

WRITTEN QUESTION E-1175/04
by Barbara Weiler (PSE)
to the Commission

Subject: Consumer protection in loan contracts

Since the beginning of the 90s, low- and middle-income earners have been persuaded, by door-to-door salesmen to buy completely overpriced property as a means of creating wealth. The actual value of the property was almost always less than half the value of the loans taken out to pay for said property. The consequences are financial hardship and lifelong indebtedness. In Germany, the number of those affected is already approximately 300 000.

1. What measures is the Commission going to take to guarantee consumer protection in Germany, as regulated by Article 95 of the EC Treaty, by Directive 85/577/EEC¹ and CJEC interpretation?
2. What are the specific consequences of terminating loan contracts? According to the Federal Supreme Court of Justice's interpretation, consumers are in a worse position if they exercise their right to terminate the contract. How can European rules put right this state of affairs?
3. To what extent will the Commission change or adapt European consumer protection provisions to ensure the corresponding protection when loans to finance property purchase are being granted?
4. What proposals is the Commission submitting for improving consumer credit law, and how does it assess, in this context, the establishment of a European authority responsible for financial supervision?

¹ OJ L 372, 31.12.1985, p. 31.