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Empowering all citizens to become active consumers in financial products

Mobilising savings for a green and digital economic recovery is not just one of the objectives of the Capital Markets Union. It is a unique opportunity to unlock new funding for SMEs and corporates. It is a political imperative as citizens are demanding closer alignment between economic decisions and long-term sustainability goals.

The recent GameStop events in the US are a cautionary tale on direct retail investment in financial markets without appropriate consumer protection safeguards. In the EU, such safeguards are seemingly in place and should remain.

Our ultimate goal is to empower citizens to become active consumers in financial products, just as they are more and more active in scrutinising products in shops. There is still much to do to promote safe retail investment, with increased awareness, tailored information and renewed trust.

Firstly, we need to raise awareness that financial products are part of citizens' daily life, whether they are offered insurance when renting a car or buying appliances, they request a mortgage to buy their new home, or they save for retirement thanks to life insurance contracts or other financial products.

Increase consumers' attention to saving for longer-term goals is crucial to unlock financing potential in the EU's economy. Financial education is not only a matter for school and university courses, but rather as a life-long learning project. Work place trainings and regular financial checks are two concrete suggestions to tackle financial literacy in the EU.

Secondly, consumers should have access to information on all financial products, tailored to their needs and their understanding of financial markets. The EU has made a quantum leap with the PRIIPs Regulation, on the verge of being finally applicable across the whole investment landscape after ten years of debate.

So close to the finish line, better is the enemy of good: we will further improve the PRIIPs KID in the medium term. Most importantly, the PRIIPs Regulation has focused all distributors and providers on the value provided to end consumers, rather than the value they could derive from selling products.

A holistic review of the EU rulebook on distribution should aim at

empowering retail investors with relevant information to make informed decisions every step of their financial way. Integrating all dimensions of costs, performance, sustainability and rights for consumers, in an interactive digital format tailored for each consumer's needs, is an inspiring horizon for the next generation of consumer protection rules.

Ultimately, consumers will actively invest and use their financial power if and only if they regain trust in financial intermediaries. Consumers need to know and see that their financial interlocutors are their partners, and not just vendors. This renewed trust will come from a change of culture by financial intermediaries.

Co-building saving strategies together with consumers rather than offering ready-made packages and products; actively looking for the best investment solutions, tailored to each consumer's needs, rather than only presenting in-house products; fostering regular dialogue with each other rather than relying on passive disclosure: all these changes can be implemented in the short-term.