

BETTER FINANCE responds to the European Commission's Citizens Omnibus Initiative - reducing administrative burdens

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Executive Summary

BETTER FINANCE supports the Citizens' Omnibus initiative as an opportunity to ensure that EU financial services rules and markets work more effectively for individual investors, savers and pension beneficiaries. While EU legislation has significantly expanded cross-border access to financial products and services, citizens continue to encounter obstacles related to pension portability, account mobility, digital onboarding, fragmented administrative procedures and complex disclosures. The priority should be to simplify citizens' interactions with financial markets, not to reduce the transparency and protections upon which they depend. Future simplification measures should focus on improving usability, interoperability and accessibility while preserving high standards of investor protection. A truly citizen-centred Single Market should enable individuals to save, invest and prepare for retirement across borders with the same ease and confidence as within their home Member State.

Keywords : Retail Investors; Savers; Pension Beneficiaries; Cross-Border Financial Services; Pension Portability; Investor Protection; Account Mobility; Digital Onboarding; Financial Disclosures; Administrative Simplification; Financial Inclusion; Single Market.

About BETTER FINANCE

BETTER FINANCE - the European Federation of Investors and Financial Services Users - is the voice of European citizens as savers, investors, and financial users at the EU level. Working independently from the industry, BETTER FINANCE serves as an independent hub of financial expertise for the direct benefit of individual shareholders, investors, savers, life insurance policyholders, pension fund participants, and mortgage borrowers across Europe. Their work aims to promote research, information, and training on investments, savings, and personal finances to lawmakers and the public. BETTER FINANCE counts 40 independent, national, and international member organisations, sharing similar objectives from the EU Member States as well as Iceland, Norway, Turkey, Lebanon, and Cameroon.

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BETTER FINANCE perspectives

BETTER FINANCE is the European federation of individual investors, savers, pension beneficiaries and other users of financial services. As citizens increasingly interact with the Single Market through savings, investments, pensions and insurance products, the effectiveness of EU financial services rules has a direct impact on their daily lives and long-term financial wellbeing.

BETTER FINANCE welcomes the Citizens' Omnibus initiative and supports efforts to reduce unnecessary administrative burdens and improve the accessibility of EU rules. In the area of financial services, simplification should focus on removing practical barriers that prevent citizens from effectively exercising their rights and participating in the Single Market. At the same time, simplification should not come at the expense of transparency, investor protection or access to information that citizens need to make informed financial decisions.

Drawing on its research, advocacy and engagement with individual investors across Europe, BETTER FINANCE has identified four areas where targeted action could deliver tangible improvements for citizens:

- (1) cross-border investment and savings;**
- (2) pension portability and transparency;**
- (3) the usability of financial disclosures and**
- (4) access to stewardship and shareholder rights.**

Cross-border investment and savings remain unnecessarily difficult

Despite the Single Market, retail investors still face practical barriers when opening, maintaining or transferring investment and pension accounts across Member States. These barriers are not only legal or regulatory; they are often administrative, operational and digital. Citizens moving, working or retiring across borders may face repeated identity checks, divergent onboarding requirements, difficulties updating tax residence or personal details, and inconsistent documentation requests. These frictions discourage cross-border participation in EU capital markets and limit the ability of citizens to manage their savings and investments efficiently throughout their lives.

BETTER FINANCE has repeatedly stressed that EU financial services rules should be assessed from the perspective of the end user: the individual investor, saver or pension beneficiary. Recent work on the retail investor journey, the Retail Investment Strategy and supplementary pensions points to the need for a more coherent, citizen-centred framework that improves access, comparability, transparency and investor protection across financial products and distribution channels.

The Citizens' Omnibus should therefore address cross-border financial services barriers by ensuring full interoperability between the European Digital Identity Wallet and financial services onboarding, promoting a “once-only” principle for identity verification and KYC where legally possible, and simplifying account transfer procedures for investment and pension products. These reforms should reduce unnecessary administrative burdens while preserving strong investor protection and anti-money laundering safeguards.

Examples:

- Different onboarding requirements.
- Repeated identity verification.
- Difficulties updating residency status.
- Obstacles when moving between Member States.
- Inconsistent tax documentation requirements.

Recommendations:

1. Full interoperability between the European Digital Identity Wallet and financial services onboarding.
2. "Once-only" principle for KYC and identity verification where legally possible.
3. Simplified cross-border account transfer procedures for investment and pension products.

Pension portability remains inadequate

Despite decades of labour mobility within the European Union, citizens who work in more than one Member State continue to face significant difficulties in tracking, understanding and, where possible, transferring their pension entitlements. The accumulation of pension rights across multiple national systems remains one of the most tangible examples of the gap between the legal freedoms of the Single Market and citizens' practical experience.

Mobile workers frequently accumulate pension entitlements in several Member States throughout their careers. However, information remains fragmented across different pension providers, occupational schemes and national systems, making it difficult for citizens to obtain a complete picture of their future retirement income. In many cases, pension transfers remain administratively complex, costly or legally impossible, while differing national rules and reporting practices further complicate long-term retirement planning.

BETTER FINANCE has consistently highlighted the need to strengthen pension transparency, improve pension adequacy and facilitate cross-border retirement planning. Citizens should be able to easily access information about all pension entitlements accumulated throughout their working lives, irrespective of the Member State in which those rights were acquired. Better access to information is also essential to improve financial literacy, support informed retirement decisions and increase confidence in supplementary pension savings.

The Citizens' Omnibus initiative should therefore accelerate the development and interconnection of pension tracking services across the European Union, support the creation of a user-friendly single access point enabling citizens to view pension entitlements accumulated across Member States, and simplify transfer procedures wherever transfers are legally possible. Such measures would significantly reduce administrative burdens for citizens while helping them exercise their rights under the Single Market more effectively.

Examples:

- Mobile workers accumulate multiple pension entitlements.
- Information is fragmented across countries.
- Transfers are often complex, costly or impossible.
- Citizens struggle to understand their future retirement position.

Recommendations:

1. Accelerate implementation of pension tracking services.
2. Create a single access point allowing citizens to view pension entitlements accumulated across Member States.
3. Simplify transfer procedures where transfers are legally possible.

Financial disclosures remain difficult for citizens to understand

European legislation has significantly improved transparency requirements across financial services. However, many disclosures continue to be designed primarily to satisfy regulatory and compliance requirements rather than to support effective decision-making by citizens.

This challenge can be observed across a wide range of financial products and services, including investment products, sustainability-related disclosures, insurance-based investment products and pension products. Citizens are frequently confronted with lengthy, technical and fragmented documentation that can be difficult to navigate and compare. In practice, important information may be obscured by excessive complexity, legalistic language or inconsistent presentation formats.

BETTER FINANCE has consistently advocated for disclosures that are genuinely useful to end users rather than merely compliant with regulatory requirements. Citizens should be empowered through clear, comparable and decision-useful disclosures that support informed choices throughout the investment and retirement journey.

The Citizens' Omnibus initiative should therefore focus on improving the usability and accessibility of financial disclosures. This could include the wider use of layered disclosure models combining concise citizen-facing summaries with more detailed information available digitally, greater standardisation of key information across comparable products, and systematic consumer testing with real retail investors before new disclosure requirements are adopted.

Examples where this applies across:

- investment products;
- sustainability disclosures;
- insurance-based investment products;
- pension products.

Recommendations:

1. Focus simplification on presentation and usability rather than reducing information available to citizens.
2. Introduce layered disclosures:
 - short citizen-facing summary;
 - detailed information available digitally.
3. Test disclosures with real retail investors before adoption.

Improve citizens' access to stewardship and voting rights

Citizens have limited visibility over how voting rights are exercised on their behalf, whether stewardship activities are undertaken, and how engagement with investee companies contributes to protecting their long-term interests.

Information on voting and engagement activities is often difficult to access, fragmented across different sources, or presented in highly technical formats that are not designed for ordinary investors. Retail investors may also encounter practical barriers when seeking to participate directly in shareholder meetings, particularly in cross-border situations. Consequently, many citizens remain disconnected from important aspects of corporate governance despite being the ultimate providers of capital.

BETTER FINANCE has consistently advocated for stronger shareholder rights, improved retail investor participation and greater transparency around stewardship activities. In its recent contribution to the review of the Shareholder Rights Directive, BETTER FINANCE highlighted the need to make shareholder participation, representation and engagement more accessible, digital and effective for individual investors. The organisation has also emphasised the importance of direct communication, digital participation tools, streamlined voting procedures and improved transparency regarding the exercise of ownership rights.

The Citizens' Omnibus initiative should therefore simplify access to information on voting and engagement activities, enable citizens to understand how their savings are represented in corporate governance processes, and support the development of digital tools that provide standardised, user-friendly access to stewardship information. Such measures would help reconnect citizens with the ownership dimension of investing, strengthen confidence in long-term savings and investment products, and promote more active participation in European capital markets.

Examples:

- Voting and engagement information is often fragmented, difficult to access or presented in highly technical reports.
- Practical barriers when attempting to participate in shareholder meetings, particularly in cross-border situations.

Recommendations:

1. Simplify access to information on voting and engagement activities.
2. Enable citizens to understand how their savings are exercised in corporate governance.
3. Develop digital tools allowing investors to access stewardship information in a standardised way.