



EACB Press Release:

The Outcome of the European Parliament Plenary vote on Payment Accounts Directive risks generating adverse effects on banks with extensive networks like co-operative banks

Brussels, 12th December 2013– The European Association of Co-operative Banks (EACB), the voice of almost 4.000 co-operative banks, warns that the outcome of today's EP Plenary vote on the proposed Directive on Payment accounts could eventually lead to impoverishment of the diverse banking landscape in Europe. In particular, the outcome of today's vote might be harmful to banks that invest in an extensive branch network and thus, be to the detriment of the consumers that would need such network most: the population in remote or rural areas where proximity and relationship banking is crucial.

"The EACB fully supports measures focused on ensuring access to accounts for vulnerable, socially excluded persons" says Hervé Guider, General Manager of the Brussels-based association. *"This is, after all, one of the reasons for the creation of co-operative banks some 100 years ago"* he continues. *"However, introducing a basic payment account that is, in terms of number of services and operations, comparable to a "regular" commercial payment account apart from its regulated price, will undoubtedly have an effect on the retail business that is so important to co-operative banks"*.

The EACB would have preferred the introduction of a basic payment account at Member State level and is happy to note that, failing this, the link to the Member State has been reintroduced by the Parliament. *"The basic payment account can then serve those consumers that are effectively excluded from the financial system, for example because they have previously been denied access to a payment account"* Mr Guider concludes.

The EACB urges the Council to assess critically the outcome of the EP vote with regards to the introduction of a cross-border switching service for which – in the European co-operative banks' view – a thorough cost/benefit analysis and a proper assessment of the actual demand for such service is still necessary.

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About the EACB:

The European Association of Co-operative Banks (EACB) has been the voice of co-operative banks since 1970. It represents, promotes and defends the common interests of its 28 member institutions and of co-operative banks in general. Co-operative banks form decentralized networks which are subject to banking as well as co-operative legislation. With 3,700 locally operating banks and 71,000 outlets, co-operative banks play a major role in the financial and economic system. They serve more than 215 million customers, mainly consumers, SMEs and communities. Europe's cooperative banks represent 56 million members and 850,000 employees and have an average market share of about 20%. Their resilience during the crisis make co-operative banks a key driving force in the economic recovery.

Website: www.eachb.coop