THEMATIC REVIEW ON THE TRANSPARENCY AND LEVEL OF FEES AND CHARGES FOR RETAIL BANKING PRODUCTS

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EUROPEAN BANKING AUTHORITY

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Abbreviations

AML	Anti-Money Laundering
APRC	Annual Percentage Rate of Charge
ATM	Automatic Teller Machine
CCD	EU Consumer Credit Directive
CFT	Countering the Financing of the Terrorism
CI	Credit Institution
CBPR	Cross Border Payment Regulation
CTR	EBA Consumer Trends Report
DGSD	EU Deposit Guarantee Scheme Directive
EBA	European Banking Authority
EEA	European Economic Area
EMD2	EU Electronic Money Directive
EMI	Electronic Money Institution
EU	European Union
FI	Financial Institution
MCD	EU Mortgage Credit Directive
NC	Non-bank Credit provider
NCA	National Competent Authority
Non-SEPA	Non-Single Euro Payments Area
PAD	EU Payment Accounts Directive
PI	Payment Institution
PSD2	EU Payment Services Directive
SEPA	Single Euro Payments Area
SME	Small Medium Enterprise
SMS	Short Message Service

Executive summary

In order to fulfil its mandate under Article 9 of its Founding Regulation to, *inter alia*, collect, analyse and report on consumer trends, such as the development of costs and charges of said products, the European Banking Authority (EBA), publishes a biennial Consumer Trends Report (CTR). The EBA repeatedly, and across several editions of its biennial CTRs, identified the level of fees and charges, including the lack of transparency thereof, as one of the topical issues that causes greatest detriment to consumers in the European Union (EU).

The concepts and terms related to fees and charges vary across jurisdictions and across institutions, and reliable data is difficult to ascertain. Comparisons are therefore challenging to make and robust conclusions difficult to arrive at. However, this thematic review represents a first attempt to gauge the scale and nature of this recurrent issue. The review covers all of the retail banking products and services that fall within the EBA's consumer protection mandate, which are mortgage credit, consumer credit, deposits, payment accounts, payment services and electronic money. The review focuses on fees and charges, and therefore does not cover other features of some of these products that also incur costs to consumers, such as interest rates for credit products.

This report uses information provided by 26 NCAs, a sample of five national and one EU consumer association, the latter of which in itself represented a large number of national associations, as well as 149 financial institutions from across the EU, most of which were credit institutions. The aim of the report was to gather and analyse information in order for the EU co-legislators to assess whether further legislative initiatives may be needed in the future, as well as for the EBA to continue monitoring this issue and/or take any further action.

The report provides evidence that, for some financial institutions, fees and charges represent an important source of their income, and that they widely vary across the EU market both in terms of type and level of fees.

With the exception of payment accounts, this report indicates the low level of harmonisation and standardisation of fees within EU Member States. Consequently, consumers might face difficulties in effectively comparing costs of products and services offered by financial institutions across Member States.

Furthermore, some NCAs and some consumer associations that took part in the survey identified, as one of the most detrimental scenarios for consumers, the case when fees that had been previously agreed are subsequently increased. According to these two subsets of respondents, this circumstance is particularly detrimental in cases where consumers face financial and non-financial costs, including efforts required of the consumer to find an alternative provider, sign a contract with them, and gain access to services comparable to those before, that might discourage them to switch away from the provider.

Background

1. Article 9(a) of the European Banking Authority (EBA) Founding Regulation[1] mandates the EBA to promote transparency, simplicity, and fairness in the internal EU market for retail banking products in the EBA's regulatory remit, which encompasses mortgage credit, consumer credit, payment accounts, payment services, electronic money and deposits, including structured deposits. The EBA Founding Regulation mandates the EBA to carry out this task by, *inter alia*, collecting, analysing and reporting on consumer trends, such as the development of costs and charges of said products.

2. Consecutive biennial Consumer Trends Reports (CTRs) that the EBA published between 2013 and 2021 have repeatedly raised the level and lack of transparency of fees and charges applied to retail banking products as an issue that causes detriment to consumers in the EU.

3. This has been so despite several EU sectoral Directives having introduced, over the past decade or so, requirements aimed at enhancing transparency and comparability of fees and charges, including the EU Mortgage Credit Directive (MCD)[2] and the EU Payment Accounts Directive (PAD).[3]

4. The question therefore arose for the EBA as to which, if any, additional measures the authority should take to enhance the transparency of the levels of fees and charges for the products in its remit, to fulfil its related statutory mandate, and to address one of the key issues repeatedly raised in its CTRs in the process.

5. The EBA decided to use the new power conferred on the authority in 2020 of carrying out a 'thematic review' covering all retail banking products, these being payment accounts, mortgage credit, consumer credit, payment services, electronic money services, and deposits.

6. The EBA collected comprehensive information on the topic from 26 national competent authorities (NCAs), a sample of 149 financial institutions of which mostly credit institutions, and a sample of five national and one EU consumer association, the latter of which in itself represented a large number of national associations.

7. Having assessed the input received, the EBA has arrived at a number of findings that are presented across four chapters, starting with the regulatory framework applicable to the

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[1] Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC

[2] Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010

[3] Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features

transparency and level of fees and charges, followed by an overview on the level of transparency linked to the application of fees and charges during the life of the contract, and continuing with the issues arising for consumers from fees and charges for each of the products under the EBA's remit. The final fourth chapter of the report outlines the importance of fees and charges for financial institutions.

Methodology

8. The objective of the thematic review was to obtain a detailed insight into, and a better understanding of, market practices that are, or can be, detrimental to consumers, with regards to the level of fees and charges and transparency adopted by financial institutions.

9. The thematic review covers all of the retail banking products and services that fall within the EBA's consumer protection mandate, which are mortgage credit, consumer credit, deposits, payment accounts, payment services and electronic money, and focuses on fees and charges. The review does not cover other features of some of these products that also incur costs to consumers, such as interest rates for credit products.

10. The EBA gathered information in the second half of 2021 from 26 NCAs, a sample of five national and one EU consumer associations, the latter of which in itself represented a large number of national associations, and a sample of 149 financial institutions (predominantly credit institutions) chosen by NCAs, through surveys that requested information covering the previous two years.

11. Through the surveys, the EBA requested information on several aspects related to the application of fees and charges by financial institutions, such as, *inter alia*, the type and nominal value of the fees, the name of the product/service in respect of which the fee is charged, and at what point in time the fee is disclosed to the consumer.

12. The EBA's analysis of the survey responses faced a number of challenges. First, although not entirely unexpected, given that the exercise was conducted at the height of the COVID-19 pandemic, the sample of 6 consumer associations was too low to arrive at robust conclusions on the views of this important stakeholder group. Second, more than 80% of industry responses were provided by credit institutions, which means that the fees and charges of (often smaller) non-bank entities do not feature prominently in the review. Finally, the industry responses received by the EBA through NCAs contained information that was, at times, lacking detail and qualitative context, which has made it difficult to make comparisons and to arrive at conclusions that were robust and representative of the market.

Chapter 1 - EU and national regulatory frameworks

Overview of the EU and national regulatory frameworks

13. Fees and charges levied by financial institutions on the banking retail products under the EBA's consumer protection remit have been identified as a key topical issue in several editions of the EBA CTRs. In a context of low interest rates and negative economic outlook, fees and charges have constituted one of the most relevant sources of revenue for banks and financial institutions.

14. The EU applicable legislation for fees and charges levied by financial institutions on the six products under the EBA's remit for consumer protection is found, respectively, in the PAD for payments accounts, in the MCD for mortgages, in the EU Consumer Credit Directive (CCD) for consumer credit,[4] in the EU Payment Services Directive (PSD2) for payment services,[5] in the EU Electronic Money Directive (EMD2) for electronic money services,[6] and in the EU Deposit Guarantee Scheme Directive (DGSD) for deposits.[7]

15. In the following paragraphs, the report provides examples of rules foreseen in national frameworks applicable to fees and charges, focusing especially on those that go beyond the rules set at EU level.

16. A number of jurisdictions highlighted that the legal framework on fees and charges is presided by the general principle of freedom of contract. In one jurisdiction, for those instances where fees must be charged proportionally to the costs borne by the financial institutions, financial institutions are required to determine in writing and formally approve the costs applied to the consumers.

17. NCAs provided several examples of specific requirements aimed at enhancing consumer protection that are applicable to mortgages and consumer credit. In particular, with respect to the application of charges on arrears, in one jurisdiction delay payments on credit instalments cannot bear a charge of a compensation to the borrower higher than the statutory interest rate. In another jurisdiction, lenders under the MCD are not allowed to

[4] Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC

[5] Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC

[6] Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC

[7] Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes

charge consumers with fees or other costs for certain services, such as early repayment, transfer of the credit from the borrower to another institution, and renegotiation. In two countries, legal maximum usury rates, calculated on a quarterly basis and published by the local central banks, are applied to credit institutions granting mortgage and/or consumer credit in order to avoid unsustainable lending/borrowing practices. Finally, in one jurisdiction, there are a number of fees that were recently banned, adding new layers to the pre-existing legal and regulatory framework regarding fees, for instance: (i) the fees for payment of each instalment or any other fees for the same purpose, (ii) the fees for issuing statements for the cancellation of the mortgage, and (iii) the fees for issuing debit statements required to access to social support or benefits and public services (this prohibition applies up to the limit of six statements per year).

18. With respect to payment services, the large majority of jurisdictions reported that financial institutions apply fees and charges in line with the requirements emanating from Article 12 of PAD and Article 40 of PSD2. These articles require Member States to ensure that fees, if any, applied by the transferring or the receiving payment service provider to the consumer for any service provided under Article 10 of PAD, other than few exceptions under Article 12 of PAD which shall be either free of charge or in accordance with PSD2, are reasonable and in line with the actual costs of that payment service provider.

19. Only in few jurisdictions, limitations imposed by the local NCAs on fees and charges went beyond those that are articulated in PSD2 under specific scenarios, such as provision of certain services free of charge or within a reasonable fee.

20. In one jurisdiction, consumers may be charged for paper-based communications other than those prescribed by law, provided that the level of the fees is reasonable and proportionate to the actual costs incurred by the financial institution. Furthermore, it was noted that pre-contractual information, as well as unilateral amendments of the contract and any other communications foreseen by law related to payment services and to consumer mortgage loans shall be provided free of charge, regardless of the type of information or channel used.

National requirements applicable to payment accounts with basic features

21. Article 18(1) of the PAD requires Member States to ensure that the services referred to in Article 17 of the PAD for payment account with basic features, such as opening, operating and closing the account, placing of funds in the account, cash withdrawals within the EU either at the counter or at an automated teller machine (ATM) and the execution of certain payment transactions, are offered by credit institutions free of charge or for a reasonable fee.

22. The EBA received input from NCAs as to the presence of any specific national requirements for payment account with basic features, including in relation to any maximum fees and charges that are permissible in light of Article 18 of PAD. The responses suggested that most jurisdictions have such requirements. Only two national frameworks require credit

institutions to offer payment account with basic features free of charge, either for the entire life of the contract or for the initial twelve months of the agreement. In a few cases, specific rules are applied to calculate the maximum fee, such as the imposition of a cap (percentage of the minimum wage, or of the value of the social support index, fixed, the average amount of the cost applied by the payment services provider to the same operations and services in the previous six months).

23. In several jurisdictions, the national framework ensures that fees are reasonable by regularly publishing certain indicators, to monitor the level, such as the lowest fee that credit institutions charge to its clients according to its general pricing conditions, the level of income of residents compared to the average amount of the fees charged for payment services linked to payment accounts by credit institutions, consumer behaviour, and trends in the market.

24. In one jurisdiction, there are payment accounts with larger basic features available to financially fragile consumers[8] at a very low cost, and subject to capped incident fees. The NCA of this jurisdiction has set up a cap on the fee that can be charged to consumers for non-compliance with the consumer's commitments laid down in the framework contract, as per Article 18(2) of the PAD. The maximum fee reported by this NCA distinguishes between a cap for all types of consumers and specific conditions for financially fragile consumers. Likewise, in other jurisdictions there are requirements that allow for more advantageous conditions for vulnerable consumers,[9] in line with Article 18(4) of the PAD, such as the service being offered free of charge or the imposition of a fixed maximum amount.

25. Another NCA pointed out that the credit institutions are entitled to charge their usual fees when applying penalties where the consumer breaches his/her obligations defined in the PAD for the basic payment account. Another NCA indicated that the fee that can be applied when there is a failure to comply with obligations should be reasonable, and that to determine the reasonability, the same criteria apply as those set up for the regular use of the account.

26. Based on Article 17(6) of the PAD, several jurisdictions have determined a number of operations for which credit institutions can only charge, for the services included in a payment account with basic features, reasonable fees, if any, such as 100 payment transactions with a credit card, direct debits and credit transfers including standing orders per year, or 10 online

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[8] In such jurisdiction, credit institutions are required to assess the financial fragility of their clients as follows:

- Existence of account operating irregularities or payment incidents repeated over a period of three consecutive months. The accumulation of five (or more) payment incidents during the same month will be sufficient to be considered as a "fragile consumer" and benefit from the offer.
- The amount of resources credited to the account. The credit institution may also take into account transactions that could lead to payment incidents.

[9] With regards to 'vulnerable consumers', in EU law these are defined in the '[Unfair Commercial Practices Directive'](#) which focuses on consumer information and marketing before consumers buy a product or a service. The Directive defines the vulnerable consumers as an exception to the concept of the average consumer. Compared to the average consumer, who is '*reasonably well-informed and reasonably observant and circumspect*', some consumers require additional protection because they are particularly vulnerable due to their mental or physical infirmity, age (children and elderly people) or credulity. […].' Source 'Briefing – European Parliament – Vulnerable consumers', European Union, 2021.

credit transfers and cash withdrawals up to EUR 550 per month, as well as ATM cash withdrawals up to EUR 420 per month .[10]

27. EBA received input from NCAs on the applicability in their jurisdiction of any specific requirements on fees connected with switching services as per Article 10 beyond those set out in Article 12 of the PAD. In most jurisdictions there are no specific requirements compared to the rules set out by the PAD. Only in one jurisdiction, credit institutions do not charge any fees for the switching service, while in others, financial institutions levy costs for switching of services. One jurisdiction has specific requirements beyond those set out in Article 12(4) of the PAD, whereby it is clarified that the actual cost charged for switching service cannot exceed the amount equal to three times the fee for a basic payment account.

National requirements applicable to mortgages

28. EBA received input from NCAs as to specific national requirements with respect to fees and charges levied for services provided with mortgages. The responses indicated that in several jurisdictions, there are specific national rules that apply to this type of product.

29. With regards to the early repayment under mortgage credit agreements, in one jurisdiction, the fee payable is limited to (i) the equivalent to 0.5% of the principal that is being repaid in agreements with a variable interest rate, and (ii) the equivalent of 2% of the principal that is being repaid in agreements with a fixed interest rate. Moreover, exemptions from this cost are applied in case of death, unemployment or professional displacement. Other exemptions are applied when the refund results from the execution of an insurance contract and when the credit agreement repaid is an overdraft facility collateralised by mortgage.

30. In another jurisdiction, the creditor may not require any fee, sanction or cost compensation where the loan amount repaid before maturity does not exceed 20% of the loan principal one month prior the conclusion of the loan agreement. No early repayment fee may be charged, where the repayment takes place after the expiry of the interest rate fixation period or after a change in the variable interest rate.

31. With regards to arrears and foreclosure, in one jurisdiction the legal framework applies the national discretions set out in Articles 28(2) and 28(3) of the MCD, and provides that in case of default, no charge is applied beyond (i) the value of the default interest rate, as it is set by a central bank's decision, and (ii) an amount to cover the necessary expenses of the creditor that initiates an auction to the interest of all creditors.

32. In another jurisdiction, the recovery of arrears fee may be charged only once, for each overdue instalment, and it may not exceed 4% of the instalment's amount, with a minimum value of 12.00 EUR and a maximum of 150.00 EUR. If the instalment exceeds 50,000.00 EUR,

[10] Amount converted into EUR at the official exchange rate at the time of writing.

the fee may not be above 0.5% of that instalment's amount. Charge of fees for the renegotiation of the credit agreement is prohibited.

33. In one jurisdiction, fees for processing and/or granting mortgage loans are not allowed, while in another country, in general, creditors may not charge any interest, fees or other costs that are not stipulated by the national law and moreover, creditors may not require borrowers to pay fees, cost compensations or other charges for the management, registration and maintenance of mortgage loans accounts or for the cancellation of such accounts. In another jurisdiction, fees for the payment of instalments in credit agreements cannot be charged.

National requirements applicable to deposits

34. The EBA received input from NCAs also on the existence of national frameworks that either explicitly allow, restrict or prohibit credit institutions charging negative interests on deposits. The replies received indicated that in most jurisdictions negative interest rates are not expressly prohibited. Nevertheless, some NCAs noted that the definition of a deposit in their legal framework could imply that no negative interest rate can be charged while only in one case, according to a ruling by the national Supreme Court of Justice, negative deposit rates for consumer saving accounts are not allowed and in three countries there are requirements that prohibit to apply negative interest rates to bank deposits. One NCA noted that there is an implicit restriction in its jurisdiction based on the provision of the legal framework (civil code) which requires that the deposited amount needs to be repaid in full.

35. In few jurisdictions, there are restrictions in charging negative interest. In one case, the national law requires entities to offer a minimum annual interest rate of 0.11%, however, this restriction only applies to saving accounts. In another jurisdiction, negative interest on deposits is only allowed when the depositor is not a natural person, while in another case the application of negative interest rates for funds held as deposits (deposit services) is prohibited, however not forbidden for other funds held in bank accounts.

Roles and powers of NCAs

36. In the following paragraphs, the report provides an overview of roles and powers that NCAs may exercise in their respective jurisdiction in relation to fees and charges levied by financial institutions, as well as any regulatory and/or supervisory measures adopted in this regard.

37. In most jurisdictions, NCAs are responsible for the supervision of requirements applicable to fees and charges, in particular, those related to transparency and the level of fees and charges. In some of these, authorities are in charge also for monitoring compliance with the applicable legal framework. In one jurisdiction, financial institutions are required to notify the relevant NCA of any new fee and charge applicable to consumers for providing certain services as well as any increase of existing fees and charges, and after a due assessment, the authority may either approve, decrease or reject these. In few jurisdictions, NCAs have the power to

intervene in the calculation of reasonable fees applied to payment account with basic features.

38. In a few jurisdictions, supervisory activities in respect of fees and charges are carried out by more than one authority. By contrast, in some other jurisdictions, a single financial national authority is in charge of supervising rules pertaining to both competition and consumer protection. In few jurisdictions, NCAs have a specific role vis-à-vis the respective Ministry of Economy and Finance, either by providing a proposal for setting the limit on fees and charges for payment accounts with basic features and issuing regulations connected to the same product, or by calculating and publishing legal usury rates on a quarterly basis. In some jurisdictions, consumer associations, comparison websites or other public authorities, play an important role in monitoring and sharing information about fees and charges set by financial institutions.

39. The EBA received information from 21 NCAs about supervisory initiatives undertaken in 2020 to address the level of fees and charges and/or the insufficient transparency of fees and charges being imposed by financial institutions. These actions were mostly focused on verifying whether (i) the implementation of the actual contracts is consistent with pre-contractual information, (ii) supervised financial entities provide periodic information to their consumers, and (iii) restrictions and limitations established by law on the fees and charges are respected.

40. The replies received indicated that in most jurisdictions NCAs carried out actions through compliance assessments via on-site and off-site inspections on credit, payment and e-money institutions. Out of these jurisdictions, one reported that the thematic review carried out in 2016 highlighted several issues towards fees on overdrafts and overrunning, such as failure from financial institutions to apply the relevant regulations, lack of a common understanding of those regulations, methodological shortcomings, as well as poor monitoring by the internal control functions. As a result, the NCA of this jurisdiction subsequently issued guidelines that set out supervisory expectations to prevent financial institutions from misconduct in the application of fees on overdraft and overruns, and to disseminate good practices detected in the supervisory activity. These guidelines, after an initial adaptation phase, proved to be very effective.

41. In another jurisdiction, the NCA conducted several off-site inspections regarding compliance with the prohibitions and limitations established by law, which resulted in reimbursements to consumers of fees and charges. The main issues identified during the inspections concerned (i) the reimbursement of the proportional amount of the fee charged for the provision of debit and credit cards, (ii) the fee for providing a debit and/or a credit card, and (iii) the fee for the renegotiation of the contractual terms of a mortgage credit.

42. In another jurisdiction, one NCA conducted two off-site inspections. The first was to assess compliance of payment and electronic money institutions with the requirements related to the provision of payment services when providing pre-contractual information to consumers,

the second to assess the compliance of credit, payment, and electronic money institutions as payment service providers with the requirements to give a statement to consumers at least once a year and free of charge of all the fees charged from the consumer.

43. Several jurisdictions mentioned that their NCAs developed studies, surveys and reports on the comparability of fees related to payment accounts, payment accounts switching and access to payment accounts, on the evolution of fees, on the availability and disclosure of basic banking services, on the development of a report regarding bundling practices adopted by institution when selling consumer credit and mortgage credit agreements, and the level of fees in the mortgage and consumer credit and payment services markets.

44. In several jurisdictions, NCAs adopted different initiatives, such as issuance of guidelines on disclosure of information to the public related to costs required and circular letters addressed to the industry, abolishment of fees connected directly to payment transactions, issuance of recommendations regarding the provision of payment services, and publishing clarifications requested from supervised institutions in order to achieve a common understanding on the interpretation of the legal framework.

45. In few jurisdictions the NCAs carried out thematic reviews on credit institutions' advertising of online consumer credit, on transparency of fees for online consumer credit and the level of fees and charges, on payment institutions and the requirements for equal fees for national credit transfers and cross-border credit transfers in EUR, and on the evolution of banking fees.

46. With regards to supervisory experience in monitoring disclosure requirements, the EBA received limited input from several NCAs. A few worthwhile examples are reported in the following paragraphs.

47. In one jurisdiction, the NCA compares the fees for typical payment services listed in a national law, while in another country the national authority publishes information on fees on the most frequent transactions based on a quarterly update by financial institutions in a mandatory format. In another jurisdiction, financial institutions are required to send to the NCA their price lists and respective changes, containing information on the maximum amount of all fees charged, before their entrance into force.

48. Comparison websites for fees and charges levied on payment services play an important role as reported explicitly by some jurisdictions, allowing consumers to compare, in a quick and easy manner, the most relevant fees charged and draw informed decisions when choosing a product.

49. In one jurisdiction, one credit institution introduced a fee for a 'dormant account' informing customers only by a message via internet banking which was deleted after 30 days. This poor disclosure policy led to a high number of consumers' complaints and prompted the NCA to intervene.

50. In another jurisdiction, the NCA carried out yearly investigations in the area of advertisement of various financial institutions on consumer and mortgage credit which resulted in warning letters and follow up investigations to ensure compliance.

51. Finally, in 2018 in one jurisdiction, the NCA issued guidelines for a specific consumer credit product, salary-backed loans, the reason being that the product was relatively expensive and financial institutions appeared to lack adequate transparency and fairness in the application of fees and charges. A follow up thematic review proved the guidelines to be effective as better fee schemes have been largely adopted by financial institutions. However, issues remained concerning the reimbursement of costs in case of early repayment-related charges.

52. The EBA received input from NCAs as to the presence of comparative websites in their jurisdictions covering products beyond those set out in PAD, including which products/services are covered and whether the comparative website is run by a public or private entity.

53. The replies received indicated that in most jurisdictions comparative websites cover products beyond the ones in the scope of PAD and that most of these websites are run by a private entity, while only in four countries, these are run by a public entity. The comparative websites cover mostly consumer credit and mortgages.

Chapter 2 - Transparency

54. EBA received input from NCAs, consumer associations and financial institutions on the transparency of fees and charges levied by financial institutions and any national requirements related to information disclosure for specific products, as well as the level of compliance with such provisions by financial institutions.

55. The responses received indicated that in most jurisdictions there are no requirements beyond those set out by EU law in relation to information disclosure on fees and charges levied by financial institutions on the banking retail products under the EBA's consumer protection remit, while only in two cases local frameworks apply specific disclosure rules for crowdfunding platforms and the fee for conversion of mortgage loans into a foreign currency.

Type of information to be disclosed

56. The following paragraphs provide an overview on the type of information which financial institutions shall disclose to consumers in relation to fees and charges, further to specific requirements applied at national level. The responses received showed that only in few jurisdictions, the national frameworks set requirements beyond those applied from EU law.

57. As a general rule, one jurisdiction stated that financial institutions must provide all the pre-contractual information required by law free of charge to their customers. In particular, information has to be provided also in relation to fees and charges for products / services linked to the main product, in order to allow consumers to adopt an informed decision and compare among different offers for the same product.

58. With regards to payment accounts, in one jurisdiction consumers must be informed through monthly account statement of the amount, the denomination of the banking charges and fees related to incidents that the institution intends to debit from its account. The same requirements of transparency apply in another jurisdiction in relation to the liquidation of interests to enable the customers to check the liquidation made and calculate the cost of the service. Finally, in another jurisdiction financial institutions must at the beginning of each year send, free of charge, and to the respective account holder a receipt indicating all fees and charges associated with the deposit account borne in the previous calendar year. In the same jurisdiction, credit institutions are required to disclose information on the maximum amount of all fees charged on their price list, which should be available on their websites and displayed at all branches and customer assistance points.

59. In relation to the requirements on disclosing commercial communication or advertisements, in one jurisdiction financial institutions must indicate the APRC. In addition, where this advertising indicates an interest rate or figures relating to the cost of the credit, such information shall appear in a box at the top of the advertising text.

Timing and method

60. Based on the input provided by NCAs, the EBA identified different national rules related to the timing and method of disclosure of information that have been applied in individual Member States.

61. In terms of timing, in one jurisdiction, financial institutions must notify consumers with a 10 business days prior notice before deducting any charges except when these amount to 10 EUR or less. In other jurisdictions, credit institutions must list all fees and charges in their pricelist which has to be available at all times.

62. In terms of method used, the replies received indicated that the information is disclosed through any available means, such as the institution's website, paper, digital means, depending mainly on the way the product is marketed (distance marketing or physical presence). In addition, the responses showed that in most jurisdictions the level of fees for products and services varies depending on the channel used by financial institutions with digital channels generally being cheaper and their use having increased during the pandemic.

63. In another jurisdiction, fees are not charged for payment transactions conducted on ATM. In addition, in this Member State credit institutions cannot charge fees for transfers, when these are carried out via applications operated by third parties if: (i) the transfer amount is inferior to 30 EUR, (ii) the amount transferred does not exceed 150 EUR monthly, and (iii) the number of transfers does not exceed 25 transfers per month. Furthermore, a principle of equivalence applies, establishing that the fees charged for similar transactions through payments applications are proportional, non-discriminatory, and do not hinder access beside what is necessary to prevent specific risks and to safeguard the financial and operational stability of the payment service.

Disclosure when a contract is amended

64. The EBA received input from NCAs, consumer associations and financial institutions on how amendments to the level of fees and charges to a signed contract are communicated to consumers.

65. The replies received from NCAs indicated that in some jurisdictions any unilateral change proposed by credit institutions would need to be submitted to the consumers for prior agreement. In one jurisdiction, this requirement varies depending on whether the change to the fee/charge is already prescribed in the terms of the contract. According to the replies received, this communication is done either one or two months before the new term of the contract enters into force. If the consumers disagree, they will have the right to terminate the contract.

66. In few jurisdictions, there is no specific disclosure requirement in case of services and products originally provided free of charge which then became subject to a fee.

67. In one jurisdiction, different rules apply according to the banking retail product. For credit agreements, consumers should be notified in writing 6 weeks prior to changes in interest rate, charges, or other credit costs. Regarding deposit and payment services, consumers should be notified in writing two months prior to changes introducing higher or new fees and charges.

68. With regards to the information provided by financial institutions on how changes to existing fees and charges are communicated to consumers, most banks reported that they inform their customers through paper and/or electronic format, according to the consumer's request. In particular, such information is provided as follows:

- in a generalised and standardised way to all customers [52];
- in an individualised way to each of their consumers [24];
- in both generalised and individualised ways, depending on the type of product or the phase of contractual relationship [23].

69. With regards to non-bank financial institutions, replies received indicated that these entities provide information to consumers on changes to the level of fees and charges as follows:

- through both paper and digital means [4 payment institutions, 4 e-money institutions, 5 NCs];
- in a generalised way [2 payment institutions, 3 e-money institutions, 3 NCs].

70. The EBA received information from financial institutions on any change in fees and charges for retail banking products and services between 2017 and 2020. From the credit institutions' side, 121 of them reported that they applied changes,[11] the main reasons being:

- legal and/or regulatory requirements [58];[12]
- changes in the market situation, including increased competition pressure [55];
- adjustment to general costs increases [52];
- development and/or introduction of new products and services [42];
- business strategy [28];
- incentive for customers to use online channels [16];
- cancellation of products/services [10].

71. Regarding payment institutions, some of the reasons for changes in fees and charges highlighted were due to:

- competition pressure [1];
- introduction of new products/services [1];
- removal of fees related to some credit cards [1];
- introduction of new tariffs and cancellation of some services [1].

11 To note that 9 CIs did not provide any information on changes in fees/charges in the period 2017 to 2020.

12 Among the 58 credit institutions, 10 of them mentioned in particular legislation changes that occurred at EU level.

72. E-money institutions reported the following reasons to change the level of fees and charges:

- introduction of new products/services [4];
- competition pressure [2];
- changes to business strategy [1];
- changes to the operative costs, such as statement provision, processing, and issuance of new card and SMS services [1].

73. To note that one e-money institution reported that fees and charges for retail banking products and services changed in order to ensure profitability and commercial viability of products, as a response to demand, turning products more affordable for countries with lower income, cover costs, harmonisation of fees for local and international requests, and to ensure that prices are fair. The same e-money institution has also specified that the fees for international transfers changed due to new correspondent partners/banks.

74. Among the five non-bank consumer credit providers that responded to the questionnaire, the main reason mentioned to change the level of fees and charges was the introduction of new products/services [2]. One entity also specified that the fee for sending a notification letter about the debt has been decreased and costs for sending SMS on the debt has been cancelled. These changes were applied to an individual case with the client. In addition, other causes to impose a fee were adjustment to consumers' relationship with the financial institution or with its parent company and characteristics of consumers [1] and to commercial policy [1] as well as the simplification of the processes were indicated [1].

75. Financial institutions also provided information on whether they seek consumers' prior consent in case of subsequent changes to the level of fees and charges in an existing contract and, in case the consumers do not provide their consent, under what conditions the contract can be terminated. The following paragraphs summarise the replies received first by credit institutions and then by non-bank financial institutions.

76. 111 credit institutions responded that they do not require prior consent from consumers when amending the contract. Only in a limited number of countries, credit institutions reported that it is not possible to adjust the charges agreed upon in the contract in the consumer sector without the consumer's consent.

77. Regarding the conditions to terminate the contract, 97 credit institutions reported that consumers have the general right to terminate the contract without additional costs. Nine credit institutions specified that consumers must fulfil all outstanding obligations, such as repay fully the loan in case of credit agreements, and that there cannot be a negative balance. One credit institution reported that if a consumer desires to terminate the contract, the request for termination must be made within 30 days from the announcement concerning the changes.

78. Non-bank financial institutions provided their replies on the request of consumers' prior consent when amending the contract. The three payment institutions reported that they do

not require it. Two of them specified that consumers have the general right to terminate the contract without additional costs. The same information was provided by the four-responding e-money institutions, including the right to terminate the contract free of cost in case of disagreement to the change. In this regard, one e-money institution clarified that consumers must fulfil all obligations prior to closing the contract, and another e-money institution reported that consumers can terminate the contract if the account is not under financial crime investigation or does not have a negative balance.

79. One responding mortgages intermediary does not seek consent from retail customers to changes in pricing. Following a price change, customers are allowed to terminate the contract within 6 months from the notice at reduced fees, according to the national legislation. Moreover, the mortgages intermediary can only charge half of regular fees related to the bond trade and no other fees.

80. Seven non-bank consumer credit providers under CCD responded to this question. Of these, the majority do not require prior consent and four NCs specified that no changes are made to existing credit contracts. Two NCs added that consumers have the general right to terminate the contract without additional costs.

Disclosure towards consumers at risk of financial exclusion

81. Finally, financial institutions provided information on how they disclose information on fees and charges to customers that are at risk of financial exclusion. Regarding credit institutions, less than half respondents (31) reported that they provide personal assistance at the branch and/or through a call centre and send paper documents, while 23 credit institutions replied that they send only letters to the consumers or his/her legal representatives. 17 credit institutions stated that, for consumers with mental infirmity or minors, and in other special cases, the notifications are delivered to their legal representatives. Eleven credit institutions replied that they provide only personal assistance at the branch, while another eleven credit institutions stated that they send letters and e-mails, and the majority deliver notifications to the legal representatives. Moreover, 9 credit institutions replied that they provide personal assistance at the branch and/or through a call centre, send a paper document and e-mail/ SMS. Four credit institutions reported that the relevant information is only available at the branch and/or on the website. Another 4 credit institutions commented that they send a letter and/or email, and in addition the relevant information is also available at the branch and/or on the website and adapted to consumers with sensory impairments. 3 credit institutions replied that they provide information exclusively through digital means, such as e-mail, SMS or online banking.

82. Several credit institutions reported measures aimed at helping consumers at risk of financial exclusion. These measures included, among others, sending letters to consumers at risk of financial exclusion and/or to their legal representatives. In addition, these credit institutions also provide the information at the branch and/or via its website.

83. For blind persons, illiterate persons, the deaf or hearing-impaired, or aphasic consumers, a few credit institutions provide a specific form of contract signature called 'transaction witnesses', where specific persons must be present when opening a bank account and act as witnesses. In addition, the banks' on-line platforms have native applications that read aloud from the screen and at the bottom of the web page provide an option that offers the ability to increase the font size. In one jurisdiction, one credit institution also provides the 'Braille account statement' free of charge. In another jurisdiction, consumers with visual impairments can be provided with bank documents printed in Braille and the bank can assign two bank employees to act as witnesses (required by law) so that specific transactions are conducted at branch.

84. In relation to the disclosure of information to consumers at risk of financial exclusion by non-bank financial institutions, the respondents provided the following information:

- only through digital means [2 e-money, 1 credit intermediary];
- possibility of personal assistance at the branch [1 payment institution];
- availability of relevant information at the branch only [1 payment institution];
- paper document [1 payment, 1 e-money, 1 credit intermediary];
- website as a unique source of information [1 payment institution];
- through legal representatives [1 e-money].

85. The responses from NCs vary from institution to institution. One NC approaches every client in the same way. One NC provides personal assistance at the branch and via call centre, another NC informs consumers orally and via paper documents at the moment of the contract conclusion only. One institution provides 'a senior network' to consumers over 65 years old. In addition, ATMs of the latter institution are able to provide assistance to blind or visually impaired consumers (Braille keyboard, high contrast screen, voice recognition screens, etc.). One NC informs consumers via phone call and/or e-mail. The last respondent sends a letter and/or email. Information is also provided at branches and on the financial institution's website.

Chapter 3 - Issues arising for consumers from fees and charges

86. In this chapter, the report presents the information received from NCAs, consumer associations and financial institutions on the six products under the EBA's consumer protection remit (mortgages, consumer credit, deposits, payment accounts, payment services and e-money) and their impact in terms of the extent of detriment that, according to their experience, accrues to consumers as a result of the fees and charges that are levied on each of these products. The report also details which products and fees resulted to be the most detrimental ones.

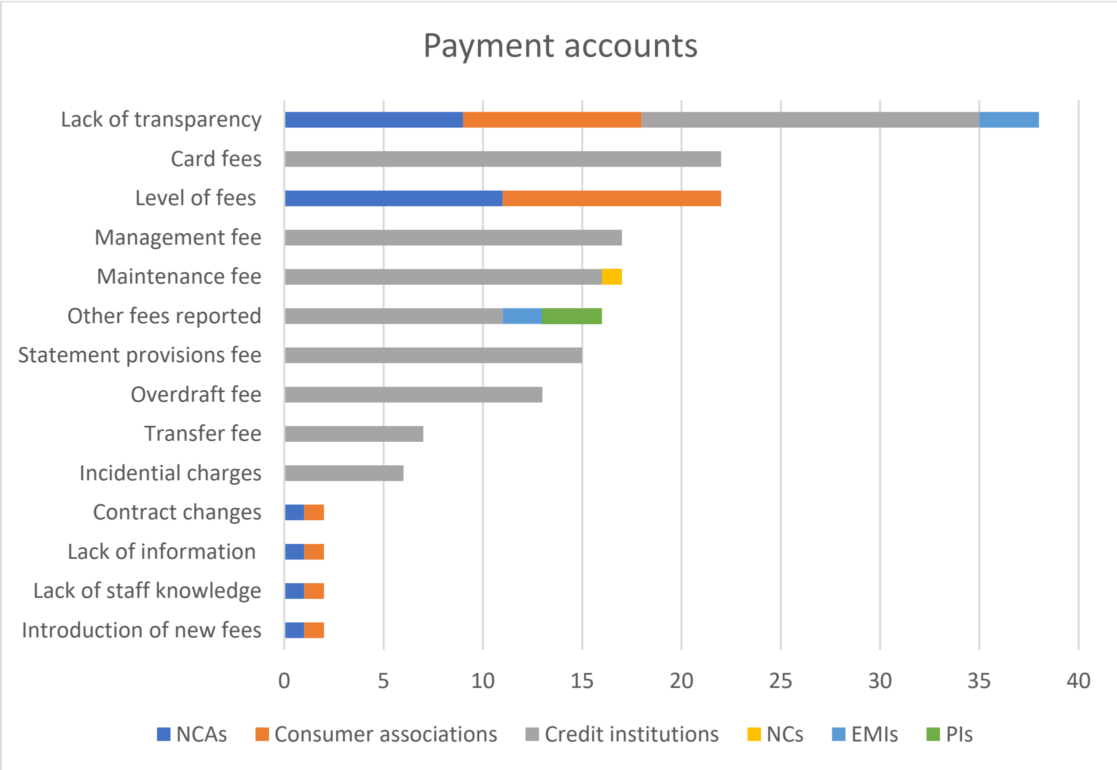
87. The replies received by NCAs and consumer associations indicated that payment accounts are the most detrimental product while electronic money is the least detrimental service (this is mainly related to the lower level of adoption of this service). However, in some jurisdictions, consumer associations do not have competence to assess consumers' complaints, hence the data reported might be incomplete. The responses provided by financial institutions indicated, based on the number of complaints received, that payment services are the most problematic product for consumers while the deposits are the least problematic ones.

88. Further below the report specifies, for each banking product, which are the main issues stemming from fees and charges levied by financial institutions.

Payment accounts

89. The replies provided by the three stakeholders showed that for payment accounts, lack of transparency together with the level of fees and card fees is the most detrimental issue for consumers, as depicted in the figure below:

Figure 1: Main issues identified for payment accounts



90. In particular, according to the replies provided by NCAs and consumer associations, payment accounts came across as the product with the highest number of issues related to fees and charges levied by financial institutions. Overall, the two most common issues are the lack of transparency, with particular reference to fees that are originally not charged but are then applied during the life of the contract, and the disproportionated level of some of the fees. In relation to the most common fees applied to payment account and causing detriment to consumers, consumer associations reported the following:

- fee for providing a debit card;
- fee in case of overdraft;
- fee for the maintenance of the current and basic account;
- fee for cash withdrawal over the counter and/or at the branch.

91. The replies provided by financial institutions showed that the most prominent issues identified in the complaints received are related to payment accounts and linked to card (debit/credit) fees, lack of transparency and management fees. In addition, with regards to payment accounts, financial institutions reported the following complaints in relation to:

- default interest rates considered too high (5 large CIs);

- withdrawal fees either related to withdrawals at the ATM, an ATM different from the customer's bank, or over the counter (4 CIs, 2 large and 2 medium);[13]
- unclear fees applied for the opening of an account (3 medium EMIs).

92. Further replies provided by NCAs illustrated that there have been several services linked to payment accounts which became subject to a fee while they were previously provided free of charge. The most common fees are those applied for cash withdrawal over the counter and for maintaining the account, as depicted by the figure below:

Figure 2: Services linked to payment accounts subject to a subsequent fee

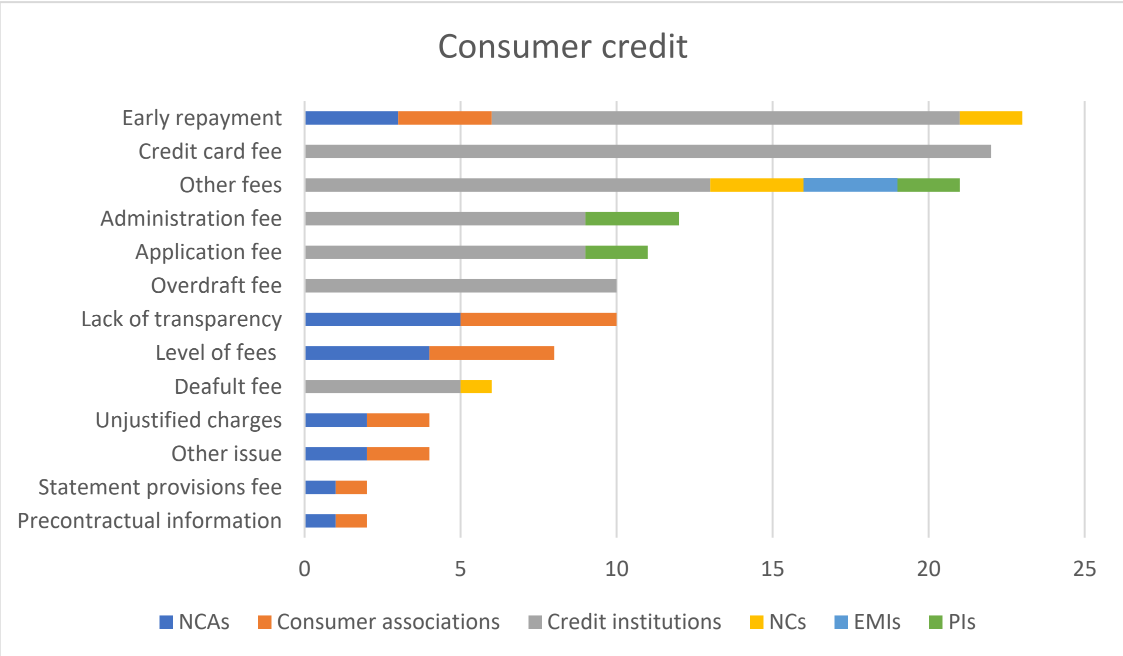
Type of services previously provided free of charge	Number of jurisdictions
cash withdrawals over the counter	6
maintaining the account	5
cash withdrawals on ATM offered by another payment service provider	2
sending statements by post	2
operations by mobile app	2
withdrawals from the deposit maturity date	1
ATM cash withdrawals	1
credit transfer between accounts of same client	1
finding out the account balance on ATM	1
duplicate receipt of payment	1
providing paper statements	1
depositing coins	1
depositing cash in branch	1
deposits fee	1
administration fee	1
incoming payments to the account	1
dormant account	1
minimum balance account	1
issuing of cheque	1
customer account related fees	1
application of negative interest rates in deposits	1
current account fees related fees	1

[13] It is worth to precise that some complaints were focused on package fees that were usually applied to payment accounts, notably fees for products/services not included in package.

Consumer credit

93. The replies reported by three stakeholders highlighted that early repayment fees and fees linked to credit cards are the most detrimental issues for consumers, as displayed in the figure below:

Figure 3: Main issues identified for consumer credit



94. With regards to the replies provided by NCAs and consumer associations, these highlighted that lack of transparency and level of fees are the two most detrimental issues for consumers when it comes to consumer credit.

95. In particular, consumer associations reported, as most common issues, the disproportionate (administrative) costs which are linked to a few different fees, such as the fee for early repayment, the fees connected to loan instalments and fee for the insurance linked to the consumer credit. According to the information provided by consumer associations, consumer credit was the banking retail product for which the highest number of complaints was filed by consumers.

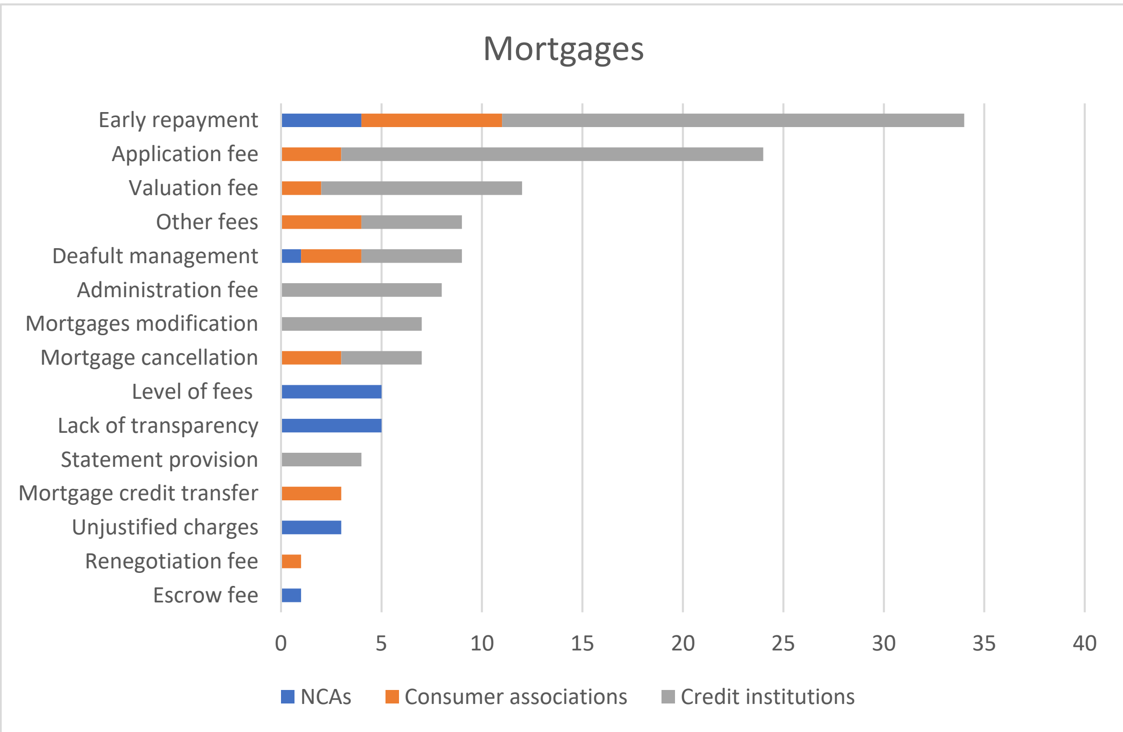
96. The replies provided by financial institutions indicated that also for consumer credit the majority of complaints received were about card fees (in this case specifically credit card fees)

followed by early repayment fees.[14] One e-money institution reported the dormancy fee, the cash deposit fee and the package fee as the main subject of consumer complaints.

Mortgages

97. The replies reported by the three stakeholders indicated that early repayment fee is the most detrimental issue for consumers when it comes to mortgages, followed by the application fee, as displayed in the figure below:

Figure 4: Main issues identified for mortgages



98. NCAs indicated that lack of transparency and the level of fees are the two most detrimental issues for consumers stemming from mortgages, where also early repayment has a relevant impact, while consumer associations highlighted that early repayment fee is the most detrimental issue for consumers.

99. Financial institutions reported that early repayment is the most detrimental issue stemming from the complaints received for mortgages. In particular, one mortgages intermediary indicated that consumers lodged complaints regarding the administration fee, the one-time-off fee in relation to loan initiation or early loan redemption, and the lack of transparency on a certain fee prior to issuance/termination of the loan.

14 To note that 33 CIs (12 medium and 21 small) do not provide credit consumer services.

100. Finally, it is worth mentioning that financial institutions also reported the undue fees charged, or incorrect calculation of fees, as issues raised by consumers (10 large and 3 medium CIs) and issues connected to the interest rates (7 CIs and 2 PIs/CIs).

101. To conclude, in relation to mortgages, the main issues reported appear to be related to the lack of transparency and the level of fees for NCAs. Consumer associations and financial institutions indicated as main issue the early repayment fee, both in terms of lack of disclosure and level of the charge. Based on the replies received from consumer associations,[15] the fee for mortgage arrangement is largely affecting consumers due to lack of a harmonized glossary (currently there are different definitions for the same type of fee) across financial institutions which might result in unclear information for the consumers and might therefore hinder the efficacy of the comparability of offers. The fee for mortgage arrangement affects consumers also due to its excessive cost when compared to the type of services provided. Additionally, consumer associations reported a fee for early repayment and its calculation, a fee for release of a loan security and property evaluation and fees charged for each stage of the contract, i.e., signing up of the agreement, default and cancellation.

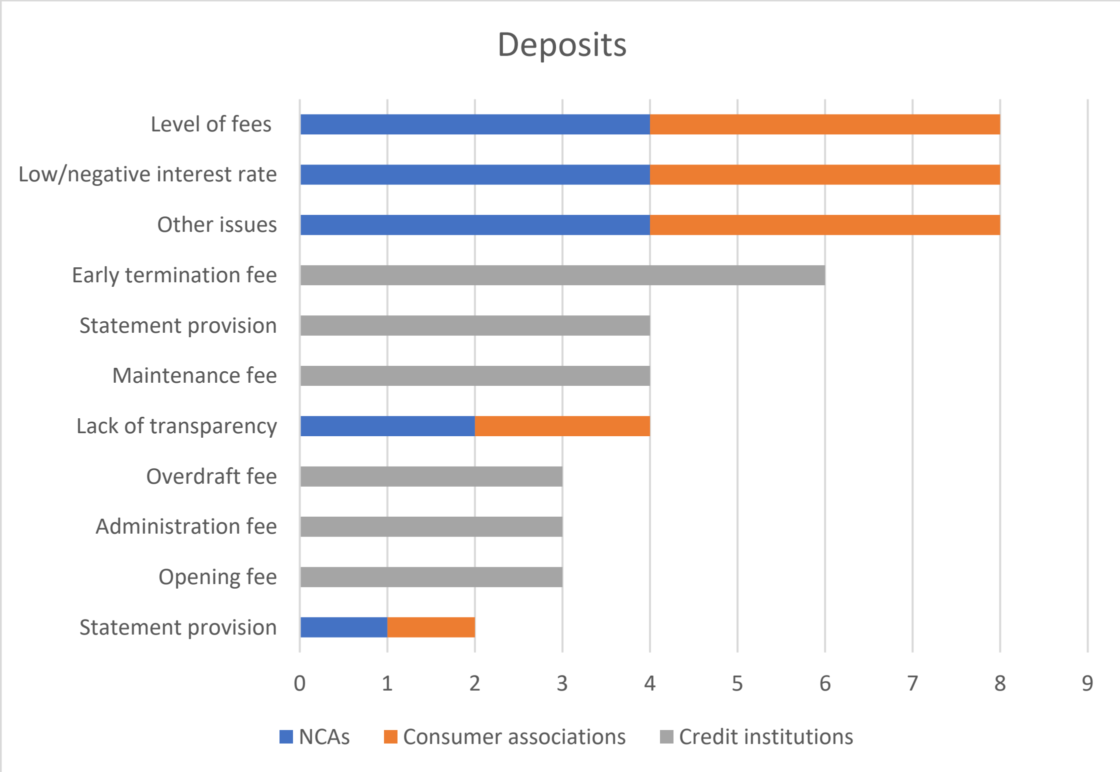
Deposits

102. The replies reported by NCAs and consumer associations indicated two main issues for deposits, these being the level of fees and the low/negative interest rates as displayed in the figure below:[16]

[15] One consumer association did not provide feedback to this last question due to its different remit.

[16] Under 'other issues', NCAs reported, among others, the newly introduced fees for withdrawal on the deposit maturity date, legal grounds for imposing a transaction fee, legal grounds for imposing an opening fee, the unilateral changes to the amount of the deposit maintenance fee, and fees associated to inheritance.

Figure 5: Main issues identified for deposits



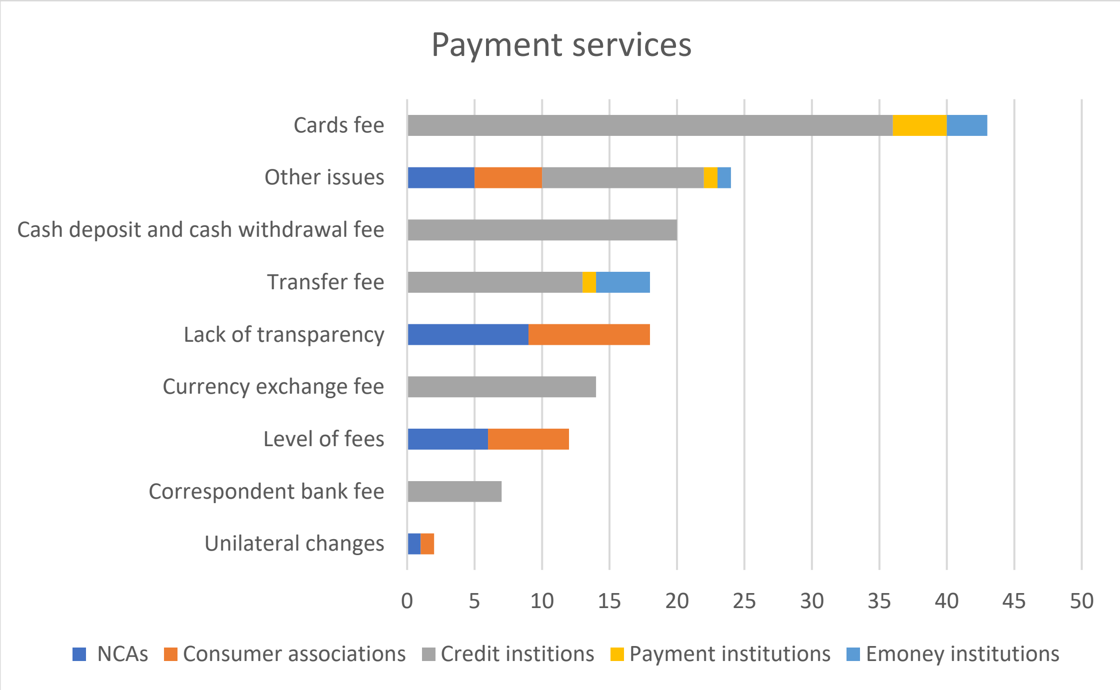
103. When it comes to deposits, two consumer associations highlighted the lack of disclosure of the fee to exit the contract (early termination fee) as one of the most detrimental issues for this banking product. Such fee prevents consumers to switch product without encountering additional costs. According to the information provided by consumer associations, the highest number of complaints in relation to cross-border provision of services was filed for deposits.

104. The replies provided by financial institutions reported early termination, maintenance and statement provision fees as most detrimental based on the complaints received.

Payment services

105. The replies reported by the three stakeholders indicated that cards fee (debit/credit) and cash deposit and withdrawal fee are the most detrimental issues according to data reported by financial institutions, whereas NCAs and consumer associations indicated lack of transparency and the level of fees as the two most relevant issues for consumers, as depicted in the figure below:

Figure 6: Main issues identified for payment services



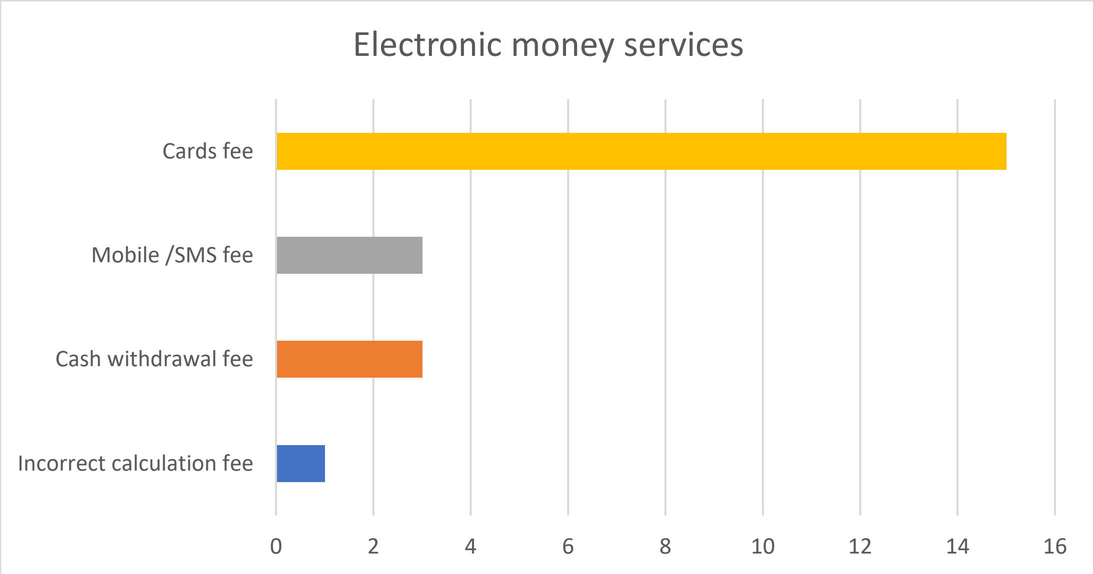
106. For payment services, consumer associations reported the following problematic fees:

- fee for online payments;
- fee for the currency conversion for withdrawal of cash in a foreign currency at an ATM abroad and for payment cards;
- fee for early termination.

Electronic money services

107. For this product, only data related to financial institutions' replies is available and indicating that the majority of the complaints received are related to cards (debit/credit) fees, as shown in the figure below:

Figure 7: Main issues identified for electronic money services by financial institutions



108. The EBA did not identify problematic issues related to fees and charges for electronic money, based on the responses received from NCAs and consumer associations. This result might be related to the low level of adoption of this service.

Disclosure in cross-border provision of services

109. The EBA did not identify significant issues at EU level related to the transparency of fees and charges for cross-border provision of services. Individual NCAs, however, have flagged specific issues in their jurisdiction related to the Cross Border Payment Regulation ('CBPR'). [17]In particular, in relation to the availability of information on:

- the charges for cross-border payments in foreign currency applied by correspondent banks where even payment service providers are at times unaware of the charges;
- the costs for transactions executed with credit cards issued abroad;
- currency conversion charges related to card-based transactions and credit transfers.

[17] To note that the replies received referred to Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001, which has been repealed by Regulation (EU) 2021/1230 of the European Parliament and of the Council of 14 July 2021 on cross-border payments in the Union (codification).

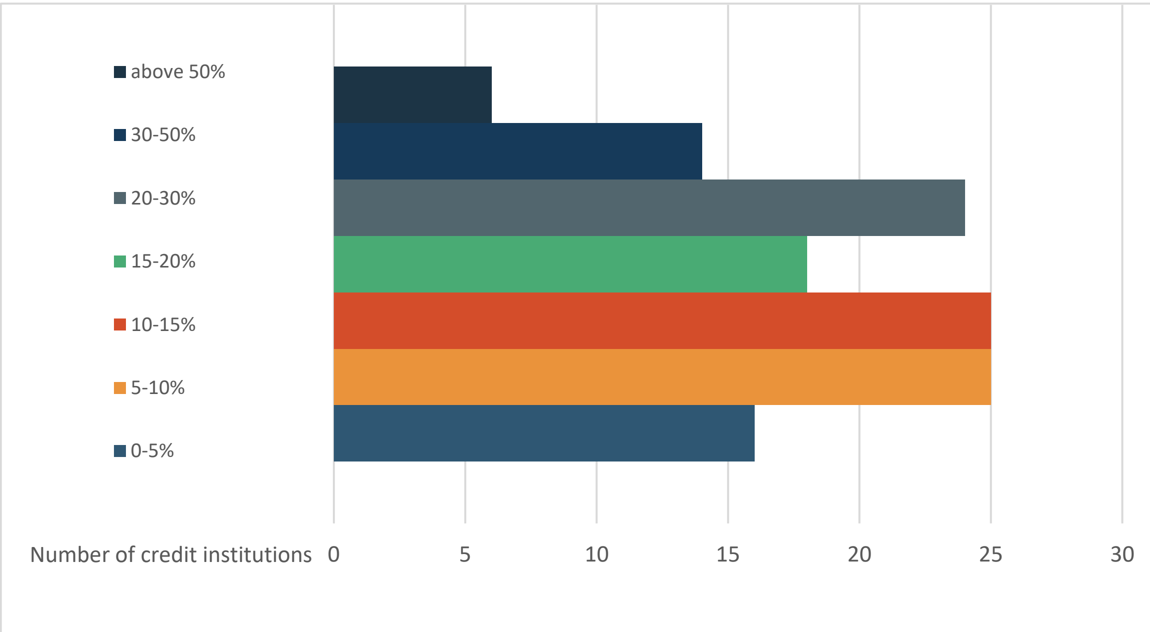
Chapter 4 - The importance of fees and charges for financial institutions

110. In this chapter, the report provides an overview of the importance of fees and charges for financial institutions, considerations when setting up a fee or a cost, and provision of services free of charge.

Fees and charges as a source of revenue for financial institutions

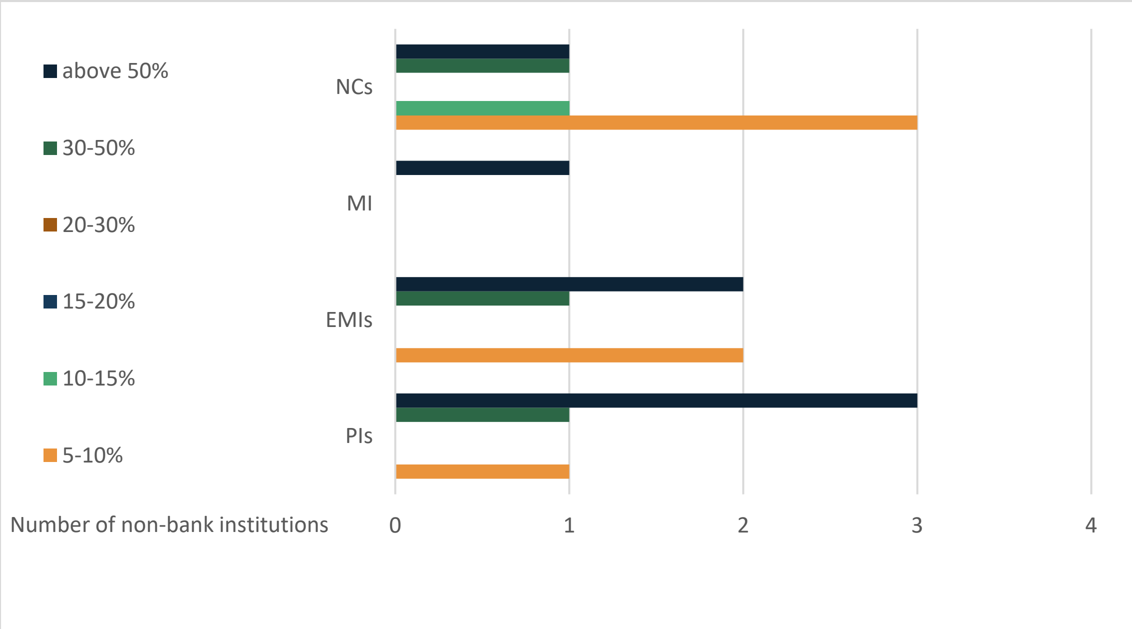
111. For the years 2020-2021, as indicated in the figure below, the distribution of the share of income shows that the reliance on fees as a source of revenue varies significantly across the credit institutions. However, for most credit institutions fees and charges represent 15% or less of their total revenue.

Figure 8: Share of revenues represented by fees and charges for the accounting year 2020/21 – credit institutions



112. Fees and charges amounted for approximately more than 50% of the total revenue for three payment institutions, two electronic money institutions, one credit intermediary and one non-bank credit provider under the CCD, as the figure below is showing:

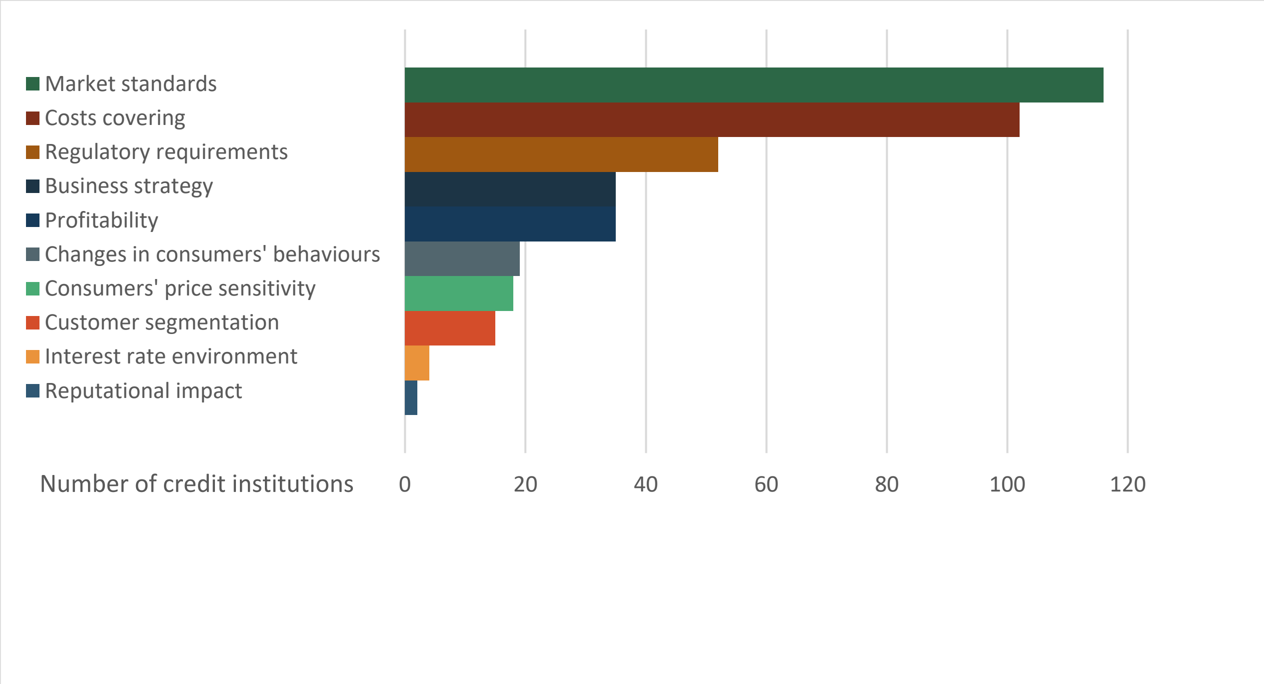
Figure 9: Share of revenues represented by fees and charges for the accounting year 2020/21 – non-bank institutions



Considerations when determining the type and the level of fees and charges

113. Financial institutions consider several aspects when determining the type and level of fees and charges, such as market standards and recovering of costs, along with other determinants mentioned in the figure below:

Figure 10: Aspects reported by credit institutions for determining a fee



114. Replies received from non-bank financial institutions indicated that market standards (which refers to the standards applied by market competitors and entails consideration of behaviors of competitors) was considered as the most important determinant influencing the decision concerning fees and charges levied on products and services offered also by 5 e-money institutions, 4 NCs and 3 payment institutions. The need to cover costs of the services provided was reported as second most relevant considerations for determining fees and charges also by 4 e-money institutions, 4 NCs, one payment institutions and 1 MI. Regulatory requirements influenced the decision on structuring fees and charges also for 2 NCs.

115. Differently than for credit institutions, business strategy and profitability were ranked as third most relevant determinants in the setting up of fees and charges by, respectively, 3 payment institutions and one e-money, 2 NCs and 2 e-money.

116. Adaption to consumers behaviours, in particular the switch to digital services, was not mentioned by non-bank financial institutions. Similarly, clients' price sensitivity, which accounted for more than 10% of the respondent credit institutions, was reported only by one non-bank financial entity (payment institution).

117. The EBA also received information on the impact that consumers' characteristics have in the financial institutions' decision to set up a fee. Twenty-two credit institutions and one payment institutions reported the application of different charges according to consumers' characteristics.

118. The following paragraphs provide information on the impact of consumers' characteristics and the application of fees and charges for the main banking retail products.

119. With regards to mortgages, some credit institutions reported to apply differently, depending on consumers' characteristics, the following fees:

- application fee [4 CIs];
- the fee for signing up the mortgage contract [2 CIs];
- renegotiation fee [1 CI];
- early repayment fee [1 CI];
- fee for advisory and handling services [1 CI].

120. Ten credit institutions stated that, in general, for mortgages, they do not apply different fees depending on customer characteristics.

121. In relation to consumer credit, 28 credit institutions reported the different application of the following fees according to consumers' characteristics:

- fee for signing up the contract [25 CIs];
- application fee [23 CIs];
- fee for provision of statements [1 CI].

122. With regards to deposits, 9 credit institutions confirmed the application of different fees and charges according to consumers' characteristics. No further information was shared on the type of fees impacted by this business strategy.

123. In relation to payment accounts, 77 credit institutions reported to apply different fees and charges depending on consumers' characteristic, the fees being the following:

- fee for maintaining the account [46 CIs];
- fee for providing a debit/credit card [34 CIs];
- transfer fee, SEPA, non SEPA, intrabank [16 CIs];
- basic fee [15 CIs];
- fee for ATM cash withdrawal [9 CIs];
- online banking fee [9 CIs];
- fee for account opening [7 CIs];
- booking entry fee [5 CIs];
- cash withdrawal over the counter fee [3 CIs];
- fee for provision of statements [3 CIs];
- standing order fee, SEPA, non SEPA, intrabank [2 CIs];
- direct debit fee [2 CIs].

124. Financial institutions mentioned application of a number of fees for the payment accounts not specifically listed in Annex II to the report, such as:

- fee for account closing [2 CIs];
- incidental charges [2 CIs];
- fees associated to cheques [2 CIs];

- fee for safe deposit box [2 CIs].

125. To note that six financial institutions underlined the provision free of any charge for basic services connected to payments accounts for disabled persons.

126. Regarding payment services, 17 credit institutions and one payment institution confirmed the different application of fees and charges depending on consumers' characteristics, while this was reported only by one credit institution and one e-money institution for what concerns electronic money services.

127. Financial institutions provided information also in relation to the different characteristics considered when applying different levels of fees and charges to consumers. The following paragraphs report the information provided by credit institutions.

128. In relation to consumers' age, 64 credit institutions consider this aspect when applying different level of fees and charges. Of these, 47 entities apply different treatment for children/youngsters, while 17 companies do so for elderly people/pensioners.

129. With regard to occupation, 41 credit institutions provide special offers for students, professionals, companies, members of associations, volunteers, start-ups, civil servants, cooperative memberships, small and medium enterprises.

130. Loyalty also has a relevant impact on the application of different level of fees and charges. 39 credit institutions charge different costs according to their clients' attachment, such as business volume, specific products, loyal clients, long-time customers. In particular, 14 banks reported a differential treatment to their customers according to the use of financial products (e.g., number of transactions, amount, types of services used), while 9 credit institutions apply different treatment in relation to specific features of products/services (e.g. amount, term, fixed vs. variable rates). 6 banks provide different treatment for fees and charges to their employees.

131. Vulnerable consumers receive a different treatment in terms of fees and charges applied to the services provided by 20 credit institutions. In particular, 5 banks reported the application of different level of fees for persons with disability.

132. Distribution channels (online, branch, post) chosen by consumers influence the level of fees and charges for 19 banks.

133. Direct deposits accounts (salary, pensions) done by consumers influence the level of fees and charges applied by 17 credit institutions.

134. Customers' profiling was generally mentioned by 8 credit institutions, while 15 banks reported explicitly that creditworthiness assessment impacts the level of fees and charges levied for mortgages and consumers credits. 2 banks mentioned the application of different

costs when the customer is subject to enhanced regulations in terms of AML/CFT requirements.

135. Banks apply different level of fees and charges also in relation to different product offers, as 13 credit institutions reported to offer special packages, such as senior package, mass package, and welcome package.

136. The consumers' place of residence influences the level of fees and charges applied by 10 credit institutions (e.g., EEA or non-EEA, specific region, etc.).

137. With regards to the differentiation based on consumers' characteristics applied by non-bank financial institutions, one payment institution reported that it differentiates the level of fees and charges levied for the services offered based on the customer segment, such as retail, professional, private banking, corporate, and small medium enterprises (SMEs). One e-money institution applies different fees/charges in relation to the place of residence of the consumers (EEA vs. non-EEA, EU company vs. non-EU company) due to enhanced regulations linked to stricter AML/CFT requirements. Regarding non-bank consumer credit providers, two NCs apply different fees and charges based on the consumers' age, with one of these adopting a different treatment for elderly people and pensioners.

Information regarding products and services free of charge

138. Financial institutions shared information on the offer of products and services free of costs and criteria used for this business strategy. However, due to the heterogeneity of the information provided, no differentiation among the six banking retail products under the EBA's remit is made in the following paragraphs, which instead report the information provided first by credit institutions and then by the other entities.

139. Starting with banks, three reported that they do not provide any product nor service free of charge. Two other banks commented that some products they offer have associated advantages applied under specific circumstances when charging higher fees.

140. Most of the credit institutions (126 out of 131 respondents) offer limited products and/or services free of charge and this is the case for payment services and basic bank accounts, followed by deposits, mortgage and consumer credit[18].

141. Nineteen banks indicated that they offer the following services free of charge: online and mobile banking, card issuance/replacement, card payments, and the possibility of withdrawal only at the ATM of the financial institutions. The provision of specific notices, statements or declarations, advisory services are offered at no cost by 9 banks, while 10 credit institutions provide free of charge early consumer and mortgages repayments.

[18] Interests were excluded from the scope of this reply.

142. The following products and services were also reported by banks as being offered free of charge:

- certain lending products, SEPA transfers, early termination of deposits [3 CIs];
- e-invoice services, account opening and/or maintenance (sometimes under condition of minimum income), ATM services (e.g., withdrawals over the counter and payment of services), donation accounts [3 CIs];
- payments credited to humanitarian [1 CI].

143. Credit institutions also explained the criteria based on which they may provide services and products free of charge, such as:

- consumers' age [39];
- consumers' segmentation [10].
- "green" products/services [7];[19]
- consumers with low income [3];
- consumers with disability [1];
- Covid-19 related national provisions [1];
- salary domiciliation [1];
- no payment remarks [1];
- place of residence [1];
- product/service package [1];
- marketing campaigns [1];
- discount schemes [1];
- particular customer's relationship with the bank [1].

144. In particular, a differentiation applies on whether the consumers belong to a private or military company, or they act on their own behalf, as well as whether the consumers are part of medical staff, or they are trainees, interns and / or volunteers. Some banks reported that they may provide services and products free of charge to new customers, key customers, asylum seekers, and their own employees.

145. A group of 9 banks particularly stressed that, in some countries, the national and/or regulatory provisions obliged them to provide certain products or services free of charge.

146. With regards to the information provided by non-bank financial entities, starting with payment institutions, the following were the products and services indicated to be provided free of charge:

- mobile banking services [2];
- payment services [1];
- cash withdrawal at ATMs in the EU [1];
- credit cards and some corporate products that do not have card/account fees [1];

[19] No homogeneous definition for 'green products' was provided by the respondents to the survey.

- all cards which include a benefit scheme [1];
- opening of a payment account by private persons [1];
- provision of account balance sheet [1 payment institution].

147. As to the eligibility criteria, one payment institution considers consumer segmentation, while another one mentioned that criteria are defined according to the time, the amount and the number of operations made. Only one payment institution replied that there are no special eligibility criteria as the products/services offered free of charges are available to all cardholders.

148. Regarding e-money institutions, 4 out of 5 respondents reported that they provide some services related to payment services free of charge, while one e-money institution offers only e-money payments. Among other products/services provided free of charges were:

- virtual/credit cards [2];
- provision of digital statements [2];
- use of mobile application [2];
- foreign currency exchange and accounts;
- ATM withdrawals;
- opening, management and closing of accounts;
- SEPA transfers among clients from SEPA countries;
- bill payments.

149. In relation to the eligibility criteria, one e-money institution mentioned the customer segmentation for both private and business clients, SEPA and non-SEPA residents.

150. Finally, regarding non-bank consumer credit providers, 6 of these provide some products/services free of charge which for 2 institutions are related to consumer credit, of these one NC also mentioned the possibility of payment in the interest rate free period for revolving credit (credit cards). Another NC provides debit cards free of charge to certain groups of consumers. In relation to the eligibility criteria, 3 NCs, on certain occasions and limited in time, offer free products as part of commercial campaigns based on strictly commercial criteria, such as the Black Friday campaign, promotional consumer leasing, and others. One NC considers customer's age and vulnerability.

151. The aforementioned assessment shows that the main products/services reported by one third of respondents were related to payment services and basic bank accounts, followed by deposits (almost one third of CIs, of these 9 CIs specified that all types of deposits are free of charge for all clients). The vast majority of FIs that responded to this question offer certain products and/or services free of charges considering consumers' age, working position, vulnerability, incomes, customer segmentation, commercial strategy, and so forth. However, there are some FIs that provide products/services free of charges independently of consumers' characteristics. Moreover, in some jurisdictions, certain banking

products/services must be offered free of charge. In most cases the free of charge products/services are related to payment services.

152. Complementary to the above findings, EBA assessed that a number of services previously offered free of charge have subsequently become subject to a fee, such as over-the-counter withdrawals at the branch when the account is held by a different individual and withdrawals below a minimum amount, according to the responses provided by consumer associations from few jurisdictions. In one jurisdiction, payments towards the public administration executed by private parties are now subject to a fee when originally this service was free of costs, while in a different jurisdiction the exemptions regarding the maintenance account fee have now been reduced or eliminated, as well as the number of services included on packaged accounts. In this same jurisdiction, in the past two years, payment providers, in particular banks, began charging for transfers using a third-party provider[20]. Other cases of services subject to fees only at a later stage of the contract are as follows, according to replies received by consumer associations:

- services linked to manual operations;
- custody for saving on payment accounts;
- credit transfers, also via distant channels such as online and telephone;
- provision of a credit card;
- provision of debit card;
- services through telephone banking;
- fees for direct debits SEPA;
- fees for instant payment transfer.

[20] It should be noted, that since January 2021, some operations on or through payment apps managed by a third-party provider must be provided free of charge within certain thresholds.

Conclusions

153. Consumer associations, NCAs and national ombudsmen have repeatedly raised the level and lack of transparency of fees and charges applied to retail banking products as an issue that causes detriment to consumers in the EU. The results of this thematic review confirm the relevance of the issue.

154. The first finding is that national legal frameworks are subject to the general principle of freedom of contract. Consequently, only in few cases, NCAs have the power to intervene when the level of fees charged is considered not to be reasonable compared to the service offered and limited to payment accounts. Likewise, only few national frameworks have implemented specific requirements in addition to those imposed through European legislation, such as the exemption from the fee for early repayment in case of death, unemployment or professional displacement for mortgage products, or limitations on fees and charges for payment services or payment accounts with basic features.

155. The second finding is that not only do fees and charges vary widely both in terms of level and type across the EU, but in the specific case of credit institutions' source of revenue, the reliance on fees varies significantly.

156. Furthermore, some NCAs and some consumer associations that took part in the survey identified as one of the most detrimental scenarios for consumers, the case when fees that had previously been agreed are subsequently increased. According to these two subsets of respondents, this circumstance is particularly detrimental in cases where consumers face financial and non-financial costs, including efforts required of the consumer to find an alternative provider, sign a contract with them, and gain access to services comparable to those before, that might discourage them to switch away from the provider. As noted in past editions of the EBA CTRs, despite the level of harmonisation achieved on payment accounts, consumer associations and financial institutions still perceive this product, which is the most frequently used from all products, as the most detrimental product due to the lack of transparency and the level of fees and charges associated, especially for cards linked to this product.

157. The final conclusion in this thematic review is that, with the exception of payment accounts, consumers face difficulties in comparing effectively costs of products and services offered by financial institutions across Member States, due to the low level of harmonisation and standardisation of fees within EU Member States.

Annex I: Findings on main types of fees and charges for each product, their level, frequency, and impact of digital channels

This Annex provides a summary of the main findings resulting from the replies of financial institutions to Q10 of the survey. The question covered information on the main types of fees and charges levied for each product under the EBA's remit, the most frequently sold products/services offered, whether the provision through digital channels may have an impact on the level of the fee, and the frequency and time of application of the fee. In few cases, information on whether any change in the application of the fee occurred during the first two years of the COVID-19 pandemic is also available.

As a general remark, provision of services through online/digital channels is cheaper compared to other methods of communication, mainly in-person. In many instances, financial institutions have indicated that a number of fees were not levied during the two years prior the completion of the questionnaire, which coincided mostly with the pandemic of COVID-19.

In the following paragraphs, information about the eight most reported fees for each product is provided, where available. The quantitative data mentioned in the following paragraphs should be considered by the reader as anecdotal data that are based on the individual market practices as reported by the financial institutions participating in this thematic review.

Fees levied for products offered under the CCD

With regards to fees applied for products and services provided under the CCD, in total 120 financial institutions provided their responses, out of which 113 credit institutions, 5 non-bank credit providers under the CCD, one electronic money institutions and one payment institution provided their replies to Q10.

Below a summary of the information related to the most frequently applied fees under the CCD.

- <u>Default of the credit contract</u>
  85 financial institutions reported the application of a fee for the default of the credit contract, of these 79 credit institutions, 5 non-bank credit providers and one payment institutions reported the application of a fee in case of default of the credit contract.
  With regards to the common level of fee, this was reported to be ranging between EUR 5 and EUR 40 for credit institutions and between EUR 0.50 and EUR 12, depending on the communication means used and the product offered, for non-bank institutions.
  This fee is a one-off charge, when the event occurs.

- <u>Provision of statement</u>

  The application of a fee for the provision of statement has been reported by 57 financial institutions, of which 52 credit institutions, 4 non-bank credit providers and one electronic money institution.

  The common level of such fee as indicated by credit institutions is between EUR 5 and EUR 60, while for non-bank financial institutions is between EUR 2 and 50, according to the different product for which the service is provided (card and loans services).

  The fee is charged each time a statement is provided.

- <u>Early repayment of the credit contract</u>

  The fee for early repayment of the credit contract is applied by 51 financial institutions of which 50 are credit institutions and one is a non-bank credit provider.

  With regards to the information shared by banks, the most common level of the fee is calculated as percentage of the total amount borrowed, normally varying between 0.5% and 1% of the loan and it is mainly applied to credit contracts stipulated with fixed rate. The only non-bank credit provider that reported the application of this fee reported to apply a 1% charge on the amortised amount of the outstanding balance. However, if the period affected by the request of early repayment does not exceed one year, then only a 0.50% charge is applied.

  This fee is charged during the life of the contract, each time consumers request an early repayment of their debt.

  The early repayment fee is charged on a monthly basis during the life of the contract.

- <u>Renegotiation of the credit contract’s terms and conditions</u>

  The fee for the renegotiation of the credit contract’s terms and conditions was reported by 49 financial institutions of which 46 credit institutions, 2 non-bank credit providers under the CCD, and one payment institution.

  Among credit institutions, the average level of this fee is approximately EUR 150, while the non-bank financial institutions reported that the level varies between EUR 3 and EUR 50, depending on the product provided and the total amount borrowed.

  Finally, with regards to the frequency of this fee, the respondents reported that it is levied as a one-off fee during the life of the contract.

- <u>Prolonging of the credit contract</u>

  The application of fee for the request of prolonging the credit contract has been reported by 48 financial institutions of which 46 were credit institutions and 2 were non-bank credit providers.

  Banks indicated a level of this fee that varies between EUR 5 and EUR 150, depending mainly on the total amount left of the credit. With regard to the non-bank financial institutions which reported the application of this fee, the level varies from EUR 35 and EUR 50 and is a one-off charge when the customer requires such service, and is mainly related to vehicle financing.

  The fee is charged each time the prolonging of the credit contract occurs.

- <u>Administration of the credit contract</u>

The application of a fee for administration of the credit contract was reported by 40 financial institutions of which 38 were credit institutions and 2 were non-bank credit providers.
Credit institutions indicated a common level of the fee between EUR 70 and EUR 150, depending on the type of product offered. With regard to non-bank financial institutions, the common level of fee varies between EUR 4 and EUR 48 according to the service provided.
This fee is normally charged during the life of the contract and monthly.

- Application for the credit contract
  The fee for application of credit under the CCD was reported by 37 credit institutions only, which indicated an average level of this charge of approximately EUR 150.
  Most of the respondents indicated that this fee is a one-off charge at the time of the signature of the credit contract. In addition, respondents reported that this fee is applied mainly for revolving credit agreements.

- Payment of each instalment
  The application of a fee for collecting each instalment of the credit agreement was reported by 26 financial institutions of which 23 were credit institutions, one was a payment institution, one an electronic money institution, and one non-bank credit provider.
  Banks reported a common level of this fee which varies between EUR 3 and 12, depending on the total amount of the credit. With regards to the non-bank financial institutions which reported the application of this fee, the most common level varies between EUR 1 and EUR 260 depending on the total amount borrowed and the good for which the credit contract was signed.
  The fee is charged monthly during the life of the contract.

Fees levied for products offered under the MCD

With regards to fees applied for products and services provided under the MCD, 114 financial institutions of which 113 credit institutions and one credit intermediary provided their replies to Q10.

The main findings related to the most frequently applied fees under the MCD can be found below:

- Early repayment (partial and total)
  75 financial institutions of which 74 credit institutions together with the one credit intermediary indicated that they apply a percentage of fee on the total amount between 0% and 2%, depending on the year of the contract in which the early repayment is done (the sooner the early repayment, the more expensive the fee). Such percentage is calculated either on the actual loan or on the remaining amount of the loan and the formula applied varies from institution to institution, normally it is published on the website. Few institutions indicated that they charge an early repayment fee only on fixed rate loans.
  The fee is applied when the event occurs.

- Default charge

74 financial institutions of which 73 credit institutions and the one credit intermediary indicated a common level of this fee between EUR 5 and EUR 35. The institutions indicated that the cost of the service increases for second and every other reminder. During moratoria if the certain contact was in payment holiday, the fee was not levied.
The fee is applied when the event occurs.

- Renegotiation fee
  68 credit institutions indicated that the amount of fee charged for renegotiation of the contract varies from 0% to 1%, while as common level they indicated a minimum amount of EUR 25 as one-off charge to a maximum of EUR 450.
  The fee is normally charged one-off when the new terms of the revised contract are signed by both parties.

- Provision of statement
  52 financial institutions of which 51 credit institutions and the one credit intermediary reported a minimum amount of EUR 10 and a maximum amount of EUR 60. The price varies according to the content of the statement. In some jurisdiction, consumers are entitled to a number of statements provided free of charge.
  The fee is normally charged one-off at contract signature or during the life of the agreement.
  In one jurisdiction, since January 2021, if the statement is required for access to social support or benefits, the service is provided free of charge.

- Signature of the mortgage contract
  49 financial institutions of which 48 credit institutions and the one credit intermediary reported a percentage of this fee that varies between 1% to 3.5% of the loan amount, or a minimum level of EUR 500 to reach a maximum of EUR 3000. Based on the replies received, it appears that variable interest rates loans would normally bear a lower fee. In some jurisdictions, the level of fee increases if the signee is the notary.
  The fee is charged as a one-off at the signature of the contract. During the two years prior to the questionnaire, some financial institutions did not levy this fee.

- Application
  39 credit institutions reported a percentage of the fee on the total amount of the loan that varies from 0% to 1%, while the average amount is EUR 250.
  The fee is normally charged as a one-off at contract signature or when the credit is disbursed.

- Cancellation of the mortgage
  37 credit institutions reported a common level of this fee varying between EUR 20 and EUR 100, depending on the financial loss incurred by the institution.
  This fee is charged as a one-off when the mortgage is cancelled.

- Valuation
  The valuation fee has been reported by 36 credit institutions, with the most common level indicated being between EUR 150 and EUR 250, depending on the type of the collateral

(apartment, house, flat, business premises, houses under construction, lots of land, etc). Some banks differentiated between internal evaluation and external evaluation, for the latter the price is set by the real estate evaluator.
The fee is charged each time a valuation is carried out.

Fees levied for products offered under the PAD

With regard to fees applied for products and services provided under the PAD, 121 financial institutions of which 114 credit institutions, 3 electronic money and 3 payment institutions and one credit intermediary, provided their replies to Q10.

The main findings that related to the most frequently applied fees under the PAD can be found below:

- Non-SEPA transfer
  This fee is the most reported by financial institutions under the PAD, with a total of 108 financial institutions indicating the application of this charge, of which 105 were credit institutions, 2 payment and 1 electronic money institutions.
  The percentage varies between 0,375% and 0,80% of the amount transferred.
  The fee is levied each time the transaction occurs.

- Maintaining the account/all-inclusive
  105 financial institutions reported the application of a fee for the maintenance of the account, of which 100 were credit institutions, 3 were payment and 2 electronic money institutions The common level of this fee is around EUR 45.
  This fee is generally charged monthly, biannually or annually.

- SEPA transfer
  The SEPA transfer fee is applied by 103 financial institutions of which 98 were credit institutions, 3 were payment and 2 electronic money institution.
  The percentage ranges around 0.25% of the amount transferred.

- Cash withdrawal at an ATM other than the consumer's bank
  96 financial institutions of which 93 credit institutions, 2 payment and one electronic money institutions apply this fee with a level between EUR 1 and EUR 10.
  The fee is charged monthly.

- Cash withdrawal abroad in foreign currency
  97 financial institutions of which 92 credit institutions, 3 payment and 2 electronic money institutions apply this fee, which normally amounts to 3% of the value of the transactions. Different levels of fees are levied according to the country where the cash is withdrawn.
  The fee is levied at each transaction.

- Provision of a debit card
  The fee for provision of a debit card is levied by 79 financial institutions of which 76 are credit institutions and 3 are electronic money institutions.
  The level of the fee varies between EUR 1 and EUR 35, depending also on the urgency of the request for the card and whether it is a replacement or a request for a totally new card.

The fee is charged at contract signature and as a one-off at each request for card.

- Intra-bank transfer (i.e., within the same institution)
  This fee is applied by 70 of the credit institutions that participated to the survey.
  The level of the fee ranges between EUR 1 and EUR 10.
  The fee is levied at each transaction.

- Cash withdrawal over the counter
  71 financial institutions of which 68 credit institutions, 2 electronic money and one payment institution apply this fee the level of which shifts between EUR 1 and EUR 80, depending also on whether the user is the account owner.
  The fee is charged monthly during the life of the contract or one-off.

Fees levied for products offered under the PSD2

With regard to fees applied for products and services provided under the PSD2, 117 financial institutions of which 109 credit institutions, 5 payment institutions, 1 electronic money and 1 non-bank credit provider shared their experience on Q10.

The main findings related to the most frequently applied fees under the PSD2 can be found below:

- Non-online payments
  87 financial institutions of which 86 credit institutions and one payment institution apply this fee with a percentage of 0.25% on the total amount and a common level varying between EUR 4 and EUR 13.
  This fee is charged monthly.

- Online payments
  72 financial institutions of which 71 credit institutions and one electronic money institution levy a fee for online payments with a percentage of 0,60% on the total amount of the transaction.
  This fee is charged monthly.

- Instant payments
  52 financial institutions of which 51 credit institutions and one payment institution reported the application of a fee for instant payment services.
  The percentage of the fee is normally 0.40% of the amount of the transaction and between EUR 4 and EUR 6 as maximum level.
  This fee is levied at each transaction.

- Provision of statement
  47 financial institutions of which 43 credit institutions, 2 payment institutions, one electronic money and one non-bank credit provider levy this fee.
  The level of the fee is approximately EUR 15 for the first statement and EUR 6 for each duplicate.
  The fee is charged at the signature of the contract.

- Currency conversion
  46 financial institutions of which 41 credit institutions, 3 payment institutions, one electronic money and one non-bank credit provider reported the application of this fee.
  The average percentage is 3% and the maximum level is EUR 144.
  The fee is levied at each transaction.
  The currency conversion charge for EUR currency is often offered free of charge.

Fees levied for products offered under the EMD2

With regard to fees applied for products and services provided under the EMD2, 23 financial institutions of which 13 credit institutions, 5 payment institutions, 4 electronic money and one payment institutions reported their practices on the questions posed by Q10.

The main findings related to the most frequently applied fees under the EMD2 can be found below:

- Opening e-money account
  14 financial institutions of which 12 credit institutions, one electronic money and one payment institution apply this fee.
  The level varies between EUR 3 and EUR 5.
  Credit institutions apply this fee mainly in relation to cards, while the other non-bank financial institutions levy the fee on various type of accounts.
  The fee is charged at contract signature.

- Withdrawals outside customer banks network (within and outside Eurozone)
  Only 8 financial institutions of which 4 banks, 3 electronic money institutions and one payment institution levy this fee, the level of which is approximately EUR 1.50.
  The fee is charged at each transaction.

- Provision of statement
  Only 5 financial institutions of which 4 credit institutions and one electronic money reported the application of a fee for the provision of statements under the EMD2.
  The level of such fee is approximately EUR 1.
  The fee is charged monthly.

Fees levied for products offered under the DGSD

With regard to fees applied for products and services provided under the DGSD, 83 credit institutions reported their practices on the questions posed by Q10**.**

The main findings related to the most frequently applied fees under the DGSD can be found below:

- Early withdrawal
  48 credit institutions apply this fee with a percentage that varies between 1% to 100%. The level is calculated on the interested already earned or on the amount deposited.
  The fee is a one-off charge.

- Provision of statement
  38 credit institution reported that they apply this fee with a level of approximately EUR 15 for the release of the first copy paper and EUR 6 for any duplicates.

The fee is charged monthly.

- Transaction fee
  22 credit institutions apply a fee for each transaction, the level of each is approximately EUR 2. The level of fee varies according to the type of currency and conversion to foreign currency for withdrawals and for intra-banks transfer.
  The fee is levied at each transaction.

- Deposit maintenance
  15 credit institutions levy a fee for the maintenance of the deposit, the level of which is between EUR 2 and EUR 30.
  The fee is charged monthly, quarterly, or biannually.

Annex II: Non-exhaustive list of fees and charges, and their working descriptions for the purpose of this report

Type of fee/charge[21]	**Working description**
CREDIT AGREEMENTS UNDER THE EU MORTGAGE CREDIT DIRECTIVE (MCD)	
Mortgage application fee	*Fee charged for the analysis of the credit proposal, regardless of whether or not the credit will eventually be granted.*
Valuation fee	*Fee for the valuation of the property.*
Fee for advisory services	*Fee for personal recommendations in respect of one or more transactions relating to credit agreements (it constitutes a separate activity from granting the credit and from credit intermediation).*
Fee for signing up the mortgage contract	*Fee for the purpose of signing the credit agreement.*
Renegotiation fee	*Fee for the renegotiation of the credit agreement, for example to change terms and conditions in the cases where there is no regulatory obligation for the referred renegotiation.*
Fee for the payment of each instalment	*Fee for collecting each instalment of the credit amount.*
Early repayment fee (partial)[22]	*Fee in case of a partial discharge of the borrower's repayment obligation prior to the applicable expiry date.*
Early repayment fee (total)	*Fee in case of a total discharge of the borrower's repayment obligation prior to the applicable expiry date.*
Default charge	*Charge applying in the event of a borrower failing to meet his/her repayment obligation by the due date.*
Administration fee	*Fee for the administration of the mortgage, which may be payable as a one-off or at particular intervals, and which may be 'rolled up' into the loan amount for subsequent repayment.*
Fee for transferring the mortgage to another creditor	*Fee for the transfer of the credit to another creditor.*
Fee for cancellation of the mortgage	*Fee for issuing the documents needed to cancel the registration of the mortgage or other comparable security.*
Disbursement fee	*Fee charged at the contract conclusion once the consumer has paid all the instalments and has been charged for the purposes of cancellation of the credit agreement.*
Permission to sell real estate under mortgage credit agreement fee	*Fee that allows the consumer to sell the property under a mortgage credit agreement.*
Certificate for a secondary mortgage fee	*Fee for issuing the document that allows the customer to obtain a second mortgage.*
Fee for the provision of a statement	*Fee for the provision of a statement containing financial information, excluding where the provision of statement is required by law.*
CREDIT AGREEMENTS UNDER THE EU CONSUMER CREDIT DIRECTIVE (CCD)	
Application fee	*Fee for the analysis of the credit proposal, regardless of whether or not the credit will eventually be granted.*

[21] Interest rates are not considered to be fees/charges for the purposes of this survey.

[22] For those jurisdictions where there is no differentiation between total and partial, same data in both fields has been inserted.

Fee for advisory services	*Fee for personal recommendations in respect of one or more transactions relating to credit agreements (it constitutes a separate activity from granting the credit and from credit intermediation).*
Fee for signing up the credit agreement	*Fee for the purpose of signing consumer credit.*
Renegotiation fee	*Fee for the renegotiation of the credit agreement, for example to change terms and conditions in the cases where there are no regulatory obligations for the referred renegotiation.*
Fee for the payment of each instalment	*Fee for collecting each instalment of the credit amount.*
Early repayment fee (partial)[23]	*Fee in case of a partial discharge of the borrower's repayment obligation prior to the applicable expiry date.*
Early repayment fee (total)	*Fee in case of a total discharge of the borrower's repayment obligation prior to the applicable expiry date.*
Default charge	*Charge applying in the event of a borrower failing to meet his/her repayment obligation by the due date.*
Administration fee	*Fee for the administration of the consumer credit which may be payable one off or at particular intervals, and which may be 'rolled up' into the loan amount for subsequent repayment.*
Fee for transferring the consumer credit to another creditor	*Fee for the transfer of the credit to another creditor.*
Disbursement fee	*Fee charged at the contract conclusion once the consumer has paid all the instalments and charged for the purposes of cancellation of the credit agreement.*
Faster credit issuance fee	*Fee for issuing fast credit.*
Faster creditworthiness assessment fee	*Fee charged for the creditworthiness assessment of the consumer for the fast credit.*
Credit prolonging fee	*Fee charged for the extension of credit maturity (see Renegotiation fee).*
Fee for the provision of a statement	*Fee for the provision of a statement containing financial information, excluding where the provision of statement is required by law.*
DEPOSITS UNDER EU DEPOSIT GUARANTEE SCHEMES DIRECTIVE (DGSD) i.e. funds placed with a credit institution, repayable at par at maturity, incl. structured deposits:	
Deposit opening fee	*Fee for the opening of the deposit account.*
Deposit maintenance fee	*Fee for maintaining deposits when different from those maintenance fees of the associated bank/payment account, if applicable.*
Transaction fee	*Fee for transactions made on the account (e.g. additional deposit, withdrawal).*
Transfer fee	*Fee for the transfer of the deposit account in the books of another account holder.*
Exit fee	*Fee for the deposit closure.*
Fee for the provision of a statement	*Fee for the provision of a statement containing financial information, excluding where the provision of statement is required by law.*
PAYMENT ACCOUNTS UNDER THE EU PAYMENT ACCOUTNS DIRECTIVE (PAD)	
Basic fee	*Fee associated to accounts with basic features as defined in articles 16 to 18 of the Payment Accounts Directive.*
Fee for maintaining the account/all-inclusive fees	*Fee for operating the account for use by the consumer which may or may not include all- inclusive fees including maintaining the account as well as packages of products.*
Fee for providing a debit card	*Fees applied where the account provider provides a payment card linked to the consumer's account. The amount of each transaction made using the card is taken directly and in full from the customer's account.*
Fee for providing a credit card	*Fee applied where the account provider provides a payment card linked to the customer's payment account (i.e. when the total amount of the transactions made using the card during an agreed period is taken either in full or in part from the consumer's payment account on an agreed date. A credit agreement between the provider and the consumer determines whether interest will be charged to the consumer for the borrowing.*

[23] For those jurisdictions where there is no differentiation between total and partial, the same data was inserted in both fields.

Overdraft fee	*Fee applied where the account provider and the consumer agree in advance that the consumer may borrow money when there is no money left in the account. The agreement determines a maximum amount that can be borrowed, and whether fees and interest will be charged to the consumer.*
SEPA transfer fee	*Fee applied where the account provider transfers money, on the instruction of the consumer, from the consumer's account to another account under the SEPA regulation (EU) No 260/2012.*
Non-SEPA transfer fee	*Fee applied where the account provider transfers money, on the instruction of the consumer, from the consumer's account to another account out of the remit of the SEPA regulation (EU) No 260/2012.*
Intra-bank transfer fee	*Fee applied where the account provider transfers money on the instruction of the consumer from the consumers' account to another account of the consumer or a third party in the same bank.*
SEPA-standing order fee	*Fee applied where the account provider makes regular transfers, on the instruction of the consumer, of a fixed amount of money from the consumer's account to another account under the SEPA regulation (EU) No 260/2012.*
Non-SEPA standing order fee	*Fee applied where the account provider makes regular transfers, on the instruction of the consumer, of a fixed amount of money from the consumer's account to another account out of the remit of the SEPA regulation (EU) No 260/2012.*
Intra-bank standing order fee	*Fee applied where the account provider makes regular transfers, on the instruction of the consumer, of a fixed amount of money from the consumer's account to another account in the same bank.*
Direct debit fee	*Fee applied where the consumer permits someone else (recipient) to instruct the consumer's account provider to transfer money from the consumer's account to that recipient. The account provider then transfers money to the recipient on a date or dates agreed by the consumer and the recipient. The amount may vary.*
Cash withdrawal at the consumer's bank ATM	*Fee applied where the consumer takes cash out of his consumer's account in an ATM belonging to the bank where the consumer holds his account.*
Cash withdrawal at an ATM other than the consumer's bank	*Fee applied where the consumer takes out cash of his consumer's account in an ATM that does not belong to the bank where the consumer holds his account.*
Cash withdrawal over the counter	*Fee applied where the consumer takes cash out of the consumer's account over the counter.*
Cash withdrawal abroad in foreign currency	*Fee applied where the consumer takes cash out of his consumers' account abroad and in foreign currency.*
Switching fee	*Fees applied for 'switching' or 'switching service', where upon a consumer's request, transfer from one payment service provider to another either the information about all or some standing orders for credit transfers, recurring direct debits and recurring incoming credit transfers executed on a payment account, or any positive payment account balance from one payment account to the other, or both, with or without closing the former payment account.*
Account opening fee	*Fee charged for the opening of the account.*
Account closing fee	*Fee charges for the closing of the account.*
Booking entry fee	*Fee charged for recording the account transactions which are not covered by the maintenance fees.*
Fee for the provision of a statement	*Fee for the provision of a statement containing financial information, excluding where the provision of statement is required by law.*
PAYMENT SERVICES UNDER THE EU PAYMENT SERVICES DIRECTIVE (PSD2)	
Fees for online payments	*Fee charged to consumers when performing payment services via digital channels.*
Fee for offline payments	*Fee charged to consumers when performing payment services using other channels than online (e.g. at the branch, via phone etc.).*
Currency conversion fee	*Fee for providing a currency conversion service.*
Instant payments	*Instant payments are electronic retail payments that are processed in real time, 24 hours a day, 365 days a year, where the funds are made available immediately for use by the recipient.*
Fee for the provision of a statement	*Fee for the provision of a statement containing financial information, excluding where the provision of statement is required by law.*
E-MONEY SERVICES UNDER THE EU ELECTRONIC MONEY DIRECTIVE (EMD2)	
Opening e-money account fee	*Fee for the opening of an e-money account with an e-money provider.*

Redemption fee	*Fee for the redeeming to the e-money holder of the monetary value of e-money at par value into funds.*
Fee for the provision of a statement	*Fee for the provision of a statement containing financial information, excluding where the provision of statement is required by law.*

EUROPEAN BANKING AUTHORITY

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