts?*

Question 13: *What other measures should be considered to improve bank account switching? Please describe.*

NFU has previously stated that we question the view that customer mobility should be seen as a goal in itself. Our opinion is that a multitude of choices should be available, but customers should not be pressurized in any way. Many customers seek a long-term relationship based on continuous good advice and confidence and want a bank that put the interest of the consumers first. When confidence and trust is in place, mobility will follow. A European labour market depends on easy access to basic financial services for mobile customers. Possible switching measures should therefore also cover cross-border switching to enable mobility of customers and workers within the EU.

There is no doubt that information is needed – both targeted at employees and customers. EU level information initiatives are one aspect of this. It is also our opinion that the Commission generally should promote research on adult education on financial services, in order to improve the understanding of different measures taken by the market.

3. Access to a basic payment account

Question 14: *Do you dispose of information on consumers encountering difficulties in access to a basic bank account? What types of obstacles are signaled by the consumers preventing them from having access to a basic bank account?*

The finance industry must be obliged to provide basic access to basic financial services for all groups of customers. NFU also believes that, as consumers who are new in the banking system become more participative in society, they will become potential customers for other financial services products, increasing the size of the overall market.

In this context, it is also important to stress that in order to ensure that less attractive customers can be serviced in an attentive and accommodating way, the bank employees



should be given adequate training, sufficient time and reasonably adapted sales targets when dealing with this group of customers. Employees in the finance industry must be given time and resources to deal with “low-return” customers. It is paramount that finance employees are given the right to give good advice – sales targets and merit rating systems must work in favour of this right. Any regulatory framework must promote finance employees’ right to provide qualified advice, and also encourage the financial industry employers to ensure that employees have the time and competence to provide understandable information to consumers.

Question 18: *If more needs to be done what additional measures should be envisaged? Should the problem be tackled at national or EU level?*

NFU believes an EU approach is necessary to ensure the same rights for consumers across the EU as well as a level playing field for payment services providers.

It is impossible nowadays to participate in social and economic life without a bank account, and that consumers without a bank account have severe difficulties to find work and are threatened by social exclusion. The finance industry has a particular importance for economic stability, for employment and decent working conditions at national, regional and global level. Universal access and high quality of affordable financial services for everyone must be guaranteed. It is unacceptable that entire areas or people of lower or no income are excluded from financial services. In particular, banking services are a prerequisite for participating in the economy and society – banks must be obliged to offer a basic current account for everyone.

About NFU

Nordic Financial Unions (NFU) is the voice of the employees in the Nordic financial sectors. We are an organisation for co-operation between trade unions in the banking, finance and insurance sectors of the Nordic countries. Through our eight affiliated unions in Denmark, Sweden, Norway, Finland and Iceland we represent 160 000 members – a vast majority of the employees in the Nordic financial sectors.

Yours faithfully,

Nordic Financial Unions (NFU)

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