

**BETTER FINANCE’S FEEDBACK ON THE COMMISSION PROPOSAL FOR THE
MULTIANNUAL FINANCIAL FRAMEWORK FOR THE PERIOD 01/01/2021-
31/12/2027**

***BETTER FINANCE**, the European Federation of Investors and Financial Services Users, is the dedicated representative of financial services users at European level. It counts about fifty national and international members and sub-member organizations in turn comprising about 4.5 million individual members. Our organization acts as an independent financial expertise centre to the direct benefit of the European financial services users (shareholders, other investors, savers, pension fund participants, life insurance policy holders, borrowers, etc.) and other stakeholders of the European financial services who are independent from the financial industry. As such its activities are supported by the European Union since 2012.*

***BETTER FINANCE** is the most involved European end user and civil society organisation in the EU Authorities’ financial advisory groups, with experts participating in the Securities & Markets, the Banking, the Occupational Pensions and Insurance and Reinsurance Stakeholder Groups of the European Supervisory Authorities; as well as in the European Commission’s Financial Services User Group (FSUG), and in the European Financial Reporting advisory Group (EFRAG). Its national members also participate in national financial regulators and supervisors bodies when possible.*

For further details please see our website: <http://betterfinance.eu/>

BETTER FINANCE welcomes this opportunity to comment on the proposal for a regulation establishing the programme for a single market and competitiveness of enterprises¹ (MFF 2021-2027) which will continue to support the specific activities covered by the 2017-2020 Capacity-Building Programme enhancing the involvement of consumers and other financial services end-users in Union policy-making, as set out in Regulation (EU) 2017/826 of the European Parliament and of the Council which continued the pilot programme and preparatory action of the years 2012-2017².

BETTER FINANCE fully supports Recital 42 pointing out that “*The Programme should therefore continue to support the specific activities covered by the 2017-2020 Capacity-Building Programme enhancing the involvement of consumers and other financial services end-users in Union policy-making, as set out in Regulation (EU) 2017/826*”.

¹ Proposal for a regulation establishing the Programme for single market, competitiveness of enterprises COM (2018) 441 Final

² REGULATION (EU) 2017/826 of 17 May 2017 on establishing a Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the area of financial services for the period of 2017-2020

We regret that the proposal is not more closely linked to the Capital Markets Union Action Plan³ and in particular the actions regarding consumers of financial services which aim to “*provide more options and better returns for savers and investors*” to “*help retail investors to get a better deal*”. The EC places “*retail investors at the core of the CMU initiative*”⁴ but as of July 2018, most of the CMU actions regarding retail investors are yet to be finalized.

The proposed Regulation provides in Recital 43 a description of the two beneficiaries of the 2017-2020 programme⁵ and mentions BETTER FINANCE as “*the product of successive re-organisations and rebranding of pre-existing European federations and shareholders since 2009*”. This description is not correct since there were no “successive re-organisations”⁶. We are therefore proposing the following drafting “***BETTER FINANCE was created in 2009 under the name “Euroinvestors”. The organisation formed a centre of financial expertise, focusing primarily on the interests of consumers, individual investors, individual shareholders, savers and other end-users of financial services***”. This new drafting would better reflect the history of the organization.

Moreover, to ensure neutrality in the funding, we believe that the organizations should always be mentioned and presented in alphabetical order, i.e., “*BETTER FINANCE and Finance Watch*”.

- **Programme objectives (article 3)**

Article 3.2.d (ii)

Regarding the following article (ii) which particularly targets BETTER FINANCE and Finance Watch, we believe that the current wording in article 2 of the Regulation (UE)2017/826 would be more appropriate and therefore article 3(2)(d)(ii) should be redrafted as follows:

To enhance further the active participation and involvement of consumers and other financial services end-users, as well as stakeholders representing the interests of consumers and other financial services end-users, in Union and in other relevant multilateral policy-making in the area of financial services.

³ COMMUNICATION FROM THE COMMISSION on an Action Plan on Building a Capital Markets Union, COM (2015) 468 final

⁴ CMU Action plan

⁵ REGULATION (EU) 2017/826

⁶ This incorrect wording seems to come initially from the PWC 2016 assessment report (on the 2012-2013 and the 2014-2016 preparatory action). BETTER FINANCE had already mentioned at that time that it was correct.
https://ec.europa.eu/info/system/files/staff-working-document-22122015_en.pdf

To inform consumers and other financial services end-users, as well as stakeholders representing their interests, about issues at stake in the regulation of the financial sector.

Should the wording of the current article 3.2.d.ii remain as it stands now, we suggest to define “civil society” for better understanding of the aim and objectives of the programme.

- **Budget (article 4)**

BETTER FINANCE benefits from a grant running from 2017-2020 in line with the Regulation adopted in 2017⁷. However, the current proposal in article 4 does not explicitly mention the amount of funding that would be dedicated to enhance the involvement of consumers and other financial services end-users (only in the Annex to the Legislative Financial Statement) .

Article 4(2)(b) only refers to the objectives stated in article 3(2)(d)(i) which refers expressly to activities carried out by BEUC and ANEC, but does not indicate a budget line for the actions mentioned under article 3(2)(d)(ii) (for BETTER FINANCE and Finance Watch).

It has to be underlined that before all types of financial services users such as individual shareholders, fund investors, insurance policy holders, bank savers, pension funds participants, borrowers and others joined forces to create BETTER FINANCE, there was no other organization dedicated exclusively to the interests of all individual financial services users, representing them at European level and involved in influencing financial services policies. Therefore, prior to the creation of BETTER FINANCE European financial policy makers were almost exclusively confronted with and advised by financial industry representatives.

Since 2012 the European Union has been supporting BETTER FINANCE who is the only NGO that focuses on savers, individual investors, pensions savers, life insured citizens and individual shareholders. However, to this day the need for rebalancing corporate and non-corporate interests has not been met: the few financial user-side advocates at EU level are dwarfed by the thousands of lobbyists working for the financial industry.

Having in mind all the above, as no explicit amount of funding is at the moment allocated in Article 4 to the objective of enhancing the participation of consumers and financial services users in the policy making, we urge the European policy- and lawmakers to **at least** maintain

⁷ REGULATION (EU) 2017/826 of 17 May 2017 on establishing a Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the area of financial services for the period of 2017-2020

the current funding (in real terms) given the still very large imbalance between the lobby of the financial industry and the representatives of users and civil society.

- **Designed beneficiaries**

The drafting of Article 10(f)(ii) and article 3(2)(d)(ii) should be consistent: 3(2)(d)(ii) mentions “*consumers, other financial services and civil society*“ and article 10(f)(ii) mentions “*consumers and other end-users in the area of financial services*”.