HØRING

To: European Commission

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Reply to the Commission's Communication on the competitiveness of the EU banking sector and the Single Market in Banking

Finansforbundet welcomes the Commission's Communication on the competitiveness of the EU banking sector. A competitive, resilient and diverse banking sector is essential for financing growth and investment in Europe and for providing high-quality financial services.

Finansforbundet supports simpler regulation and reducing unnecessary administrative burdens. Complex and overlapping rules create work throughout banks, including customer-facing functions. Simpler, coherent and proportionate regulation can strengthen efficiency and quality. Simplification must not become a general deregulation agenda or weaken financial stability, consumer protection or workers' rights. The lessons of the global financial crisis remain relevant.

We support efforts to improve the Single Market in banking, but competitiveness should not be equated with size alone. Cross-border integration and consolidation may create efficiencies and strengthen European banks, but may also lead to centralisation, outsourcing and relocation of jobs, expertise and decision-making. This can affect employment, sector diversity, national operational capacity and critical financial infrastructure. In Denmark, a diverse sector of large, medium-sized and small institutions is a strength.

The Commission should apply a broader concept of competitiveness. Scale, profitability and lower regulatory costs matter, but so do resilience, diverse business models, access to financial services, quality of advice, skills and well-functioning labour-market institutions. Analysis by the Danish Economic Councils indicates that collective bargaining institutions and trade unions can contribute positively to employment, productivity and efficient resource allocation (Danish Economy, Spring

2026, Chapter III). Competitiveness should therefore be understood as an interaction between capital, technology, people, skills and institutional quality. Employees are a fundamental part of the sector's competitiveness. They create value through advice, trust, customer relationships and technological, regulatory and organisational change. The Commission's discussion on highly qualified specialists should go beyond remuneration for material risk takers and also address skills development, attractive workplaces and capabilities in AI, data, compliance and financial advice.

A more integrated banking market must also support cohesion. As highlighted by Enrico Letta in Much More Than a Market, deeper integration should strengthen both the freedom to move and the "freedom to stay". Households, SMEs and communities in smaller markets should retain access to banking, payments and high-quality advice. Integration should not make jobs, expertise and critical functions dependent on a limited number of financial centres.

Resilience should be understood more broadly than capital and liquidity. Operational resilience must exist not only at group level, but also in the national markets that cross-border banking groups serve. This requires sufficient critical skills, operational capacity and decision-making authority to maintain essential services during severe disruptions or cross-border crises. Centralisation, outsourcing and concentration of functions should be assessed not only in terms of efficiency, but also their impact on the resilience of individual markets. Some local capacity and redundancy should not automatically be treated as inefficiency when they strengthen operational resilience.

Finansforbundet supports a more risk-based and materiality-oriented approach, but greater discretion must be accompanied by clear governance, training and accountability. Responsibility for "responsible risk-taking" cannot simply be pushed down to individual employees without clear decision rights and safeguards. Social dialogue, collective bargaining and information and consultation rights must be respected when reforms affect work organisation and employment.