



# **Evaluation of the Consumer Credit Directive (Directive 2008/48/EC)**

Summary report - public consultation



**EUROPEAN COMMISSION**

Directorate-General for Justice and Consumers (DG JUST)

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## 1 Introduction

The public consultation on the evaluation of the Consumer Credit Directive (CCD) ran between 14 January and 8 April 2019.

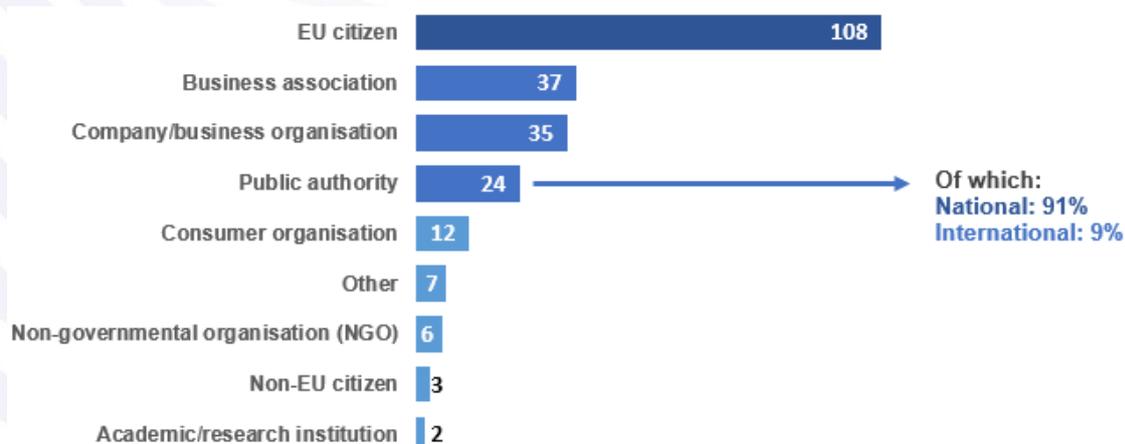
The objective of this consultation was to obtain the views of citizens and relevant stakeholders on the effectiveness of the CCD. These views feed into the evaluation of the Directive, which started in June 2018 with the publication of the [Evaluation and Fitness Check Roadmap](#) and which will be finalised by the end of 2019. The public consultation questionnaire was tailored to two main categories of stakeholders, respectively Part I and Part II: the general public (i.e. consumers), and stakeholders who are involved in the implementation of the Directive or who have detailed knowledge of the functioning of the different elements of the Directive and their impact on the consumer credit market.

The consultation was available and respondents could reply in any of the 24 official EU-languages.

## 2 Overview of the respondents

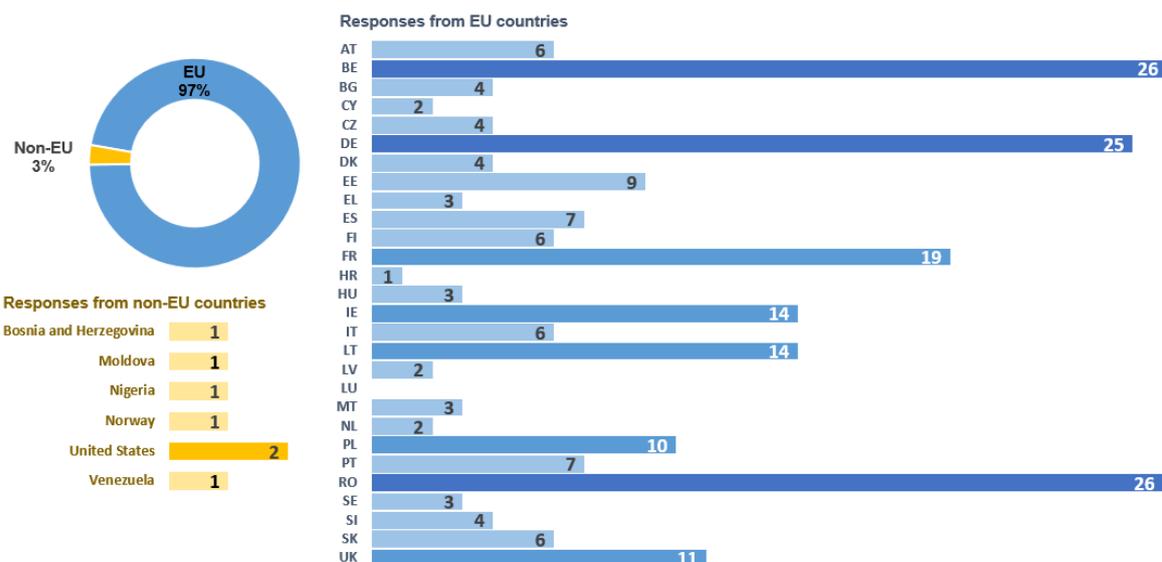
The public consultation received 234 overall responses, the majority of which came from EU citizens (108), followed by business associations (37) and companies/business organisations (35). Other respondents included public authorities (24), consumer organisations (12), NGOs (6), non-EU citizens (3), academic/research institutions (2) and others (7).

Figure 1. Profile of respondents



Most of the responses came from EU countries, notably from Romania, Belgium and Germany (see Figure 2).

Figure 2. Country of origin of responses (overall)



### 3 Overview of responses

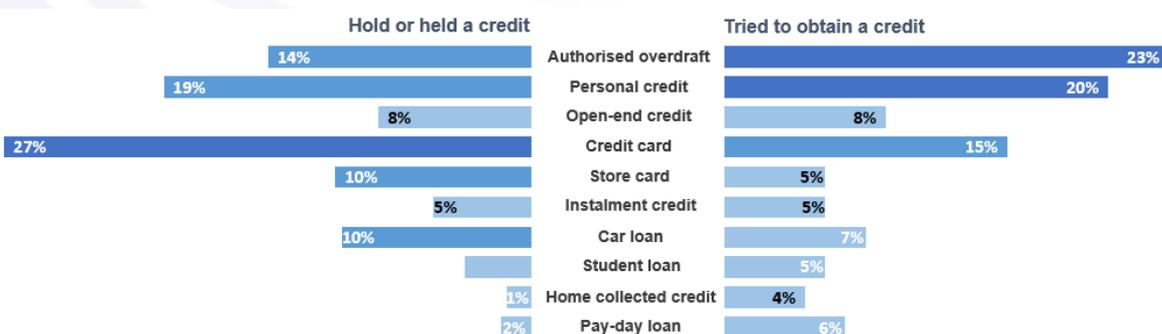
#### 3.1 Overview of responses from the general public

Part I of the public questionnaire is focused on the personal experience of consumers trying to obtain a loan and/or their experience having obtained one.

##### 3.1.1 General information about the credit obtained

The majority of respondents having or having had credit opt/opted for credit cards, personal credit and/or an authorised overdraft, as shown in Figure 3.

Figure 3. Answers to "Do/did you hold or have you tried to obtain any of the following credits (i.e. loans not secured by a collateral like mortgages), of a value between EUR 200 and EUR 75 000 in the past five years?"



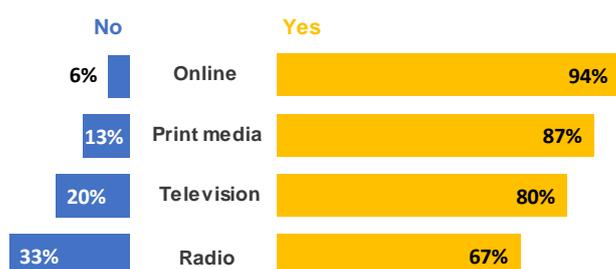
##### 3.1.2 Cross-border credit

Almost all respondents had obtained credit in the Member State where they reside (93% or 112 out of 120 responses) and had not tried to obtain credit in a different Member State (85% or 101 out of 119 responses).

##### 3.1.3 Consumer credit advertising

Regarding consumer credit advertising, most respondents had come across advertising for credit online, followed by print media and television (see Figure 4). Almost half of the respondents felt that the advertisements did not contain enough information (44% or 52 out of 117 responses).

Figure 4. Responses to "Have you ever come across advertising from consumer credit?"



### 3.1.4 Pre-contractual information

During their contact with the credit provider, around a third of respondents were only presented one type of credit, while another third received explanations about the type of credit best suited to their situation.

Only half the respondents were aware that the lender needed to provide them with the Standard European Consumer Credit Information (SECCI) form in "good time" before the signature of the contract (see Figure 5).

Figure 5. Answers to "Do you remember when precisely you received the SECCI related to the last credit you have obtained?"



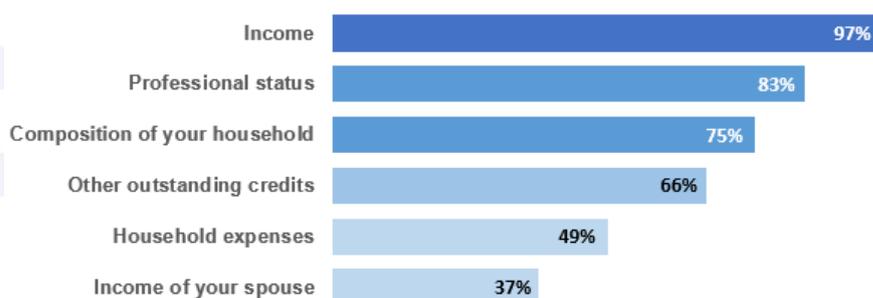
### 3.1.5 Annual Percentage Rate of Change (APR)

A large majority of respondents were familiar with the APR (87% or 103 out of 118 responses) which represents the total cost of the credit to the consumer, expressed as an annual percentage of the total amount of credit.

### 3.1.6 Creditworthiness assessment

In the majority of cases, the creditworthiness of those requesting the credit was checked (68% or 80 out of 117 responses). The main type of information that was requested from respondents pertained to their: income, professional status, household composition and other outstanding credits, as shown in Figure 6 below.

Figure 6. Answers to "What type of information were you asked (orally or in writing) about?"



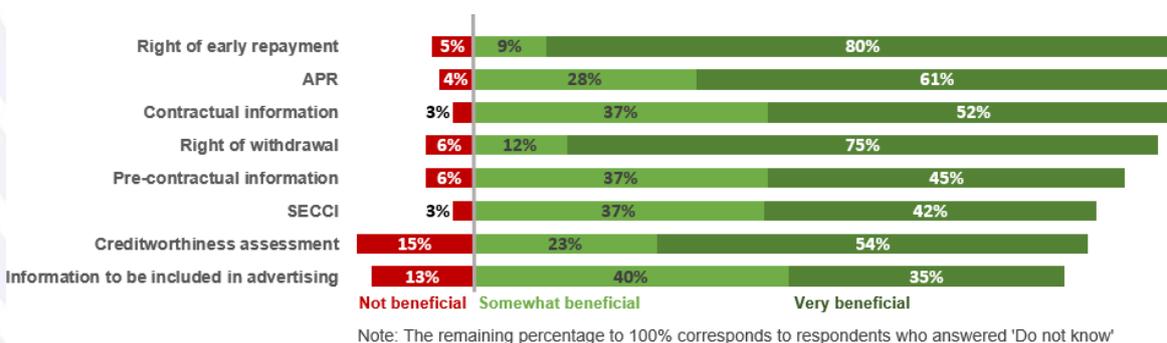
### 3.1.7 Rights of withdrawal and early repayment

The right of early repayment has been used by around one fourth of the respondents (27% or 32 out of 117 responses). Over 80% of the respondents stated that they had not attempted to withdraw from the contract within the 14-day withdrawal period, nor had re-arranged the schedule or amounts of the repayments, or changed the type of interest rate.

### 3.1.8 Benefits of the Consumer Credit Directive

Respondents were overall very positive about the different provisions of the CCD, with the vast majority finding the provisions of the CCD somewhat beneficial or even very beneficial (see Figure 7, overall 90% of satisfaction on average).

Figure 7. Answers to "How would you rate the benefits flowing from the various provisions of the Directive?"



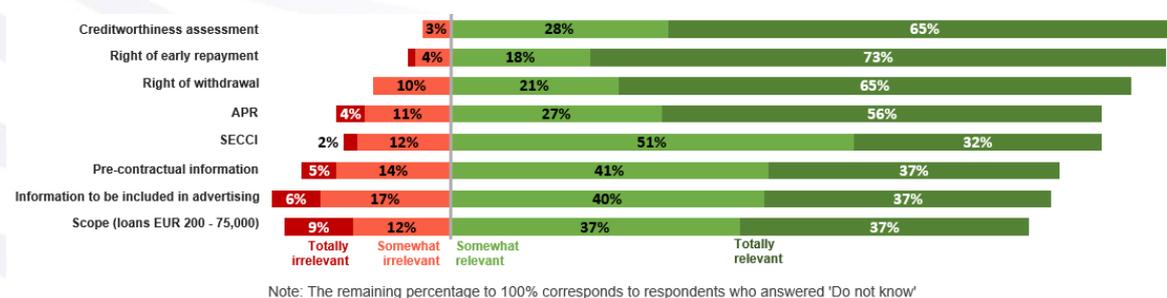
## 3.2 Overview of responses from other stakeholders

Respondents to Part II of the public consultation other than those answering as the general public belonged to four main groups: industry representatives (i.e. business organisations and business associations, overall 72), public authorities (24), consumer organisations and other civil society representatives (i.e. NGOs, overall 18), and others (e.g. academia and research organisations, 2)<sup>1</sup>.

### 3.2.1 Relevance

A great majority (from 75 to 93%, depending on the issues) of respondents assessed positively the relevance of the CCD, especially concerning the obligation to perform creditworthiness assessments, the rights of early repayment and withdrawal, and the APR (see Figure 8).

Figure 8. Answers to "How relevant do you consider the following provisions of the Directive in light of its objectives?"

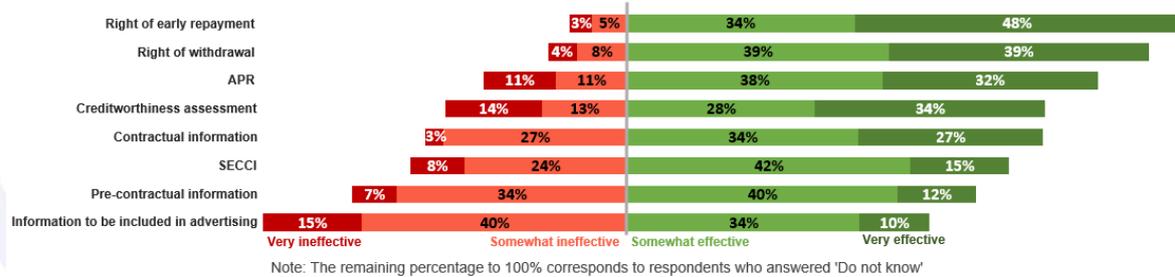


<sup>1</sup> See footnote 1 concerning the members of the general public that answered to section II of the consultation.

### 3.2.2 Effectiveness

Overall, a majority of respondents (from 52% to 82%) consider the CCD to be effective in relation to its main features, with the exception of the information provided to consumers in advertising (see Figure 9).

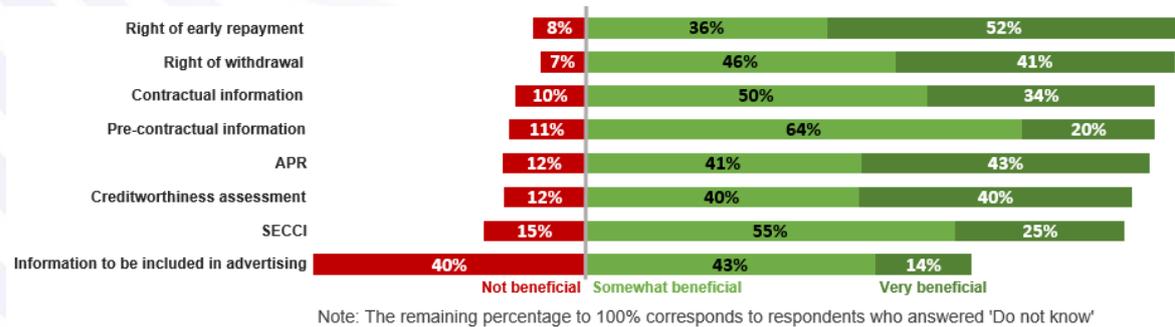
Figure 9. Answers to "How do you rate the effectiveness for consumer protection of the following elements/ features of the Directive?"



### 3.2.3 Efficiency

The main benefits of the CCD highlighted by stakeholders are the higher standard of consumer protection – as a result of, for example, the prevention of over-indebtedness - and the standardisation and harmonisation across Member States of provisions, such as the rights of withdrawal and early repayment (see Figure 11).

Figure 10. Answers to "How would you rate the benefits flowing from the various provisions of the Directive?"



Asked to assess whether the benefits outweigh the costs linked to the implementation of the CCD, a majority of respondents (56% or 53 out of 94 responses) answered positively, claiming that the increased levels of consumer protection and transparency are greater than the costs incurred.

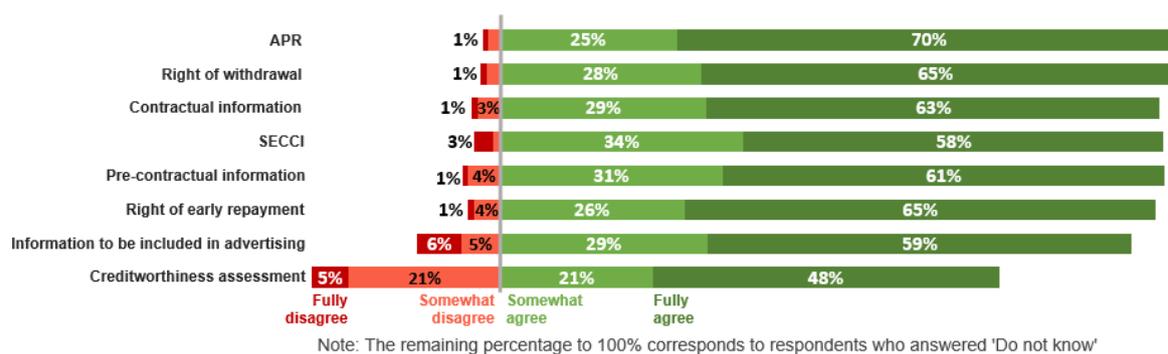
### 3.2.4 Coherence

The CCD perceived as coherent with the main relevant pieces of EU legislation by a majority of stakeholders, with positive answers ranging between 51% to 73% of responses.

### 3.2.5 EU added value

The overall perception of stakeholders is that the added value of the CCD lies in the increase of the level of consumer protection (79% or 75 out of 95 responses). Nearly all respondents believe that most of the key topics covered by the CCD should remain regulated at EU level (see Figure 11).

Figure 11. Answers to "Should the following different aspects remain regulated at EU level?"



### 3.2.6 Other issues that should be covered by the Consumer Credit Directive

To conclude, stakeholders were asked to mention any other issues that might require action at EU level. Issues mentioned across the different groups of stakeholders were:

- Gold-plating practices and different rules across Member States prevent a level playing field for creditors located in different Member States, and, according to industry representatives, these matters have increased compliance costs. These different rules across Member States are also perceived to hinder access to cross-border credit by some stakeholders.
- Broaden the scope of application of the CCD, especially to cover loans of less than EUR 200 and credit providers and intermediaries currently providing similar services (e.g. peer-to-peer lending, overdraft facilities, etc.).
- Strengthen enforcement of the Directive to address non-compliance.
- Streamline rules and adapt them to developments in the consumer credit market linked to digitalisation, notably in the area of information disclosure.
- Broaden the scope of the CCD to cover peer-to-peer lending and crowdfunding.