

**PRESS RELEASE**

**EUROPEAN SUPERVISORY AUTHORITIES FINALLY ASKED TO REPORT ON THE PAST PERFORMANCE AND COSTS OF LONG-TERM SAVINGS PRODUCTS**

**20 October 2017** – For years now, different research studies and reports by BETTER FINANCE have far too often come to the same conclusion: EU citizens as savers and investors are left in the dark with respect to the past performance and costs of the financial products they invest in, meaning that, more often than not, savers and investors are not even able to find out whether a product has ever made or lost money.

Since early 2015, BETTER FINANCE has been calling<sup>1</sup> on the European Commission (EC) to address this harmful situation, especially in light of one of the main aims of the Capital Markets Union initiative of attracting retail investors back into capital markets.

For these reasons BETTER FINANCE welcomes the recent and long-awaited request by the EC for “*the European Supervisory Authorities (ESAs) to issue recurrent reports on the cost and past performance of the main categories of retail investment, insurance and pension products*”. Two years have indeed passed since this Action was announced as part of the Capital Markets Union Action Plan.

BETTER FINANCE is however concerned by some important oversights in the scope of the request in that insurance-based occupational pension products do not seem to be included. It is also important that Defined Contribution (DC) non-insurance-based Occupational Pension Schemes (“IORPs”) be included in the scope from the start. As it stands, the Commission’s request seems to exclude all occupational pension products, leaving plenty – if not most – long-term savers in the dark.

It is also quite ironic that the EC calls for the UCITS KIID<sup>2</sup> to serve as a key source for the performance data, since the EC itself just decided to replace it by the KID (Key Information Document) and at the same time eliminate any disclosure of past performance information in this new KID<sup>3</sup>, despite strong opposition from all major user-side representatives.

Finally, with a view on pension products specifically, the reference to a maximum time horizon of 10 years for past performance disclosure is obviously too short (such a time horizon is already legally required for money market funds for example).

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Contact: Chief Communications Officer | Arnaud Houdmont | +32 (0)2 514 37 77 | [houdmont@betterfinance.eu](mailto:houdmont@betterfinance.eu)

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<sup>1</sup> Please see BETTER FINANCE’s recommendation no. 2 on page 27 of our 2015 [briefing paper](#): “An EU Capital Market Union for Growth, Jobs and Citizens”

<sup>2</sup> Key Investor Information Document (KIID) for Undertakings for Collective Investment in Transferable Securities (UCITs)

<sup>3</sup> March 2017 delegated PRIIPs (Packaged Retail and Insurance-based Investment Products) Regulation