

## Press Release

Brussels, 1 December 2008

### EBIC launches Self-regulatory Initiative for Bank Account Switching

**The European Banking Industry Committee (EBIC) published today its initiative for self-regulation on bank account switching. The proposed rules on banks' conduct for domestic personal current account switching are a notable success for industry and policy makers alike. Facilitating mobility not only benefits in concrete terms European consumers wishing to switch bank account; it also reflects the general commitment of the banking industry to competition.**

The banking industry's initiative reaches back to early 2008, when the European Commission requested the European banking industry to develop a self-regulatory approach to facilitate customer mobility within Member States. EBIC followed the Commission's request and established a working group composed of banking industry experts from a wide range of Member States.

The EBIC working group has developed a set of *Common Principles* which, on a European level, establish a common standard for banks' conduct as regards personal current account switching within Member States. This unprecedented initiative is compatible with different market conditions in the 27 Member States as well as with already existing self-regulatory arrangements. The European banking industry emphasizes the progress made in particular in view of those markets where, at the current stage, there are neither switching arrangements at national level nor own initiative provisions by individual banks. EBIC is also pleased to state that throughout the work process on the Common Principles the banking industry maintained an open and fruitful dialogue with the European Commission.

The banking industry is confident that consumers will benefit from EBIC's Common Principles as soon as they are implemented in November 2009. Implementation and effect of the self-regulation in the different Member States shall be monitored in a review process.

#### **Key elements of the Common Principles:**

The Common Principles ensure that bank account switching is not onerous to consumers and that their mobility shall not be constrained by any unnecessary delay or cost, or by a lack of support from their banks. The Common Principles also increase consumers' awareness of the switching-related services they can expect, and aim at reducing consumers' apprehensions with respect to bank account switching.

The Common Principles lay out that:

- Banks will provide consumers who want to switch current account with clear and complete information.
- 'New' and 'former' banks commit to facilitating smooth and timely switching, notably as regards recurrent incoming and outgoing payments related to a current account. Conditional on the involvement of third parties, 'new' and 'former' banks commit to completing their assigned tasks within 7 working days each.
- The consumer can use the 'new' bank as the *Primary Contact Point* during the switching and in order to arrange the transfer of relevant information from the 'former' bank.
- The 'new' bank offers to inform creditors on behalf of the consumer on the changed account details.
- Consumers will have free of charge access to relevant general and personal information readily available at banks. Fees linked to other switching-related services (if any) will be transparent and in line with costs.









In the words of Giuseppe Zadra, Chairman of EBIC, "The European banking industry is confident that the EBIC Common Principles will substantially benefit Europe's consumers. The Common Principles we have developed set common standards for easy and transparent account switching in all Member States."



## 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)

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