

Ever Closer Union?

Our good friends in what is now "*Better Finance*" in Brussels recently alerted us to a Green Paper on creating a Single Market in Retail Financial Services across the EU. The paper's scope is very ambitious covering all forms of insurance, mortgages, savings accounts, other retail investments and money transfers. Replying to the consultation would have entailed answering 33 questions, all based on the premise that a single market must be a good thing and each asking about specific changes needed to achieve it. Nowhere did I find any serious reservations about the objective – the strongest was the sentence: "*Not all consumers want to buy their financial services products cross-border*".

My immediate reaction was to have doubts about the project in the light of all the confusion that already exists about financial matters in the public at large. . Consequently we duly informed Better Finance of our doubts and hope that this will influence their response to the paper. As the prestigious independent organisation representing financial services users in the whole of the EU their answers are likely to carry far more weight than anything we could say directly.

There has also been a further consultation recently from the European Securities and Markets Authority ("ESMA") about KIDs for PRIIPs. (For the uninitiated these are Key Information Documents for Packaged Retail and Insurance-based Investment Products.) This is the latest in a saga of consultations and regulations on this topic the latter having been signed off in 2014. The aim is to produce an EU-wide standard for a document of no more than three pages to be given to all potential purchasers of PRIIPs.

The Press Release for the latest consultation claims that it is a major step forward for the EU's retail investors. It also is said to benefit from an extensive consumer testing study. That study surveyed nearly 7,000 people across 10 countries and resulted in a 497 page report. Despite this our colleagues in Better Finance found it necessary to protest in their response that the draft took account of the views of the institutions and not those of the customers. I see that our own Financial Services Consumer Panel also criticised all three of the main aspects of the draft. These are just two of the 91 responses available to read on ESMA's website which they are presumably now working through.

Just seeing these two consultations reinforces my previous feelings about the vast bureaucracy in Brussels. I often wonder if the politicians are really aware of the impact it has. I see no sign in all the arguments about Brexit as to any progress in this respect.

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