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EU finance regulators must give IFAs a voice

When it comes to the financial crisis, politicians tend to say it was caused by “too relaxed rules”. In the industry, we tend to say it was “not competent enough regulators”.

The European Commission did nothing to prevent the extremely rapid deterioration in economic activity that has occurred over the past three years, nor manage the subsequent collapse in trust – trust in the banks and trust in the ability of the politicians to manage government business and economic policies.

To make matters worse, the EU Financial Services Action Plan, which was drawn up in response to the crisis, has caused a dangerous concentration of power in the hands of the super-large financial conglomerates at the expense of smaller players.

It is these giant companies – who arguably had a significant hand in causing the financial problems – who have been consulted over what to do to mend the situation.

Trust issues

To my mind, people trust intermediaries/financial advisers more than they trust the government, bankers or the regulator. But, as yet, intermediaries have been given very little say in how the future regulatory financial landscape will look.

The breaking-up of large financial conglomerates into smaller units to deal with too-big-to-fail issues is probably part of the answer to the problems.

But, so far, it has been part of the strategic plan of the EU to remove small businesses where there is an established big business option as part of a centralised collectivist bureaucratic system.

Regulators are hopeless when it comes to finding the right solution; one of the main reasons is their refusal to employ qualified people with experience. They are stuffed with failed lawyers and accountants at the top, and arrogant young university graduate trainees at the bottom.

The crisis and the revision of the Insurance Mediation Directive and MiFID are a good opportunity to reassess our priorities with maximum emphasis on what truly matters to the intermediaries and their clients.

EU politicians pay little attention to the fact that more than 60% of EU citizens feel that the global financial crisis was caused by a failure to implement existing regulation.

**Brussels-based FECIF was founded 11 years ago and represents almost 250,000 European intermediaries. One of its main roles is lobbying the European Commission on regulatory issues*



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Vincent J Derudder
Chairman - FECIF