

PRESS RELEASE

BETTER FINANCE Welcomes Key Aspects of Commissioner-Designate Albuquerque's Vision but Urges Stronger Focus on Retail Investor Protections

Brussels, 8 November 2024 – BETTER FINANCE, the European Federation of Investors and Financial Services Users, welcomes the appointment of Ms Albuquerque as Commissioner-Designate for Financial Services following her European Parliament hearing yesterday. BETTER FINANCE supports Ms Albuquerque's focus on the Savings and Investments Union (SIU) and the Capital Markets Union (CMU) as pillars to drive sustainable growth in the EU. However, while her citizen-centric approach is encouraging, BETTER FINANCE also has significant concerns regarding safeguards for retail investors.

Ms Albuquerque emphasised the critical role of the CMU in achieving the EU's ambitious economic, green, and digital transition goals. The CMU, she explained, is essential for creating a unified and robust European market that would offer EU citizens safe, accessible, and diverse investment opportunities. Ms Albuquerque's commitment to creating a unified market for affordable, low-cost investment products focused on accessibility, transparency, and value for money aligns with BETTER FINANCE's advocacy for a truly citizen-centred SIU. As Ms Albuquerque noted:

"It's not just about finding a solution in their home market; it's about finding solutions across the whole of Europe."

Nevertheless, BETTER FINANCE is concerned that Ms Albuquerque's focus on deregulation and financial stability could come at the expense of necessary protections for individual investors. BETTER FINANCE stresses that retail investors need simple, transparent, and value-for-money financial products. BETTER FINANCE calls on the Commissioner to ensure that protections remain in place as part of any efforts to simplify and harmonise market regulations.

Ms Albuquerque's intention to reduce regulatory burdens, especially for SMEs, and to foster investment in early-stage ventures is positive for European competitiveness. However, her reluctance to address the critical issues of inducements and independent advice raises questions. As she stated:

"Regarding inducements, as you know, it was not possible to reach an agreement on this issue, and I do not think it productive to continue pushing for something that cannot be accepted."

BETTER FINANCE finds this stance problematic. The need for clear and fair value-for-money assessments in investment products is too significant to dismiss. EU citizens, in their role as investors, require accessible, low-cost products that meet their needs and offer reasonable returns.

BETTER FINANCE appreciates Ms Albuquerque's recognition of the importance of equity markets in achieving a sustainable and competitive EU financial system. Her commitment to improving the capital market environment for retail and institutional investors alike, focusing particularly on equity markets, is a step in the right direction. In her words:

“We must work together to deliver more opportunities to finance investment. Based on an improved environment for institutional, retail and cross-border investments, deepening the single market for capital, notably on equity, with a focus on companies in growth and scale-up stages.”

While financial literacy is indeed important, BETTER FINANCE cautions that relying too heavily on financial literacy initiatives shifts the burden onto citizens. Access to straightforward, reliable products is essential, and EU citizens should not be expected to manage complex financial decisions unaided. As Ms Albuquerque acknowledged:

“If we want Europeans to make the most of the opportunities that the financial system presents, they need to trust the system and feel confident that they can manage their money.”

Regarding sustainable finance, BETTER FINANCE commends Ms Albuquerque's commitment to refining the Sustainable Finance Disclosures Regulation (SFDR) to tackle greenwashing, improve transparency, and ensure that sustainability claims in financial products are both clear and reliable. Her emphasis on adapting and improving current sustainability frameworks is particularly encouraging, as she highlighted:

“The existing framework was developed within a relatively short timeframe, which explains why it needs to be revisited... I would like us to keep our focus on the Green Deal and our commitment to the 2050 target, so we don't lose sight of the objective.”

As Ms Albuquerque takes up her role, BETTER FINANCE looks forward to working collaboratively to ensure that the EU financial system is truly inclusive, competitive, and protective of retail investors.

Read also: [Individual Investors' Key Priorities for 2024-2029](#) | Sustainable Value for Money: Reconciling Individuals, Enterprises & the Planet

Contact: Director of Communications | Arnaud Houdmont | +32 (0)2 514 37 77 | houdmont@betterfinance.eu