



PRESS RELEASE

“Maladministration” to let the Director of the European Banking Authority (EBA) join finance lobby group, Ombudswoman decides

Brussels, 11 May 2020 – The EU Ombudswoman confirms a complaint by the Change Finance Coalition and states that it “found maladministration” in the move of the EBA’s Executive Director, Adam Farkas, to become Chief Executive of the most powerful financial lobbying group in Brussels – the Association for Financial Markets in Europe (AFME).

After extensive investigation into the affair the Ombudsman, Emily O’Reilly, condemns the move of a leading banking supervisor to become a top financial lobbyist. **She concludes that “the EBA should have forbidden the job move”, and clarifies that “the restrictions imposed (on Farkas by the EBA) were not sufficient when measured against the risks involved”.** She calls on the EBA to define clear criteria on when to forbid a job move of its top management in the future. Furthermore, O’Reilly criticizes that the EBA, once notified about the move, failed to “immediately withdraw its Executive Director’s access to confidential information” and asks the EBA to put in place internal rules to improve this situation.

The EBA will have to reply to the Ombudswoman’s recommendations within the next three months.

Already in January this year the European Parliament (EP) adopted a resolution condemning the move of the Executive Director to the banking lobby, calling on MEPs to avoid meeting Farkas and requesting that he should not obtain the badge necessary to enter the parliament’s premises. Also, the EP supported the claim by Change Finance and rejected Gerry Cross as successor for the post of the Executive Director at the EBA for his links to AFME, a former employer of his.

Kenneth Haar, researcher at Corporate Europe Observatory and a member of the Change Finance Coalition welcomes the decision of the EU Ombudswoman:

“The Ombudsman recognises that top officials at the EBA have been allowed to maintain very close ties with the financial industry. Hopefully the decision will be the beginning of the end of that era. There is a lot of work to do for the EBA, and I don’t see how they can avoid a major cleaning after today’s decision.”

According to Jana Leutner of the Change Finance Coalition the decision by the Ombudswoman is a step in the right direction, she now calls on strong actions regarding the fight against the overwhelming lobby influence in all EU institutions:

“As this is not an isolated case of revolving doors or undue lobby influence, we think further action is needed and call on the EU Commission to work out clear rules on how the lobby power of the financial industry can be minimized in all European institutions concerned with financial oversight and regulation. An independent EU ethics body and more balanced advisory groups, for example in the European Central Bank, would be two important steps forward.”

ENDS

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NOTES TO EDITORS

Change Finance is a platform of civil society organisations in Europe that advocates for reforms of the financial sector to be at the service of societies, people and planet. As a result of a Change Finance campaign during the EU elections 2019, 78 Members of Parliament have signed a pledge to distance themselves from the financial lobby. In October 2019, 58 civil society groups called in a statement for Adam Farkas move to AFME to be stopped.