

## EU cross-border payments outside Eurozone: MEPs scrap excessive fees

- Lower charges for cross-border payments in euro within the EU
- Consumers protected against excessive charges for currency conversions
- Estimated full cost of currency conversion for bank transfers disclosed prior to the transaction

**Banks should charge equally for cross-border payments in euro and domestic payments and make currency conversion costs transparent, say new rules.**

On Thursday, the plenary adopted by 532 votes in favour, 22 against and 55 abstentions, new rules to end discrimination against payment service users in the EU outside the Eurozone. Whereas consumers in the Eurozone benefit from the single [euro payments area](#) ('SEPA'), those living outside continue to pay high costs for cross-border payments in euro.

Before the end of the year, charges for cross-border payments in euro within the EU must be in line with charges for national payments made in the official local currency (the 'same charge' rule). Additionally member states are free to impose rules on banks to apply the same charges to cross-border and domestic non-euro payments.

### **Transparent currency conversions for card-based transactions and bank transfers**

The new measures will also protect consumers from being charged arbitrary costs for currency conversions. At each transaction, they will be informed about the amount to be paid in the local currency and the currency of their account. To make conversion costs more transparent, currency conversion charges will be expressed in a common way for payments at a point of sale or ATM (using the ECB reference rate, plus additional charges set individually by banks).

Consumers will receive an electronic push notification such as a text message, e-mail or notification through the payer's mobile or web banking application about the applicable currency conversion charges. These notification services have to be offered free of charge.

Banks would also have to disclose the estimated full cost of currency conversion in the case of bank transfers before the payment is made.

## Quote from Eva Maydell (EPP, BG), rapporteur

“150 million EU citizens and 6 million businesses living and operating in countries outside the Eurozone have been paying much higher charges for transferring euro than their Eurozone counterparts. This will no longer be the case and all Europeans will pay significantly lower charges, which will save them more than 1 billion euro annually. This is the second, small EU revolution after the abolishment of roaming fees.

It is a huge step forward to completing the Single Market for payments, putting Eurozone and non-Eurozone businesses on a level playing field. We proved once again that the EU could solve swiftly and effectively its citizens’ real, everyday problems.”

## Background

Average fee for a cross-border EUR 100 equivalent transfer in local currency

Country	2012	2017
Bulgaria	18,68 €	19,98 €
Croatia	N/A	8,23 €
Czech Republic	9,50 €	8,71 €
Denmark	2,17 €	2,69 €
Hungary	15,32 €	5,93 €
Poland	2,73 €	1,54 €
Romania	12,58 €	11,19 €
Sweden	0 €	0 €
UK	15,63 €	9,26 €

Cross-border card payments and cash withdrawals from euro area member states

Sources: Commission [Impact assessment](#), quoting Deloitte study 2017 for the EC, London Economics and PaySys study 2013 for EC

## Further information

[Adopted text will be available here \(14.02.2019\)](#)

[Profile of rapporteur Eva Maydell \(EPP, BG\)](#)

[Procedure file](#)

[EP research: Cross-border euro transfers and currency conversions: A step forward in favour of the single market](#)

[Committee on Economic and Monetary Affairs](#)

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