

PRESS RELEASE**EU ELECTIONS: ARE POLITICIANS WILLING TO HELP CITIZENS TO IMPROVE THE LONG-TERM VALUE OF THEIR SAVINGS?**

Brussels, 15/05/2019 - With the European elections around the corner, BETTER FINANCE took stock of the developments over the last five years in matters of financial policy at the European level. Although some important measures have been taken to improve the protection European Financial Services Users (i.e. most EU citizens), EU policy makers unfortunately continued to focus on financial stability, too many times at the expense of consumer protection.

This has left important investor and consumer protection issues unsolved and has generated new ones. Mis-selling cases have been on the rise, and “financial repression” continues unabated, leaving European middle classes worse off with every day that passes.

Despite seven years of continuous positive performances of both European equity and bond markets, savers too often get poor or even negative net real returns on their lifetime savings, increasing the damage of the pensions timebomb, and maintaining investments and pensions as one of the least trusted consumer markets in Europe.

The upcoming European elections present an opportunity to once again make policy makers aware of what is needed to regain the trust of European citizens as savers and investors, as represented by BETTER FINANCE.

Last January, BETTER FINANCE outlined the [priority actions](#) that would go a long way towards addressing the financial welfare of EU citizens and strongly benefit the real economy. These can broadly be summarised as follows:

- More transparent and more comparable investment products, in particular with regard to their performance and fees;
- Better access to simple investment products (such as equities, bonds and ETFs) and products that would bring the EU citizen as investor closer to real economy assets, instead of estranging him or her further into opaque and fee-laden packaged products;
- Better ensure “long-term and sustainable value creation”, including improving corporate governance, and addressing mis-selling by setting up collective redress mechanisms for all EU private investors;
- Sustain the support to better involve investors and users of financial services in the EU financial policy making.

Since 21 March 2019, BETTER FINANCE has contacted all EU Political Parties and MEPs to ask them to address these critical issues we are all confronted with in their election programmes and clearly answer a short questionnaire to show their colours when it comes to financial services provided to citizens.

The results are in... Unfortunately, some EU political parties did not provide any feedback on these crucial issues. The European People’s Party (EPP), one of the largest European political families, acknowledged receipt of our priorities, but did not respond. Other political groups, including the European Liberals (ALDE) and the Europe of Nations and Freedom party (ENF), informed BETTER FINANCE that divergences on these policy matters within the group made it impossible to answer the questionnaire.

Those parties who did answer the questionnaire, did by and large agree with most of the key priorities put forth by BETTER FINANCE. The Progressive Alliance of Socialists and Democrats (S&D) and the European United Left–Nordic Green Left (GUE-NGL) are fully aligned with BETTER FINANCE’s “New Deal for EU Individual Investors and Users of Financial Services”.

The European Green Party agrees with nearly all BETTER FINANCE proposals, but do not support the action to “improve transparency on performance and fees of all investment products by developing the initial work of the ESAs, and by urgently reviewing the PRIIPS Regulations to reinstate the comparable disclosure of long term past performances relative to the benchmarks of the providers, eliminating the unreliable future scenarios.”

The support from the European Conservatives and Reformists (ECR) is more nuanced. Whereas the ECR supports some of the action proposed by BETTER FINANCE, it does not want to see the development of independent EU-wide comparison tools for financial products or the design of an EU ecolabel for financial products. The Conservatives are also opposed to the concept of Employee Share Ownership.

Guillaume Prache, managing director of BETTER FINANCE commented that “the uneven interest demonstrated by EU politicians shows that the extent of the detriment to citizens as savers and financial services users is still underestimated, if not ignored, by many. Providing opaque but negative real returns to life time savings contributes a lot to the impoverishment of European middle classes. This is not only detrimental to their well-being - especially when they grow old - and to the economy, but it is also detrimental to Democracy.”

| |  Transparency |  Attractiveness |  Competitiveness |  Clarity |  Sustainability |  Fairness |  Knowledge |  Consistency |  Support |
|---|--|--|---|---|---|---|---|---|---|
|  | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|  | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|  | ✓ | ✓ | ✓ | No to "improving transparency on performance and fees." | ✓ | ✓ | ✓ | ✓ | ✓ |
|  | ✓ | Yes/No to "introducing cost free cross-border voting for retail investors within the EU" | ✓ | No to "developing independent EU-wide comparison tools" | No to a "well-designed and regulated ecolabel based on the taxonomy" and no to "promoting employee share ownership" | Yes/No to "introducing common rules for an effective collective redress for all retail investors" | ✓ | ✓ | Yes/No to "sustaining EU support to better involve investors and other users of financial services" |
|  | Did not answer the questionnaire, with ALDE and ENF citing widely diverging positions between their national member parties and the European Left citing complexity. | | | | | | | | |
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|  | Did not answer our questionnaire and did not provide a reason. | | | | | | | | |
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