



NEWS RELEASE

**The Future of Retail Banking -
Cooperative banks' recommendations
for boosting competition and inclusion in Europe**



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RETAIL BANKING**

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recommendations for
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Brussels, April 23 - European competitiveness, financial inclusion, a safe economy: these are just some of the many advantages retail banks and cooperative banks deliver to Europe. In its latest publication, **the European Association of Co-operative Banks' (EACB)** presents recommendations to legislators to safeguard these benefits in forthcoming legislation, serving the interests of Europe's citizens, regions, and communities. Zooming in particularly on the retail aspect of the banking business, this report serves as a precursor to the forthcoming EACB manifesto.

An **avalanche of legislative proposals** on Retail Investment Strategy (RIS), Financial Data Access (FIDA) and the Digital Euro released in spring 2023, coupled with the European Digital Identity regulation released earlier in 2021, left virtually no aspect of retail banking untouched.

For cooperative banks as main retail banks, these proposals served as a catalyst for holistic reflective analysis on their combined impact on the retail banking sector.

EACB members tackled reflections head-on establishing a new Taskforce on the Future of Retail Banking. Leveraging the expertise and complementing perspectives of technical leaders across the cooperative retail banking landscape, the paper contemplates the bigger picture of retail banking in Europe, including its defining features, its societal and economic significance, and its response to prevailing regulatory frameworks. The goal is to ensure that the European economy and society can continue to harness the advantages offered by this sector in the future.

Cooperative banks' recommendations to policymakers and regulators are:

- 1. Understand and consider the strong positive contribution of both Europe's universal retail and cooperative banks toward achieving the EU's economic and social objectives. It should be ensured that the diversity they bring can be maintained.**
- 2. To enhance the effectiveness of European regulation, it is essential to adopt a more holistic approach. By considering the combined impact of individual proposals for the financial sector, regulations can better serve the interests of citizens, the economy and broader society.**
- 3. It is essential to consistently assess legislative proposals on their impact on the diversity of the banking landscape and the related effects for the financing of Europe's regions and households.**

The voice of 2.500 local and retail banks, 89 million members, 225 million customers in Europe



4. **Instead of positioning retail banks as utility providers, it is crucial to enable them to build a sustainable business case.**
5. **Impose comparable obligations on retail banks and other non-bank financial service providers. These obligations should cover aspects such as inclusion, cash access, paper-based services and branch availability. Alternatively, policymakers should ensure fair compensation, particularly for mandatory (semi-) public services.**
6. **Improve the legislative process by focusing on principles rather than overly prescriptive rules, ensuring practical implementation timelines and assessing proposed legislation' capacity to contribute to European competitiveness and potential overlap with existing regulations.**

Read the EACB's recommendations in greater detail [here](#).

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About the EACB:

The European Association of Co-operative Banks ([EACB](#)) is the voice of the cooperative banks in Europe. It represents, promotes and defends the common interests of its 26 member institutions and of cooperative banks in general. Cooperative banks form decentralised networks which are subject to banking as well as cooperative legislation. Democracy, transparency and proximity are the three key characteristics of the cooperative banks' business model. With 2,700 locally operating banks and 40,000 outlets co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 227 million customers, mainly consumers, retailers and communities. The co-operative banks in Europe represent 89 million members and 720,000 employees and have a total average market share of about 20%.

Website: www.eacb.coop

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