

Consumer Representation at EU level  
A report and recommendations by Financial Services Consumer Panel

December 2013

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## Consumer representation at EU level

### Executive summary

The Financial Services Consumer Panel is a statutory body advising the UK's Financial Conduct Regulator, the FCA, on the interests and concerns of consumers. Given the increasing volume of regulation and legislation which originates at EU level, the Panel is concerned with the representation of consumer views in that process. It has carried out research into the current consumer representation landscape and made some recommendations for change.

The research consisted of three phases:

- Desk research to examine the current situation
- A series of interviews with key influencers at EU level, including consumer bodies, regulators, representatives of European institutions and of national governments.
- A roundtable event with a number of the interviewees and others to test the draft conclusions.

During the process the Panel consulted with VZBV, the German Consumer organisation, ZFS, the Slovenian Consumer Organisation, and Consumentenbond in the Netherlands, in order to gain a wider perspective on the results, and would like to thank these organisations for their input.

In summary, the research concluded that

- fundamentally, the current representation model does not work. It does not support the input of consumer interests and concerns in the policymaking process.
- few consumer bodies specialise in financial services issues and even those that do often do not contribute to all relevant retail financial services consultations
- overall, there tended to be a lack of engagement from consumer bodies, but most indicated that they would like to be able to increase their activities at European level and that a lack of funding and technical expertise prevents them from doing so.

The Panel believes that expectations of what consumer groups can deliver are unrealistic and that policymakers must appreciate this. If institutions want consumers to be as effective as industry, they must have a strategy in place to facilitate this.

The Panel makes seven recommendations:

1. All financial services regulators should have a consumer protection objective.
2. European Supervisory Authorities (ESAs) must demonstrate clearly how they are meeting their consumer protection objectives under Article 9.
3. There must be statutory requirements for all the ESAs to provide feedback to their stakeholder groups and for the Commission to provide feedback to the FSUG.
4. There should be a review of remuneration and expenses to encourage the right balance of expertise on the ESA stakeholder groups.
5. There must be increased support and resource for the stakeholder groups.
6. European policymakers must develop a clear communications strategy articulating how they take the needs of consumers into account.
7. The feasibility of developing a European consumer data hub should be investigated.

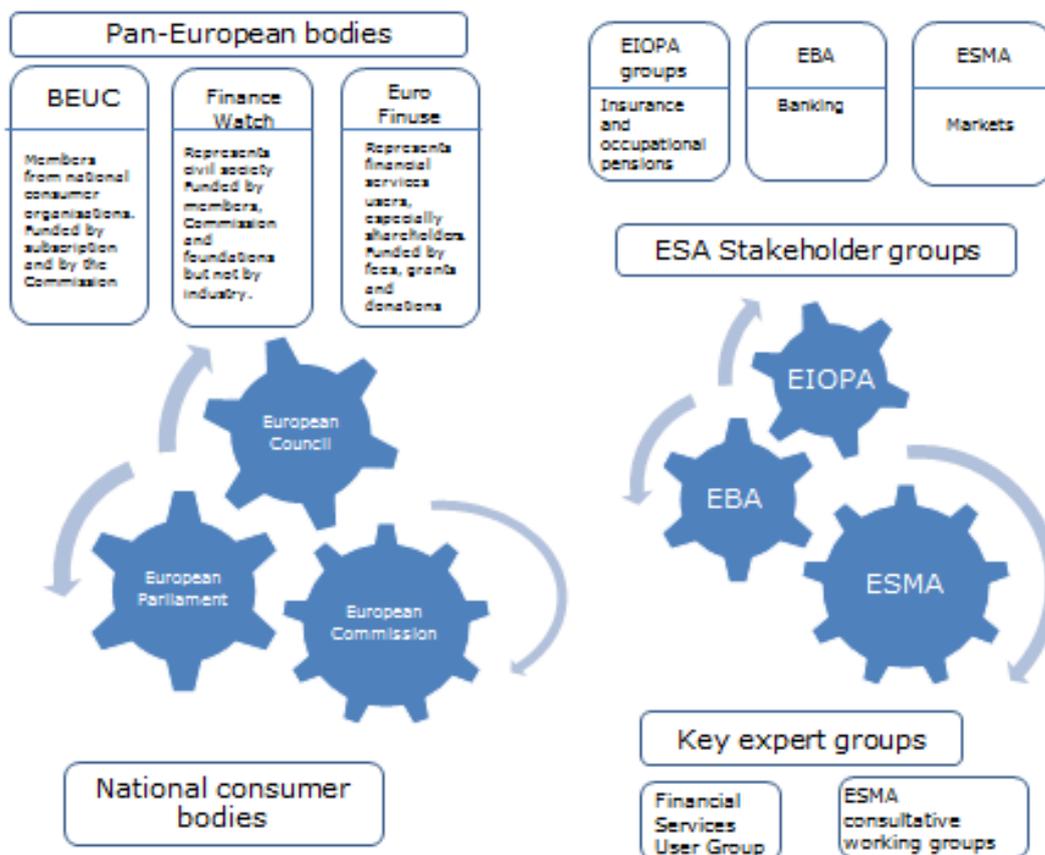
## Consumer representation at EU level

This report was commissioned by the Financial Services Consumer Panel<sup>1</sup> (FSCP) of the Financial Conduct Authority<sup>2</sup> (FCA) with the aim of gaining a better understanding of consumer representatives' effectiveness at influencing the European policymaking process in financial services. Specifically, the FSCP was interested in the following objectives:

To explore and identify:

- The ways that EU bodies concerned with financial services interact with consumers
- The perceived effectiveness of EU consumer representation in financial services among key stakeholders in member state
- Examples of good practice in consumer representation in financial services
- Key gaps or areas for improvement in consumer representation in financial services
- As well as extensive desk research we undertook 21 interviews with key respondents, including representatives from the European Commission and Parliament, the European Supervisory Authorities and consumer organisations. These were carried out between March and June 2013.

### 1. The consumer representation environment



<sup>1</sup> <http://www.fs-cp.org.uk/>

<sup>2</sup> <http://www.fca.org.uk/>

The work started with an initial analysis of consumer and non-industry representation at EU level. The main elements are:

- Pan-European consumer, non-industry and representative groups, including BEUC, Finance Watch and the ESA stakeholder groups.
- National consumer bodies.

A summary of the various groups, including their remit, funding and outputs, is available as an appendix.

## **National Consumer Bodies**

In particular, research was carried out to examine the work of national consumer organisations at European level, with a focus on responses to consultations. This concluded:

- fundamentally, the representation model does not work. It does not support the input of consumer interests and concerns in the policymaking process.
- there is no prevailing model of consumer representation in the EU, reflecting the different local political and institutional environments (for example, centralized versus decentralized institutions). The level of involvement of consumer organisations at European level varies significantly between member states, leading to uneven engagement, dominance by the interests of certain markets, distribution practices or products.
- few consumer bodies specialise in financial services issues and even those that do often do not contribute to all relevant retail financial services consultations.
- smaller member states often have a large number of small consumer organisations.
- consumer bodies that are very active within BEUC often do not submit their own responses to European consultations but focus on contributing to the BEUC position. This may lead to a misperception of the breadth of some concerns.

Overall, there tended to be a lack of engagement from consumer bodies, but most indicated that they would like to be able to increase their activities at European level and that a lack of funding and technical expertise prevents them from doing so.

Only four member states have active consumer bodies that regularly submit their own evidence and responses to the Commission. They are the UK, France, Germany and Austria. The analysis of the consultation responses also shows that industry responses generally vastly outnumber responses by consumer organisations. However, it is also known that the Commission repeatedly urges consumer groups to submit their own evidence.

## 2. Effectiveness

### **“What are the biggest obstacles to effective consumer representation at European level?”**

The main body of the project involved a series of interviews with key players working in the area of financial services legislation. This included representatives of European and national consumer organisations, members of the consultative groups set up by the Commission and the European supervisory authorities, representatives of the European policymaking institutions, and representatives of UK regulatory and policymaking institutions.

Interviewees were asked questions including ‘what have been the main successes of consumer groups in their attempts to influence policymaking processes?’ and ‘where do you perceive gaps in consumer representation?’. Representatives of European bodies were asked what approaches to lobbying work for them, and representatives of consumer groups were asked how they engage in the policymaking process.

The aim of the interviews was to gain a better understanding of stakeholders’ views of consumer groups’ effectiveness in influencing the European policymaking process. Interviewees were also asked about key obstacles for consumers and ways in which consumer organisations could improve their effectiveness.

#### **2.1 Perceptions of Effectiveness**

Respondents were allowed to use their own definition of effectiveness, and most judged it to be defined as the visibility of consumer groups’ engagement in the policymaking process and their ability to affect the outcome. The majority of interviewees believed consumer representation to have either a high or fair level of effectiveness.

##### **Highly effective**

This was generally the view of policymakers, who also stressed the importance of consumer groups’ role in the policymaking process. However, there is a risk that this group equated effectiveness with a need to take consumer groups’ views into account, rather than whether their engagement actually resulted in changes to the legislative proposals.

##### **Fairly effective**

Roughly two thirds of interviewees believed that consumer groups were pretty effective, but importantly, many mentioned they were not as good as industry.

This group also focused on the difficulty in evidencing consumers’ groups’ effectiveness in influencing the policymaking process but highlighted a number of ways in which this could be done. Success indicators used by consumer groups include an increase in positive policy proposals e.g. the retail bank account package<sup>3</sup>. In this particular case, consumer groups have actually been told that their role was crucial to get the proposal agreed.

Other indicators are an increase in amendments tabled on behalf of consumer groups by MEPs at the Committee stage and their inclusion in the final report of the European

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<sup>3</sup> [Proposal for a Directive of the European Parliament and of the Council on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features](#), May 2013.

Parliament, more public exposure through speaking invitations at conferences and hearings, increased consumer representation in expert and consultative groups and remuneration for such activities. The set-up of the Financial Services User Group and the resourcing of this group was also seen a major success.

Policymakers often cited better visibility as an indicator of effectiveness. However, they also highlighted difficulties for consumer bodies in achieving this visibility due to the lack of media interest in European consumer issues.

*'A noticeable increase in effectiveness'* Policymaker

Most respondents in this group also expressed the view that there had been a noticeable increase in effectiveness over the last few years. Most of them cited the start of the financial crisis as the trigger for this change in effectiveness. A number of additional circumstances were also mentioned as contributing factors to this change. This included a change in the mindset of the policymaking institutions which had started to question whether the strong influence of the financial services industry over the policymaking process had been a major contributor to the crisis. Another factor was the overall effect of the crisis on consumers and the general acceptance that there was a need for better consumer protection. A reprioritization towards financial services issues within consumer organisations was cited as a further reason.

## **Not effective**

*'There is a kind of presumption that what is good for the industry is naturally good for consumers...that markets always work in favour of consumers and that it is therefore the role of policymakers and regulators to try and create the conditions for functioning markets'.* Consumer Representative

A third group, constituting about 15% of respondents, raised significant questions over consumer groups' effectiveness. The most serious doubts came from consumer representatives and consumer orientated representatives of the European institutions who were looking for more support and input from consumer groups in their work.

One interviewee commented on the issue of consumer groups' perceived failure to use the opportunity created by the financial crisis to challenge the status quo of the current financial model, which could be seen as the main obstacle to consumer friendly financial services policy.

The policymakers in this group expressed the view that national consumer groups were not sufficiently engaged at European level and failed to make more resources available to their European umbrella organisations.

*'[National] consumer organisations should not only look at consumer policy at national level but also which positions their Government defends in the Council of Ministers and this has to be coordinated. The industry lobby does this and consumer bodies only do this on a very limited number of subjects.'* Policymaker

Another policymaker observed that *'the reality is that you get one voice from consumers and 20-25 from the industry'*.

It is worth noting that respondents' perceptions of effectiveness may have been affected by their views on the consumer protection environment in their own countries. Those with low levels of consumer protection, for example, may have correspondingly low expectations of the effectiveness of consumer representation.

## 2.2 Obstacles to effectiveness

There was great consistency across all respondents with regard to the key obstacles preventing consumer organisations' more effective engagement at European level. The following four key obstacles were mentioned by nearly all interviewees:

- a lack of resources in terms of the number of staff working on research, policy analysis and advocacy as well as financial resources to carry out consumer research;
- a lack of technical expertise especially with regard to more complex issues related to investment and financial markets, as well as the overall regulatory model;
- a lack of evidence and data that allows policymakers to quantify the impact of policy proposals on the economy, businesses and consumers;
- a lack of knowledge and understanding of the European policymaking process by national consumer bodies which makes it very difficult for them to engage with the right people at the right time.

### Resources

*'There are about 700 professional lobbyists in financial services in Brussels and compared to that BEUC has 1.5 positions working on financial services'*  
Policymaker

The majority of respondents identified this as the most important obstacle. One of the interesting features of the European policymaking process is the limited resource that some of its key institutions are being faced with. In one of its webinars<sup>4</sup>, a representative of Finance Watch highlighted the differences between the US system and the European system and set out that the biggest difference is that European policymakers have to rely on the evidence provided by lobbyists to a much greater extent because they don't always have the resources to carry out their own research. This is exacerbated by the failure of the European Parliament to provide impact assessments of their own positions. Clearly, policymakers in all institutions will challenge the evidence but the under-resourcing of the system allows lobbyists to set the agenda by focusing attention on areas and proposals chosen by them by providing evidence and data.

The lack of resource also means that consumer organisations are hampered in their internal prioritisation processes. In the new member states, funding is often project linked which means that consumer groups cannot freely allocate their resources to the most important issues, as project funding cannot be diverted to other issues. At the same time, EU 15 consumer groups also lack core funding for day-to-day activities like research and lobbying activities on European policymaking.

*"Our biggest obstacle is regular funding from the state. We need cofinancing to be able to participate in BEUC working groups. We have experts but we cannot ask them to dedicate their time to this and go there. We receive project work funding but this cannot be dedicated to regular day-to-day activities."* National Consumer Group

### Technical expertise

*"Industry is clearly more knowledgeable and closer to understanding the politics of the subject ...to really understand all this you need a lot of real world market*

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<sup>4</sup> Finance Watch [Webinar on Lobbying](#), 31 May 2013

*knowledge which often the consumer organisations do not have to the same extent.” Policymaker*

Consumer groups highlighted a lack of resource as their key obstacle, but policymakers were more likely to highlight consumer groups’ lack of technical expertise as the biggest obstacle to their effectiveness.

One consumer representative highlighted a lack of effective prioritisation processes within consumer groups, which, added to a lack of resource, contributed to a general failure to identify issues, challenges and weaknesses.

This lack of technical expertise affected their relationships with different stakeholders in the policymaking process in different ways. Regulators and Commission officials pointed out that consumer groups had limited expertise on prudential issues as well as those related to the securities markets. Both these topics have dominated the European financial services policy agenda over the last few years. There was general acknowledgement that consumer groups were much more informed about issues related to distribution and other general insurance and banking issues, including payment services.

There were some views that technical expertise is not an issue, particularly from the ESAs and representatives of the national regulators. The ESAs have pointed out that it is their job to find out the causes of any problems, not the stakeholder groups. The national regulators are also, in some circumstances, able to work with consumer groups to provide concrete data supporting issues that have been raised.

Consumer groups tend to focus on issues that are directly relevant to consumers. Most consumer organisations have to raise funds directly from consumers by creating products and services like magazines, product testing and comparison websites. It is therefore only natural that this also means that their resources are focused on everyday financial services products rather than wider reaching changes to the financial system as such work does not tend to generate any income.

Consumer groups come from different national markets and it can be the case that there is not a common European consumer agenda. For example, UK consumer groups tend to support product governance, earlier intervention and good outcomes, whereas others focus more on complaints handling and disclosure.

MEPs agreed that consumer representatives tended to lack technical knowledge but they also particularly highlighted the need for legal expertise in the drafting of amendments which also throws up one of the other issues in the European policymaking process, namely the lack of resources available to the European institutions themselves. MEPs do not only expect stakeholders to present them with drafts of amendments, they also highlighted the need for them to understand the wider regulatory framework applicable to the topic, so that draft amendments do not conflict with other existing financial services legislation or legal concepts applicable to the issue at hand. However, they also agreed that a lack of expertise on the more technical issues hampered consumers.

## **Lack of evidence and data**

*“[Lack of ]access to data significantly hampers effective consumer representation” Policymaker*

Both consumer groups and policymakers mentioned the lack of evidence and data as a major obstacle. However, policymakers often did struggle to grasp the challenges faced

by consumer groups when trying to gain access to data. The interviews also highlighted different issues related to different types of data.

The lack of access to data was also highlighted by a representative of Finance Watch who was aware that his organisation was in a better situation than many consumer and civil society organisations with regard to access to data but he nonetheless stressed that:

*"The fact is that we also have difficulties in accessing certain industry data, very expensive data reports where you pay EUR25,000 annually to get access to one spreadsheet, which we know has the information we need to build a certain argument... you need resources to build up a proper position, you need to run models."* Pan-European organisation

It was also pointed out that industry sources have an unequal access to data. One consumer group mentioned that it had taken some time and effort to obtain examples of 50 case studies for a particular campaign, whereas a single provider could have access to data on millions of policyholders.

### **Lack of access to the European policymaking process**

*"There is a lack of real knowledge – not just knowledge about when to get involved in the process but actual knowledge about what issues are where in the process."* Policymaker

Another obstacle that was raised by a significant number of interviewees was the fact that consumer groups often struggled to gain access to European policymakers. This was due firstly to a lack of understanding of the process and the necessary resources to keep in the loop and secondly, a policymaking culture that to a larger degree than in the UK and possibly other member states is based on personal relationships. As one policymaker put it: *"Brussels basically works on personal connections"*. However, at the same time, a significant proportion of policymakers stressed that this also meant that consumer groups could significantly increase their influence if they decided to commit more resources to this process.

Policymakers felt that the most common mistakes made by consumer groups were related to timing and a failure to identify and approach the right people early on in the process.

MEPs highlighted the issue of timing during the parliamentary process where consumer groups often only finalised their views immediately prior to the vote at which stage the proposal was unlikely to be changed. During the final stages of the negotiation process, the drafting of compromise amendments tends to be very non-transparent and consumer organisations can find it difficult to gain access to the relevant information and in turn influence the right people.

Some consumer representatives who are actively engaged at European level expressed the view that, at a working level, the contact with the Commission was generally good.

*"Whenever we have done it (approached Commission staff) we have actually received some response. We definitely received more response from them than we received from the national Government if we approached them in this way"*. National Consumer Representative

One interviewee commented that national organisations could find common ground with other organisations from countries with similar regulatory frameworks in order to present

more neutral approaches to third country MEPs. There was also a view that the Commission, although facilitating transparency at the legislative stages, could be clearer in its activities in the pre-proposal stage, and that this was an issue that is not restricted to consumer groups.

## Follow through

*"You need to do the actual, behind-the-scenes, hard work"* Pan European organisation

Several respondents mentioned that consumer groups should do more beyond initial lobbying to ensure that politicians and other decision makers follow through on initiatives. This could be interpreted as short-termism, whether deliberate or enforced. The need to follow up on initiatives should be a part of the prioritisation process, which had already been highlighted as lacking.

## 2.3 Good practice

Interviewees were asked to suggest good practice examples which could be applied to consumer representation in financial services. Respondents came up with a range of interesting proposals and individual initiatives. The most common suggestions were:

### Statutory backing for consumer representation

*"One of the problems there is that they (consumer groups) don't have any official role in the supervisory and regulatory process so it has to be an integral part and ideally [...] it would have statutory backing."* Policymaker

The UK Financial Conduct Authority's Financial Services Consumer Panel was mentioned repeatedly as a good practice example that fulfilled those requirements. The FCA is required by law to consider representations made by the Panel and various interviewees confirmed that the feedback provided by the FSCP is taken very seriously by the FCA.

The Commission operates the Financial Services User Group as a form of consumer panel. The group has statutory backing and a research budget as well as providing financial compensation for its members. This has enabled the group to produce a number of own-initiative research reports on issues that are particularly relevant to consumers e.g. a report on debt solutions. However, the Commission is not legally required to consider the representations made by the FSUG.

### Consumer protection objective for regulators

A further obstacle to effective consumer protection which was raised by respondents was the fact that a large number of European financial services regulators do not have consumer protection as one of their objectives. The benefits of the consumer protection objective for regulators were highlighted in the interview process when the view was expressed that the UK regulator, the FCA, is currently the best advocate for consumer protection.

*"At the moment the organisation that is doing the best advocacy in favour of consumers is the FSA<sup>5</sup> when it comes to financial services legislation They have figures, they have the technical expertise and now they have the mandate to do also consumer protection policy - what we are saying is they have 2000 people working on legislation."* Policymaker

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<sup>5</sup> Interview took place before April 2013

However, another interviewee noted that this improvement had been overdue on account of the previous poor reputation of the FSA on consumer protection issues.

### **Greater transparency in the decision making process**

The UK Food Standards Agency was mentioned as a good practice example in this regard. Its board meetings are open to the public and are web streamed. The minutes of the meeting and all meeting papers are also made publicly available and can be accessed and downloaded on its webpage.

### **Analysis of key issues**

It was acknowledged by one interviewee that EIOPA had made some progress in producing summary documents of policy papers, and that these could be more widely circulated. They would be even more useful if they specifically highlighted the consumer impact of policy work.

### 3. What needs to happen to facilitate effective consumer representation?

Following the analysis of the interviews and research, the Panel has come to the conclusion that expectations of what consumer groups can deliver are unrealistic and that policymakers must appreciate this. If institutions want consumer groups to be as effective as industry, they need to have a communications strategy in place for interacting with such groups. It is important to emphasise that consumer groups are not the research departments of other bodies, and themselves require access to evidence and data. Given the severe and evidenced difficulties with representation, the policy and lawmaking processes need to engage with consumer organisations to consider externally collected evidence and analyse issues through a consumer lens.

The Panel makes 7 recommendations to facilitate effective consumer dialogue:

#### 1. Consumer protection objective

Consumer protection should be a clear objective of the EU process, embedded within Commission policymaking (as it is the key initial actor and coordinates negotiations after), and also within the ESAs. At the national level, respondents also stated that governments could represent the interests of consumers more strongly at EU level.

In several member states consumer protection in financial services is dealt with by a Government Department or another official body which is quite separate from the regulatory authorities for financial services. This is a potential source of inefficiency for the European Supervisory Authorities' consumer protection remit, as their relationship is with the regulatory authorities. For example, their decision making is carried out by a joint board of supervisors which is made only of representatives of national regulators. Therefore there may be a risk that the national regulators' objectives may be in direct conflict with consumer protection.

The unrealistic expectation of policymakers as to the role and capacity of consumer representatives highlights the extent to which the system is broken. This is symptomatic of a very deep problem, and of the need for responsibility for embedding consumer issues to exist further 'up the chain' from the consumer representation point. One-way responsibility for putting the consumer point across is not practical or effective.

A key step to increase the effectiveness of consumer groups in the policymaking process would therefore be to encourage all financial services regulators to have a consumer protection objective which would mean that consumer protection would play a much bigger role not only in the supervisory regime but also in the drafting of financial services regulatory policy. The Panel believes this is an aspirational recommendation in an environment where not all regulators articulate their objectives, but it should be a starting point for consumer protection.

1. All financial services regulators should have a consumer protection objective.

The Panel also supports the consumer protection ('Article 9') objectives of the ESAs, and, given the make-up of the joint boards of supervisors outlined above, believes the ESAs should demonstrate more clearly how they are meeting their requirements to 'in promoting transparency, simplicity and fairness in the market for consumer financial products or services across the internal market'.

2. ESAs must demonstrate clearly how they are meeting their consumer protection objectives under Article 9.

## 2. Transparency, accountability and representation

The European Commission has undertaken significant positive reforms with regard to consumer representation. DG Markt has undertaken a review of its consultative groups and as a result has disbanded a number of them, as well as reconstituted the Payment Systems Markets Expert Group with an increased number of consumer representatives. Most importantly, it has also created its own consumer and civil society advisory group by setting up the FSUG and provided the group with significant financial resources.

However, issues remain with regard to access, transparency and accountability. These issues also apply to the other European institutions:

- a lack of transparency within the European institutions and during the policymaking process. This is evidenced by the continued use of closed stakeholder hearings by the Commission as well as a lack of publication of discussions in Council on legislative proposals.
- a lack of accountability of the institutions. Currently, the Commission is not required to respond formally to opinions from its FSUG consultative group and neither do the ESAs have to do this with regard to their stakeholder groups.
- a lack of representation: consumer representatives are still a minority on the ESA stakeholder groups. There is a need to have not only a sufficient number, but a sufficient number of adequately skilled, consumer representatives on the stakeholder groups. This could be addressed by a review of remuneration and expenses to attract well-qualified applicants. Additionally, the groups are currently not receiving any support to carry out their own research, although the Panel appreciates that this would require additional funding.
- Support for the stakeholder groups, including secretariat backup and summaries of key documents, would be beneficial, as well as targeted support for consumer representatives. This could include presentations, orientation sessions or targeted briefing sessions.

Accountability proposal:

3. Statutory requirements for all the ESAs to provide feedback to their stakeholder groups and for the Commission to provide feedback to the FSUG.

Representation proposals:

4. A review of remuneration and expenses to encourage the right balance of expertise on the ESA stakeholder groups.

5. Increased support and resource for the stakeholder groups

Specifically on transparency, there is little evidence of a well thought-through communications strategy for the key relevant bodies, such as Commission and ESAs and focusing in particular on the engagement of consumers and consumer representative groups. Such a strategy should be developed, encompassing channels such as stakeholder meetings, consultations, websites, events and live feeds.

Transparency proposal:

6. A clear communications strategy for European policymakers articulating how they take the needs of consumers into account.

### 3. Resource, data and technical expertise

The analysis of the current level of engagement by consumer groups in the European policymaking process shows four key obstacles to consumer groups' effectiveness:

- a lack of resources;
- a lack of technical expertise;
- a lack of evidence and data;
- a lack of knowledge and understanding of the European policymaking process by national consumer bodies.

At the same time the research shows that it will be impossible to put consumer groups on an equal footing with industry in terms of resources, technical expertise and evidence provision by simply providing more funding and increasing the existing model of consumer representation due to the huge gap that exists already and the industry's ability to make more resources available. Instead, ways in which consumer groups can improve their effectiveness by using existing resources more efficiently should be explored.

Consumer organisations in conjunction with the European institutions that have an interest in strengthening the consumer voice should therefore look at addressing the above issues in two ways:

- increasing the resources of consumer groups by pooling of resources and adding new "allies" that can help to augment their resources, and
- reducing the influence of industry by moving evidence gathering into a more neutral arena. Several interviewees mentioned that they are looking at ways of accessing more data and bringing more data into the evidence gathering process.

### 4. European consumer resource hub

There was significant support amongst respondents for investigating the feasibility of setting up a European consumer resource hub, in the form of a research centre which would systematically collect information from consumer organisations, academics, regulators and other sources and makes them available for research and consumer advocacy on legislative proposals.

Consumer groups and other stakeholders, like think-tanks, currently produce a lot of information and data but this is not always employed effectively because it has been produced by organisations that are currently not engaging in the European policymaking

process. In the UK, for example, a large amount of data is collected by bodies providing debt advice to consumers but their engagement at European level is restricted to a small number of issues affecting financially excluded consumers. Other information has been produced by academics but has not necessarily been earmarked as consumer research.

## 7. Investigate the feasibility of developing a European consumer data hub.

The information gathered by the research centre would be actively managed to ensure that information is categorized correctly and is actively employed in the lobbying process. There is therefore a need for financial resources to achieve this.

In addition, the centre should also be in a financial position to commission additional research on issues where gaps have been identified or where there is a need for a pan-European data gathering exercise.

Finally, the centre could also serve as a skills hub for national consumer groups who would like to actively engage at European level and follow the European policymaking process. This could take the form of key information on legislative proposals going through the institutions, with key documents, contacts, dates etc. being provided on the website.

Some of this information is currently available from BEUC and Finance Watch so there could be some form of cooperation between these bodies and the research centre. The aim of the centre would not be to replace Finance Watch or BEUC but to increase consumer groups' data and evidence provision abilities across all financial issues and to maximise the use of existing data.

A properly resourced consumer research centre would play an important role in decreasing the data and knowledge gap between industry and consumer organisations and creating an expertise hub for consumer data which would benefit not only consumers but also decision makers.

The Panel is aware that this would be a considerable task, and that it would require funding in an environment where resources are scarce. A starting point could be to address a single subject area, (such as complaints handling), and to build on this to extend into other areas.

The Panel welcomes views on whether the development of such a hub is practical and feasible, or whether resources would be better used by focusing on analysis of existing data sources.

## Appendix – the consumer representation landscape

### Pan-European consumer, non-industry and representative groups

	<b>Remit</b>	<b>Funding</b>	<b>Output</b>
BEUC Bureau Européen des Unions de Consommateurs	The main pan-European consumer body working on a number of issues relevant to consumers. In 2012 its members included 40 independent national consumer organisations from 30 European countries (EU, EEA and applicant countries).	Part-financed by subscriptions from national consumer organisations and is also financially supported by the European Commission.	Responds to consultations issued by the European Commission. Representatives of the organisation also regularly meet with European policymakers and are invited to give evidence to the European Parliament and the Commission and to speak at events.
Finance Watch	A public interest association dedicated to making finance work for the good of society by providing expertise on financial markets different from the expertise provided by financial institutions.	Receives European Union funding (administered by the Commission). It does not accept funding from the financial services industry.	Produces consultation responses, position papers, holds conferences and seminars. Representatives of Finance Watch have given evidence at hearings of the Economic and Monetary Affairs Committee of the European Parliament .
EuroFinuse	A public interest international organisation advocating and defending the interests of financial services users at European level to lawmakers and the public in order to promote training, research and information on investments, savings and personal finances	Depends on membership fees, grants and donations. It does not accept any funding from the financial industry or political parties.	Produces consultation responses, meets with Commission representatives and MEPs and drafts amendments to legislative proposals. It also meets with national decision makers to influence the negotiations in the Council of Ministers.
Financial Services User Group (FSUG)	To assist the Commission in the preparation and	Funded by the Commission.	Consultation responses to Commission

# Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

	<b>Remit</b>	<b>Funding</b>	<b>Output</b>
	monitoring of financial services policies having a potential impact on users of financial services.		consultations and consultations by other relevant bodies at the request of the Commission. The group also produces own-initiative reports and research on issues that members consider to be of importance to consumers and users of financial services.
European Supervisory Authorities (ESA) Stakeholder Groups	The regulations setting up the ESAs contain a requirement for them to set up stakeholder groups with a requisite minimum level of consumer representation.	Funded by the ESAs	Advice papers on draft technical standards and guidelines and own initiative reports.

**Appendix 2 – organisations interviewed**

BEUC

Danish Consumer Council (Forbrugerrådet)

European Banking Authority

European Banking Authority Stakeholder Group

European Insurance and Occupational Pensions Authority

European Insurance and Occupational Pensions Authority Insurance and Reinsurance  
Stakeholder Group

European Securities and Markets Authority

European Parliament

Finance Watch

Financial Services Authority/Financial Conduct Authority

Financial Services User Group

HM Treasury

Slovenian Consumers' Association (Zveza Potrošnikov Slovenije)

United Kingdom Permanent Representation to the European Union