

Consumer Credit Directive

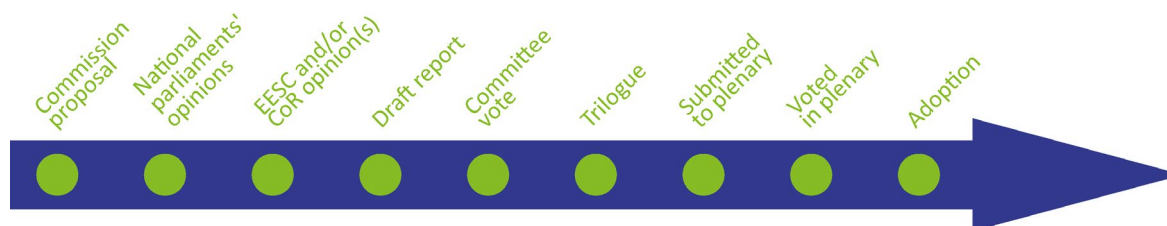
OVERVIEW

Consumer credit is a type of loan allowing consumers to purchase consumer goods and services for which they do not have the funds. It is regulated at national and EU level. The Consumer Credit Directive (CCD), in force since 2008, is the relevant EU-level legislation.

While the CCD has undergone several revisions over the past decade, growing digitalisation, insufficient harmonisation and issues affecting consumer protection, among other things, prompted the Commission to propose a new directive. This proposal brings crowdfunding into the scope of the CCD, expands and clarifies the definitions, and adds new articles, relating for instance to new obligations for creditors, tying and bundling practices, ancillary services, advisory services, unsolicited credit sales, conduct of business obligations for creditors and requirements for their staff. The proposal formed part of the Commission's new consumer agenda aimed at updating the overall strategic framework of EU consumer policy.

Within the European Parliament, the file was assigned to the IMCO committee. The committee adopted its report on 12 July 2022, and the decision to enter into interinstitutional negotiations was confirmed by plenary on 14 September 2022. On 2 December 2022, the Council and Parliament announced that a provisional agreement had been reached. The final act was published in the Official Journal on 30 October 2023.

Proposal for a directive of the European Parliament and of the Council on consumer credits		
<i>Committee responsible:</i>	Internal Market and Consumer Protection (IMCO)	COM(2021) 347 30.6.2021
<i>Rapporteur:</i>	Kateřina Konečná (The Left, Czechia)	2021/0171 (COD)
<i>Shadow rapporteurs:</i>	Tomislav Sokol (EPP, Croatia) Maria-Manuel Leitão-Marques (S&D, Portugal) Stéphanie Yon-Courtin (Renew, France) Malte Gallée (Greens/EFA, Germany) Eugen Jurzyca (ECR, Slovakia) Alessandra Basso (ID, Italy)	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Procedure completed.</i>	Directive (EU) 2023/2225 OJ L, 2023/2225, 30.10.2023	



Introduction

[Consumer credit](#) in the EU is regulated at both national and EU level; the first relevant EU-level legislation was the 1987 [Directive 87/102/EEC](#) on consumer credit, which laid down minimum standards for consumer protection. Among other things, the directive introduced the requirement that credit agreements must be drawn up in writing and must include specific elements. It gave consumers the right to discharge their obligations before the time fixed in the agreement and provided for cases where the rights of a creditor are assigned to a third person.

Over time, the directive started [lagging behind](#) developments in the sector. Moreover, given that it only laid down minimum standards, some Member States went further and revised their national legislation to include other types of credit or new credit agreements that were not covered by the directive. The resulting distortion of competition among creditors in the internal market and the emergence of varying levels of consumer protection ultimately led to the revision of the directive and the adoption of the [Consumer Credit Directive](#), currently in force.

Existing situation

[Directive 2008/48/EC](#) on Credit Agreements for Consumers (the Consumer Credit Directive, **CCD**), was proposed by the European Commission in 2002 and was adopted in 2008. The CCD has two main objectives: harmonising EU rules on credit granted to consumers who borrow to finance purchases of goods and services; and opening up the EU consumer loan market while improving the transparency of contract terms and the level of consumer protection.

The CCD covers consumer credit amounts ranging from €200 to €75 000, such as loans granted for personal consumption, including automotive vehicles, household goods and appliances, and travel, as well as some overdrafts and credit cards.¹ The CCD sets rules on standard information to be included in advertising. Moreover, it provides that, before consumers are bound by any credit agreement or offer, creditors (or credit intermediaries) must provide them with the information needed to compare different offers, as this would allow them to take an informed decision on whether to conclude a credit agreement. In addition, consumers have 14 calendar days to withdraw from a credit agreement without giving any reason. Lastly, they can, at any time, fully or partially discharge their obligations under a credit agreement, which entitles them to a reduction in the total cost of the credit (interest and costs for the remaining duration of the contract).

The CCD has been amended several times over the past decade,² yet a recent review (see below) has identified several outstanding issues: i) digitalisation has led to new market developments (e.g. high-cost loans for less than €200) that are not adequately captured by the current limited scope of the regulatory framework; ii) the CCD does not adequately address behavioural biases, thus creating gaps in consumer protection; iii) some of the CCD definitions need updating; iv) the CCD does not account for consumers vulnerable to over-indebtedness; v) insufficient harmonisation among the Member States has led to the fragmentation of the consumer credit market.

Parliament's starting position

Parliament has been following this topic attentively over the past decade. As an example, in 2012, in a [resolution](#) on the implementation of the CCD, Parliament already noted the importance of correctly transposing and enforcing the directive.

In a 2017 [resolution](#) relative to the action plan on retail financial services, it stressed, among other things, the importance of tackling consumer over-indebtedness and adapting the existing EU legal framework to the digital world in order to counteract consumer protection risks.

Lastly, in March 2021 the Parliament organised a [hearing](#) on consumer protection in the context of the digitalisation of retail financial services during the coronavirus pandemic. The discussion

focused on the related challenges and the EU response as part of the upcoming revision of the CCD and the [Distance Marketing of Financial Services Directive](#) (DMFSD).

Preparation of the proposal

In 2014, the Commission presented a compliance assessment [report](#) on the implementation of the directive. The report noted that the impact of the directive had been limited, given the late implementation by some Member States and the effect of the financial crisis, and concluded that there was a need to continue monitoring the directive's enforcement. In 2020, the Commission issued another [report](#) on the implementation of the directive, presenting the key results of the 2018-2019 [REFIT evaluation](#) and the lessons learnt since the directive's adoption. The report stressed that the directive had only been partially effective in attaining its aims regarding consumer protection and the internal market, due to both external factors and the directive itself.

The REFIT evaluation included two public consultations. The objective of the [first](#) was to obtain the views of citizens and relevant stakeholders on the effectiveness of the CCD, while the [second](#) had a broader aim: to gather the views of the public on the [New Consumer Agenda](#), which presents a long-term vision for European consumer policy until 2025.

The Commission also drew on a series of studies and reports on issues relating to responsible lending and borrowing, among them: i) an [ICF study](#) supporting the evaluation of the CCD, which assessed the impact of the directive on the performance of the internal market for consumer credit and consumer protection across the EU; ii) a [behavioural study](#) conducted by LE Europe et al. on the digitalisation of the marketing and distance selling of retail financial services; and iii) two CIVIC studies (the first on measuring [consumer detriment](#) in the EU and the second on the [over-indebtedness](#) of European households).

The Commission has published an [impact assessment](#) for the current proposal. The options assessed to achieve the objectives of the proposal were: i) a no-policy-change scenario; ii) non-regulatory intervention; iii) a targeted amendment of the directive, focusing on making its current provisions clearer and more effective; and iv) an extensive amendment of the directive to include new provisions. The Commission chose this last option.

EPRS has published an [initial appraisal](#) of the Commission's impact assessment.

The changes the proposal would bring

Chapter I (Articles 1-6) contains general provisions. The key novelties relate to the inclusion of crowdfunding in the subject matter, the expansion of Article 3 relative to the definitions, the obligation for creditors to provide free information to consumers, and the obligation of non-discrimination.

Article 1 (subject matter – corresponding to Article 1 of the current CCD) states that the directive aims to harmonise aspects of the laws, regulations and administrative provisions of the Member States concerning certain credit agreements for consumers and crowdfunding credit services.

Article 2 (scope – corresponding to Article 2 of the current CCD) sets out the scope of the directive, which covers certain credit agreements for consumers and crowdfunding credit services. Some exemptions permitted by Article 2 of the current CCD remain valid, but others – concerning minimum amounts, leasing agreements with an option to purchase goods or services, overdraft facilities, free interest rate credit without charges or credit to be repaid within three months with only insignificant charges – have been removed.

Article 3 (definitions, Article 3 of the current CCD) defines the terms used in the proposal. As much as possible, definitions have been aligned with those in other EU texts, in particular [Directive 2014/17/EC](#) on credit agreements for consumers relating to residential immovable property.

Article 4 (conversion of amounts expressed in euro into national currency, Article 28 of the current CCD) sets rules for converting the amounts expressed in euro in the CCD into national currency.

Article 5 (obligation to provide information free of charge to consumers) includes an obligation for giving consumers information free of charge.

Article 6 (non-discrimination) requires Member States to ensure that consumers legally resident in the EU are not discriminated against on grounds of their nationality, residence or on any other grounds as referred to in Article 21 of the EU Charter of Fundamental Rights when requesting, concluding or holding a credit agreement or crowdfunding credit services in the EU.

Chapter II (Articles 7-13) deals with the information to be provided before the conclusion of the credit agreement or the agreement for the provision of crowdfunding credit services. The main novelties are Article 9 on general information relative to credit agreements and crowdfunding credit services, the expansion of Article 10 on pre-contractual information, the obligation for Member States to ensure that creditors are required to provide adequate explanations to consumers, allowing them to assess whether those services are adapted to their needs and financial situation, and the obligation for creditors to inform consumers when they present them with a personalised offer based on automated processing of personal data.

Article 7 introduces general principles for marketing and advertising communications.

Article 8 (standard information to be included in the advertising of credit agreements and crowdfunding credit services – corresponding to Article 4 of the current CCD) sets out the form and content of information to be included in advertising. The standard information concerns key credit features. In specific and justified cases where the medium used to communicate the information to be included in advertising messages does not enable its visual display (for instance, in radio advertising), such information should be reduced to avoid information overload and reduce unnecessary burdens. These provisions complement the obligations imposed by [Directive 2002/65/EC](#) concerning the distance marketing of consumer financial services and [Directive 2005/29/EC](#) concerning unfair business-to-consumer commercial practices in the internal market.

Article 9 (general information) requires that clear and comprehensible general information about credit agreements is made available by creditors or, where applicable, by credit intermediaries or providers of crowdfunding credit services at all times.

Article 10 (pre-contractual information – corresponding to Article 5 of the current CCD) creates an obligation for creditors, credit intermediaries or providers of crowdfunding credit services to give consumers personalised pre-contractual information, on the basis of the standard European consumer credit information form. In addition to this, they are to get a standardised European consumer credit overview one-pager outlining the key features of the credit in question, to help them compare different offers. Pre-contractual information must be provided at least one day before the consumer is bound by any credit agreement or agreement for the provision of crowdfunding credit services. If this is not the case, creditors, credit intermediaries or providers of crowdfunding credit services must remind consumers, one day after the contract is concluded, of the possibility of withdrawing from the two above-mentioned agreements.

Article 11 (pre-contractual information with regard to credit agreements referred to in Article 2(5) or (6) – corresponding to Article 6 of the current CCD) creates an obligation for creditors and credit intermediaries to give consumers personalised pre-contractual information for certain types of consumer credit on the basis of the European consumer credit information form, in addition to the standard European consumer credit overview one-pager (detailed in Annex III). For other credit agreements, pre-contractual information must be provided at least one day before the consumer is bound by any credit agreement or offer, otherwise creditors and credit intermediaries must remind consumers, one day after the contract is concluded, of the possibility of withdrawing from the credit agreement.

Article 12 (adequate explanations) requires creditors, credit intermediaries or providers of crowdfunding credit services to adequately explain to consumers the proposed credit agreements, crowdfunding credit services and ancillary services, to enable them to assess whether these agreements or services are adapted to their needs and financial situation.

Article 13 (personalised offers on the basis of automated processing) makes it obligatory to inform consumers whenever, on the basis of automated processing, including profiling, they are presented with personalised offers.

Chapter III (Articles 14-17) contains several new provisions relative to tying and bundling practices, agreements for ancillary services, advisory services and unsolicited credit sales.

Article 14 (tying and bundling practices) prohibits tying practices, unless it can be demonstrated that they result in a clear benefit for consumers, taking due account of the availability and prices of the kinds of products in question, while allowing bundling practices.

Article 15 (inferred agreement for the purchase of ancillary services) prohibits inferring consumer agreement through default options such as pre-ticked boxes.

Article 16 (advisory services) establishes standards to ensure that, where advice is given by the creditor, the credit intermediary or the provider of crowdfunding credit services, consumers are made aware of this; Article 16 does not, however, introduce any obligation for the aforementioned entities to provide advice. It introduces a requirement that a sufficient number of credit agreements or crowdfunding credit services on the market be considered and that advice be given in line with the profile of the borrower.

Article 17 (ban on unsolicited credit sales) prohibits the unsolicited sale of credit, including non-requested pre-approved credit cards sent to consumers or consumers' overdraft/credit card spending limit being raised unilaterally by the creditor, without their prior request or explicit agreement.

Provisions in **Chapter IV** (Articles 18-19) deal with the assessment of creditworthiness and database access.

Article 18 (obligation to assess the creditworthiness of the consumer – corresponding to Article 8 of the current CCD) requires the creditor/provider of crowdfunding credit services to assess the consumer's ability to repay the credit. This assessment takes into account the consumer's interest and is based on necessary and proportionate information on the consumer's income and expenses and other financial and economic circumstances, without exceeding what is strictly needed to perform the assessment. Where the creditworthiness assessment indicates that the obligations resulting from the agreement are likely to be met in the manner required, Article 18 also requires that credit be made available to consumers, except in specific and justified circumstances. Moreover, when the creditworthiness assessment is based on automated processing, consumers have the right to request and obtain a meaningful explanation of this assessment by the creditor, but also to be able to express their point of view and contest the assessment.

Article 19 (databases – corresponding to Article 9 of the current CCD) introduces provisions to ensure that creditors or providers of crowdfunding credit services are able to access information from relevant databases on a non-discriminatory basis.

Provisions in **Chapter V** (Articles 20-21) relate to the form and content of credit agreements or crowdfunding credit services.

Article 20 elaborates the form of credit agreements or agreements for the provision of crowdfunding credit services.

Article 21 (corresponding to Article 10 of the current CCD) specifies the information to be included in credit agreements or agreements for the provision of crowdfunding credit services.

Chapter VI (Articles 22-23) contains provisions relative to modifications of the credit agreement and changes in the borrowing rate.

Article 22 (information on the modification of the credit agreement or the agreement for the provision of crowdfunding credit services) introduces specific safeguards for consumers whenever credit agreements/agreements for the provision of crowdfunding credit services are modified.

Article 23 (changes in the borrowing rate – partly corresponding to Article 11 of the current CCD) sets out the information to be given to the consumer if the borrowing rate changes.

Overdraft facilities and over-running are the topic of **Chapter VII** (Articles 24-25).

Article 24 (overdraft facilities, Article 12 of the current CCD) introduces provisions to ensure that consumers are kept regularly informed of certain particulars of their overdraft facility.

Article 25 (over-running – corresponding to Article 18 of the current CCD) sets out rules on tacitly accepted overdrafts, whereby a creditor makes available to a consumer funds that exceed the current balance in the consumer's current account or the agreed overdraft facility. In the event of a significant overrunning, the consumer must be alerted and informed of the conditions that apply.

Provisions in **Chapter VIII** (Articles 26-29) deal with withdrawal, termination and early repayment.

Article 26 (right of withdrawal – partly corresponding to Article 14 of the current CCD) proposes the option for consumers to withdraw from a credit agreement or agreement for the provision of crowdfunding credit services under circumstances similar to those referred to in the DMFSD.

Article 27 (linked credit agreements – corresponding to Article 15 of the current CCD) sets out specific rules on linked credit agreements and consumers' right of withdrawal.

Article 28 (open-end credit agreements or agreements for the provision of crowdfunding credit services – corresponding to Article 13 of the current CCD) sets out specific conditions for terminating open-end agreements.

Article 29 (early repayment, Article 16 of the current CCD) sets out the right of consumers to discharge their obligations before the due date. Full or partial early repayment entitles the consumer to a cut in the total cost of the credit and the creditor to a fair and objectively justified compensation for possible costs directly linked to the early repayment of the credit.

Chapter IX (Articles 30-31) contains provisions on the annual percentage rate of charge and caps on rates and costs.

Article 30 (calculation of the annual percentage rate of charge) concerns the main indicator used to compare consumer credit products. It requires, for consumer credit products, the use of the definition of the annual percentage rate of charge (APR) used in the current CCD.

Article 31 (caps on interest rates, annual percentage rate of charge and the total cost of the credit to the consumer) introduces caps to be placed on the interest rate applicable to consumer credit agreements, on the APR and/or on the total cost of the credit. Member States may decide to set up a specific cap for a revolving credit facility.

The provisions of **Chapter X** (Articles 32 and 33) are new to the directive and set conduct of business obligations and requirements for staff.

Articles 32 (conduct of business obligations when providing credit to consumers) and 33 (knowledge and competence requirements for staff) set important conditions for creditors, credit intermediaries and providers of crowdfunding credit services to ensure a high degree of professionalism in the provision of consumer credit, such as requirements for remuneration policies regarding staff responsible for the assessment of creditworthiness and requirements for such staff to have appropriate knowledge and skills.

The important topics of financial education and support to consumers in financial difficulties are the subject of **Chapter XI** (new Articles 34-36).

Article 34 (financial education) introduces financial education measures to be promoted by the Member States, particularly in relation to consumer credit agreements, to improve consumers' financial literacy, including on products sold digitally.

Article 35 (arrears and forbearance measures) introduces measures to encourage reasonable forbearance before enforcement proceedings are initiated.

Article 36 (debt advisory services) requires Member States to ensure debt advisory services are made available to consumers.

Chapter XII (Articles 37-38) concerns creditors and credit intermediaries.

Article 37 (admission, registration and supervision of non-credit institutions) stipulates that non-credit institutions must be subject to adequate admission processes, registration and supervision. This should ensure that all creditors and providers of crowdfunding credit services, whether they are a credit institution or not, are adequately regulated and supervised.

Article 38 (specific obligations for credit intermediaries) contains provisions for special measures in relation to credit intermediaries.

Chapter XIII (Articles 39-40) contains provisions on the assignment of rights and dispute resolution.

Article 39 (assignment of rights – corresponding to Article 17 of the current CCD), states that certain rights are to be maintained in the event of the assignment to a third party of the creditor's rights under a credit agreement, or the assignment to a third party of the credit agreement itself.

Article 40 (out-of-court dispute resolution), provides that consumers should have access to alternative dispute resolution procedures for the settlement of disputes between consumers and creditors, credit intermediaries or providers of crowdfunding services concerning rights and obligations established by the directive. Such alternative dispute resolution procedures and the entities offering them should comply with the quality requirements established by [Directive 2013/11/EU](#) on alternative dispute resolution for consumer disputes.

A new Article 41 on competent authorities is the single article of **Chapter XIV**. It requires the Member States to designate specific competent authorities to implement the directive.

Lastly, **Chapter XV** (Articles 42-50) contains the directive's final provisions.

Article 42 (level of harmonisation) and Article 43 (imperative nature of the directive – corresponding to Article 22 of the current CCD) provide that the Member States are not entitled to have in place other provisions in relation to the areas covered by the directive insofar as it contains harmonised provisions in those areas.

Article 44 (penalties, Article 23 of the current CCD) requires the Member States to ensure that appropriate administrative measures or sanctions are applied in the case of non-compliance with the directive. In addition, for 'widespread infringements' and 'widespread infringements with an EU dimension', as defined in the revised Consumer Protection Cooperation (CPC) Regulation, the Member States will be required to incorporate – in their national legislation – provisions on fines of a maximum amount that is at least 4 % of the infringing creditor's, credit intermediary's or crowdfunding credit service provider's turnover in the Member States concerned.

Article 45 (exercise of delegation) sets out the procedures to be followed for allowing certain parts of the directive to be adapted, specified or updated by means of delegated acts.

Advisory committees

The European Economic and Social Committee (EESC) published an [Information Report](#) in 2019, which contained an ex-post qualitative analysis of the CCD and proposals addressing the new

challenges. The EESC found, among other things, that, while the CCD has been effectively transposed in general, its implementation and/or enforcement have been insufficient; it does not ensure a level playing field or promote a single market for consumer credit; its scope should be expanded; creditworthiness assessments are not always properly conducted; and Member States are not doing enough regarding financial education. As a result, it made specific recommendations, to be considered in a potential revision of the CCD.

The EESC adopted its [opinion](#) on the proposal in October 2021. Among other things, it argues that the proposal lacks ambition in some areas or does not ensure a 'fair balance between its objectives and the solutions proposed'. According to the EESC, the solutions should mainly address the issues due to digitalisation and the increased use of digital devices, but also the provision of green consumer loans. The EESC also highlights the empirical evidence that an upper limit – i.e. a 'cap' – on interest rates reduces over-indebtedness and benefits consumers in general, and considers that the obligation on all creditors to carry out a thorough assessment of consumers' creditworthiness should be further clarified. In addition, the EESC believes that the Commission should further analyse the pre-contractual information requirements, particularly in the context of digitalisation. Finally, the EESC recommends that the Commission clarify the provisions of the CCD regarding early repayment.

National parliaments

The deadline for the submission of [reasoned opinions](#) on the grounds of subsidiarity was 4 October 2021. No subsidiarity concerns were raised.

Legislative process

In Parliament, the legislative file was referred to the Committee on the Internal Market and Consumer Protection (IMCO) and announced in plenary on 8 July 2021; the rapporteur is [Kateřina Konečná](#) (The Left, Czechia). The [report](#) was adopted in committee at first reading on 12 July 2022, and the committee decision to enter interinstitutional negotiations was confirmed in plenary on 14 September 2022.

Parliament's negotiating position

The main [contents](#) of the report include the following modifications. Firstly, the scope of the directive would be modified to cover credit agreements of up to €150 000, and the upper limit would be determined by a Member State's national authorities based on the economic context. Moreover, the directive would not apply to either (i) leasing agreements with no obligation to purchase the object of the agreement, or (ii) deferred debit cards under conditions. However, certain information requirement provisions could be removed for credit agreements where the total amount is less than €200.

In addition, Member States should encourage the development and offering of consumer credits supporting the digital and green transition, and the Commission should submit an assessment of the types of measures, tools and initiatives introduced by Member States.

The Committee report also emphasises that credit advertising should contain, in all cases, a 'clear and prominent warning' to make consumers aware that borrowing is costly, and excessive indebtedness for consumption purposes should not be encouraged.

Basic information should also be provided in a 'clear, concise and visible way', with standardised information appearing 'upfront, visibly and in an attractive form', and a message should be sent shortly after the conclusion of the agreement reminding consumers of the right to withdraw.

The information should clearly declare the following information:

1. comprehensive disbursement and repayment schedule;
2. the borrowing rates;

3. warnings and explanations regarding the additional costs due to late payments;
4. the right of withdrawal;
5. early repayment.

Specific information revealing, for example, racial or ethnic origin, political opinions or sexual orientation, including data collected from social networks, should not be processed.

In addition, the right to be forgotten and equal access to credit for all persons cured of relevant communicable and non-communicable diseases should be ensured by Member States.

The European Banking Authority (EBA) would also develop guidelines detailing how the creditworthiness assessment should be processed and on product governance.

The changes proposed by Parliament would also aim to ease the burden on people who have difficulty repaying their loans, and prohibit practices such as 'intimidating consumers, presenting false or misleading legal information and making excessive calls or sending excessive messages'.

Council negotiating position

On 9 June 2022, the Council [announced](#) that it had adopted its general approach. The approach supports the revision of the CCD, which would modernise and enhance the protection of consumers. In particular, it aims to 'promote responsible and transparent practices by all players involved in consumer credit', and emphasised the particular attention paid to credit information being presented in a clear and understandable way, which is suitable to digital devices.

Moreover, the Council proposes to exclude direct crowdfunding, because the provisions would not cover all aspects of this type of funding. Under certain conditions, the Council also proposes to exclude deferred payment as well as deferred debit cards, and rental or leasing contracts where there is no obligation or option to buy the property.

For less risky contracts, the Council suggests an optional partial derogation from certain provisions in order to adapt the requirements to specific products, including credit loans of less than €200 and a three-month overdraft facility.

Finally, to improve legal certainty and include clarifications on the creditworthiness assessment, the Council proposes defining a maximum time limit to exercise the right of withdrawal, the obligation to protect consumers from excessively high rates, clarifications on the admission procedures, and penalties.

Provisional agreement

On 2 December 2022, the Council and Parliament announced that a [provisional agreement](#) had been reached. The co-legislators agreed on the revision of the CCD to modernise and enhance protection at EU level for consumers applying for credit. In order for consumers to take informed decisions, the lender would have to make sure that consumers have easy access to all necessary information before signature of the agreement, including the total cost of the credit. Creditors would also have to conduct an assessment of a consumer's creditworthiness.

In addition, the new credit rules will now apply to certain risky loans that are excluded from the scope of the directive currently in force, including loans below €200 and loans offered through crowdfunding platforms. Creditworthiness assessment rules are also being revised, and a negative credit assessment would preclude the conclusion of a consumption credit.

Parliament [adopted the directive](#) in plenary on 12 September 2023, and the Council did likewise the following month. The [final act](#) was published in the Official Journal on 30 October 2023. Member States have until 20 November 2025 to transpose the measures in the directive into national law, and must apply them from 20 November 2026.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

Dalli H., [Consumer credit](#), EPRS, European Parliament, October 2021.

Knops K-O and Fromm C., [Consumer protection in the context of overdraft facilities and overrunning](#), Study for IMCO Committee, Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, September 2022.

OTHER SOURCES

[Directive \(EU\) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC](#)

[Consumer credits](#), European Parliament, Legislative Observatory (OEIL).

[What makes credit so risky? A consumer perspective](#), Finance Watch, June 2019.

ENDNOTES

- ¹ Note that mortgage credit is different from consumer credit, and is regulated by [Directive 2014/17/EU](#) on credit agreements for consumers relating to residential immovable property.
- ² It was amended by Directives [2011/90/EU](#) and [2014/17/EU](#), and Regulations [\(EU\) 2016/1011](#) and [\(EU\) 2019/1243](#) respectively.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2023.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)

Third edition. The 'EU Legislation in Progress' briefings are updated at key stages throughout the legislative procedure.