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Subject:	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 <i>-Presidency proposal for a general approach</i>

Delegations will find below the Presidency proposal for a general approach on the above Commission proposal in view of the meeting of COREPER (Part 2) on 20 December 2013.

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**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

After consulting the European Data Protection Supervisor³,

Acting in accordance with the ordinary legislative procedure,

Whereas:

¹ OJ C , , p. .

² OJ C , , p. .

³ OJ C xx, xx.xx.xxx, p. .

- (1) In accordance with Article 26(2) TFEU the internal market is to comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured. Fragmentation of the internal market is detrimental to competitiveness, growth and job creation within the Union. Eliminating direct and indirect obstacles to the proper functioning of the internal market is essential for its completion. EU action with respect to the internal market in the retail financial services sector has already substantially contributed to developing cross-border activity of payment service providers, improving consumer choice and increasing the quality and transparency of the offers.
- (2) In this respect, Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC, and 2006/48/EC and repealing Directive 97/5/EC ("Payment Services Directive") has established basic transparency requirements for fees charged by payment service providers in relation to services offered on payment accounts. This has substantially facilitated the activity of payment service providers, creating uniform rules with respect to the provision of payment services and the information to be provided, reduced the administrative burden and generated cost savings for payment service providers.
- (3) However, more can be done to improve and develop the single market for retail banking. In particular, the lack of transparency and comparability of fees as well as the difficulties in switching payment accounts still pose barriers to the deployment of a fully integrated market.

- (4) The current conditions of the Single Market may deter payments services providers from exercising their freedom to establish or to provide services within the Union because of the difficulty in attracting customers when entering a new market. Entering new markets often entails large investments. Such investments are only justified if the provider foresees sufficient opportunities and a corresponding demand from consumers. The low level of mobility of consumers with respect to retail financial services is to a large extent due to the lack of transparency and comparability as regards the fees and services on offer, as well as difficulties in relation to the switching of payment accounts. These factors also stifle demand. This is particularly true in the cross-border context.
- (5) Moreover, significant barriers to the completion of the single market in the area of payment accounts may be created by the fragmentation of existing national regulatory frameworks. Existing provisions at national level with respect to payment accounts, and particularly with respect to the comparability of fees and payment account switching diverge. For switching, the lack of uniform binding measures at EU level has led to divergent practices and measures at national level. These differences are even more marked in the area of comparability of fees, where no measures, even of a self-regulatory nature, exist at EU level. Should these differences become more significant in the future, as banks tend to tailor their practices to national markets, this would raise the cost of operating cross-border relative to the costs faced by domestic providers and therefore make the pursuit of business cross-border less attractive. Cross-border activity in the internal market is hampered by obstacles to consumers opening a payment account abroad. Existing restrictive eligibility criteria may prevent European citizens from moving freely within the Union. Providing all consumers with access to a payment account will permit their participation in the internal market and allow them to obtain the benefits of the single market.

- (6) Moreover, since some prospective customers do not open payment accounts, either because they are denied them or because they are not offered adequate products the potential demand for payment account services in the EU is currently not fully exploited. Wider consumer participation in the internal market would further incentivise payment service providers to enter new markets. Also, creating the conditions to allow all consumers to access a payment account is a necessary means to foster their participation in the internal market and to allow them to reap the benefits the Single Market has brought about.
- (7) Transparency and comparability of fees have been addressed in a self-regulatory initiative, initiated by the banking industry. However, no final agreement was found on these guidelines. As regards switching, the common principles established in 2008 by the European Banking Industry Committee provide a model mechanism for switching between payment accounts offered by credit institutions located in the same Member State. However, given their non-binding nature, these principles have been applied in an inconsistent manner throughout the EU and with ineffective results. Moreover, the Common Principles only address payment account switching at national level and do not address cross-border switching. Finally, as regards access to a basic payment account, the Commission Recommendation 2011/442/EU of 18 July 2011 invited Member States to take the necessary measures to ensure its application at the latest six months after its publication. To date, only few Member States comply with the main principles of the Recommendation.

- (8) It is vital, therefore, to establish a uniform set of rules to tackle the issue of low customer mobility and in particular to improve comparison of payment account services and fees and to incentivise payment account switching as well as avoid that consumers who intend to purchase a payment account cross-border are discriminated on the basis of residency. Moreover, it is essential to adopt adequate measures to foster customers' participation in the payment accounts market. These measures will incentivize entry for credit institutions in the internal market and ensure a level playing field, thereby strengthening competition and the efficient allocation of resources within the EU financial retail market to the benefit of businesses and consumers. Also, transparent fee information and switching possibilities combined with the right of access to basic payment account services will allow EU citizens to move and shop around more easily within the Union and therefore benefit from a fully functioning internal market in the area of retail financial services and contribute to its further development.
- (8a) This Directive shall not preclude Member States from retaining or adopting more stringent provisions in order to protect consumers, provided that such provisions are consistent with their obligations under Union law and this Directive.
- (9) This Directive applies to credit institutions and payment accounts through which consumers are able to carry out the following transactions: deposit funds and withdraw cash, execute and receive payment transactions to and from third parties, including the execution of credit transfers. As a consequence, accounts with more limited functions are excluded. For example, accounts such as savings accounts, credit card accounts, where funds are usually paid in for the sole purpose of repaying a credit, current account mortgages or e-money accounts are in principle excluded from the scope of the Directive. However, should these accounts be used for day-to-day payment transactions and contain all of the functions listed above, they will be captured. Member States may choose to extend the application of this Directive to other payment service providers and other payment accounts, e.g. those which offer more limited payments functions.

- (10) The definitions contained in the Directive are aligned with those contained in other Union legislation as far as possible, and in particular those of Directive 2007/64/EC and those of Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009⁴.
- (11) It is vital for consumers to be able to understand fees so that they can compare offers from different credit institutions and make informed decisions as to which payment account is most suitable for their needs. Comparison between fees cannot be achieved where credit institutions use different terminology for the same services and provide information in different formats. Standardised terminology, coupled with targeted fee information presented in a consistent format covering the most representative services linked to a payment account, can help consumers to both understand and compare fees.
- (12) Consumers would benefit most from information that is concise and easy to compare between different credit institutions. The tools made available to consumers to compare payment account offers would not have a positive impact if the time invested in going through lengthy lists of fees for different offers outweighed the benefit of choosing the offer that represents the best value. Accordingly, fee terminology should only be standardised for the most representative terms and definitions within Member States in order to avoid the risk of excessive information.

⁴ OJ L 94, 30.3.2012, p. 22.

- (13) The fee terminology should be determined by Member States, allowing for consideration of the specificities of local markets. To be considered representative, services should be subject to a fee at a minimum of one credit institution in a Member State. In addition, where the services are common to a majority of Member States, the terminology used to define such services should be standardised at EU level, thus allowing for better comparison of payment account offers across the Union. The European Banking Authority (EBA) should provide the Commission with an opinion on the criteria Member States should apply when determining the most representative services linked to a payment account and subject to a fee at national level. The Commission should thereafter issue a Recommendation on the application of the criteria to Member States to ensure sufficient homogeneity of the national lists.
- (14) Once Member States have determined a provisional list of the most representative services subject to a fee at national level together with terms and definitions, the EBA should review them in order to identify the services that are common to the majority of Member States and propose standardised EU level terms and definitions for them in all the official languages of the Union by means of guidelines. The EBA may designate more than one EU level term to a common service in order to take into account national specificities, for example, where different terms are used for the same service in different Member States, using the same language. Competent authorities should then integrate any applicable EU terms into their provisional lists and publish those lists.

(15) In order to help consumers compare payment account fees throughout the single market easily, credit institutions should provide consumers with a list of fees charged for the services listed in the national list integrating the applicable EU level terminology. This would also contribute towards establishing a level playing field between credit institutions competing in the payment account market. The fee information document should contain only services from the national list. Where a credit institution does not offer a service from the national list, it should indicate this by e.g. marking the service as 'not offered' or 'not applicable'. Member States should be able to require to include in the fee information document key indicators such as a comprehensive cost indicator summarising the overall annual cost of the payment account for consumers. In order to help consumers understand the fees they have to pay for their payment account, a glossary providing explanations for at least the fees and services contained in the fee information document should be made available to them. The glossary should serve as a useful tool to encourage a better understanding of the meaning of fees, contributing towards empowering consumers to choose from a wider choice of payment account offers. An obligation should also be introduced for credit institutions to inform consumers, at least annually, of all the fees charged on their payment account including, if applicable, the overdraft fees. This is without prejudice to the provisions on overdraft services Directive 2008/48/EC of the European Parliament and the Council on credit agreements for consumers. Ex-post information should be provided in a dedicated summary. It should provide an overview of all the fees incurred in relation to the use of the payment account and linked services to enable a consumer to understand what fee expenditures relate to, and to assess the need to either modify consumption patterns or move to another provider. This benefit would be maximised by the ex-post fee information presenting the most representative services in the same order as the ex-ante information.

- (16) To meet the needs of consumers, it is necessary to ensure that fee information on payment accounts is accurate, clear and comparable. This Directive should therefore lay down common presentation requirements for the fee information document and the statement of fees, in order to ensure that they are understandable and comparable for consumers. The same format, order of items and headings should be followed for fee information document and statement of fees by every credit institution in one Member State, allowing consumers to compare the two documents, thereby maximising understanding and use of the information. The fee information document and statement of fees should be clearly distinguishable from other communications by using a common symbol.
- (17) In order to ensure the consistent use of applicable EU level terminology across the Union, Member States should establish an obligation for credit institutions to use the applicable EU level terminology together with the remaining national standardised terminology identified in the provisional list when communicating with consumers, including in the fee information document and the statement of fees. In addition to the standardised terms credit institutions may use brand names in their contractual and commercial information, in the fee information document and statement of fees to denote services. Any use of brand names should be secondary to the standardised terms, such as in brackets or of the smaller size.
- (18) Comparison websites are an effective means for consumers to assess the merits of different payment account offers in a single space. They should aim at including the broadest possible range of offers, so as to give a representative overview, while also covering a significant part of the market. They can also reduce search costs as consumers will not need to collect information separately from credit institutions.

(19) In order to obtain impartial information on bank fees, consumers should be able to access comparison websites which are operationally independent from credit institutions, which means that any credit institution should not be given favourable treatment in search results. Member States should ensure that at least one such website is available to consumers in their respective territories. Such comparison websites may be operated by competent authorities, other public authorities and/or private operators. The function of comparing fees connected to payment accounts may be fulfilled also by existing websites comparing a broad range of financial or non-financial products. The website shall operate in accordance with specified quality criteria including the requirement to provide up-to-date information and cover a sufficiently broad overview of the market. Member States may determine how often comparison websites should review and update the information they provide to consumers, taking into account the frequency with which credit institutions generally update their fee information. Member States should also determine what constitutes a sufficiently broad overview of the market by assessing for example, how many credit institutions exist and therefore whether a simple majority or less would be sufficient and/or market share and/or their geographic location. A comparison website should compare the fees of services contained in the national list integrating EU level terminology. They may also compare other information, e.g. information on determinants of the level of services provided by credit institutions, such as the number of branches or ATMs. Where there is only one website in a Member State and this website ceases to operate or ceases to comply with the quality criteria, the Member State should ensure that consumers have access to another comparison website at national level within a reasonable time.

- (20) It is current practice for credit institutions to offer a payment account in a package with other financial products or services such as insurance products or financial advice. This practice can be a means for credit institutions to diversify their offer and to compete against each other, and in the end it can be beneficial for consumers. However the Commission study on tying practices in the financial sector conducted in 2009 as well as relevant consultations and consumer complaints have showed that payment service providers may offer payment accounts packaged with products not requested by consumers and which are not essential for payment accounts, such as household insurance. Moreover, it has been observed that these practices may reduce transparency and comparability of prices, limit purchasing options for consumers and negatively impact upon their mobility. Therefore, Member States should ensure that when credit institutions offer packaged payment accounts consumers are provided with information on the applicable fees for the payment account and for each other service included in the package, where such services are also offered separately from the payment account and where it is possible to do so.

- (20a) The process for switching bank accounts should be harmonised across the EU. At present, existing measures at national level are extremely diversified and do not guarantee an adequate level of protection of consumers in all Member States. The provision of legislative measures establishing the main principles to be followed by credit institutions when providing such service in every state of the Union would improve the functioning of the internal market for both consumers and credit institutions. On the one hand, it will guarantee a level-playing field for consumers who may be interested in opening a payment account in a different Member State, as it will ensure that an equivalent level of protection is offered. On the other hand, it will reduce the differences between the regulatory measures in place at national level and will therefore reduce the administrative burden for credit institutions which intend to offer their services cross-border. As a consequence, the measures on switching will facilitate the provision of services related to payment accounts within the internal market.
- (21) Consumers are only incentivised to switch payment accounts if the process does not entail an excessive administrative and financial burden. Therefore, credit institutions should offer to consumers a clear and quick procedure to switch payment accounts, including payment accounts with basic features. Such procedure should be guaranteed when consumers want to switch from one credit institution to another but also when consumers want to switch between different payment accounts within the same credit institution. This will allow consumers to benefit from the most convenient offers on the market and easily change from their existing payment account to other potentially more suitable one, irrespective of whether this occurs within the same credit institution or between different credit institutions. The fees, if any, charged by credit institution in relation to the switching service should be in line with the actual costs incurred by credit institution. The need to switch payment accounts between credit institutions located in different Member States should be evaluated in the context of the review of the proposed Directive, as well as the need for standardised documents to enhance the switching process.

- (22) The switching process should be as straightforward as possible for the consumer. Accordingly Member States should ensure that the receiving credit institution is responsible for initiating and managing the process on behalf of the consumer. Member States may use additional means, such as a technical solution, when establishing the switching service. Such additional means may exceed the requirements of this Directive, for example, the switching service may be provided in a shorter timeframe or credit institutions may be required to ensure, upon a consumer's request, the automated routing of credit transfers received on the former account to the new account for a set limited period starting from the authorisation.
- (23) Consumers should be allowed to ask the receiving credit institution to perform the switch of all or part of the standing orders for credit transfers, recurring direct debits and incoming credit transfers executed on a payment account, as well as transferring the remaining balance or closing the former payment account, ideally within a single meeting with the receiving credit institution. To this end, consumers should be able to sign one authorisation giving consent to each of the mentioned tasks. Member States may require that the authorisation from the consumer is in writing, but may choose to accept equivalent means where appropriate, for example where an automated system for switching is in place. Before giving the authorisation the consumer should be informed of all the steps of the procedure necessary to complete the switch.
- (24) The co-operation of the transferring credit institution is necessary for the switch to be successful. The receiving credit institution should be provided by the transferring credit institution with all the information necessary to reinstate the payments on the other payment account. However, such information should not exceed what is necessary to carry out the switch.
- (25) Consumers should not be subject to financial losses caused by any mistakes made by either of the credit institutions involved in the switching process. In particular, consumers should not bear any financial loss deriving from the payment of additional fees, interest or other charges as well as fines, penalties or any other type of financial detriment due to the delay in the execution of the payment.

- (26) Member States should guarantee that consumers who intend to open a payment account are not discriminated against on the basis of their nationality or place of residence. While it is important for credit institutions to ensure that their customers are not using the financial system for illegal purposes such as fraud, money laundering or terrorism financing, they should not impose barriers to consumers who want to benefit from the advantages of the single market by purchasing payment accounts cross-border.
- (27) Consumers who are legally resident in the Union and who do not hold a payment account in a certain Member State should be in a position to open and use a payment account with basic features in that Member State. The concept of ‘legally resident in the Union’ should cover both EU citizens and third country nationals who already benefit from rights conferred upon them by Community acts such as 1) Regulation (EEC) No 1408/71 (on the application of social security schemes to employed persons and their families moving within the Community), 2) Council Directive 2003/109/EC of 25 November 2003 concerning the status of third country nationals who are long-term residents, 3) Council Regulation (EC) No 859/2003 of 14 May 2003 extending the provisions of Regulation (EEC) No 1408/71 and Regulation (EEC) No 574/72 (also for social security) to nationals of third countries who are not already covered by those provisions solely on the ground of their nationality and 4) Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States. It should also include people seeking asylum under the Geneva Convention of 28 July 1951 and Protocol of 31 January 1976 relating to the status of the refugees and other relevant international treaties. Furthermore, Member States may extend the concept of recipient to other third country nationals that are present within their territory.

- (27a) In order to ensure the widest possible access to such payment accounts, consumers should have access to them irrespective of their financial circumstances, such as unemployment or personal bankruptcy, and of their place of residence. Moreover, the right to access a payment account with basic features in any Member State should be granted in conformity with the requirements set out in Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing⁵, in particular with regard to customer due diligence procedures. In addition, credit institutions may require that a consumer who applies for a payment account with basic features has an objectively justifiable interest in opening the payment account in that Member State. An objectively justifiable interest can, e.g. be derived from the fact that the applicant temporarily or permanently resides, works, or studies in that Member State, is a citizen or owns property in that Member State. When identifying additional cases where credit institutions can refuse to offer payment accounts to consumers, Member States may include, amongst others, reasons of public security or public policy where provided under the Directive 2004/38/EC.
- (28) Member States should ensure that one or more credit institutions offer payment accounts with basic features to consumers. Access should not be overly difficult and should not entail excessive costs for consumers. In order to minimise the risk for consumers to become financially excluded, Member States should improve financial education, including at school, and combat over-indebtedness. Furthermore, Member States should promote initiatives of credit institutions in order to facilitate the combination of providing payment accounts with basic features and financial education.

⁵ OJ L 309, 25.11.2005, p. 15.

- (28a) Some Member States already have measures that ensure that consumers have access to payment accounts with basic features in their territories. Where this is the case, Member States may maintain those measures, irrespective of whether those measures are provided for in national law or otherwise, insofar as they meet the requirements of this Directive. This would also entail the case where the law of a Member state entitles any natural person to open a payment account with basic features with payment service providers other than credit institutions. This Member state should be considered to have fulfilled its obligation to ensure that payment accounts with basic features are offered to consumers.
- (29) Credit institutions may be allowed to refuse the opening of a payment account with basic features to consumers who already hold a payment account in the same Member State and can use it. In order to verify whether or not a consumer already holds a payment account, credit institutions may for example accept a declaration by consumers.
- (30) Consumers should be guaranteed access to a range of basic payment services, for which a minimum number of operations may be determined by Member States. Services linked to payment accounts with basic features should include the facility to deposit funds and withdraw cash. Consumers should be able to undertake essential payment transactions such as receiving income or benefits, paying bills or taxes and purchasing goods and services, including via direct debit, credit transfer and the use of a payment card. Such services should allow the purchase of goods and services online and should give consumers the opportunity to initiate payment orders via the credit institution's online banking facility, where available. However, a payment account with basic features should not be restricted to online usage as this would create an obstacle for consumers without internet access. In order to ensure that payment accounts with basic features are available to the widest possible range of consumers, they should be offered free of charge or for a reasonable fee, which may depend on the level of banking inclusion of the consumer. Furthermore, any additional charges to the consumer for non-compliance with the terms laid down in the contract should be reasonable. Member State should establish what constitutes a reasonable fee according to national circumstances.

- (30a) When identifying the services to be offered with a payment account with basic features and a minimum number of operations to be included, national specificities should be taken into account. In particular, certain services may be considered essential to guarantee full use of a payment account in a certain Member State, due to their widespread use at the national level. For example, in some Member States consumers still widely use cheques, while this means of payment is very rarely used in other Member States. The present Directive should therefore allow Member States to identify additional services that are considered essential at the national level and that should be provided with a payment account with basic features. Also, a Member State should ensure that the fees charged by credit institutions for the offer of such additional services in relation to a payment account with basic features are reasonable. Beyond these services, credit institutions may apply their regular fees.
- (31) Member States may allow credit institutions to provide consumers with an overdraft facility in relation to payment accounts with basic features, to be provided only upon consumer request. Moreover, Member States should be allowed to determine a maximum period of time as well as a maximum amount for the offer of overdraft facilities. Finally, credit institutions must comply with the provisions of Directive 2008/48/EC when offering overdraft facilities in conjunction with a payment account with basic features.
- (32) The credit institution should refuse to open or should terminate a contract for a payment account with basic features only in specific circumstances, such as non-compliance with the legislation on money laundering and terrorist financing or on the prevention and investigation of crimes. Even in these cases, a refusal can only be justified where the consumer does not comply with the provisions of that legislation and not because the procedure to check compliance with the legislation is too burdensome or costly. Moreover, Member States should be allowed to take into account limited specific additional causes for termination that are commonly inserted in contractual arrangements for opening a payment account. This applies, for example, where a consumer threatens or abuses staff of the credit institution or where there is a strong suspicion that the payment account may be used for illegal or fraudulent purposes.

- (33) Clear and comprehensible information on the right to a payment account with basic features should be provided by Member States and credit institutions to consumers. The information should cover the main features and conditions for using the payment account and also the steps consumers should follow to exercise their right to open a payment account with basic features. Notably, consumers should be informed that the purchase of additional services is not compulsory in order to access a payment account with basic features.
- (34) Member States should designate competent authorities that are empowered to ensure enforcement of this Directive and that are granted investigation and enforcement powers. Designated competent authorities shall have adequate resources for the performance of their duties. Competent authorities could act for certain aspects of this Directive by application to courts competent to grant a legal decision, including, where appropriate, by appeal. This could enable Member States, in particular where provisions of this Directive were transposed into civil law, to leave the enforcement of these provisions to the above mentioned bodies and courts. Member States should be able to designate different competent authorities in order to enforce the wide ranging obligations laid down in this Directive. For instance, for some provisions, Member States could designate competent authorities responsible for the enforcement of consumer protection, while for others, they could decide to designate prudential supervisors. The ability to designate different competent authorities should not affect the obligations for on-going supervision and cooperation between the competent authorities, as foreseen in this Directive. The enforcement of this Directive by competent authorities does not hinder Member States to determine that especially in cases where Member States transpose the provisions of this Directive into civil law, the decision of individual cases concerning the application of civil law is the exclusive responsibility of the competent courts.

(35) Consumers should have access to effective and efficient out-of-court redress procedures for the settlement of disputes arising out of rights and obligations established under this Directive. Such access is already ensured by Directive 2013/11/EU insofar as relevant contractual disputes are concerned. However, consumers should also have access to out-of-court redress procedures in the event of -pre-contractual disputes concerning rights and obligations established by this Directive, e.g. when they are denied access to a payment account with basic features. This Directive therefore provides that consumers should have access to out-of-court redress procedures for the settlement of disputes concerning rights and obligations established by this Directive, without distinguishing between contractual and pre-contractual disputes. Such out-of-court redress procedures and the entities offering them should comply with the quality requirements established by Directive 2013/11/EU. Compliance with the provisions laid down in this Directive requires the processing of consumers' personal data. Such processing is governed by Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data⁶. The present Directive should therefore comply with the rules established in Directive 95/46/EC and the national laws implementing them.

(36) (...)

⁶ OJ L 281, 23.11.1995, p. 31.

- (37) In order to ensure uniform conditions for the implementation of this Directive, implementing powers should be conferred on the Commission. These powers relate to the definition of the format of the fee information document, its common symbol and the order in which the services contained in it shall be presented, as well as to the format of the statement of fees, its common symbol and the order in which the services contained in it shall be presented. These powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.
- (38) Within three years from entry into force of this Directive and every three years thereafter, Member States should obtain reliable annual statistics on the functioning of the measures introduced by the present Directive. They should use any relevant sources of information and communicate that information to the Commission.
- (39) A review of this Directive should be carried out five years after its entry into force in order to take account of market developments, such as the emergence of new types of payment accounts and payment services, as well as developments in other areas of Union law and the experiences of Member States. The review should assess whether the measures introduced have improved consumer understanding of payment account fees, the comparability of payment accounts and the ease of switching payment accounts. It should also determine how many basic payment accounts have been opened including by previously unbanked consumers. . Also, it should assess whether the provisions on the information to be provided by credit institutions when offering packaged products are sufficient or whether additional measures are needed. The Commission should submit a report to the European Parliament and the Council accompanied, if appropriate, by legislative proposals.

- (40) This Directive respects fundamental rights and observes the principles recognised by the Charter of the Fundamental Rights of the European Union.
- (41) In accordance with the Joint Political Declaration of Member States and the Commission of 28 September 2011 on explanatory documents⁷, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a Directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.

HAVE ADOPTED THIS DIRECTIVE:

⁷ OJ C 369, 17.12.2011, p. 14.

CHAPTER I

SUBJECT MATTER, SCOPE AND DEFINITIONS

Article 1

Subject matter and scope

1. This Directive lays down rules concerning the transparency and comparability of fees charged to consumers on their payment accounts held within the Union and rules concerning the switching of payment accounts within a Member State.

2. This Directive also defines a framework for the rules and conditions according to which Member States shall guarantee a right for consumers to open and use payment accounts with basic features in the Union.
 - 2a. This Directive shall apply to credit institutions within the meaning of Article 4(1)(1) of Regulation 575/2013, located in the Union.

 - 2b. Member States may waive the application of all or part of the provisions in this Directive to the institutions referred to in Article 2(5) of Directive 2013/36/EU.

 - 2c. This Directive shall apply to payment accounts through which consumers are able at least to:
 - (a) deposit funds on a payment account;

(b) withdraw cash from a payment account;

(c) execute and receive payment transactions, including credit transfers, to and from a third party.

3. The opening and use of a payment account with basic features, pursuant to this Directive shall be in conformity with the provisions of Directive 2005/60/EC.

4. (...)

5. Member States may extend the application of all or part of the provisions in this Directive to other payment service providers as defined in Article 4(9) of Directive 2007/64/EC and to payment accounts other than those referred to in paragraph 2c.

Article 2

Definitions

For the purposes of this Directive, the following definitions shall apply:

(a) ‘consumer’ means any natural person who is acting for purposes which are outside his trade, business, craft or profession;

(b) ‘payment account’ means an account held in the name of one or more consumers which is used for the execution of payment transactions;

- (ba) 'payment account with basic features' means a payment account provided by a credit institution to a consumer in line with the provisions in Articles 15 to 19 of this Directive.
- (c) 'payment service' means a payment service as defined in Article 4(3) of Directive 2007/64/EC;
- (ca) 'services linked to a payment account' mean any financial or non-financial service related to the opening, maintenance and closing of a payment account including payment services, overdraft facilities and overrunning.
- (d) 'payment transaction' means an act, initiated by the payer or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee;
- (e) (...)
- (ea) 'credit institution' means a credit institution as defined in Article 4(1)(1) of Regulation 575/2013;
- (f) 'payment instrument' means a payment instrument as defined in Article 4(23) of Directive 2007/64/EC;
- (g) 'transferring credit institution' means the credit institution from which the information required to perform the switching is transferred;

- (h) 'receiving credit institution' means the credit institution to which the information required to perform the switching is transferred;
- (i) 'payer' means a natural or legal person who holds a payment account and allows a payment order from that payment account or, where there is no payment account, a natural or legal person who gives a payment order;
- (j) 'payee' means a natural or legal person who holds a payment account and who is the intended recipient of funds which have been the subject of a payment transaction;
- (k) 'fees' means the charges, if any, payable by the consumer to the credit institution for the provision of services linked to a payment account;
- (l) 'durable medium' means any instrument which enables the consumer to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored;
- (m) 'switching' or 'switching service' means a service provided in accordance with Article 10.
- (n) 'direct debit' means a national or cross-border payment service for debiting a payer's payment account, where a payment transaction is initiated by the payee on the basis of the payer's consent;

- (o) 'credit transfer' means a national or cross-border payment service for crediting a payee's payment account with a payment transaction or a series of payment transactions from a payer's payment account by the credit institution which holds the payer's payment account, based on an instruction given by the payer;
- (p) 'standing order' means an instruction given by the payer to the credit institution which holds the payer's payment account to execute credit transfers at regular intervals or at predetermined dates;
- (q) 'funds' means banknotes and coins, scriptural money and electronic money as defined in Article 2(2) of Directive 2009/110/EC⁸;
- (r) 'framework contract' means a payment service contract which governs the future execution of individual and successive payment transactions and which may contain the obligation and conditions for setting up a payment account.
- (s) 'business day' means a day on which the relevant credit institution of the payer or the payment service provider of the payee involved in the execution of a payment transaction is open for business as required for the execution of a payment transaction.
- (t) 'legally resident in the Union' means a natural person who has the right to reside in a Member State by virtue of Community Acts or national laws, including persons awaiting a decision from the Member State on an application for asylum;

⁸ OJ L 267, 10.10.2009, p. 7.

- (u) 'overdraft facility' means an explicit credit agreement whereby a credit institution makes available to a consumer funds which exceed the current balance in the consumer's payment account;
- (v) 'overrunning' means a tacitly accepted overdraft whereby a credit institution makes available to a consumer funds which exceed the current balance in the consumer's payment account or the agreed overdraft facility.

CHAPTER II

COMPARABILITY OF FEES CONNECTED WITH PAYMENT ACCOUNTS

Article 3

List of the most representative services linked to a payment account and subject to a fee at national level and standardised terminology

1. Member States shall communicate to the Commission and the EBA a provisional list of at least 10 and up to 20 the most representative services linked to a payment account and subject to a fee at national level. The list shall contain terms and definitions for each of the services identified.

2. EBA shall provide the Commission with an opinion pursuant to Article 34 of Regulation (EU) No 1093/2010 on the criteria Member States should use when determining the provisional lists, within 6 months of the entry into force of this Directive. When determining the criteria, it shall have regard at least to:
 - (1) the services most commonly used by consumers in relation to their payment account;

 - (2) the services, which generate the highest cost for consumers per service;

 - (3) the services, which generate the highest overall costs for consumers;

 - (3a) different methods used to initiate payment transactions.

(4) (...)

(5) (...)

(...)

- 2a. For the purposes of paragraph 1, the Commission will issue a Recommendation on the application of the criteria that Member States shall use when establishing the provisional list, taking into consideration the opinion provided by EBA in accordance with paragraph 2.

Member States shall communicate the provisional lists to the Commission and the EBA within 6 months of the adoption of the Recommendation.

3. (...)

4. The EBA shall on the basis of the provisional lists submitted pursuant to paragraph 1, develop guidelines concerning an EU standardised terminology for those services that are common to at least a majority of Member States within 24 months after the entry into force of this Directive and provide those guidelines to the competent authorities referred to in Article 20. The EU standardised terminology will include common terms and definitions for the common services and will be made available in the official languages of the Union. There may be more than one common term per service within an official language of the Union.

5. Member States shall ensure that competent authorities integrate, where applicable, the EU standardised terminology provided pursuant to paragraph 4 into the provisional list referred to in paragraph 1 and shall publish this list without delay and at the latest within 3 months of receipt of the EBA guidelines.

Article 4

Fee information document and glossary

1. Without prejudice to Article 42(3) of Directive 2007/64/EC and Chapter II of Directive 2008/48/EC Member States shall ensure that in good time before entering into a contract for a payment account with a consumer, credit institutions provide the consumer with a fee information document on paper or other durable medium containing the list of the most representative services referred to in paragraph 5 of Article 3 and, where this service is offered by a credit institution, the corresponding fees for each service.
 - 1a. The fee information document shall:
 - (a) be a short and stand-alone document;
 - (b) be presented and laid out in a way that is clear and easy to read, using characters of readable size;
 - (c) not be less comprehensible in the event that it is printed or photocopied in black and white, where it is originally produced in colour;
 - (d) be written in the official language of the Member State where the payment account is offered or, if agreed by the consumer and the credit institution, in another language;
 - (e) be accurate, not misleading and expressed in the currency of the payment account or, if agreed by the consumer and the credit institution, in another currency of the Union;
 - (f) contain the title “fee information document” at the top of the first page next to a common symbol to distinguish the document from other documentation;

- (g) include a statement that it contains fees for the most representative services related to the payment account and that complete pre-contractual and contractual information on all the services is provided in other documents.

Member States may determine that for the purposes of paragraph 1 the fee information document may be provided together with information required pursuant to the Article 42(3) of Directive 2007/64/EC as long as all the requirements of sub-paragraphs (a) to (g) are met.

- 2. Where one or more services referred to in paragraph 1 is offered as part of a package of services, the fee information document shall disclose which of the services referred to in paragraph 1 are included in the package, the quantity of each service and the fee for the entire package.
- 3. (...)
- 3a. Member States shall define the format of the fee information document, its common symbol and the order in which the services referred to in paragraph 5 of Article 3 shall be presented in the fee information document, having regard to paragraphs 1a and 2.
- 4. Member States shall ensure that credit institutions make available to consumers a glossary of at least the list of services referred to in paragraph 1 and the related definitions.
- 5. Member States shall establish an obligation for credit institutions to use terms and definitions as referred to in Article 3(5) in the glossary. Other definitions, if any, contained in the glossary shall be drafted in easily understandable words and in clear and comprehensible form.

6. The fee information document and the glossary shall be made available to consumers at any time by credit institutions. They shall be provided in an easily accessible manner, where available in electronic form on their websites, in the premises of credit institutions accessible to consumers and shall be provided on paper or other durable medium free of charge upon request by a consumer.
7. (...)

Article 5

Statement of fees

1. Without prejudice to Articles 47 and 48 of Directive 2007/64/EC and Article 12 of Directive 2008/48/EC Member States shall ensure that credit institutions provide the consumer free of charge with a statement of all fees incurred for services linked to a payment account at least annually on paper or other durable medium.
2. The statement referred to in paragraph 1 shall specify at least the following information:
 - (a) the unit fee charged for each service and the number of times the service was used during the relevant period, and where the consumer bought different services combined in a package, the fee charged for the package of services and the number of times the package fee was charged during the relevant period;
 - (b) the total amount of fees incurred for each service and each package of services provided during the relevant period;
 - (c) the total amount of fees incurred for all services provided during the relevant period.

2a. The statement of fees shall be:

- (a) presented and laid out in a way that is clear and easy to read, using characters of readable size;
- (b) accurate, not misleading and expressed in the currency of the payment account or, if agreed by the consumer and the credit institution, in another currency;
- (c) containing the title "statement of fees" at the top of the first page of the statement next to a common symbol to distinguish the document from other documentation;
- (d) be written in the official language of the Member State where the payment account is offered or, if agreed by the consumer and the credit institution, in another language.

Member States may determine that the statement of fees may be provided together with information required pursuant to the Article 47 and 48 of Directive 2007/64/EC as long as all the requirements of sub-paragraphs (a) to (d) are met.

3. (...)

4. Member States shall define the format of the statement of fees, its common symbol and the order in which the services referred to in paragraph 5 of Article 3 shall be presented in the statement of fees, having regard to paragraphs 2 and 2a.

Article 6

Contractual and commercial information

1. Member States shall ensure that in their contractual and commercial information, credit institutions use, where relevant, the terms and definitions contained in the list of the most representative services referred to in Article 3, paragraph 5.
2. Credit institutions may use brand names to designate their services in their contractual and commercial information, in the fee information document and in the statement of fees, provided this is in addition to standardised terms in the list referred to in Article 3(5).

Article 7

Comparison websites

1. Member States shall ensure that consumers have access to at least one website comparing fees charged by credit institutions for services included in the list referred to in Article 3(5) at national level. Comparison websites may either be operated by a private operator or by a public authority.
2. The comparison websites established in accordance with paragraph 1 shall:
 - (a) be operationally independent by ensuring that credit institutions are given equal treatment in search results;
 - (b) use plain language and, where relevant, the terms referred to in Article 3, paragraph 5;

- (c) provide up-to-date information;
- (d) include a broad range of payment account offers covering a significant part of the market;
- (e) provide an effective procedure to report incorrect information on published fees.

3. (...)

4. (...)

5. Member States shall ensure the promotion of adequate information about the websites referred to in paragraph 1 to consumers. This may include the maintenance of a publicly accessible register of comparison websites.

Article 8

Packaged accounts

1. Member States shall ensure that when a payment account is offered together with another service or product as part of a package, the credit institution informs the consumer of whether it is possible to buy the payment account separately and, if this is the case, provides separate information in the fee information document as defined in Article 4 regarding the fees associated with each of the products and services offered in the package that can be purchased separately.
2. Paragraph 1 does not apply when only services linked to a payment account are offered in a package.
3. (...)

CHAPTER III

SWITCHING

Article 9

Provision of the switching service

Member States shall ensure that credit institutions provide a switching service as described in Article 10 between payment accounts held in the same currency to any consumer who opens or holds a payment account with a credit institution located in their territory.

Article 10

The switching service

1. Member States shall ensure that the switching service is initiated by the receiving credit institutions at the request of the consumer. The switching service shall at least comply with the provisions in paragraphs 2 to 7.

Member States may establish measures alternative to those in paragraphs 2 to 7, provided that it is clearly in the interest of consumer protection, there is no additional burden for consumers and the process is carried out at least within the timeframe indicated in paragraphs 2 to 7.

2. The receiving credit institutions shall perform the switching service upon receipt of the authorisation from the consumer. The authorisation shall allow the consumer to provide specific consent to the transferring credit institution to perform each of the tasks indicated in paragraph 3 and to provide specific consent to the receiving credit institution to perform each of the tasks indicated in paragraph 4. The authorisation shall allow the consumer to specifically identify the standing orders for credit transfers and the direct debit mandates that shall be switched. The authorisation shall also allow consumers to specify the date from which standing orders for credit transfers and direct debits are to be executed from the payment account opened or held with the receiving credit institution. The date specified shall be at least one business day after the expiry of the deadline indicated in paragraph 4 or sooner, if agreed between the consumer and the receiving credit institution.

Member States may require that the authorisation from the consumer shall be in writing and a copy of the authorisation is provided to the consumer.

3. Within three business days from the receipt of the authorisation from the consumer and opening a new payment account with the receiving credit institution, or from the receipt of the authorisation from the consumer, if the payment account with the receiving credit institution was previously opened, the receiving credit institution shall request the transferring credit institution to carry out the following tasks if provided for in the consumer's authorisation:

- (a) transmit to the receiving credit institution and, if specifically requested by the consumer, to the consumer, a list of the existing standing orders for credit transfers and available information on direct debit mandates that are being switched;

- (b) transmit to the consumer, the available information about incoming credit transfers and direct debits executed on the consumer's payment account in the previous 13 months;
- (c) (...)
- (d) where the transferring credit institution does not provide a system for automated redirection of the incoming credit transfers and direct debits to the payment account held by the consumer with the receiving credit institution, stop accepting incoming credit transfers and direct debits from the date specified in the authorisation;
- (da) cancel standing orders from the date specified in the authorisation;
- (e) transfer any remaining positive balance to the payment account opened or held with the receiving credit institution on the date specified by the consumer; and
- (f) close the payment account held with the transferring payment service provider on the date specified by the consumer.

3a. Upon receipt of a request from the receiving credit institution, the transferring credit institution shall carry out the following tasks, if provided for in the consumer's authorisation:

- (a) send the receiving credit institution the information indicated in points (a) and (b) of paragraph 3 within 5 business days;

- (b) where the transferring credit institution does not provide a system for automated redirection of the incoming credit transfers and direct debits to the payment account held or opened by the consumer with the receiving credit institution, stop accepting incoming credit transfers and direct debits on the payment account from the date specified in the authorisation. Member States may require the transferring credit institution to inform the payer or the payee of the reason for not accepting the payment transaction;
- (ba) cancel standing orders from the date specified in the authorisation;
- (c) transfer the remaining positive balance from the payment account to the payment account opened or held with the receiving credit institution on the date specified in the authorisation;
- (d) without prejudice to Article 45(1) and 45(6) of Directive 2007/64/EC close the payment account on the date specified in the authorisation if the consumer has no outstanding obligations on this payment account.
- (e) (...)

4. Within 5 business days of receipt of the information requested from the transferring credit institution referred to in paragraph 3, the receiving credit institution shall carry out the following tasks as and if provided for in the authorisation and to the extent that the information provided by the transferring credit institution enables the receiving credit institution to do so:

- (a) set up the standing orders for credit transfers requested by the consumer and execute them from the date specified in the authorisation;

- (b) prepare to accept direct debits and accept them from the date specified in the authorisation;
- (c) inform payers specified in the authorisation and making credit transfers into a consumer's payment account of the details of the consumer's payment account with the receiving credit institution and transmit to the payers a copy of the consumer's authorisation. If the receiving credit institution does not have all the information it needs to inform the payer, it shall ask the consumer or the transferring credit institution to provide the missing information;
- (d) inform payees specified in the authorisation and using a direct debit to collect funds from the consumer's payment account of the details of the consumer's payment account with the receiving credit institution and the date from which direct debits shall be collected from that payment account and transmit to the payees a copy of the consumer's authorisation. If the receiving credit institution does not have all the information it needs to inform the payee, it shall ask the consumer or the transferring credit institution to provide the missing information;
- (e) where the consumer chooses to personally provide the information indicated in points (c) and (d), provide the consumer with standard letters providing details of the payment account and the starting date indicated in the authorisation.

5. (...)

6. (...)

7. Without prejudice to Article 55(2) of Directive 2007/64/EC, the transferring credit institution shall not block payment instruments before the date specified in the consumer's authorisation.
8. (...)
9. (...)

Article 11

Fees connected with the switching service

1. Member States shall ensure that consumers are able to access their personal information regarding existing standing orders and direct debits held by either the transferring or the receiving credit institution free of charge.
2. Member States shall ensure that the transferring credit institution provides the information requested by the receiving credit institution pursuant to paragraph 3a (a) of Article 10 without charging the consumer or the receiving credit institution.
3. Member States shall ensure that fees, if any, applied by the transferring credit institution to the consumer for the termination of the payment account held with it are determined in accordance with Article 45(2), (4) and (6) of Directive 2007/64/EC.
4. Member States shall ensure that fees, if any, applied by the transferring or the receiving credit institution to the consumer for any service provided under Article 10, other than those referred to in paragraphs 1 to 3, shall be appropriate and in line with the actual costs of that credit institution.

Article 12

Financial loss for consumers

1. Member States shall ensure that any financial loss, including charges and interest, incurred by the consumer and resulting directly from the non-compliance of a credit institution involved in the switching process with its obligations under Article 10 is refunded by that credit institution.
- 1a. Liability under paragraph 1 shall not apply in cases of abnormal and unforeseeable circumstances beyond the control of the party pleading for the application of those circumstances, the consequences of which would have been unavoidable despite all efforts to the contrary, or where a credit institution is bound by other legal obligations covered by national or Community legislation.
2. (...)
3. Member States shall ensure that liability with respect to paragraphs 1 and 1a is established in accordance with the legal requirements applicable at national level.

Article 13

Information about the switching service

1. Member States shall ensure that credit institutions make available to consumers the following information about the switching service:
 - (a) the roles of the transferring and receiving credit institution for each step of the switching process, as indicated in Article 10;
 - (b) the timeframe for completion of the respective steps;
 - (c) the fees, if any, charged for the switching process;
 - (d) any information that the consumer will be asked to provide;
 - (e) the alternative dispute resolution procedures scheme referred to in Article 21
 - (f) (...)

Member States may require that credit institutions also make available other information, including information necessary for the identification of the Deposit Guarantee Scheme of which the credit institution is a member of within the Union

2. The information shall be made available free of charge on paper or a durable medium at all premises of the credit institutions accessible to consumers and be available in electronic form on their websites at all times and shall be provided to consumers intending to use the switching service.

CHAPTER IV

ACCESS TO PAYMENT ACCOUNTS

Article 14

Non-discrimination

Member States shall ensure that credit institutions do not discriminate against consumers legally resident in the Union by reason of their nationality or place of residence when applying for or accessing a payment account within the Union.

Article 15

Right of access to a payment account with basic features

1. Member States shall ensure that payment accounts with basic features are offered to consumers by one or more credit institutions. The provision of such payment accounts shall be within the reach of all consumers in that Member State. Member States shall ensure that payment accounts with basic features are not only offered by credit institutions that provide the payment accounts with solely online banking facilities.

2. Member States shall ensure that consumers legally resident in the Union have the right to open and use a payment account with basic features with credit institutions located in their territory. Such a right shall apply irrespective of the consumer's place of residence. Member States may allow credit institutions to require consumers to show an objectively justifiable interest in opening a payment account with basic features in the Member State where the payment account is applied for. Member States shall ensure that the exercise of the right is not made too difficult or burdensome for the consumer.

- 2a. Member States may permit credit institutions to verify whether the consumer holds or does not hold a payment account with a credit institution located in the same Member State. Credit institutions may rely on self-certification by consumers for this purpose.
3. Member States shall ensure that credit institutions offering payment accounts with basic features decide on a consumer's request for access to a payment account with basic features without undue delay and at the latest within two weeks after receiving a complete application.
- 3a. Member States may permit credit institutions that offer payment accounts with basic features to refuse an application for access to such an account where a consumer already holds a payment account with a credit institution located in their territory, which allows him to make use of the payment services listed in Article 16(1), unless when a consumer declares that he has received notice that a payment account will be closed.
- 3b. Member States shall ensure that credit institutions refuse an application for access to a payment account with basic features where opening such an account would result in violation of the provision on the prevention of money laundering and the countering of terrorist financing as established by Directive 2005/60/EC.
- (...)
- 3c. Member States may identify additional cases where credit institutions can refuse a payment account with basic features, in accordance with the laws and common commercial practices applicable at national level.

4. Member States shall ensure that in the cases indicated in paragraphs 3a to 3c, after its decision, the credit institution immediately informs the consumer of the refusal and its reason, in writing and free of charge, unless such disclosure would be contrary to the objectives of national security, public policy or Directive 2005/60/EC. In case of refusal, the credit institution shall advise consumers of the procedure to submit a complaint against the refusal, their right to contact the relevant competent authority within the meaning of Article 20 and designated alternative dispute resolution body with their contact details.
5. Member States shall ensure that for the cases indicated in paragraph 3b, the credit institution adopts appropriate measures pursuant to Directive 2005/60/EC.
6. (...)
7. Member States may choose to ensure that the provisions of paragraphs 1 to 5 are met through existing measures either established in national law or otherwise, provided that the other provisions of Chapter IV are met.
8. Member States may choose to limit the right to open and use a payment account with basic features only to consumers that do not hold a payment account and have been denied access to a payment account by a credit institution in their territory.

Article 16

Characteristics of a payment account with basic features

1. Member States shall ensure that a payment account with basic features includes services enabling:
 - (a) all the operations required for the opening, operating and closing of a payment account;
 - (b) deposit funds on a payment account;
 - (c) cash withdrawals within the Union from a payment account;
 - (d) execution of the following payment transactions within the Union:
 - (1) direct debit;
 - (2) payment transactions through a payment card, including online payments;
 - (3) credit transfers, including standing orders.

Services listed in points (a) to (d) should be offered by credit institutions to the extent that they already offer them to consumers holding payment accounts other than a payment account with basic features.

- 1a. Without prejudice to the requirements in Directive 2008/48/EC Member States may allow credit institutions to provide, upon consumer's request, an overdraft facility in relation to a payment account with basic features. Member State may define a maximum amount and duration of any such overdraft.

- 1b. Member States may establish the obligation for credit institutions to provide additional services, which are considered essential for consumers based on common practice at the national level, with a payment account with basic features.
- 1c. Member States shall ensure that access to a payment account with basic features is not made conditional on the purchase of additional services, including those provided pursuant to paragraph 1a.
- 1d. The payment account with basic features shall be opened in the national currency of the Member State where the credit institution is located.
2. Member States may determine, for some or all the services referred to in paragraph 1, a minimum number of operations which will be provided to the consumer for the fee, if any, referred to in Article 17. The minimum number of operations shall be reasonable and in line with the common commercial practice in the Member State concerned.
3. Member States shall ensure that the consumer is able to manage and initiate payment transactions from the consumer's payment account with basic features via the credit institution's online banking facilities, where available.
4. (...)

Article 17

Associated fees

1. Member States shall ensure that the services indicated in paragraphs 1 and 1b of Article 16 are offered by credit institutions free of charge or for a reasonable fee.
2. Member States shall ensure that the fees charged to the consumer for non-compliance with the consumer's commitments laid down in the framework contract are reasonable.
3. Member States shall ensure that reasonable fees are established taking into account at least the following criteria:
 - (a) national income levels;
 - (b) average fees charged by credit institutions in that Member State for services provided on payment accounts.
 - (c) (...)
 - (d) (...)
 - (...)
4. (...)

Framework contracts and termination

1. Framework contracts providing access to a payment account with basic features shall be subject to the provisions of Directive 2007/64/EC unless otherwise specified in paragraphs 2 and 3.

2. The credit institution may unilaterally terminate a framework contract where at least one of the following conditions is met:
 - (a) credit institution has an objectively justified reason to suspect that the consumer deliberately used the payment account for criminal activities;

 - (b) there has been no transaction on the payment account for more than 24 consecutive months;

 - (c) the consumer provided incorrect information in order to obtain the payment account with basic features where the correct information would have resulted in the absence of such a right;

 - (d) the consumer is no longer legally resident in the Union or has subsequently opened a second payment account, which allows him to make use of the payments services listed in Article 16(1), in the Member State where he already holds a payment account with basic features.

- 2a. Member States may identify additional cases for unilateral terminating a framework contract for a payment account with basic features, in accordance with the laws and common commercial practices applicable at national level.

3. Member States shall ensure that where the credit institution terminates the contract of a payment account with basic features on the grounds mentioned in points (b) and (d) of paragraph 2 and in paragraph 2a, it informs the consumer of the grounds and the justification for the termination at least 2 months before the termination enters into force, in writing and free of charge unless such disclosure would be contrary to the objective of national security or public policy. Where the credit institution terminates the contract in accordance with points (a) and (c) of paragraph 2, it shall be terminated immediately.

- 3a. The notification shall advise consumers of the procedure to submit a complaint against the refusal if any, right of their to contact the competent authority within the meaning of Article 20 and designated alternative dispute resolution body with their contact details.

Article 19

General information on payment accounts with basic features

1. Member States shall ensure that measures are in place to raise awareness among the public about the availability of payment accounts with basic features, their general pricing conditions, the procedures to be followed in order to exercise the right to access payment accounts with basic features and the methods for having access to alternative resolution for the settlement of disputes.

2. Member States shall ensure that credit institutions make available to consumers information free of charge about the specific features of the payment account with basic features on offer, their associated fees and their conditions of use. Member States shall also ensure that the information makes clear that the purchase of additional services is not compulsory to access a payment account with basic features.

CHAPTER V

COMPETENT AUTHORITIES AND ALTERNATIVE DISPUTE RESOLUTION

Article 20

Competent authorities

1. Member States shall designate competent authorities to ensure and monitor effective compliance with this Directive. They shall be independent from credit institutions. They shall be either:
 - (i) competent authorities within the meaning of Article 4(2) of Regulation 1093/2010, or
 - (ii) bodies recognised by national law or by public authorities expressly empowered for that purpose by national law.

2. The authorities referred to in paragraph 1 shall possess all the powers necessary for the performance of their duties. Where more than one competent authority is empowered to ensure and monitor effective compliance with this Directive, Member States shall ensure that those authorities collaborate closely so that they can discharge their respective duties effectively.

- 2a. The competent authorities may exercise their powers in conformity with national law either:
- (a) directly under their own authority or under the supervision of the judicial authorities;
or
 - (b) by application to courts competent to grant the necessary decision, including, where appropriate, by appeal, if the application to grant the necessary decision is not successful.

Insofar as competent authorities exercise their powers by application to the courts in accordance with paragraph 2a(b), those courts shall be competent to grant the necessary decisions.

3. Member States shall notify the Commission of the designated competent authorities referred to in paragraph 1 by 24 months after entry into force of this Directive. They shall inform the Commission of any division of duties of those authorities. They shall immediately notify the Commission of any subsequent change concerning the designation and respective competences of those authorities.

Article 21

Alternative Dispute Resolution

Member States shall ensure that consumers have access to effective and efficient out-of-court redress procedures for the settlement of disputes concerning rights and obligations established under this Directive. Such out-of-court redress procedures and the entities offering them shall comply with the quality requirements established by Directive 2013/11/EU.

CHAPTER VI

SANCTIONS

Article 22

Sanctions

Member States shall lay down rules on sanctions applicable to infringements of the national legislation adopted pursuant to this Directive and shall take all necessary measures to ensure that they are implemented. Such sanctions shall be effective, proportionate and dissuasive.

CHAPTER VIa

PROCESSING OF PERSONAL DATA

Article 22a

Processing of personal data

The processing of personal data for the purposes of this Directive shall be carried out in accordance with Directive 95/46/EC.

CHAPTER VII

FINAL PROVISIONS

Article 23

Delegated acts

(...)

Article 24

Exercise of the delegation

(...)

Article 25

Implementing acts

(...)

Article 26

Evaluation

Member States shall provide the Commission with information on the compliance with the provisions contained in this Directive for the first time within 4 years from entry into force of this Directive and every 3 years thereafter:

- (a) compliance by credit institutions with the provisions in Articles 4 to 6;

- (b) compliance by Member State with the requirements to ensure the existence of comparison websites pursuant to Article 7;
- (c) the number of payment accounts that have been switched.
- (d) the number of credit institutions offering payment accounts with basic features and the number of such accounts that have been opened.

Article 27

Review clause

1. The Commission shall present to the European Parliament and the Council, within five years of entry into force of this Directive, a report on the application of this Directive accompanied, if appropriate, by a proposal.
2. The review shall assess, based also on the information received from Member States pursuant to Article 26, whether to amend and update the list of services that are part of a payment account with basic features, having regard to the evolution of means of payment and technology.
3. The review shall also assess the need to extend the provisions of Chapter III to the receiving and transferring credit institutions located in different Member States and whether additional measures to those adopted pursuant to Article 7 and 8 with respect to comparison websites and packaged offers are needed.

Article 28

Transposition

1. Member States shall adopt and publish, by [24 months after entry into force of this Directive] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.
2. They shall apply those provisions from 33 months after entry into force of this Directive.
3. When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.
4. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 29

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 30

Addressees

This Directive is addressed to the Member States in accordance with the Treaties.

Done at Brussels,

For the European Parliament

For the Council

The President

The President
