

**FOR IMMEDIATE RELEASE**

**The Consumer Rights Directive: an ill-suited framework for the lending market**

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**BRUSSELS – 19 January 2010** – Following the hearing last week of Commissioner-designate for Justice, Fundamental Rights and Citizenship V. Reding, Eurofinas, the voice of specialised consumer credit providers at European level, welcomes Mrs. Reding's intention to pursue the reform of the so-called EU Consumer Acquis initiated by outgoing Commissioner Kuneva.

Eurofinas agrees with the Commission that the regulatory fragmentation resulting from the Member States' use of the minimum harmonisation clauses contained in the existing EU Consumer Acquis Directives deters cross-border trade. "Targeted full harmonisation is the only way one can reconcile the objective of providing a high level of consumer protection with that of creating a genuine single market", stressed Tanguy van de Werve, Eurofinas Director General.

While supporting in principle the horizontal objectives of the Commission's proposal for a Consumer Rights Directive, Eurofinas voices very serious concerns on its application to financial services agreements. "As it stands, numerous aspects of the proposal do not fit at all the specificities of financial services contracts. This poses a serious threat to the viability of a number of Europe wide accepted and legitimate lending practices" explained van de Werve.

Eurofinas believes that far from resolving regulatory fragmentation, the proposal, if ever applied to financial services agreements, would result in unnecessary and harmful complexity for all involved. "This cannot possibly be the objective" said van de Werve.

Eurofinas therefore urges the members of the European Parliament to recognize the ill-suited character of the Commission's proposal when it comes to financial services agreements and to exclude such services agreements from Chapters II & III of the proposed Directive. Eurofinas notes that a large number of Member States have already come to the same conclusion.

Members of the European Parliament are expected to make their views on the proposed Directive known by the end of 2010.

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**Media Contact**

Anne Valette  
Head of Communications  
+32 2 778 05 65  
[a.valette@eurofinas.org](mailto:a.valette@eurofinas.org)

**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.