

## PRESS RELEASE

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### Financial education may be laudable but is ultimately doomed to failure

The above conclusion was one of the points put forward in Brussels last week at the latest annual FECIF Conference (European Federation of Financial Advisers and Intermediaries).

The event was held under the title of “**Social Welfare in Times of Economic Stagnation: Can smart regulation stimulate private pensions?**” and was attended by all major stakeholders; including regulators, politicians, consumer groups, the national trade associations of countless European countries, and advisory practitioners.

It was pretty much unanimously agreed that whilst regulation was obviously very necessary, we all need to ensure that it protects consumers in a sensible and proportional manner, stimulating personal financial responsibility, economic growth and jobs. This was specifically the message of David Charlet, FECIF Vice-Chairman, in his welcome address.

“One of the key messages from the event was that regulators, the industry and consumers all need to work together to address what is a very serious and long-term issue”, FECIF Secretary General, Paul Stanfield, stated. “The so-called pension time bomb is not going away, and is a problem that is increasing in magnitude all the time. We need to work together to ensure that we avert a catastrophe in the future”.

The event boasted speakers and panellists from EIOPA, EFAMA, EBF, AGE, Deloitte, AILO, PensionsEurope and Better Finance, as well as from various industry trade bodies from across Europe.

“The issues for those aged fifty and above were excellently highlighted by AGE Secretary General, Anne-Sophie Parent, in her keynote speech”, stated Johannes Muschik, FECIF’s Chairman. “Whilst the future issues for younger generations should not be ignored either, of course, as many other speakers focused upon”.

Two other keynote presentations considered the “European Single Market for Pensions”, from the viewpoint of a regulator and the pensions industry respectively, whilst the fourth keynote examined the “Private Savings Need of Consumers”.

There were also two round-table panels, looking at the “The Future of Saving” and “Information Overload versus Financial Literacy”.

One of the key conclusions from all of these sessions was that whilst financial education should be pursued, and increasing digitalisation and automation needs to be embraced, they are probably only a relatively modest part of the whole solution. Firstly, young consumers need to be incentivised in a valid and relevant manner in order to engage with their financial planning and their futures. This is where governments, regulators and the industry can work together for the benefit of all.

Muschik closed the event with a speech entitled: "The Role of advisers in Private Retirement Planning in Europe" – it had become clear during the day that the advisory sector is of paramount importance in addressing these issues.

This year sees the 16<sup>th</sup> anniversary of FECIF, a unique organisation representing the sector across the whole of Europe.

#### **About FECIF**

FECIF (The European Federation of Financial Intermediaries and Financial Advisers) is a Brussels-based non-profit organization, chartered in June 1999 for the support and promotion of the role of financial advisers and intermediaries across Europe.

It also notes the sensible and appropriate protection of consumers as one of its objectives.

FECIF represents around 30 trades bodies or organizations, encompassing over 230,000 advisors in Europe and in excess of 400,000 employees.

#### **More Details**

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