

FOR IMMEDIATE RELEASE

Eurofinas welcomes next steps in Consumer Credit Directive review

Brussels, 1 July 2021 – Eurofinas, the voice of specialised consumer credit providers across Europe, welcomes the next steps in the review of the Consumer Credit Directive, with the European Commission’s adoption on 30th June of its proposal for amending the 2008 framework regulating consumer credit activities in Europe.

Consumer credit plays an integral part in supporting the modern economy by providing consumers and small businesses with convenient and safe access to finance, be it for planned projects as well the possibility of bridging larger and unforeseen expenses. It also plays a key role in both the economic recovery from the devastating impact of the COVID-19 pandemic, as well as supporting Europe’s green transition as a key enabler of consumption for a wide range of purposes, from the sales of modern, energy-efficient cars and other durable consumer goods to green home investments to college education.

“The CCD provides for a comprehensive and relevant framework, and as shown in the Commission’s own 2020 evaluation, the Directive has in many ways fulfilled its objectives of providing for a high level of consumer protection and ensuring access to safe and simple credit solutions across the EU. Moreover, the framework has proven robust and able to respond to the current specific challenges brought on by the COVID-19 crisis.” Commented Eurofinas Director General, Anne Valette.

“In light of this, we would therefore caution against a number of the proposed changes to the framework which take a one-size-fits-all approach, which would risk the necessary flexibility within the framework for responsible lending and financial inclusion, as well as the provision of a number of simple products valued by consumers. This would ultimately be detrimental to the financial wellbeing of consumers and the real economy.” She underlined and welcomed the further discussions at European level with the co-legislators.

On the issue of support to troubled borrowers, she stressed the industry’s commitment to responsible lending. “European consumer credit providers represented through Eurofinas are committed to the principle of responsible lending. They have gone above and beyond their obligations in supporting the economy since the onset of the COVID-19 crisis by enabling business to continue as usual to the largest extent possible, despite the challenging conditions, and ensuring the best possible outcome for borrowers. By providing timely and relevant support to consumers facing difficulties, the vast majority have been able to swiftly return their finances to a more normalised situation. This is reflected in industry indicators that suggest that since the beginning of the crisis, we have on average seen a decrease in non-performing loans, with defaults at very low levels across Europe”.

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About Eurofinas

Eurofinas, the European Federation of Finance House Associations, is the voice of the specialised consumer credit providers in the EU. As a Federation, Eurofinas brings together associations throughout Europe that represent finance houses, specialised banks, captive finance companies of car, equipment, etc. manufacturers and universal banks. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, point of sale credit, credit cards and store cards. Consumer credit facilitates access to assets and services as diverse as cars, studies, furniture, electronic appliances, etc. Eurofinas members financed more than €400 billion worth of new loans during 2020 with outstandings reaching over €1.1 trillion euros at the end of the year. More information on Eurofinas activities available at www.eurofinas.org