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Alert from the ECC-Net: IBAN discrimination, still an issue for EU consumers

Position Paper



Summary

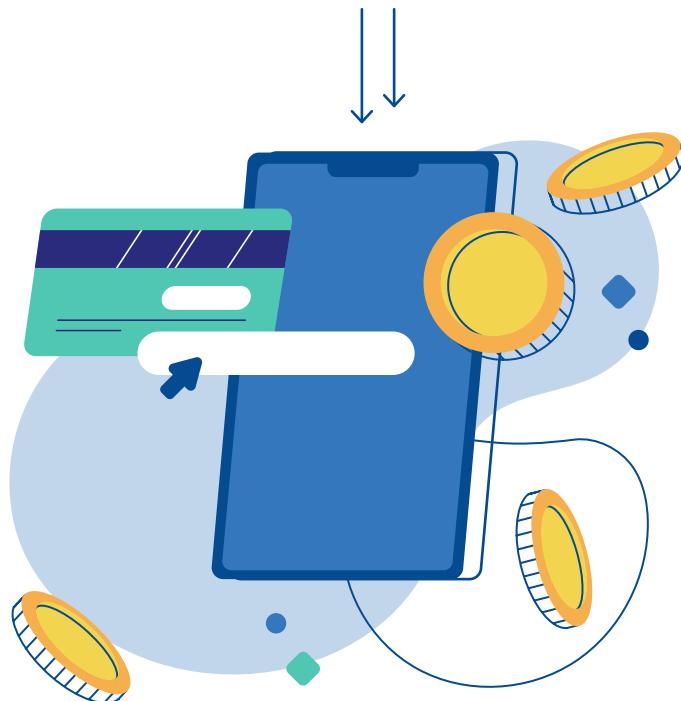
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"IBAN discrimination is when a person is not able to make or receive a SEPA credit transfer or pay via a SEPA direct debit from her/his bank account located in another Member State".¹

"

Nico lives in Luxembourg. He has a holiday house in France. Nico would like the insurance to be taken directly from his bank account in Luxembourg. The insurance in France refuses to do it because the bank account is not in France.

Moving within the EU or just looking for a better bargain on financial services in another EU Member state... There are numerous reasons why Europeans hold bank accounts in a country other than their country of residence.



1. [IBAN discrimination - European Commission](#)

Legal references and caselaw/ legal context



Geo-blocking Regulation

The Geo-blocking Regulation², which entered into force in December 2018, also aims at preventing "different conditions for payment transactions for reasons of a customer's nationality or place of residence/establishment, the location of the payment account or payment service provider, or the place of issue of the payment instrument (payment card or financial transfer arrangement)."³"

Payment Accounts Directive

It should be noted that at least since September 18, 2016⁴, European consumers have the right to open an account with the banking institution of their choice, even in another European Union country (Directive 2014/92/EU, known as the Payment Accounts Directive or 'PAD'). Especially since the emergence of online banking and fintech, it has become easier for consumers to open bank accounts in another country.

2. Regulation (EU) 2018/302

3. [Special report 03/2025: Unjustified geo-blocking in e-commerce - European Court of Auditors](#)

4. Deadline for transposition of the directive into the national legislation of the Member states

SEPA Regulation

According to Article 9 of Regulation (EU) No. 260/2012 establishing technical and business requirements for transfers and direct debits in euros, traders cannot refuse a payment by direct debit or transfer in euros because the consumer's bank account is located in another Single European Payment Area (SEPA) Member state⁵.

In September 2019, the Court of Justice of the European Union (CJEU)⁶ has ruled that "Article 9(2) of Regulation (EU) No 260/2012 [...] must be interpreted as precluding a contractual clause, such as that at issue in the main proceedings, which excludes payment by direct debit in euros under the European Union-wide direct debit scheme (SEPA direct debit) where the payer does not have his place of residence in the same Member State as that in which the payee has established his place of business."⁷

Actions by the European Commission

Commissioner McGuinness highlighted in early 2024 that "nine years after the deadline for SEPA implementation, there are still companies and public administrations refusing to make or receive euro payments involving non-domestic accounts."⁸ He rightly qualified this as "unacceptable", in a European Single Market.

A Single Market Enforcement Taskforce (SMET) set up in 2023 found out that the most IBAN discrimination complaints concern telecom providers (and the utility sector). Barriers are still fragmenting the EU Internal market. While having finalised their analysis of the public sector and telecom operators,⁹ they announced to continue monitoring beyond the project end in 2024 as "No strong commitment was shown by stakeholders from the telecommunication sector to promptly deal with the problem and comply with the EU rules."¹⁰

5. [Single Euro Payments Area \(SEPA\)](#)

6. [Case C-28/18 - CURIA - Documents](#)

7. This case originated from a consumer complaint submitted through the European Consumer Centre (ECC) Austria and handled within ECC-Net. It concerned a clause in Deutsche Bahn's terms and conditions that restricted SEPA direct debit payments only to consumers with a residence in Germany, thereby violating Article 9 (2) of the SEPA Regulation.

8. [IBAN discrimination](#)

9. [smet-report-2024_en.pdf](#)

10. [Tackling IBAN Discrimination - Projects - Single Market Enforcement Taskforce \(SMET\) - European Commission](#)

Ongoing consumers' complaints

ECC-Net and other stakeholders confirm that they still receive complaints from consumers who are not able to make or receive payments via direct debit from a bank account located in another SEPA country. Even though the above provisions apply to public and private service providers, as has been addressed already in 2021, for example, by the French enforcement authority DGCCRF (Directorate-General for Competition, Consumer Affairs and Fraud Control) together with the National Committee for Cashless Payments (CNPS).¹¹

Neobanks have started helping their customers by creating virtual¹²/local IBANs, but in extreme situations, consumers are forced to open bank accounts in the trader's country as the payments they are awaiting (social and retirement benefits, social security, health insurance, etc.) or they have to make (utility services such as energy, taxes, phone services, motorway toll services, school canteens etc.) are vital.

National legislation: an example from France

This is one of the reasons why France, for example, has transposed the EU legislation into national law¹³, precisely indicating that "*direct discrimination shall be taken to occur where, on the grounds [...] of bank details/domiciliation [...] or of particular vulnerability arising from an economic situation, which is apparent or known to the perpetrator, [...] one person is treated less favourably than another is, has been or would be treated in a comparable situation*". On these grounds, the refusal to take into account bank details from a country other than France, even though these details include the identification guarantees provided for by European Union legislation, undermines the rights of private and public service users. This reasoning is also adopted by the French Defender of Rights, who had to intervene in such cases on numerous occasions.¹⁴

Therefore, several stakeholders, including the ECCs, have tried to raise awareness on IBAN discrimination and to tackle such practices, among those in the banking sector or from payment providers.

11. [La DGCCRF et le CNPS rappellent le droit des consommateurs à utiliser un compte domicilié dans un autre pays d'Europe pour leurs prélèvements ou virements | Ministère de l'Économie des Finances et de la Souveraineté industrielle et numérique](#) (in French)

12. Which are not without risks for consumers according to EBA Report on virtual IBANs. This report also acknowledges that in 2024 IBAN discrimination still exists, which led the Belgian presidency to consider the issue for its [progress report 2023/0209 \(COD\) 2023/0210 \(COD\) \(pdf\)](#)

13. [LOI n° 2008-496 du 27 mai 2008 portant diverses dispositions d'adaptation au droit communautaire dans le domaine de la lutte contre les discriminations \(1\) - Légifrance](#) (in French)

14. [Domiciliation bancaire Catalogue en ligne](#) (in French)

Accept my IBAN initiative



ECC-Net has had regular exchanges with the "Accept my IBAN"¹⁵ initiative, to compare data and experience. Indeed, access to data in this regard is difficult, as consumers may complain at different touchpoints. Consumer organisations, including ECCs, may encounter only a small portion of the discrimination experienced with private sellers. Complaints regarding public services may be directed to SOLVIT and national contact points. Additionally, consumers might approach enforcement authorities or their financial service providers or banks when confronted with such a refusal. According to the 'Accept my IBAN' initiative, in certain countries, there are more than 70 competent authorities consumers can complain to, which can dissuade them from filing a complaint in the first place.

Complaints from 2021-2025

The 'Accept my IBAN' initiative has received 4688 complaints from 2021 to the end of March 2025. Most complainants were based in France (22%), Germany (19%), Spain (15%), and Italy (11%). The merchant's countries are identical with France (27%), Spain (19%), Germany (17%), and Italy (12%). Over the last 9 months from the aforementioned timeframe, Germany and Spain have become the most common locations for IBAN discrimination.

Some consumers have opened a bank account, also online, in a different EU country from their place of residence. After opening their foreign account, they encounter issues using it in European countries other than the one where the IBAN account is registered. These refused IBANs are located for 24% in Lithuania, 23% in Belgium, and 22% in Germany.

15. [Accept my IBAN](#)

When it comes to the sectors complained about, EU-wide financial services and telecoms are in the top charts.

Sector	Counts	% of total EU
Total EU	4 688	100%
Financial services	1 216	26%
Telecoms	1 088	23%
Public sector	739	16%
Ecommerce	510	11%
Other	427	9%
Insurance	384	8%
Utilities	324	7%

Given the predominance of financial services, several national banks have successfully raised awareness on IBAN discrimination, such as De Nederlandse Bank (DNB)¹⁶ and the Central Bank of Ireland.¹⁷

16. <https://www.dnb.nl/en/payments/how-do-payments-work/sepa-and-iban-discrimination/>

17. [Explainer - What is IBAN discrimination and what can I do about it | Central Bank of Ireland](https://www.centralbank.ie/explainer-what-is-iban-discrimination-and-what-can-i-do-about-it/)

Actions by enforcement authorities



Enforcement authorities are also not absent from the picture.

For example, in Italy, the Antitrust Authority (AGCM) has fined several operators for IBAN discrimination, such as Wind Tre¹⁸, Vodafone, Fastweb and TIM.

In Germany, the "Wettbewerbszentrale" has created a specific complaint service for SEPA discrimination. In 2024, they reported an increase of 30% in complaints over their 7 years of existence.¹⁹ According to the "Wettbewerbszentrale" the reasons for companies refusing to collect from EU accounts in the case of direct debits are often the use of outdated IT systems or employees who have not been properly trained. In approximately 5 cases a year, the German enforcement authority has to take the case to court.

As the European Court of Auditors' special report 01/2025 on "Digital payments in the EU"²⁰ states, "In the context of diverging enforcement among member states, we note that the SEPA Regulation is not mentioned in Regulation (EU) 2017/2394 on cooperation between national authorities responsible for the enforcement of consumer protection laws."

18. [IP326 - WIND discriminazione IBAN esteri \(in Italian\)](#)

19. [Sieben Jahre Beschwerdestelle „SEPA-Diskriminierung“ – Beschwerdeaufkommen bei der Wettbewerbszentrale stark gestiegen - Wettbewerbszentrale | Partner der Wirtschaft - Gemeinsam für fairen Wettbewerb \(in German\)](#)

20. [Special report 01/2025: Digital payments in the EU](#)

Experience of ECC-Net



ECC-Net has extensive experience when it comes to this topic. During a meeting between ECC-Net and the CPC Network in April 2024, geo-blocking was one enforcement priority that the ECCs brought to the attention of the CPC Network, together with the SEPA Regulation.²¹

Almost a year later, in 2025, ECCs still report cases in which direct debits were refused by traders within the EU. And while some statistics show a decrease in complaints, it is important to consider this in its proper context. As far as ECC-Net is aware, there have not been public awareness-raising campaigns for some time. Furthermore, according to the statistics received by "Accept my IBAN", complaints by German nationals, for example, have decreased by 30% from 2021 to 2022, while they have increased by 61% in 2023. The overall decrease from 2021 to 2024 is only 16%. In Italy, complaints rose by 42% between 2021 and 2024.

Refused services due to IBAN discrimination

When looking at the complaints received by ECC-Net, the following services were refused:

- Motorway subscriptions from traders located in France, Italy
- Train subscriptions in Germany
- Telecommunications from operators in France, Ireland
- Utility services in France and Spain

21. [Geo-blocking – still an area of concern for ECC-Net | European Consumer Centres Network](#)

- Tax authorities in France
- School canteen in France
- Refunds of deposits from car rental company in France
- Refunds from airlines in specific countries, such as Croatia and Sweden
- Online shopping in countries where sellers offer payments via direct debit, such as in Germany
- Digital content services, such as music streaming services from a major Irish operator

Specifically regarding public transport in Germany, we have received the alarming message from "Accept my IBAN" that instead of changing the German system, enabling all EU IBANs to pay online, the possibility of paying by direct debit was removed entirely. For the famous "Deutschlandticket", ECC-Net could not verify this information but could see that only bank accounts from Germany, Austria and Switzerland are accepted for direct SEPA debit.²²

Reasons for refusing foreign IBANs

One of the main reasons for refusing IBANs from other countries is obsolete technical systems not recognising other country codes or lengths of IBAN. In some cases, payees requested certain identification numbers (ICS and RUM) from the consumer's bank to execute the direct debit transaction. However, this information was not available in the country where the consumer's bank was located.

Another main argument raised by the traders is fraud prevention. Furthermore, retailers point out that credit checks on customers from other EU countries are significantly more expensive. In the case brought before the CJEU (C-28/18), Deutsche Bahn estimated the costs to be 15 times higher. Without such credit checks, retailers face a risk of non-payment. However, in the EU, where instant payments and verification of payee are now in place, these arguments cannot stand alone anymore. Moreover, the argument that traders need to pursue claims across borders in case of non-payment, cannot stand within the EU, where simplified cross-border judicial procedures are available. Traders may utilise these procedures just as consumers are expected to use them against defaulting traders.

22. [Zahlung per SEPA-Lastschrift](#) (in German)

Call to action

Legislation to prevent IBAN discrimination already exists — most notably the SEPA Regulation (Regulation (EU) No 260/2012) and the Geo-blocking Regulation (Regulation (EU) 2018/302) — and provides a clear legal framework ensuring that consumers across the EU can access and use payment services without unjustified restrictions based on their country of residence or the location of their payment account. However, these rules are too often ignored or circumvented in practice. **ECC-Net calls for stronger, more consistent, and dissuasive enforcement of the existing legislation by national authorities and EU institutions alike.** Only through effective enforcement can the Internal market's core principles of non-discrimination and consumer access be fully realised.

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