



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Economic and Monetary Affairs

2012/2037(INI)

8.6.2012

OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on the Internal Market and Consumer Protection

on the implementation of the Consumer Credit Directive 2008/48/EC
(2012/2037(INI))

Rapporteur: Theodor Dumitru Stolojan

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SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- whereas Directive 2008/48/EC¹ on credit agreements for consumers was approved before the financial crisis;
 - whereas in a number of Member States excessive consumer credit contributed to the crisis;
 - whereas excessive foreign currency lending to consumers increased the risk and losses borne by households;
 - stressing the importance of the Recommendation of the European Systemic Risk Board of 21 September 2011 on lending in foreign currencies (ESRB/2011/1);
1. Calls for supervisory authorities to require financial institutions to provide consumers with personalised, complete and easily understandable information regarding the risks involved in foreign currency lending and the impact on instalments of a severe depreciation of the legal tender of the Member State in which a consumer is domiciled and of an increase in the foreign interest rate; considers that this information should be included in advertising concerning consumer credit agreements in foreign currency, in pre-contractual information and in consumer credit agreements;
 2. Calls for financial institutions to be required, in good time before the consumer is bound by any credit agreement or offer, to provide consumers with the personalised information needed to compare the credits available on the market, assess their implications and take an informed decision on whether to conclude a credit agreement;
 3. Calls for financial institutions to be required to provide consumers with a warning whenever, considering the consumer's financial situation, a credit agreement may involve a specific risk for the consumer;
 4. Calls for supervisory authorities to closely monitor the funding and liquidity risks resulting from foreign currency lending, to take action to prevent excessive risks and to require financial institutions to have effective pricing, capital allocation and liquidity management systems to deal with foreign currency lending and to take account of the consumer's ability to withstand fluctuations in the exchange rate when assessing the consumer's creditworthiness; calls for Member States to require financial institutions to allow consumers to convert the loan into an alternative currency, in accordance with a transparent method disclosed to the consumer in pre-contractual information, and for financial institutions to provide a foreign exchange hedging facility at reasonable cost to consumers to limit the risk of adverse currency movement on repayments;

¹ OJ L 133, 22.5.2008, p. 66.

5. Calls for a revision of provisions relating to the annual percentage rate of charge in Directive 2008/48/EC to more adequately reflect the characteristics of foreign currency and variable rate lending;
6. Calls for credit institutions to take special care when granting consumer credit loans with a term of longer than five years to ensure that they are in the best interests of the consumer concerned;
7. Calls on financial institutions not to provide consumer credit which is secured by the consumer's house where the consumer does not have an adequate wage or salary and to only provide consumer credit where the consumer's creditworthiness has been determined – and, where applicable, suitable collateral has been acquired – in order to ensure an appropriate level of risk for both the consumer and the provider;
8. Calls for consumers to have a right to be informed about the cost of additional services and about their right to buy auxiliary services such as insurance from alternative suppliers; considers that financial institutions should be required to distinguish such services and related charges from those pertaining to the basic loan and to make clear which services are essential to the extension of a loan and which are entirely at the discretion of the borrower;
9. Points out that one of the purposes of the Directive was to ensure the availability of information – thus facilitating the operation of the single market also in the field of credit – and that it is therefore necessary to evaluate whether the number of cross-border transactions is increasing and whether further improvements are required;
10. Calls for the advertising and marketing practices of financial institutions to be strictly monitored in order to avoid misleading or false information in the advertising or marketing of credit agreements;
11. Calls on the Commission to present to the European Parliament and the Council an assessment report on the implementation of the Directive and a full assessment of its impact regarding consumer protection, taking into account the consequences of the financial crisis and the new EU legal framework for financial services;
12. Calls for a revision of Directive 2008/48/EC with the aim of integrating it and the CARRP Directive into a single Directive.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	7.6.2012
Result of final vote	+: 38 -: 0 0: 0
Members present for the final vote	Elena Băsescu, Sharon Bowles, Udo Bullmann, George Sabin Cutaş, Leonardo Domenici, Derk Jan Eppink, Elisa Ferreira, Ildikó Gáll-Pelcz, Jean-Paul Gauzès, Sven Giegold, Sylvie Goulard, Liem Hoang Ngoc, Gunnar Hökmark, Philippe Lamberts, Werner Langen, Astrid Lulling, Arlene McCarthy, Alfredo Pallone, Antolín Sánchez Presedo, Olle Schmidt, Edward Scicluna, Peter Simon, Theodor Dumitru Stolojan, Sampo Terho, Marianne Thyssen, Corien Wortmann-Kool, Pablo Zalba Bidegain
Substitute(s) present for the final vote	David Casa, Philippe De Backer, Vicky Ford, Robert Goebbels, Olle Ludvigsson, Marisa Matias, Gianni Pittella, Andreas Schwab, Theodoros Skylakakis, Emilie Turunen
Substitute(s) under Rule 187(2) present for the final vote	Robert Sturdy