“Do banks inform investors about the actual performance of their investments?”

Seven years into the financial crisis and the question remains: **are investors better protected today than they were in 2008?** The European Federation of Investors and Financial Services Users (EuroFinUse, now known as Better Finance) is particularly well placed to answer this question and provides a mixed view on the issue.

With a team of five, **Better Finance fights an uphill battle to be heard amongst industry heavyweights such as the European Banking Federation.**

Guillaume Prache, Managing Director at Better Finance says that “*there has been some progress since the financial crisis, with a number of regulations that were passed in favour of the protection of savers and individual investors*”. “However”, he adds, “***financial stability has been the main priority and when it involves bailing out large financial institutions it is often at the expense of investors***.”

Safeguarding banks comes before the interests of the customers. **Does this mean that investors are not a priority for the European Commission?** No, households as investors are a priority. Jonathan Hill, the European Commissioner for financial stability, financial services and capital markets stressed that households are the main source of funding for the European economy.

But gaps often appear between intention and practice, and many issues remain such as the lack of adequate information available to investors. Prache explains: "***The big taboos are the returns and charges****. It remains very difficult to actually determine the net return on your investments, including your pension savings. Some progress was made with introduction of Key Information Documents for certain funds, but these are absent for savings products*".

Guillaume Prache speaks of a taboo surrounding the performance of investment products. **Does this mean banks have things to hide?** Better Finance is clear on this: "***We are often told that it is the fault of the financial markets. This is plainly false****. As shown by several Better Finance studies, equity markets are positive over 15 year periods and bond markets took flight. The financial markets are not the explanation. The primary issue remains the fees and hidden charges.”*

Read more on: www.betterfinance.eu