



Press Release

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EIOPA's Third Consumer Trends Report

The [Report](#) indicates that:

- **Transparency needs to improve**, for instance on **costs and charges**;
- **Advertising and marketing literature** is too often **misleading**;
- **Comparisons between products** need to be easier;
- Consumers are increasingly facing **inappropriate claims refusals**, disputes over the **amount of compensation paid** and **undue delays in payments**, particularly for **motor insurance**.

Frankfurt, 28 November 2014 – The European Insurance and Occupational Pensions Authority (EIOPA) published today its Third Consumer Trends Report, which provides an overview of trends in various Member States of the EU that may have led or may lead in the future to consumer detriment in the insurance and pensions markets. The Report will assist EIOPA in the identification and prioritisation of future measures.

Among the main trends are:

- Misleading advertising and sales literature, and incomplete or difficult to understand information on costs and charges;
- Increased cross-selling (tying & bundling) and sale of add-ons linked to large number of financial products such as protection related to loans, debit and credit cards where competition for the add-on product may not be effective and/or the add-on product is of poor added value;

- Poor claims-handling or claims management in particular in the area of motor insurance;
- Conflicts of interests, where life insurers select underlying funds based on the highest commissions received from fund managers;
- Insurers' sales incentive schemes leading to mis-selling, due to insufficient steps being taken to safeguard the fair treatment of customers, reflecting failures in the proper identification and management of conflicts of interests.

It is important to note that the trends identified by EIOPA in previous reports have provided a valuable basis for EIOPA to identify, prioritise and develop targeted policy proposals. In that respect EIOPA has published:

- An Opinion on Payment Protection Insurance (PPI), aimed at drawing attention to consumer protection issues regarding PPI products and analysing detailed information on existing national practices in Member States. It noted that that in a number of jurisdictions, significant cases of mis-selling have occurred, to the detriment of consumers and negatively impacting the reputation of the insurance sector as a whole. NSAs have acted in response to EIOPA's request for them to investigate their national markets;
- Guidelines on Complaints-Handling by insurance intermediaries, which provide a framework for insurance intermediaries when handling complaints about their activities, including the provision of information to consumers and procedures for responding to complaints;
- An Opinion on Beneficiary Protection Arrangements regarding Life Insurance Contracts, which outlines the different beneficiary protection approaches already in place in some Member States, aimed at ensuring pay outs to beneficiaries where due; and
- A Good Practices Report on Comparison Websites, where the current focus is on verifying the transparency of, and basis for, the comparisons and rankings, as part of promoting transparency, simplicity and fairness for Internet users in the market for online comparisons of products.

Gabriel Bernardino, Chairman of EIOPA: *"I am particularly pleased to see the progress made in this year's Consumer Trends Report in gathering reliable data for identifying existing and up-coming developments. The report continues to be a basis for targeted action by EIOPA to protect the consumer in financial markets."*

Note for Editors:

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established on 1 January 2011 as a result of the reforms to the structure of supervision of the financial sector in the European Union.

EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union.

EIOPA's core responsibilities are to support the stability of the financial system, transparency of markets and financial products as well as the protection of insurance policyholders, pension scheme members and beneficiaries.