Distance Marketing of Financial Services – evaluation of EU rules

Introduction

The development of a deeper and fairer single market is one of the European Commission’s key priorities. As part of this objective, the European Commission is working to help consumers to access good quality financial services offered outside their home Member State.


The Directive sets out what information a consumer should receive about a financial service and its provider before concluding a distance contract. For certain financial services, it also gives the consumer a 14-day right of withdrawal. In addition, the Directive bans services and communications from suppliers that a consumer has neither solicited nor consented to.

The Commission’s 2017 Consumer Finance Action Plan sets out different actions to improve consumer experience in the field of financial services. Of particular note is the Commission’s intention to monitor the distance selling market. This will enable the Commission to identify potential consumer risks and business opportunities in the market and, on that basis, decide whether there is a need to amend the requirements on distance selling (including disclosure).

A first step in this work has been to launch a behavioural study on the digitalisation of the marketing and distance selling of retail financial services. Over the past years, the retail financial sector has gone increasingly digital, with new products and actors appearing, and new channels being used. The study provides valuable insights into the practices used online by providers and how they affect consumer decision-making.

Since 2002, when the Directive was adopted, several pieces of product-specific EU legislation have been adopted in the areas of consumer credit, mortgages, payment accounts, payment services, insurance products and investment products. These acts specify, for instance, the type of information a consumer should receive about a product and its provider. The legal framework also includes general consumer protection rules on unfair commercial practices and unfair contract terms, as well as rules on the e-commerce framework, data protection and e-privacy.
Some 17 years after the adoption of the Directive, the Commission is launching a second evaluation to assess whether the Directive is still fit for purpose given all the market developments that have occurred since 2002. A first evaluation, carried out in 2009, pointed to the efforts made to regulate specific financial services at EU level and to the need to monitor evolutions in the market, especially given the development of e-commerce.

This public consultation is an opportunity for consumers, retail financial services professionals, national authorities and any other interested stakeholders to give their opinions on how well they think the Directive is functioning. The results of this consultation will help the Commission assess the Directive’s coherence, effectiveness, efficiency, relevance and EU added value.

The consultation consists of two short questionnaires. The first (set out in Part I) is aimed at the general public. The second (set out in Part II) is for other stakeholders such as associations, authorities and financial services providers.

The public consultation will be available in all 24 official languages of the EU.

Shortly after the close of the consultation, the Commission will publish a summary of the contributions received. In addition, opinions gathered through the public consultation will directly feed into the Commission’s evaluation of the Directive, providing additional answers to the evaluation questions. The Commission will summarise the findings of the evaluation in a staff working document, which will include a summary of all consultation activities, including a specific summary of the open public consultation.

About you

*Language of my contribution
- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- Gaelic
- German
- Greek
- Hungarian
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
I am giving my contribution as
- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

*First name

Andrew

*Surname

PRICE

*Email (this won't be published)

aprice@woccu.org

*Organisation name

European Network of Credit Unions

*Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.
*Country of origin*

Please add your country of origin, or that of your organisation.

- Afghanistan
- Åland Islands
- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- North Macedonia
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Namibia
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Saint Pierre and Miquelon
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Swaziland
- Sweden
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
*Publication privacy settings*

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

- **Anonymous**
  
  Only your type, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.
Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

I agree with the personal data protection provisions

Part I: Questionnaire for the general public

If you are not replying as a member of the general public, please go to Part II.

In this part of the questionnaire, we would like you to share your experience of researching and buying retail financial services such as consumer loans, insurance and bank accounts using means of distance communication such as the internet, telephone or postal services. This part of the questionnaire does not cover face-to-face interactions with a financial services provider.

Question 1. In the past 5 years, have you searched for or received information on any of the following financial services through any of these means of distance communication?

<table>
<thead>
<tr>
<th>Financial Service</th>
<th>On the internet using a desktop, laptop or tablet</th>
<th>On the internet using a smartphone</th>
<th>By post</th>
<th>Via phone call</th>
<th>Through an other means of distance communications (e.g. fax, virtual assistant, other)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer credits (including credit cards)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Mortgages</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Insurance products (e.g. car or home insurance)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Payment accounts</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Investment products (e.g. shares or bonds)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Payment services (such as money transfer services)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Personal pension products</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Did you also look for information on a service not listed above, or use a means of distance communication not listed above? If so, please specify which one(s):

500 character(s) maximum

**Question 2.** What type of information were you consulting?
- [ ] Advertising on apps, websites, social networks or video-sharing platforms
- [ ] Information sent to you by emails or text messages
- [ ] Information you requested by email or text messages
- [ ] Information on comparison apps or websites about similar products
- [ ] Information about the product on the provider’s website/apps
- [ ] Advertising and other information sent by post
- [ ] I don’t remember

If other, please specify:

500 character(s) maximum

**Question 3:** If you bought the financial service you were looking for, did you complete the transaction using the same means of distance communication?

- [ ] Yes
- [ ] No

**Question 4.** Based on your experience, how would you rate the following statements about the distance marketing and selling of financial services?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Fully agree</th>
<th>Somewhat agree</th>
<th>Somewhat disagree</th>
<th>Fully disagree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>It allows me to access more offers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It allows me to access cheaper offers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It allows me to compare offers more easily</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It allows me to access services that are better adapted to my needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It allows me to take more time to review the offers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Other? Please specify:  
*500 character(s) maximum*

**Question 5.** Which means of communication do you prefer using to purchase financial services?  
- Desktop/laptop  
- Smartphone  
- Tablets  
- Phone  
- Face-to-face  
- Postal service  
- Other

Please specify why:  
*500 character(s) maximum*

**Question 6.** Which type of services do you believe it is appropriate to offer via distance communication?  

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer credits (including credit cards)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance products (e.g. car or home insurance)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment products (e.g. shares or bonds)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment services (e.g. money transfer services)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal pension products</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other? Please specify.  
*500 character(s) maximum
**Question 7.** When you are looking for a financial service using a means of distance communication, how important do you consider the following:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not important</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having information about the identity of the service provider</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having information about the main characteristics of the service, including the costs associated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having the right to withdraw from the contract, for instance if you have changed your mind</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being contacted by a provider of financial services only when you have given your prior agreement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not having pre-ticked boxes adding additional services (such as insurance) to the service you are looking for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other? Please specify:  
*500 character(s) maximum*

**Question 8.** Thinking about the service itself, what information would you judge important to have to make your decision?

<table>
<thead>
<tr>
<th>Information provided</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not important</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>A description of the service provided</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The total price to be paid, including all possible fees and charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The potential risks associated to the service (e.g. the risk of losing the money invested)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The potential gains/revenues stemming from the service (e.g. for investments)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The existence of additional taxes or costs that the consumer has to pay to someone other than the supplier (e.g. to tax authorities)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How long the offer is valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The existence of the right of withdrawal and its conditions
The minimum duration of the contract
The conditions for terminating the contract
Information about applicable law
Information about the language the contract is drawn up in and about the terms under which the service is provided
The existence of out-of-court redress mechanisms

Other? Please specify:
500 character(s) maximum

**Question 9.** Thinking about your answers to Question 8, where you said what information is important to have, how important would you consider the following statements on the presentation of this information:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not important</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The information must be presented in a format that enables me to compare it with other products</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The information must be presented prominently and immediately (e.g. in a single block on the webpage presenting the product)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This information must be presented in a way that is adapted to the channel (e.g. size of the screen)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I must be able to choose the format in which I can access the information (e.g. pdf, other)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other? Please specify:
500 character(s) maximum

**Question 10.** Thinking again about your answers to Question 8 and what information about the service you said was important to have, how far do you agree with the following statements about when the information should be provided?
<table>
<thead>
<tr>
<th>The information should be provided by default, for instance on the product’s page on a provider’s website, whether or not I plan to purchase the product</th>
<th>I agree</th>
<th>I disagree</th>
<th>I don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The information should be provided well before I sign the contract (e.g. 24 hours before)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The information should be provided shortly before I sign the contract (e.g. 1 hour before)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The information should only be provided together with the contract, when I am about to sign it</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Personalisation of advertising and offers**

**Question 11.** Thinking about tailored advertisements and offers of financial services based on your online and offline activity (e.g. websites browsed, shopping behaviour), is it something:

<table>
<thead>
<tr>
<th>That is difficult to identify</th>
<th>I agree</th>
<th>I disagree</th>
<th>I don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>That enables you to get to find out about services you are interested in</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>That enables you to obtain better deals and save money</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>That is not transparent enough</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>That could limit your choice of services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please specify the advantages or drawbacks you see in such practices:

*500 character(s) maximum*

**Finally, we would like your views on and experience of financial services provided by providers based in an EU country different from the one where you live.**

**Question 12.** Obtaining a financial service from a provider based in another EU country is something that you…

- [ ] have already done/tryed to do
- [ ] would do to find better deals
- [ ] would not do because you are satisfied with the services and conditions offered in your country/area
- [ ] would not do because you are unsure about your rights or where to turn to get redress in case of a problem
Would not do because of language barriers
Would not do because you prefer face-to-face contact

Other? Please specify:
500 character(s) maximum

Question 12.1 If you have already obtained, or tried to obtain, a financial service from a provider based in another EU country, how would you describe your experience?

- I tried to find services available in another EU country but could not access the website.
- I tried to find services available in another EU country but was redirected to a website that was specific to the country where I live.
- I could access the offers but could not understand the information provided about the services.
- I could access the offers but could not compare the information provided about the services.
- I could access the offers but could not complete the transaction (for instance the transaction was refused when you provided your place of residence or nationality).
- I managed to obtain the financial service and was satisfied with the outcome.
- I managed to obtain the financial service but it was difficult.

Please elaborate on or highlight any specific problems encountered:
500 character(s) maximum

Part II: Questionnaire for other stakeholders

Questions on relevance

The relevance criterion in the Commission evaluation looks at the relationship between the needs and problems in society and the objectives of the Directive. It also involves considering how far the Directive’s objectives correspond to wider EU policy goals and priorities.

As a reminder, the Directive’s aims are to:
1- harmonise consumer protection across the EU and guarantee a high level of consumer protection, which will generate consumer trust in the distance selling of financial services;
2- help consolidate the single market of financial services to ensure the free movement of retail financial services.

Question 1. Have the following developments changed the provision of distance retail financial services since 2002?

<table>
<thead>
<tr>
<th></th>
<th>Totally agree</th>
<th>Somewhat agree</th>
<th>Somewhat disagree</th>
<th>Totally disagree</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Totally relevant</td>
<td>Somewhat relevant</td>
<td>Somewhat irrelevant</td>
<td>Totally irrelevant</td>
<td>Do not know</td>
</tr>
<tr>
<td>-----------------------------------------------------------------</td>
<td>------------------</td>
<td>-------------------</td>
<td>---------------------</td>
<td>--------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>The use of internet in the distance marketing and selling of financial services</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The use of new devices such as smartphones</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The profiling of consumers based on personal data</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>New market players such as fintech providers; this includes the use of technology to improve and automate the delivery and use of financial services</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The adoption of product-specific legislation</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The level of competition in your country</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The level of cross-border competition</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Please mention any other developments you consider important:

**Question 2.** How relevant/up to date do you consider the following parts and provisions of the Directive in the current context?

<table>
<thead>
<tr>
<th></th>
<th>Totally relevant</th>
<th>Somewhat relevant</th>
<th>Somewhat irrelevant</th>
<th>Totally irrelevant</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The scope of the Directive, i.e. covering banking, credit, insurance, personal pensions, investments and payment services</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The technology-neutral approach of the Directive</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Information to be provided about the provider</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Information to be provided about the financial service and its conditions</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>How information should be provided over the phone</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The existence of a right of withdrawal for certain services</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Cancellation of payments made through fraudulent use of a payment card</td>
<td>☒</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Ban on unsolicited services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Ban on unsolicited communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please explain your responses:

There are numerous barriers to the provision of financial services that are created by the Directive.

**Question 3.** Are there any issues which the Directive currently does not address but you consider should be addressed?

- [ ] Yes
- [ ] No
- [ ] Don’t know

If you answered “yes”, please specify:

Harmonization between the directive and national-level frameworks

**Questions on effectiveness**

The effectiveness criterion in the evaluation considers how successful EU action has been in achieving or progressing towards its objectives.

**Question 4.** How effective are the following aspects/features of the Directive at ensuring consumer protection and contributing to the completion of the single market?

<table>
<thead>
<tr>
<th>Aspect/Feature</th>
<th>Very effective</th>
<th>Somewhat effective</th>
<th>Somewhat ineffective</th>
<th>Very ineffective</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The horizontal scope of the Directive, i.e. covering banking, credit, insurances, personal pensions, investments and payment services</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The technology-neutral approach of the Directive</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The level of harmonisation</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Information to be provided about the provider</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Information to be provided about the financial service and its conditions</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>How information should be provided over the phone</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The existence of a right of withdrawal for certain services</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Cancellation of payments made through fraudulent use of a payment card

Ban on unsolicited services

Ban on unsolicited communications

Please specify:

Questions on efficiency

When deciding whether to introduce a sector-specific regulation, the EU faces the challenge of balancing the potential benefits of the regulation against its potential costs. In the case of the Distance Marketing of Financial Services Directive, these costs include direct costs incurred by the financial service providers on compliance and administration, the national authorities' enforcement costs and the costs incurred by other businesses involved in distributing these services.

Question 5. How would you rate the costs resulting from the Directive?

<table>
<thead>
<tr>
<th></th>
<th>Very costly</th>
<th>Somewhat costly</th>
<th>Not costly</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information to be provided about the provider</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information to be provided about the financial service and the conditions attached</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How information should be provided over the phone</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The existence of a right of withdrawal for certain services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancellation of payments made through fraudulent use of a payment card</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ban on unsolicited services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ban on unsolicited communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please explain your responses.

Any regulation on a financial institution requires policies and procedures, training, auditing and other items. Though there is merit to the Directive, there is a cost of compliance. These costs grow when there are inconsistencies or additional processes and procedures that must be followed to comply with multiple laws that have the same intent.

Question 6. To what extent are these costs generated by the Directive rather than by product-specific legislation?
Somewhat by the Directive as there are requirements in the Directive that are Directive specific. Other requirements are driven by other regulations. The layering of regulations often exacerbates the costs.

Question 7. How would you rate the following benefits of the Directive?

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Very beneficial</th>
<th>Somewhat beneficial</th>
<th>Not beneficial</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information to be provided about the provider</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Information to be provided about the financial service and the conditions attached</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>How information should be provided over the phone</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The existence of a right of withdrawal for certain services</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Cancellation of payments made through fraudulent use of a payment card</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Ban on unsolicited services</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Ban on unsolicited communications</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Please explain your responses.

Credit Unions support consumer disclosures and transparency, but the applicability to new technologies and the overlay with other directives and rules can create compliance complexities.

Question 8. To what extent are these benefits generated by the Directive rather than by product-specific legislation?

The directive does contain specific requirements that dictate procedures. The directive does contribute directly to the costs.

Question 9. Overall, do the benefits of the Directive outweigh its costs?

☑ No

Please specify:

The directive is important but it needs to be updated and harmonized with other regulatory burdens.

Question 10. Are there any areas in the Directive where there is room for simplification or reduction of costs? Please specify:
It should be updated to account for electronic delivery of contracts and harmonization with national level frameworks.

**Questions on coherence**

The evaluation of coherence involves looking at how well different actions work together. Since the adoption of the Directive, several product-specific pieces of legislation have come into force, covering consumer credit, mortgages, payment accounts, payment services, insurance products and investment products. Other pieces of legislation interacting with the Directive include general consumer protection rules on unfair commercial practices and unfair contract terms, and those pertaining to the e-commerce framework and data protection.

**Question 11.** To what extent is the Directive coherent with other EU legislation:

<table>
<thead>
<tr>
<th>Directive Name</th>
<th>Very coherent</th>
<th>Somewhat coherent</th>
<th>Somewhat incoherent</th>
<th>Very incoherent</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Credit Directive (CCD)</td>
<td>![Filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
</tr>
<tr>
<td>Mortgage Credit Directive (MCD)</td>
<td>![Not filled]</td>
<td>![Filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
</tr>
<tr>
<td>Payment Accounts Directive (PAD)</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
</tr>
<tr>
<td>Payment Services Directive (PSD)</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
</tr>
<tr>
<td>Insurance Distribution Directive (IDD)</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
<td>![Not filled]</td>
</tr>
<tr>
<td>Market in Financial Instruments Directive (MiFID)</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
</tr>
<tr>
<td>Undertakings for the collective investment in transferable securities Directive (UCITS)</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
<td>![Not filled]</td>
</tr>
<tr>
<td>Key information documents for packaged retail and insurance-based investment products Regulation (PRIIPS)</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
</tr>
<tr>
<td>Prospectus Regulation</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
</tr>
<tr>
<td>Alternative investment fund managers Directive (AIFM)</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
</tr>
<tr>
<td>Unfair Contract Terms Directive (UCTD)</td>
<td>![Not filled]</td>
<td>![Filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
</tr>
<tr>
<td>General Data Protection Regulation (GDPR)</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
<td>![Filled]</td>
<td>![Not filled]</td>
<td>![Not filled]</td>
</tr>
</tbody>
</table>
For each of the legal acts listed above, please specify in which respect(s) you consider it is coherent or not with the Directive:

<table>
<thead>
<tr>
<th>Legal Act</th>
<th>High added value</th>
<th>Medium added value</th>
<th>Low added value</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ePrivacy Directive</strong> (EPD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>e-commerce Directive</strong> (ECD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Geo-blocking Regulation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Question 12.** Given that the Directive applies to different products, does it bring any additional value compared to product-specific legislation? Please give details for your answer.

Some of the directives will inherently be included in certain products such as mortgages and thus may be duplicative. Loan transactions contain disclosures contained in either CCD or MCD and seem duplicative.

**Question 13.** Are you are aware of any contradictions/overlaps/inconsistencies/missing links between the Directive and national legislation? If so, what are they?

Yes, national level legislation often is inconsistent with the directive in various regards.

**Questions on EU added value**

In any policy initiative, the Commission must consider whether there is added value in tackling certain issues at EU level or whether it would be better for them to be dealt with by the Member States.

**Question 14.** In your view, what is the added value delivered by the Directive and its implementation, over and above what could reasonably have been expected from national legislation in the Member States alone?

<table>
<thead>
<tr>
<th>Added Value</th>
<th>High added value</th>
<th>Medium added value</th>
<th>Low added value</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better consumer protection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better functioning of the single market</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal clarity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Help in addressing cross-border problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please explain your responses:
Legal clarity is suspect as the overlapping directive can create its own complexities.

Other questions

Question 15: Any other issues

Are there any other issues not covered by the above questions that you feel might require action at EU level? What would be your preferred solution to the identified issue?

It would be preferable to see this directive tailored in the respective products legislation such that issuing a product under for example the CCD would only have to comply with the rules for the CCD.

Please feel free to upload a concise document, such as additional evidence supporting your responses or a position paper. The maximum file size is 1MB. The uploaded document will be published alongside your response to the questionnaire. Please note that your answers to the questionnaire form the key part of your contribution to this consultation. You should regard any supporting document you attach as an optional extra serving as additional background reading to make your position clearer.

Please upload your file
The maximum file size is 1 MB
Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Contact
Julien.BRUGEROLLE@ec.europa.eu