

Payments in the EU: Council confirms political agreement to reduce charges and increase transparency

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The EU is working towards making payments in euro cheaper. Soon, paying or withdrawing money in euros will cost the same price at home or anywhere in the EU.

EU ambassadors today endorsed the provisional agreement reached between the presidency and the European Parliament on aligning the costs of cross-border payments in euros between euro and non-euro countries and increasing the transparency of charges related to currency conversion services across the EU.

Today's agreement is a major step for consumers and businesses in the single market. We are not only reducing the charges for payments in euros within the EU, but also ensuring that charges related to currency conversion services are more transparent allowing consumers to make informed decisions.

Hartwig Löger, minister of finance of Austria, which currently holds the Council presidency

Since 2002, the same charges have applied to cross-border and national payments in euros within the euro area. At the same time, cross-border payments in euros from non-euro countries are subject to high fees.

The Council confirmed the agreement reached with the Parliament to align the charges for cross-border payments in euros for services such as credit transfers, card payments or cash withdrawals with the charges for corresponding national payments of the same value in the national currency of the Member State where the payment service provider of the payment service user is located. This measure will extend the benefits of cheap cross-border euro transfers to an additional 150 million non-euro area consumers, and a potential extra 2,5 billion transactions per year.

In addition, the agreed text increases the transparency requirements relating

to the charges for currency conversion services. When consumers make card payments or withdraw cash abroad, they can often choose whether to pay in the local currency or their home currency. According to the new rules, consumers will be informed of applicable charges before making their choice. This will be achieved by introducing an obligation to disclose the charges applied as a percentage mark-up of all currency conversion charges over the latest available exchange rate of the ECB. This new level of transparency is intended to raise consumers' awareness, thereby enhancing competition between different currency conversion services providers.

Next steps

The text will now undergo a legal linguistic revision. Parliament and Council will then be called on to adopt the proposed regulation at first reading.

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