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NFU response to the consultation on access to a basic payment account

About NFU

Nordic Financial Unions (NFU) is an organisation for co-operation between trade unions that organise employees in the banking, finance and insurance sectors in the five Nordic countries. At present, eight trade unions are affiliated to the NFU; two in Denmark, two in Finland, two in Sweden, and one in each Iceland and Norway. Through these trade unions, NFU represents 160 000 employees in the Nordic financial market.

General remarks

To NFU there is a strong link between consumers and finance sector employees. This is naturally so also for presumptive consumers who are not yet included in the financial market. Consumer objectives can only be achieved if and when employees and their organizations are on board. Needless to say, employees are a central factor in order to provide sustainable and long-term oriented financial services. Well-trained staff of sufficient number is imperative to promote empowered and well-informed consumers. The interests of consumers, employees and the financial industry need to be seen as integrated, not separated.

Some of the envisaged measures proposed in the consultation are oriented towards the financial industry or national governments, and hence not for NFU to comment specifically.

In our reply, we have focused on matters that will, from our perspective, have an impact on employees in the finance sector now and in the future, as well as some important societal issues.

Comments on the principle

An obligation for the industry to provide basic access to finance for all is a win-win situation. NFU agrees with the perspective 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. NFU also agrees this will most likely help the move away from paper-based financial transactions to electronic ones, reducing costs across the industry.

NFU supports the principle outlined in the document that access to a payment account is a precondition to benefit fully from the internal market and that this contributes to social inclusion. NFU has on several occasions stated that it is our opinion that everybody should have easy access to basic financial services – no matter where they live/move to. Access to a payment account is, as the Commission rightly points out, in many cases a prerequisite for social inclusion in terms of access to employment, healthcare and housing.

However, when establishing a harmonized framework guaranteeing the right of access to a basic payment account to any consumer, it is important to remember that any change in requirements for the financial industry also affects finance employees. It must be made crystal clear what the consequences of a community-wide right of access would entail for the employees in the finance sector. There must be no worsening of employees' rights as a consequence of the proposed measures. The measures must not lead to a situation where increased costs for companies are balanced with reduced personnel costs.

Accessibility

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.



Issue of cost

As a general principle, the proposed measures must not to a situation where increased costs for financial companies are balanced with reduced staff costs. NFU would therefore ask the Commission to carefully estimate the costs associated with introducing general principles on reasonable costs for basic payment accounts.

General information concerning basic payment accounts

NFU fully agrees with the Commission's view that consumers should be given understandable information by payment service providers on the basics surrounding the opening and handling of a payment account. NFU has repeatedly emphasized that finance employees are absolutely central in raising consumer awareness about the content and features of different financial products. Finance employees are the consumers' best teachers for the understanding of financial products and which products and services that suit individual customers.

Furthermore, 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, which also works towards the Commission's explicit aim that the opening of a basic payment account must not be conditional upon purchase of any additional services. 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.

Yours faithfully,

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