



European Banking Industry Committee

European Banking Federation (EBF) • European Savings Banks Group (ESBG) • European Association of Cooperative Banks (EACB) European Mortgage Federation (EMF) • European Federation of Building Societies (EFBS)
European Federation of Finance House Associations (Eurofinas)/European Federation of Leasing Company Associations (Leaseurope)
European Association of Public Banks (EAPB)

23 September 2008

EBIC RESPONSE TO THE PROPOSAL FOR A COUNCIL DIRECTIVE ON IMPLEMENTING THE PRINCIPLE OF EQUAL TREATMENT BETWEEN PERSONS IRRESPECTIVE OF RELIGION, BELIEF, DISABILITY, AGE OR SEXUAL ORIENTATION

The European Banking Industry Committee brings together European banking associations with a mandate to provide advice, assure a comprehensive consultation of market participants and ensure a representative industry view throughout the process of drafting, adopting, implementing and enforcing EU-financial legislation and thereby provide input for the European institutions and their relevant sectoral committees. It is amongst the declared aims of EBIC to advise the Commission on relevant legislative banking and cross-sectoral initiatives and any developments at Community level affecting the banking and financial services activities associated with the establishment of a European Single Market for financial services.

EBIC has been established by the main banking industry federations: the European Banking Federation (EBF), the European Savings Banks Group (ESBG), the European Association of Cooperative banks (EACB), the European Mortgage Federation (EMF), the European Federation of Building Societies (EFBS), the European Federation of Finance House Associations (Eurofinas) / the European Federation of Leasing Company Associations (Leaseurope), and the European Association of Public Banks (EAPB).

GENERAL COMMENTS

EBIC believes that the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation outside the labour market should be affirmed.

In general, the development towards a diversity of access channels in relation to financial services, such as internet banking, telephone banking and direct debit, has resulted in an increased access to the different services provided by financial institutions to the public. This has indeed also led to an increase in the access by disabled persons.

Seeing that the credit risk assessment process makes the financial services sector specific in comparison to other sectors providing products and services to consumers, EBIC very much welcomes the Commission's proposal to initiate a dialogue with the insurance and banking industry together with other relevant stakeholders as stated in the explanatory memorandum. We agree with the Commission that such an exchange of views may help to achieve a better common understanding of the areas where age or disability are relevant factors for the design and pricing of the products offered in these sectors.

The member associations of EBIC take the issue of ensuring non-discrimination seriously. Our survey has shown that financial institutions do not discriminate against disabled or aged persons for reasons which are not relevant to the specificities in each particular case. This entails, that when a customer is denied a credit in a bank, this is always the result of an objective credit decision making procedure, where only the relevant circumstances are taken into account.

In that regard, EBIC welcomes the Commission's acknowledgement of the principle that risk assessment does not constitute discrimination. Actually, risk assessment is a vital condition necessary to provide financial services such as credit. However, some concerns remain regarding the current wording of Article 2 (7) of the draft directive:

“Notwithstanding paragraph 2, in the provision of financial services Member States may permit proportionate differences in treatment where, for the product in question, the use of age or disability is a key factor in the assessment of risk based on relevant and accurate actuarial or statistical data.”

The current wording creates room for options and therefore lacks in clarity and certainty. A general exception covering all Member States would remove ambiguities, prevent distortions of competition and allow a real European integration. Consequently, EBIC proposes to delete the discretion given to Member States:

“Notwithstanding paragraph 2, in the provision of financial services, this Directive shall not preclude the use of age or disability as a factor in the assessment of risk based on relevant and accurate actuarial or statistical data.”

EBIC believes that financial institutions seek to grant access to their products and services to as many customers as possible. On the whole, financial institutions realize that a facilitated access leads to an increase in business opportunities.

