



**Summary of the positions of Romanian financial sector stakeholders  
on the  
Green Paper on Retail Financial Services in the Single Market**  
[www.spi-romania.eu/news/](http://www.spi-romania.eu/news/)  
**Brussels, 19 September 2007**  
**EU Public Hearing**

In Romania, the public consultations on the European Commission *Green Paper on Retail Financial Services in the Single Market* have been carried out under the auspices of the **SPI Romania, a Public-Private Partnership for the Modernization of the Financial Sector**, composed of the National Bank of Romania, Romanian Banking Association, Ministry of Economy and Finance and National Authority for Consumer Protection. Authorities, market participants' associations, individual market players and consumer protection bodies sent written comments and attended a round table organized at the Info Europa Center of the European Commission Representation in Bucharest chaired by the SPI Romania Secretariat.

**Following are the main conclusions of the Romanian consultations:**

**Empowering Consumers**

STAKEHOLDERS CONSENSUS

- Romanian stakeholders consider that the **weak level of consumer financial education** is one of the greatest impediments to the further development of domestic and for the further integration of the Romanian retail financial market. In this regard, **it would be useful if the Commission could develop EU guidelines and promote best practices**. This would allow national financial education programs be tailored to country needs and level of financial sector development, while harmonizing them with EU projects and priorities.
- Romanian stakeholders believe that **financial services providers should be closely involved in promoting consumer financial education** and should ensure the adequate information of their customers.

FINANCIAL INSTITUTIONS' VIEWS

- As to the client information, financial institutions believe that, as opposed to adequate information, advice should be provided to customers only on request.

CONSUMERS' VIEWS

- Romanian consumers believe that **customer's confidence in the area of retail insurance needs to be increased**. Standardized insurance products would improve the integration of retail insurance markets.

**Enhancing Consumer Confidence**

STAKEHOLDERS CONSENSUS

- Romanian stakeholders consider that **alternative dispute resolution** schemes are highly desirable. In fact, a Bank Mediator is in the process of being set up as a private, voluntary and independent scheme established by credit institutions. Stakeholders will explore if his scheme could be expanded to cover non-banking financial institutions at a future stage.

**SPI SECRETARIAT**

- Most Romanian stakeholders believe that inter-bank account switching arrangements would greatly enhance the customer mobility.

#### FINANCIAL INSTITUTIONS' VIEWS

- Financial market institutions believe that the participation of financial institutions at these systems should not be mandatory.
- Some banks stressed that inter-bank account switching arrangements could have negative implications for competition among banks.

#### CONSUMERS' VIEWS

- Romanian consumers believe that **customer's confidence in the area of retail insurance needs to be increased**. Standardized insurance products would improve the integration of retail insurance markets.

#### AUTHORITIES' VIEWS

- Some of the authorities believe that the ADR should be mandatory and should cover all the financial market areas.

### Improving Price, Quality and Choice for Consumers

#### STAKEHOLDERS CONSENSUS

- Romanian stakeholders consider that **the country's under-developed financial infrastructure restrains consumer choice**, even though there are no explicit limitations (i.e. the weak development of the on-line payment system).
- The cross-border transferability of credit information is considered by all Romanian stakeholders as a welcome development, to the extent that data protection issues are adequately tackled. The practical solution envisaged is a protocol to be concluded by all the credit bureaus from the Member States, which should be backed by necessary EU regulations.
- **Romanian stakeholders acknowledge that it would be desirable to involve all stakeholders in the governance and preparation of SEPA and to provide consumers with adequate information on the benefits, opportunities and implementation of SEPA.**
- Romanian stakeholders believe that an optional EU-wide regime for savings and / or 3<sup>rd</sup> pillar would be a welcome contribution to an effective long term savings market, in line with consumers' needs.

#### FINANCIAL INSTITUTIONS AND CONSUMERS' VIEWS

- **On the standardized banking products issue**, while the consumer's representatives outlined that such products would encourage the citizens to use cross-border retail financial services, **some financial institutions outlined that standardized products may unnecessarily hinder competition and limit consumer's choice**. Some stakeholders outlined that a decision in favor of developing standardized banking products should be backed by a cost-benefit analysis.

#### AUTHORITIES' VIEWS

- The issue of national fiscal regime of the financial product should be subject of special attention and therefore adequately illustrated when designing standardized products.

#### SPI SECRETARIAT