

NFU Policy Platform



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Introduction

NFU holds the combined strength of the affiliated unions in Denmark, Sweden, Norway, Finland, and Iceland, representing more than 125 000 members. The results of NFU's efforts improve the situation for all employees in the Nordic financial sectors.

The Policy Platform provides an overview of NFU's main aims, principles, and advocacy goals. Together with the Statutes and Work Plan the Policy platform is the guiding tool for all NFU's work.

NFU Mission

NFU – Nordic Financial Unions builds cooperation among Nordic financial trade unions and promotes their interests in Europe.

- Through a high level of competence and dialogue, NFU contributes to a sustainable financial sector, fundamental for job creation and long-term economic development.
- NFU creates value for the affiliates by acting as a knowledge hub among trade unions in the Nordic financial sectors strengthening their cooperation and expertise.

NFU Vision

NFU strives to make the financial sectors prosper in a way that is sustainable for employees, companies, consumers, and societies.

- This is done through influencing regulation, framework conditions and business strategies that support job creation, economic growth, gender equality and diversity.

Relevant definitions

To facilitate the understanding and the usage of the Policy Platform, definitions of relevant, current terms are provided as follows:

- **Sustainability**¹ - is a paradigm for thinking about the future in which environmental, societal, and economic considerations are balanced in the pursuit of an improved quality of life.

¹ UNESCO (2015).

- **Sustainable finance**² - is an orientation to holistically use the ESG³ (Environmental, Social and Governance) approach in making people and community-centred decisions, and to tailor all societal aspects to meet the present and future needs of citizens in a flexible, inclusive, and self-sufficient way.
- **Sustainable development**⁴ – development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- **Fintech**⁵ – technology-enabled innovation in the financial sector, driving emergence of new business models, applications, processes, and products.
- **TechFin** - build or acquire data sets over time, such as peer-to-peer lending platforms and are frequently focused on data analysis (with algorithms integrating data from various sources).⁶ In simple, traditional financial actors that expand to/start use Tech solutions.
- **Fintech companies (Fintechs)** – companies focused on finance first and the application of Tech to deliver improved pre-existing financial services later.⁷ In short, tech companies that focus their services into finance. Comes in different forms such as Regtech, Insuretech and Fintech.
- **Big Tech** – platform-based companies often providing social media or other platforms generating a massive amount of data on customers. Most prominent examples are the US companies Apple, Alphabet, Meta, Microsoft, and Amazon, but also Chinese examples in Alibaba and Tencent.

² NFU Policy Paper ‘*Making Headway to Sustainable Finance*’ - available [here](#).

³ For more information on ESG, see: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/overview-sustainable-finance_en.

⁴ WCED, The Brundtland Report ‘*Our Common Future*’ - available [here](#).

⁵ Expert Group on Regulatory Obstacles to Financial Innovation (ROFIEG):30 Recommendations on Regulation, Innovation and Finance -Final Report to the European Commission - December 2019.

⁶ EBI Working Paper Series Dirk A. Zetsche/Ross P. Buckley/ Douglas W. Arner/Janos N. Barberis From FinTech to TechFin: The Regulatory Challenges of Data-Driven Finance 2017 – no. 6 – page 11-12.

⁷ Ibid.

A strong NFU in Europe

When analysing the current state of play in the financial sector from the perspective of the finance employees, three trends become extra evident to address in the work of NFU, both at a Nordic sector level as well as in the EU:

- Sustainability
- Digitalisation, Artificial Intelligence, and Data ethics
- Skills and competence development

Finance role in society

Employees stand at the core of the finance industry. Bank and insurance employees are the prime value creators in financial institutions and as such key drivers towards financial sectors that create the preconditions for sustainable development and digital solutions for the good of our societies.

Finance employees' important role in building trust in the sector

While strengthening the level of trust in the financial sectors is still needed, employees have been central to the sectors' trust (re)building efforts. The reputation of financial institutions has still not fully recovered from the financial crisis and has been even more jeopardized by the revelation of money laundering schemes targeting major financial players. Employees often face distrust and scepticism about the sector from customers.

Finance employees must be given the right preconditions to perform their roles. Performance measurement systems that create stress for employees and undermine consumer protection must be challenged. Financial regulation should be created and implemented in a way that provides finance employees time, knowledge, and resources to carry out their duties towards the customer in a sound and professional manner.

Sustainability

The finance sector has in recent years had a large focus on sustainable finance. The Nordic countries are assuming leadership in their sustainability efforts, and the Nordic model's grounding values of democracy and dialogue are important steppingstones in this process. In this context, the understanding of sustainable finance bears big importance. While most EU efforts have focused mostly on environmental concerns, NFU advocates for a view on sustainability in a holistic way by considering environmental, social and governance aspects.

The finance sector has a central role to play in contributing to sustainable development. To fulfil this role, the financial actors must be given the right framework

conditions and incentives. Additionally, financial institutions should focus towards providing financial services aiming at long-term and sustainable results. Clarity in measurements and indicators for sustainable investments are a must for finance employees to be able to be catalysators for the green and just transition.

Digitalisation and trust

The digital and technological advancements are affecting almost every aspect of the financial sector. With changing consumer behaviour, new forms of work, Artificial Intelligence, and new players entering the market comes both challenges and opportunities that financial institutions, trade unions and employees need to engage in. Trust is key for a well-functioning (digital) financial system.

On the one hand, digitalisation might change job profiles, tasks and demand for skills and competences as well as create new challenges connected to the handling and use of data. On the other hand, it has the potential of supporting employees in their daily work leading to a better work-life balance, enhance flexibility and self-determination, improve quality of work, and create new jobs which also increases the potential member base. Given the magnitude and transnational dimension of the changes, digitalisation's challenges should be addressed also on a tripartite basis in supplement to a strong European regulatory framework, to create the right framework conditions for the Nordic financial sectors and to future-proof finance employees' skills, integrity, and jobs.

Artificial intelligence is given a more prominent role in financial services, and the ethics in handling customers, companies and employees data is challenging the development. In the middle of this transformation stand finance employees entrusted with a great responsibility to guide customers in an ethical, secure, and sustainable way.

One key aspect of the digital development of the financial sector is to maintain a robust sector. Here, cyber security plays a vital role. Financial actors have acknowledged this and invest largely in building secure digital systems. However, the threat of cyber attacks are high in the finance sector and cyber security must continuously be addressed.

New actors in the finance sector

The digitalisation of the financial sector has not only brought changes to established financial actors, forcing them to base their services on new advanced technology, but also brought about new actors in the sector. The last decade has seen a boom in Fintechs, especially in the Nordic countries. These companies are both challenging traditional actors to change but have also created an interdependent cooperative

relationship to the incumbents, together with challenging Nordic employee relations⁸ and creating new jobs in the sector. An even greater challenge arises when Big Tech companies are entering financial services, challenging not only traditional actors and Fintech but also the very nature of the financial system⁹. These actors challenge the regulatory framework in finance as they are not categorized as financial companies, and not fall under full financial supervision.

New ways of working, skills, and competence development

Employees of today are demanding flexibility and influence over their work. In a hybrid set up, peer-to-peer learning and mentoring is challenged. Employee wellbeing and psychosocial health needs to be monitored. And not least, equal opportunities and gender equality must be encouraged and secured. Therefore, managers need adequate competence and resources to lead successfully.

Rapid digital development and the existential need to create a sustainable society is highlighting the importance of a continued development of new skills, competence development and life-long learning for finance employees. As financial trade unions we must continue to tell the story of finance employees, bring an employee perspective, and make sure that the sector is built on equal opportunities for all.

Outsourcing, cooperation and organising

Relocation of jobs from the Nordic finance sectors to low-cost countries is common and has an impact on the Nordic labour market and society. The trend today is both nearsourcing to countries within Europe and to countries outside the EU, in particular to India. However, examples of insourcing do also occur. Job losses together with loss of competences and a loss of belonging (employee demotivation/alienation) are some of the challenges that trade union members are faced with. In addition, the Nordic trade union landscape in the financial sectors is also changing. Finally, the Nordic societies also experience a drain of critical competences which are difficult to re-establish once outsourced to countries outside the Nordic regions.

The question of how to shape a common Nordic union voice towards management is increasingly difficult and needs to be addressed on a Nordic level. Social dialogue is the corner stone in this process. One trend that is very present in the Nordic countries and is feeding the outsourcing process is special taxation on finance. This makes Nordic

⁸ [Fintech and Trade Unions](#) – NFU and UNI Europa Finance report from 2022

⁹ [PLEN202201REV2 PUBLICATION FinTech and Market Structure \(fsb.org\)](#)

finance jobs more expensive, and risk pushing finance institutions to further outsource services and relocate offices.

Strengthened cooperation between the trade unions and cross-border cooperation at company level in the Nordic bank and insurance sectors is necessary to face these challenges. Together the NFU member unions provide the employee perspective in financial regulation. A trend in the sector is that companies and employers are moving away from sector collective agreements. This shows that we cannot take the Nordic bargaining model for granted.

The EU regulatory framework and impact on the Nordic finance sector

For NFU, the EU regulatory framework is impacting the Nordic finance sector and finance employees in several ways. The Nordic model is at the heart of NFU's regulatory and lobbying interest.

The finance sector has undergone a regulatory big bang in the latest years, such as the financial industry reform package and instruments aimed to increase competition and market openness. The sector has further been affected by cross-sectoral regulation such as the GDPR.

EU regulation harmonising payment transactions, preconditions for data analysis and transfer have successfully achieved significant market integration. While the process is still evolving, based on the level of harmonisation reached on the EU Single market, traditional financial market participants as well as Fintechs, and other providers should be competing on a level playing field and within an increasingly homogeneous legal framework. NFU should aim at supporting the development of harmonized regulatory frameworks in order to strengthen the financial stability, trust in the sector and employees' wellbeing.

The finance sector is the catalyst for sustainable finance in Europe. Stakeholder involvement and social partners needs to be included in the transition process as employee involvement have the potential to address social and governance aspects of sustainability further. NFU supports horizontal initiatives, which help to meet the Sustainable Development Goals and the Paris Agreement. NFU favours regulation on EU level which involves proper stakeholder consultations and advocacy opportunities. In addition, a green restructuring of the economy must go hand in hand with a socially just transition.

Free collective bargaining is the cornerstone of the Nordic model. Strong social dialogue has proven to lead to more equal and inclusive societies. NFU stands by and embraces the opportunity to strengthen the Nordic model in the finance sector.

The EU, the European Supervisory Authorities and national supervisory authorities form and interpret the regulatory framework for the financial sectors. These processes shall be done in consultation with social partners. It is crucial that financial institutions in the EU Member States and EEA can compete within a level playing field of rules.

Guiding principles

Based on the current state of play for the finance sector and its employees, regulatory developments at EU level and trends in society, NFU has formulated a series of guiding principles that will steer the NFU policy and advocacy work. The principles are divided by three different levels: employee level, company/sector level, and society level.

Employee level

- 1. NFU strives for legislation that respects the Nordic model and collective bargaining rights, taking the employee dimension to its full potential as a key factor for sustainable growth, consumer protection and financial stability.**

Employees are the face of financial institutions. They advise customers on mortgage loans, investment opportunities, insurance solutions, bank services and much more. They ensure quality in IT-services and the products delivered to customers. Employees handle risk and uphold compliance with existing regulation. Employees are key to create value for customers and economic development in our societies. Regulatory requirements should be implemented in dialogue with employees and their representatives and implementation must be done in a way that provides finance employees with time, knowledge, and resources to carry out their duties towards the customer in a sound and professional manner. If performance measurement systems are to be accepted, they need to be balanced and negotiated with the employee representatives.

- 1.1 Employee representatives have an absolute right to be timely informed and consulted in company restructuring, resolution and any other material changes to corporate reality.
- 1.2 Employee representatives shall be informed and consulted in implementation of financial regulation to safeguard a healthy work environment and consumer protection. Financial regulation must consider the employee perspective and provide employees with resources, time, and training to carry out their tasks.
- 1.3 Employee representation in governing bodies shall be strengthened and considered in relevant EU legislation, thereby contributing further to sound and effective corporate governance and sustainable business models.

- 1.4 Employees must be provided with training and professional development to keep up with innovation and change, as well as to strengthen their employability and career progression. Professional development of finance employees contributes to stronger consumer protection, financial stability, and sustainable finance.
- 1.5 Employees must be given enough time, resources, and adequate skills to provide (or support the provision of) personalized and sound financial advice, crucial for developing trust and long-term relationship with customers. With a strong foundation in ethics, possible conflicts of interest can be avoided.
- 1.6 Flexibility as to from where, how, and when work needs to be done can help to master the challenges of the new hybrid work life.

Company/sector level

2. NFU strives for financial sectors that invest in people, products, and business models for sustainable financial development.

The success of the Nordic model rests on strong relationships between employees and management in the companies. Employees have the right to be consulted in corporate decision-making, which in turn reinforces the social capital of the Nordic financial sectors. The long-term growth of the sector relies on people, and should invest in job creation and retention, life-long learning, and improved working environment – as opposed to layoffs for short-term profit maximization at the expense of customers and employees.

New IT tools and systems should complement employees and work to support sustainable human-machine interaction. With the implementation of new tools comes the possibility to increase the monitoring and surveillance of employees. Transparency in the way new systems is being used, who has access to the data and how it can be used, as well as how data privacy is ensured is needed. Responsible and ethical use of digital systems and solutions is crucial for creating trust and ensuring sound consumer protection. Business models should be sustainable and support good working environment and long-term value creation. The behaviour of financial companies should support labour and trade union rights and ensure a good social dialogue.

- 2.1 Employees' representation and participation in corporate decision-making shall be strengthened as contributing to sustainable business models.
- 2.2 The financial sectors should be based on sustainable business models including human rights and climate due diligence in their global value chains.
- 2.3 The financial sectors should acknowledge and invest in employees as the key instrument for value creation and innovation in financial services and the strategies and policies of the company should enable a sustainable work life

balance for employees, including flexible work arrangements and ensure equality and diversity at all levels.

- 2.4 NFU supports sound supervision, enforcement and follow up of legislation towards all actors in the financial sector and stress the need for a level playing field in the sector.
- 2.5 NFU promotes harmonised transparency rules fostering disclosure of the investment objectives and comparable high-quality data to make green and sustainable investment easier.
- 2.6 Pension funds that invest employees' retirement funds in banks should have a long-term sustainable investment approach.
- 2.7 Human advice and automated advice tools should complement, and not compete with, each other to maximize customer service and meeting the needs of the customer contributing to an inclusive and trustworthy finance sector, job creation and long-term employability.
- 2.8 Relations between Nordic and other European unions, including transnational company unions, should be strengthened.
- 2.9 The financial sector should strive to provide quality work environments focusing on health promotion, prevention of stress and burnout, safeguarding the right to disconnect, and supporting a good work-life balance.
- 2.10 Managing of employee data should be done in close cooperation between trade unions and the employer. Transparency in the way new systems and data are stored and used, as well as sound data privacy policies, are key to ensure a decent work environment, personal integrity and employees wellbeing. Finance employees shall never be held liable for malfunctioning of digital tools.
- 2.11 Workers' digital rights must be respected. Employees and trade unions should be involved in the decisions of data handling. New systems being introduced or further developed, shall always come with involvement, training, resources, and competence development for employees.

Society level

3. NFU strives for Nordic financial sectors which support long-term oriented and sustainable development for the benefit of society.

The Nordic countries share a common ground, based on strong values, trust and reliable welfare systems. Free collective bargaining is a cornerstone of the Nordic model and secured by the European Union in article 153.5 of the Treaty (TFEU) and by the International Labour Organisation in Convention no. 87 and 98. The social partners are a key element in the Nordics, and strong social dialogue have proven to lead to more equal and inclusive societies.

The financial sector plays a vital role in society. The sector supports job creation and growth, promotes development, and contributes to societies' social and economic prosperity. Recent years have highlighted the sector's importance in advancing the sustainable finance agenda. Despite the high standards on taking a strong social responsibility, relocation of jobs from the Nordic financial sectors to other countries is a reality, resulting in job losses and competences disappearing detrimental to economic and social growth.

The financial sectors are evolving at a rapid pace. Innovation, digitalisation and the wide use of Artificial Intelligence (AI) make the financial services industry one of the most innovative inside the EU. As more actors expand, and more digital financial products and services are readily available, fair competition becomes ever more important.

NFU is convinced that an advanced degree of digitalisation increases the potential for innovation security and transparency. Despite the benefits of this development, we see potential risk of a digital divide in terms of financial and digital literacy. There are examples of elderly people being excluded from the financial market when services such as accessing bank accounts and identification goes digital, and young people taking on large financial risks, for example through buy now – pay later services or by investing in unregulated crypto assets.

- 3.1 NFU supports a just transition and supports EU legislation that stimulate sustainable finance to strengthen the social and environmental transitions of our economies.
- 3.2 EU legislation and policies must respect the right to free collective bargaining. Financial legislation must always respect collective agreements and support free negotiations of wages as well as working conditions.
- 3.3 Strong trade union organisations, including transnational company unions, as well as strong cooperation in the Nordics and in Europe, are crucial for safe and sound labour market conditions.
- 3.4 EU legislation on financial services, sustainable finance, and digitalisation needs overarching EU-wide rules to achieve benefits of the Single Market and to avoid fragmentation.
- 3.5 Financial regulation in the EU shall reflect the development of new actors in the market, such as Big Tech and Fintech actors.
- 3.6 Any special taxation rules for the financial sector should not undermine job creation.