Press Release | 6 July 2026

BETTER FINANCE warns against "retailisation" of risky private markets as EU pushes citizens towards illiquid investments

European retail investors are being encouraged to allocate a greater proportion of their savings to long-term investments, particularly in private markets and European Long-Term Investment Funds (ELTIFs). But new research from BETTER FINANCE warns that the protections for ordinary savers are not keeping pace with the risks.

Private markets, including private equity, private credit, infrastructure and real estate funds, have traditionally been reserved for large institutional investors able to lock away money for years and absorb losses. Today, however, the EU is actively promoting these investments to households as part of its Savings and Investments Union agenda.

BETTER FINANCE's new report raises serious concerns about whether retail investors fully understand what they are being sold.

"European citizens are being told to invest more for their future, but they must not become the testing ground for complex and illiquid products that even professionals approach with caution," said Ana Rita Fernandes Monteiro, Policy and Legal Officer at BETTER FINANCE.

The report highlights that ELTIFs have grown rapidly since the overhaul of EU rules in 2024. More than two thirds of these funds are now marketed to retail investors, while entry barriers such as minimum investment thresholds have been removed.

At the same time, the products remain fundamentally illiquid. Investors may face long lock-up periods, delayed withdrawals, unpredictable exit conditions and valuation uncertainty during periods of market stress.

BETTER FINANCE warns that many savers could mistakenly believe they can access their money easily, despite the reality that private assets are often difficult to sell quickly or fairly.

The research also points to a growing contradiction in EU investment policy. Safer and more transparent investments, such as many bonds, can still require high minimum investments for retail buyers, while much riskier private market products are becoming easier than ever to access.

The organisation is particularly concerned about the marketing of these products. Under the revised ELTIF framework, firms no longer need to provide investment advice when selling these funds to retail investors. In practice, however, many investors may struggle to distinguish between a product being described as "suitable" and receiving genuine financial advice.

BETTER FINANCE also warns that costs remain difficult to compare and understand. Liquidity management mechanisms, designed to limit withdrawals during stressed markets, may impose hidden costs or delays on investors at precisely the moment they need access to their savings.

The report does not reject long-term investment or the role of private capital in supporting Europe's economy. However, it stresses that retail participation should never come at the expense of transparency, fairness or investor protection. Since retail participation in private markets is already a reality, the key question is whether emerging frameworks, such as ELTIFs, provide a suitable and effective means for retail investors to access private markets.

"Mobilising European savings cannot mean shifting more risk onto households without ensuring they fully understand the consequences," warned Guillaume Prache, President of BETTER FINANCE. *"Long-term investing only works when trust, transparency and strong safeguards come first."*

The full report examines the rapid expansion of retail access to private markets in the EU and compares investor protections in ELTIFs with those available under traditional UCITS investment funds and with Retail AIFs.