

EU Retail Investment Strategy: A step forward, but avoiding extra complexity is key

The overnight political agreement on the EU's Retail Investment Strategy (RIS) marks a significant step towards making financial markets more accessible for European consumers. The new framework aims to strengthen consumer protection and encourage greater retail participation in EU financial markets.

BRUSSELS, 18-12-2025: Central to RIS agreement are its core pillars: Value for Money (VfM), the consumer journey and the framework governing inducements. These elements are key to improving consumer outcomes while preserving access to advice and investment solutions, including insurance-based investment products (IBIPs).

Insurance Europe welcomes the agreement's recognition of the unique nature of insurance products, the confirmation of the supervisory approach to VfM benchmarks, and the possibility of preserving different remuneration models. The focus on improving the consumer journey, adapting the framework to real-world insurance distribution and making it fit for digital is a positive step towards delivering better outcomes for retail investors.

Francesca Bertolo, Manager Conduct of Business at Insurance Europe, said: *"It is positive that attention is paid to some distinctive features of insurance products which require specific consideration in the regulatory framework to keep offering solutions that respond to different consumers' needs."*

At the same time, the agreed framework introduces additional layers of rules into an already complex regulatory landscape. The real test of the RIS will therefore lie in the detailed technical work ahead, including the development of Level 2 measures. These next steps will be critical to ensure legal certainty, proportionality and consistency with the EU's objectives of simplification and burden reduction. It will be crucial that the forthcoming delegated measures do not increase complexity further or restrict consumers' access to advice and IBIPs.

The RIS is a key building block of the Savings and Investments Union, with an important role to play in channelling household savings into long-term investment across the EU. Getting the detailed rules right will be essential for the framework to deliver on this ambition.

Thea Utoft Høj Jensen, Director General of Insurance Europe, said: *"The political agreement on the Retail Investment Strategy is an important milestone for the Savings and Investments Union, but it is not the end of the process. The effectiveness of the framework will depend on how the technical details are designed and implemented, so that it works in practice for European consumers, insurers and supervisors alike."*

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