

Digital on-boarding workshop, 7 December 2016

A lack of harmonisation and standards is the biggest barrier to implementing digital on-boarding in retail financial services across the EU. This was a key conclusion from a technical workshop organised by ERFF and hosted by Sophie in't Veld MEP, at the European Parliament on 7th December.

Representatives from retail financial services, fintech, consumer organisations and policy makers saw demos and engaged in an interactive Q&A. MEP in't Veld welcomed this input ahead of the EC's Action Plan due early 2017 and in the context of PSD2.

ERFF members stressed that easy, fully digital on-boarding is important to bring customers the benefits of competition including new services and solutions and access.

From the consumer perspective, fin techs may improve competition, prices, & services. But there are concerns over a lack of regulation, data privacy, potential discrimination based on digital data, hacking and some consumers being left behind as digital grows.

A fin tech representative noted that no completely digital processes exist yet due to a lack of solutions such as digital certificates or EU-wide use of eIDs. Digital on-boarding also requires reliable, complete structured customer data, which is currently not always available.

General discussion points:

Video identification is not accepted in all Member States (MS) and still requires human in call centre to look at image of ID. It should be possible to use data on chip in European passport / IDs (contains hi-res photo and data digitally signed by local state) but not all MSs issue such IDs and data is not accessible without a special reader.

Problems of proprietary technology: e.g. Apple phones do not support 'NFC' functionality for payments other than by Apple Pay.

Lack of trust hampers fully digital solutions: between banks over sharing data; between different supervisory regimes in different MSs (need for EU-level guidelines?). Trust is key to consumer confidence re privacy & security. For banks 'know your customer' remains essential.

Overall, the lack of harmonization and standards was seen as a barrier to a single market in retail financial services. eIDAS will take time to become EU-wide, but there is a need to move quickly or Europe will be left behind in digital era. Industry, policy makers and Member States all have role to play in driving awareness and speeding up the process.

About ERFF

The European Retail Financial Forum (ERFF) is a pan-European forum bringing together around one table consumers, business and policymakers to support the opening up of retail financial markets in Europe. Representing all aspects of the retail sector - traditional, wider investment and digital - we are citizens-focused, favour removing key barriers and increasing choice and transparency for all customers across borders in ways that keep Europe competitive.

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