

Responsible retail lending in Europe: first identify what and where the real problems are before considering any European initiative

BRUSSELS – 4 September 2009 – Eurofinas, the voice of specialised consumer credit providers at European level, welcomes the European Commission's ongoing fact gathering on responsible lending and borrowing.

Eurofinas concurs with prominent members of the European Parliament that, as regards consumer credit, the European Commission should wait for the Consumer Credit Directive to be transposed, implemented and duly tested before taking any further steps.

As regards credit mediation, Eurofinas urges policy makers to adopt a differentiated approach and distinguish between brokers, agents and dealers/retailers involved in the distribution of credit at the point of sale. These carry out very different activities using very different processes. Eurofinas therefore recommends using a more precise terminology in future work. Failure to do so would inevitably result in misunderstandings and ill-suited 'one-size-fits-all' approaches down the road.

Eurofinas notes that no link has been established to date between the recent financial crisis and the behavior of consumer finance providers in Europe.

Referring to the debates held at the public hearing on responsible lending organized by the European Commission on 3 September 2009, Eurofinas' Director General T. van de Werve commented: "While there are undoubtedly things that need to be remedied, it is far from certain that these issues have an EU dimension, concern all types of retail credit products and all types of credit intermediaries".

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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, linked credit, credit cards and store cards. Consumer credit facilitates access to assets and services as diverse as cars, studies, furniture, electronic appliances, etc. It is estimated that together Eurofinas members financed over 400 billion euros worth of new loans during 2008 with outstandings reaching 745 billion euros at the end of the year.