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MFSA Recommends that Financial Institutions Clearly List their Payment Accounts Services, Terms and Fees

A mystery shopping exercise conducted by the Malta Financial Services Authority (MFSA), in collaboration with the European Banking Authority (EBA), revealed that the fees and features related to payment accounts were not always easily accessible on financial institutions' websites.

In this exercise five financial institutions were assessed through a total of 50 online or offsite interactions. The main objective was to analyse the level of information that could be readily available on these entities' respective websites, as well as that provided virtually by their staff, when a potential client showed interest in opening a payment account.

When visiting the financial institutions' websites, the mystery shoppers could not always easily find the features of the payment account. The same occurred when looking for the Fee Information Document. This document highlights all the fees related to a specific payment account and is necessary for clients to be able to determine which account suits their needs, as well as compare it to offers by other entities providing this service. In cases where the Fee Information Document was available on the website, it was noted that the document did cover the relevant information and fees. Generally, when available, this document was also found to be in the standard format as required by the applicable regulations.

In the cases of payment accounts, the information that should be readily accessible to clients is to include all the different types that the entity is offering. In the case where an entity offers only one type of payment account, this also needs to be highlighted to the clients. Additionally, potential clients are to be clearly advised of the documents and information which they would need to provide to the financial institution prior to opening a payment account.

Commenting on the outcomes of this mystery shopping exercise, Head of Conduct Supervision Sarah Pulis said, "Since financial institutions typically operate through digital means, and no face-to-face interaction with their staff can take place, it is important that all information provided to clients is clearly and easily accessible on their website. Mystery shopping exercises are among the several research methods that help us regulators assess

current market practices, enabling us to identify gaps and encourage providers to up their business conduct standards.”

Christopher P. Buttigieg, Chief Officer Supervision at the MFSA said, “As part of our continuous supervision, at the MFSA we use an array of tools including, off-site work, onsite inspections and mystery shopping exercises, to achieve higher compliance standards. The Authority endeavours to ensure that licensed financial institutions comply with applicable rules, such that they provide fair and clear information to their clients. Our ultimate objective remains to protect consumers and maintain confidence in the market.”

The MFSA encourages the financial institutions it has authorised in terms of the Financial Institutions Act, to thoroughly review the full [EBA report](#). The findings of the mystery shopping exercise have been outlined in a “Dear CEO Letter” which was recently sent to the licensed entities and which is also [available](#) on the MFSA’s website. The Authority will continue to engage with these entities to ensure that they comply with their regulatory obligations on an ongoing basis.

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA’s mission, as enshrined in its Strategic Statement, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.

