

Joint ESAs pilot survey on innovations - consumer organisations

Fields marked with * are mandatory.

Joint ESAs pilot survey on innovations - consumer organisations

Background information and survey objectives

European Banking Authority (EBA), European Securities and Markets Authority and European Insurance and Occupational Pensions Authority (the ESAs) are closely monitoring and assessing market developments and trends in innovative financial services in the three sectors.

Through this **joint pilot exercise**, the ESAs aim to gather information about the latest innovation trends, risks and opportunities to consumers in the following five cross-sectorial innovation areas:

1. BigTechs / Mixed-activity groups (MAGs*) directly providing financial services through one or more group companies
2. Artificial Intelligence / Machine Learning
3. Open finance (including open insurance)
4. Crypto assets / tokenisation
5. Any other innovative product, service, activity, business model, internal process or procedure and/or underlying technology that you identified and would like to highlight

** Mixed activity group' means a group of undertakings (a parent undertaking and its subsidiary undertakings) conducting both financial and non-financial services, for instance a group active in verticals such as cloud, advertising, business software, gaming, food delivery, ride-hailing, streaming combining them with insurance, payments, banking and other financial services.*

(For example, BigTechs/MAGs with core business(es) in e-commerce, online retail, social media, software, telecoms, gaming can establish its subsidiary company(s) to provide regulated financial services and obtain license(s)/authorisation(s) for credit provision, payments, crowdfunding, insurance services and/or asset management).

How to complete the survey

This pilot survey should be answered by individual consumer organisations. This pilot survey is voluntary, to be completed on a best-effort basis.

Any answers provided will not be attributed to the respondent nor disclosed.

This online survey is designed to cover a wide range of **innovation areas**.

At the beginning of the survey, you will be asked to **select** which innovation area(s) you want to express your views on. For each of the selected innovation area(s) you will be asked to **assess associated risks and opportunities**.

Note: *If you want to comment on more than one additional 'Innovation area 5' (e.g., innovative product, service, activity, business model, internal process or procedure and/or underlying technology that were not captured by innovation areas 1-4), please complete a separate survey for each one of them. In that case, please complete 'Respondent' and 'Other' sections only.*

An estimated time for the completion of the survey is around 30-60 minutes. However, you may want to allow a few days to collect information and discuss responses within your organisation.

Submission date

Please complete the online survey by **28 June 2023 COB**.

In the event of any queries in completing the survey, please contact: fintech@eba.europa.eu.

Next steps

The survey responses will be analysed by the ESAs. In 2023 the ESAs will organise meetings/online calls with the consumer organisations to discuss aggregated findings on the main innovation trends that were identified.

Information on respondent

* Name of the reporting organisation:

BETTER FINANCE, The European Federation of Investors and Financial Services Users

* Country (EU Member State/EEA State):

Belgium

* Relevant sector(s): (Please select all that apply)

- Banking (EBA remit – e.g. banking, payments, E-money, crypto-assets, etc.)
- Securities and markets (ESMA remit – e.g. securities, crypto-assets etc.)

- Insurance and pensions (EIOPA remit - insurance, occupational and pensions)

* Contact email:

policy@betterfinance.eu

- I agree with the EBA privacy notice:

[DPN - Joint ESAs Survey - 2023.pdf](#)

* Please indicate the (cross-sectorial) innovation areas on which you want to express your views (Please select all that apply):

1. BigTechs / Mixed-activity groups (MAGs*) directly providing financial services through one or more group companies
**Mixed activity group means a group of undertakings (a parent undertaking and its subsidiary undertakings) conducting both financial and non-financial services, for instance a group active in verticals such as cloud, advertising, business software, gaming, food delivery, ride-hailing, streaming combining them with insurance, payments, banking and other financial services.
(For example, BigTechs/MAGs with core business(es) in e-commerce, online retail, social media, software, telecoms, gaming can establish its subsidiary company(s) to provide regulated financial services and obtain license(s)/authorisation(s) for credit provision, payments, crowdfunding, insurance services and/or asset management).*
2. Artificial Intelligence / Machine Learning
3. Open finance (including open insurance)
4. Crypto assets / tokenisation
5. Any other innovative product, service, activity, business model, internal process or procedure and/or underlying technology that you identified and would like to highlight (please specify)

Note: If you want to comment on **more than one** additional 'Innovation area 5' (e.g. innovative product, service, activity, business model, internal process or procedure and/or underlying technology that were not captured by innovation areas 1-4), **please complete a separate survey** for each one of them. In that case, please complete 'Respondent' and 'Other' sections only.

Innovation Area 2: Artificial Intelligence / Machine Learning

(1) Risks and Challenges

Q1.1. Please indicate in the tables below the relevance of each of the following **risks / challenges** that innovations regarding *Artificial Intelligence / Machine Learning* currently pose to consumers, and how they are expected to evolve in the next 3 years.

	Risks / Challenges	Relevance of risk / challenge to date (1 = not relevant at all, 5 = very relevant)	Expected evolution of risk / challenge in the next 3 years (2 = Significant increase; 1 = Moderate increase; 0 = No change; -1 = Moderate decrease; -2 = Significant decrease)
1	Financial stability risks	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
2	Financial exclusion	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
3	Concentration of market power	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
4	Unfair treatment of consumers	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
5	IT operational resilience issues (including cyber risks)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

6	Inadequate management of conflicts of interest	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
7	Data privacy issues	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
8	Risk of misselling	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
9	Data and algorithmic model biases	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
10	Limited experience on new technologies and inadequate support on new technologies by service/product providers	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
11	Unlevel playing field risk	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

12	Increased risk of fraud and scams	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
13	Market abuse risk	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
14	Insufficient or inadequate disclosure of information (including on fees and charges)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
15	Aggressive or misleading marketing communications (including via influencers), gamification	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
16	Not making it clear to consumers who they are contracting with	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
17	Lack of digital financial literacy and education	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

18	Access to data and data quality available	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
19	Other (please specify)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

If you selected 'Other risks/challenges', please specify it below:

Q1.2. Please briefly explain what are the **features** that make the provision of financial services by *Artificial Intelligence / Machine Learning* particularly risky / challenging for consumers.

We have raised on several occasions in our policy recommendations and research on Robo advisors that in order to regain the trust of consumers it is necessary propose a legislative framework for Artificial Intelligence and to ensure that the use of algorithm is fair, transparent and accountable to consumers and does not harm EU citizens' fundamental rights. In addition, we have for long advised to undertake an in-depth fitness check of all relevant EU legislations in the insurance and financial sector in order to propose legislative updates where necessary.

The provision on the voluntary creation and application of codes on the use of AI in other financial services (other than credit directive and credit institutions) will not be enough to address potential risks and consumer detriment caused by the use of AI in the retail financial market. Our research on Robo-advisors shows that there are persistent issues in terms of reliability and advice suitability of the algorithms (automated) when used to propose investments to financial services users.

Consumers very often complain about the high fees charged for the investment product, higher than those explained during the advice process due to a lack of transparency and comparability. New fintech platforms as Robo-advisors, operate as an alternative to more traditional financial advisors, with comparatively lower fees and offering access to simpler and cheaper products such as ETFs. However, the use of algorithm and Automated Decision Making (ADM) may cause risks to consumers concerning e.g. the level of suitability of the investment advice. For example, several platforms provide investment advice that seems inconsistent with the investor and risk profile of the mystery shoppers. There are also prevalent strong discrepancies in terms of investment gains and high dispersion of asset allocation for the same investor profile.

Ethical codes and principles should be at the basis for fair, non-discriminatory and non-harmful use of AI. Specific rules should be also developed to address the pricing problem in the insurance sector. The use of algorithm may generate substantial risks to consumer as discrimination or unfair practices. Some group of customers may be directly excluded by the algorithm being determined as too risky (too costly). Application of a segmentation of customers could result in strong differences of pricing for group of customers thus going against the fundamental rights of citizens that should be treated equally. Therefore, a code of conduct and AI governance framework should prevent unfair and discriminatory practices.

Q1.3. Do you consider that the risks / challenges mentioned in Q1.1. are not addressed by existing regulation?

- Yes (please specify in Q1.4.)
- No

Q1.4. [If you selected 'Yes' in Q1.3] Why do you consider that the risks / challenges are not addressed by existing regulation? Please specify and suggest clarifications or changes to the regulatory requirements needed to mitigate them:

In order to avoid any legislative incongruences, the EU Commission proposal should cover additional EU legislations such as Mifid II and Solvency II. The proposal should cover transparency and explainability issues derived by the deployment of AI in the insurance sectors and AI-automated financial advice. Complementary governance aspects are essential in these financial services when it comes to ensure good outcomes for consumers. In addition, consumers' lack of financial literacy in new tech could increase their vulnerability and further protection legislation is needed to address this concern.

(2) Opportunities

Q2.1. Please evaluate the relevance of each of the following **opportunities** that *Artificial Intelligence / Machine Learning* brings to consumers. Please evaluate the relevance i) to date and ii) how it is expected to evolve in the next 3 years.

	Opportunities	Relevance of opportunities to date (1 = not relevant at all, 5 = very relevant)	Expected evolution of opportunities in the next 3 years (2 = Significant increase; 1 = Moderate increase; 0 = No change; -1 = Moderate decrease; -2 = Significant decrease)
1	Products and services conveniently available from any location at any time	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
2	Wider range of products and services	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
3	Interconnected services <i>(allows consumers to benefit from low latency and high availability connections that enable companies to reliably transfer data)</i>	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
4	Increased personalisation of products and services	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

5	Lower fees and charges	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
6	Lower operational costs	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
7	Increased financial inclusion	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
8	Faster and more efficient processes	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
9	Improved regulatory compliance	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
10	Enhanced risk assessment	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

11	Enhanced risk mitigation and prevention	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
12	Reduced risk of fraud and scams	<input type="radio"/> 1 <input checked="" type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
13	Other (please specify)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

If you selected 'Other opportunity', please specify below:

Q2.2. Within innovations regarding *Artificial Intelligence / Machine Learning* please briefly explain what are the **characteristics** that make these innovations particularly **beneficial** for consumers.

Consumers and retail investors believe that AI can bring benefits, but it is not delivering yet. They also show a need to further raise awareness and educate consumers about what AI is, when and how it is used, what the risks are and what to do if something goes wrong. For example, with robo-advisors, when implemented efficiently, benefits user experience and perceived objectivity of the algorithm, the (potential) absence of conflicts of interests and biases of human advisors, as well as increased financial inclusion and literacy.

Innovation Area 3: Open finance (including open insurance)

(1) Risks and Challenges

Q1.1. Please indicate in the tables below the relevance of each of the following **risks / challenges** that innovations regarding *Open finance (including open insurance)* currently pose to consumers, and how they are expected to evolve in the next 3 years.

	Risks / Challenges	Relevance of risk / challenge to date (1 = not relevant at all, 5 = very relevant)	Expected evolution of risk / challenge in the next 3 years (2 = Significant increase; 1 = Moderate increase; 0 = No change; -1 = Moderate decrease; -2 = Significant decrease)
1	Financial stability risks	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
2	Financial exclusion	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
3	Concentration of market power	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
4	Unfair treatment of consumers	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
5	IT operational resilience issues (including cyber risks)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

6	Inadequate management of conflicts of interest	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
7	Data privacy issues	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
8	Risk of misselling	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
9	Data and algorithmic model biases	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
10	Limited experience on new technologies and inadequate support on new technologies by service/product providers	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
11	Unlevel playing field risk	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

12	Increased risk of fraud and scams	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
13	Market abuse risk	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
14	Insufficient or inadequate disclosure of information (including on fees and charges)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
15	Aggressive or misleading marketing communications (including via influencers), gamification	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
16	Not making it clear to consumers who they are contracting with	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
17	Lack of digital financial literacy and education	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

18	Access to data and data quality available	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
19	Other (please specify)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

If you selected 'Other risks/challenges', please specify it below:

Transfer of data to third parties and legal responsibility of the data shared/used.

Q1.2. Please briefly explain what are the **features** that make the provision of financial services by *Open finance (including open insurance)* particularly risky / challenging for consumers.

Regulators and supervisors should put more focus on independent/public comparison websites allowing financial consumers to easily compare insurance products (and other financial products) in terms of costs and benefits of the services provided. For example, Finansportalen3 is a Norwegian web comparing tool that includes investment funds, life insurance and private pension products. However, independent comparison tools should not “compare” exclusively price information but should go beyond and to include additional policy features in order to provide a comprehensive picture of the insurance services available.

An open insurance framework could provide higher degree of transparency and benefits in terms of costs for financial consumers. However, these benefits could be overtaken by risks related to the use of data. Data should be treated in a fair and non-discriminatory way. Therefore, any policy implementation on open insurance should be accompanied by safeguards to protect consumer data. The risks for consumers depend on the degree of consumer protection envisaged for the implementation of the open insurance framework. In particular, the main issue resides on the transfer and use of the insured data to third parties. These concerns in particular personal data and sensitive data. In addition, the framework should establish who bears the legal

responsibility of the data shared and used. This would also help supervisory authorities to identify risks, violations and data misuse. Authorities should prioritise consent of consumers by also considering the possibility for consumers not to be willing to share their data with insurers. This should be ensured by focussing on transparency to consumers and by means of a personal 'single data tool'. As such, a right to revoke the sharing or storing of data (to 'be forgotten') should also be granted to consumers. In the respect, appropriate checks and balances should be put in place to ensure that customers retain ownership of their data. No situation should lead to policy holder discrimination because they did not consent to share the data and such risk should also be taken into account, notably by introducing the obligation to offer non-discriminatory, standardised and simple default product categories.

The fintech wave of innovation introduces and transforms existing business models. The extensive use of third-party providers and outsourcing may lead to both as well as a possible fragmentation of the value chain. For example, several incumbent insurance-related companies and other financial services providers, have become software companies. In many instances European FinTech companies are treated as “technology” companies, rather than financial services providers, even when duly registered as financial intermediaries (e.g. advisors, investment firms) with the competent supervisory authorities. Therefore, regulatory and supervisory frameworks lack the tools to capture this change thus increasing the risks of regulatory and supervisory failures at the detriment of consumers, savers, investors and shareholders.

Q1.3. Do you consider that the risks / challenges mentioned in Q1.1. are not addressed by existing regulation?

- Yes (please specify in Q1.4.)
 No

Q1.4. [If you selected 'Yes' in Q1.3] Why do you consider that the risks / challenges are not addressed by existing regulation? Please specify and suggest clarifications or changes to the regulatory requirements needed to mitigate them:

Regulatory interpretation of the “insurance of principle only” in Solvency II. The conditions for authorisation in Solvency II were established long time before the uptake of Insuretech. In addition, the implementation of this provision has different interpretation from EU Members States. Therefore, EIOPA should also consider to examine the different interpretations from EU members and to propose possible regulatory changes. In Article 18 (1) of Solvency II: “The home Member State shall require every undertaking for which authorisation is sought: (a) in regard to insurance undertakings, to limit their objects to the business of insurance and operations arising directly therefrom, to the exclusion of all other commercial business”.

This limitation to the business of insurance and operation does not capture the technological transformation of insurance companies and their activities. Another challenge that the Authorities are facing is the lack of a complete understanding of AI, ADM and algorithm mechanisms. Due to the use of extremely complex algorithm and automated decision making, most of the time is it completely impossible to review and challenge the automated decision. This also true for consumers that do not receive sufficient explanations of the results that the automated decision has provided them thus preventing the possibility to challenge this decision. This increasing complexity reduces the transparency of these technologies preventing an adequate supervision from the authorities.

(2) Opportunities

Q2.1. Please evaluate the relevance of each of the following **opportunities** that *Open finance (including open insurance)* brings to consumers. Please evaluate the relevance i) to date and ii) how it is expected to evolve in the next 3 years.

	Opportunities	Relevance of opportunities to date (1 = not relevant at all, 5 = very relevant)	Expected evolution of opportunities in the next 3 years (2 = Significant increase; 1 = Moderate increase; 0 = No change; -1 = Moderate decrease; -2 = Significant decrease)
1	Products and services conveniently available from any location at any time	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
2	Wider range of products and services	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
3	Interconnected services <i>(allows consumers to benefit from low latency and high availability connections that enable companies to reliably transfer data)</i>	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
4	Increased personalisation of products and services	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
5	Lower fees and charges	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1

		<input type="radio"/> 5	<input type="radio"/> -2
6	Lower operational costs	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
7	Increased financial inclusion	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
8	Faster and more efficient processes	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
9	Improved regulatory compliance	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
10	Enhanced risk assessment	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
11	Enhanced risk mitigation and prevention	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

12	Reduced risk of fraud and scams	<input type="radio"/> 1 <input checked="" type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
13	Other (please specify)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

If you selected 'Other opportunity', please specify below:

Q2.2. Within innovations regarding *Open finance (including open insurance)* please briefly explain what are the **characteristics** that make these innovations particularly **beneficial** for consumers.

The benefits of open finance (insurance, etc.) are linked with the possibility to access new financial products and services as well as enabling consumers and retail investors to receive better targeted – and potentially more suitable – advice and personalised services (including and not limited to (improved customer experience, financial inclusion, customer control and others).

Innovation Area 4: Crypto assets / tokenisation

(1) Risks and Challenges

Q1.1. Please indicate in the tables below the relevance of each of the following **risks / challenges** that innovations regarding *Crypto assets / tokenisation* currently pose to consumers, and how they are expected to evolve in the next 3 years.

	Risks / Challenges	Relevance of risk / challenge to date (1 = not relevant at all, 5 = very relevant)	Expected evolution of risk / challenge in the next 3 years (2 = Significant increase; 1 = Moderate increase; 0 = No change; -1 = Moderate decrease; -2 = Significant decrease)
1	Financial stability risks	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
2	Financial exclusion	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
3	Concentration of market power	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
4	Unfair treatment of consumers	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
5	IT operational resilience issues (including cyber risks)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

6	Inadequate management of conflicts of interest	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
7	Data privacy issues	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
8	Risk of misselling	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
9	Data and algorithmic model biases	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
10	Limited experience on new technologies and inadequate support on new technologies by service/product providers	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
11	Unlevel playing field risk	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
		<input type="radio"/> 1 <input type="radio"/>	<input checked="" type="radio"/> 2 <input type="radio"/>

12	Increased risk of fraud and scams	<input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
13	Market abuse risk	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
14	Insufficient or inadequate disclosure of information (including on fees and charges)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
15	Aggressive or misleading marketing communications (including via influencers), gamification	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
16	Not making it clear to consumers who they are contracting with	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input checked="" type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
17	Lack of digital financial literacy and education	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input checked="" type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
		<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/>	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/>

18	Access to data and data quality available	<input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
19	Other (please specify)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

If you selected 'Other risks/challenges', please specify it below:

Q1.2. Please briefly explain what are the **features** that make the provision of financial services by *Crypto assets / tokenisation* particularly risky / challenging for consumers.

Unlike in financial markets, there is no 'lender of last resort' to bailout crypto-asset issuers, no protection system for investments or deposits, no clearing or settlement systems to certify that assets exist or clearing houses to shield from default risk, neither of the rules and supervision of the actors involved in issuing and trading crypto-assets. This is particularly important as specialised publications highlighted suspicions about the price volatility of certain crypto-tokens, market manipulation ("pump and dump") and potential illegal uses of these new technologies (money laundering, illegal financing, etc.).

EU financial services users are the largest source of long-term financing for the EU economy and face many barriers to invest and directly participate into capital markets, such as: conflicts of interest in the distribution chain, lack of trust, financial literacy, transparency, adequate information disclosure, as well as financial exclusion or inability to engage as shareholders in investee companies. FinTech initiatives, such as automated investment platforms, crypto-assets and the DLTs can certainly help to improve, alleviate or eliminate at least part of the above-mentioned obstacles.

Q1.3. Do you consider that the risks / challenges mentioned in Q1.1. are not addressed by existing regulation?

- Yes (please specify in Q1.4.)
 No

Q1.4. [If you selected 'Yes' in Q1.3] Why do you consider that the risks / challenges are not addressed by existing regulation? Please specify and suggest clarifications or changes to the regulatory requirements needed to mitigate them:

MiCA lacks a definition and legal treatment for "hybrid" assets. The Regulation should further clarify what "advice" entails and what criteria are attached to it. Providing advice on crypto-assets to individual, nonprofessional clients by crypto-asset services providers should be subject at least to the same standard of investor protection under the Markets in Financial Instruments Directive (MiFID II, Art. 24), and not to a lighter regime. MiCA also focusses is on the instrument where it introduces a requirement to refer to a white paper for crypto-assets. However, such white paper remains too complex for investors, and it should be adapted as a Key Information Document.

MiCA remains insufficient to protect savers by assuming marketing of cryptos will develop through the intervention of an advisor. Modalities of subscription/orders remains predominantly online driven. Besides, crypto-assets mostly trade without advice, via execution-only services (exchange platforms or crypto brokers).

Specifically, we identify that MiCA lacks requirements in reception and transmission of orders (RTO) policies and portfolio management as regards post-contractual information and information on the value of the investor's portfolio. At pre-contractual level, we suggest adding: 1) mandatory warning on the lack of deposit guarantees; 2) a simplified prospectus of proposed crypto-assets (or KID equivalent), 3) tax-provision information. Post-trade, investors still need to receive: 1) information on costs in euros and in %; 2) storage of information on the state of the portfolio on the transaction date; 3) annual information on the crypto-asset portfolio (at least: A history of the year's transactions and of fees; the evaluation of the portfolio after each

sale of securities and at 31/12; amount of gains/losses since the opening of the portfolio and at 31/12 of the year). These would give greater visibility over the portfolio and enable proper tax reporting.

(2) Opportunities

Q2.1. Please evaluate the relevance of each of the following **opportunities** that *Crypto assets / tokenisation* brings to consumers. Please evaluate the relevance i) to date and ii) how it is expected to evolve in the next 3 years.

	Opportunities	Relevance of opportunities to date (1 = not relevant at all, 5 = very relevant)	Expected evolution of opportunities in the next 3 years (2 = Significant increase; 1 = Moderate increase; 0 = No change; -1 = Moderate decrease; -2 = Significant decrease)
1	Products and services conveniently available from any location at any time	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
2	Wider range of products and services	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
3	Interconnected services <i>(allows consumers to benefit from low latency and high availability connections that enable companies to reliably transfer data)</i>	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
4	Increased personalisation of products and services	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
5	Lower fees and charges	<input type="radio"/> 1 <input checked="" type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1

		<input type="radio"/> 5	<input type="radio"/> -2
6	Lower operational costs	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
7	Increased financial inclusion	<input type="radio"/> 1 <input checked="" type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
8	Faster and more efficient processes	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input checked="" type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input checked="" type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
9	Improved regulatory compliance	<input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
10	Enhanced risk assessment	<input type="radio"/> 1 <input checked="" type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
11	Enhanced risk mitigation and prevention	<input type="radio"/> 1 <input checked="" type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

12	Reduced risk of fraud and scams	<input checked="" type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input checked="" type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2
13	Other (please specify)	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5	<input type="radio"/> 2 <input type="radio"/> 1 <input type="radio"/> 0 <input type="radio"/> -1 <input type="radio"/> -2

If you selected 'Other opportunity', please specify below:

Q2.2. Within innovations regarding *Crypto assets / tokenisation* please briefly explain what are the **characteristics** that make these innovations particularly **beneficial** for consumers.

Crypto-assets and DLTs may give an essential stimulus to EU household digital onboarding with regards to participation in capital markets.

In particular, crypto-assets can provide a form of investment diversification while relying on efficient and cheaper decentralised techniques, paving the way for traditional (non)financial services to build more efficient processes for payments speed and costs, accessibility and privacy which are at the core of DLT technology.

On privacy and data security management, tokenisation as a digital tool can prove to offer exploitable reference towards sensitive data that would otherwise be vulnerable or directly identifiable. In the financial system, this could contribute to allowing for privacy in a digitalised environment while leveraging on tried and tested exploitable instrument methods (forgery-proof). Moreover, DLT and tokenisation could remove the need for (over)centralised processes and complex intermediaries chain in the financial services which are often an obstacle to its efficiency. Those developments can provide an opportunity to merge certain trading and post-trading processes currently carried out by different market infrastructures. For issuers and merchants, types of tokenisation can lead to the emergence of new ways to trade services securely, offer additional means of payment, and even initiate alternative refinancing operation.

Contact

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