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BETTER FINANCE calls for structural reform to deliver a truly investor-centric retail journey

Following the European Securities and Markets Authority's (ESMA) initiative to map the "retail investor journey", BETTER FINANCE welcomes this timely step towards putting citizens at the heart of capital markets policy.

BETTER FINANCE reiterates that low retail participation is not due to investor "reluctance" or "risk aversion" alone, but stems from long-standing structural frictions: misaligned and commission-driven advice models, fragmented oversight, poor value for money, and persistent tax and portability barriers. These systemic flaws have left the retail investor experience fragmented, opaque, and ill-suited to building trust and engagement.

Across MiFID II, IDD, PRIIPs and related regimes, information remains insufficiently harmonised, comparable or accessible. Disclosures are legalistic, poorly layered and unfit for digital use and obscure the key indicators (real net returns, costs, liquidity and risk) that savers need. Complex products continue to be marketed to everyday investors while simple, low-cost options are structurally disadvantaged. As distribution shifts to app-based and bundled services, opportunities come with new risks, reinforcing the need for transparent conduct and a strong duty of care in both self-directed and advised settings.

BETTER FINANCE calls for¹:

- **Level playing field across products/regimes:** Make MiFID II/IDD coherent- *same risk, same rules, same protection* - align advice, disclosure and product governance; phase out inducements and favour simple, diversified, low-cost options and independent advice.
- **A shift to outcome-based supervision:** Make duty of care and value for money the test of success. Use standard, published metrics to assess client outcomes over time - including digital engagement practices - against best-interest obligations.
- **Clear, comparable, digital-first information:** Plain, layered disclosures highlighting real net returns, all-in costs, liquidity/exit terms and time-horizon risk, in machine-readable formats to enable independent comparisons and a public EU comparison tool.

¹ See also BETTER FINANCE joint position on the RIS, "NGOs call on the Retail Investment Strategy" (two-pager + annex), March 2025, <https://betterfinance.eu/publication/improving-retail-investment-eu-trilogues/>

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- **Safer digital design and modern protections:** Guardrail gamification and risky nudges; require clear onboarding and assessments of complex services. Harmonise fractional-exposure rules and curb complex/leveraged product risks – warnings aren't enough.
- **Less friction to invest—and stay invested:** Standardise cross-border withholding-tax relief/refunds, improve account portability and investor redress, and advance a product-neutral EU savings & investment framework that rewards long-term participation.

"Rebuilding trust in EU capital markets requires a fundamental redesign of the investor journey around the needs of citizens – not distribution incentives or regulatory silos," said Aleksandra Mączyńska, Managing Director of BETTER FINANCE.

→ BETTER FINANCE [Response to ESMA Consultation](#) on the Retail Investor Journey