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EACB PRESS RELEASE

Commission's proposal to revise the PSD grants third parties unconditional access to bank accounts with no warranties

Brussels, 24th of July 2013. **The European Association of Co-operative Banks (EACB) welcomes the efforts of the European Commission to regulate presently non-regulated payment service providers. Nevertheless, EACB is critical of the proposals that were launched today by the Commission regarding the revision of the Payment Services Directive. EACB is concerned with the side effects of the ideas proposed which could be specially relevant for co-operative banks since, with more than 200 million customers in Europe, they devote a large part of their business portfolio to retail business for which payments are essential.**

Under the proposed revision of the Payment Services Directive, non-banks (called third party providers or TPPs) will get access to the accounts of bank customers. They will be able to initiate payments and to provide payment instruments that can be used on these accounts. On their side, banks will have the obligation to provide them with information on the availability of funds on their customers accounts and execute the payments initiated by these non-banks. While co-operative banks could see an added value in having such parties providing innovative payment offer to bank clients, they are concerned about the way the proposal is presently drafted. *"Banks will have to have "blind faith" as regards the instructions provided by these non-banks which interfere with the relationship between the consumer and his/her bank, and will have no tools to protect their customers' data and interests"*, said Hervé Guider, General Manager of EACB.

Co-operative banks consider that, in order to preserve the security and welfare of end-users (above all the consumers), the revised PSD should incorporate provisions clearly determining the liabilities of TPPs and foreseeing the ability of banks to request from such non-banks an agreement aimed at covering the risks that their intervention generates in the payment transactions.

EACB Contact:

General Manager: Hervé GUIDER (Tel : +32 2 286 98 40), h.guider@eurocoopbanks.coop
Head of Retail Banking, Payments and Financial Markets Department: Marieke van BERKEL (Tel : +32 2 286 98 47) m.vanberkel@eurocoopbanks.coop
Head of Communications & Research Department : Elisa BEVILACQUA (Tel +32 2 286 98 42), e.bevilacqua@eurocoopbanks.coop

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 4,000 locally operating banks and 72,000 outlets, co-operative banks play a major role in the financial and economic system. They serve more than 217 million customers, mainly consumers, SMEs and communities. Europe's co-operative banks represent 56 million members and 860.000 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.eacb.coop

The voice of 4.000 local and retail banks, 56 million members, 217 million customers

EACB AISBL – Secretariat • Rue de l'Industrie 26-38 • B-1040 Brussels

Tel: (+32 2) 230 11 24 • Fax (+32 2) 230 06 49 • Enterprise 0896.081.149 • lobbying register 4172526951-19

www.eacb.coop • e-mail : secretariat@eurocoopbanks.coop