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**European Parliament Committee Vote on Data Protection:
Retail Borrowers to Suffer from the Parliament Overly Prescriptive Approach**

Brussels – 22 October 2013 – Yesterday, the European Parliament’s Civil Liberties, Justice and Home Affairs (LIBE) Committee voted on the Commission’s proposal for a General Data Protection Regulation. Eurofinas, the voice of consumer credit providers at European Level, welcomes the long awaited vote but regrets that the Parliament has chosen an overly prescriptive approach which may prove to be detrimental to both European businesses and consumers.

The technological landscape and the use of data have changed dramatically since the 1995 Directive on data protection. Eurofinas therefore fully supports the efforts to update and further strengthen the Union’s data protection framework. Nevertheless, the position of the LIBE Committee fails to address the specificities of the retail lending sector.

“We believe that the proposal falls short from providing the necessary legal certainty for retail lenders to thoroughly assess the creditworthiness of applicant borrowers. We are also concerned that the provisions on data portability and automated processing will lead to additional red-tape without providing any real benefits for European citizens” said Eurofinas’ Director General T. van de Werve.

The Parliament also missed the opportunity to take substantial measures against fraud and other financial crimes. Fraud is of great concern for financial service providers, their clients as well as the overall economy with costs that can be measured in billions of Euros.¹

“The protection of their customers is of great importance to financial services providers. Our industry invests in state-of-the-art technology and staff training to ensure that customer data is handled in a correct and safe way. Failure to recognise the fight against fraud as a legitimate ground for the processing of data prevents financial services providers from fighting against fraud (such as identity theft) in an effective manner thereby putting European citizens at unnecessary risk” added van de Werve.

Commenting on the next steps, van de Werve said: “We are looking forward to future discussions at European level and call on the Council to maintain its risk-based approach to ensure the highest level of protection for European citizens and a workable regulatory framework for European businesses.”

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¹ Eurofinas & ACCIS, “*Fraud prevention and data protection*”, December 2011, more information available at www.eurofinas.org



Note to editor

On 25 January 2012, the European Commission released its proposal for a General Data Protection Regulation concerning on the protection of individuals with regard to the processing of personal data and on the free movement of such data. The Regulation is intended to replace the current framework in place, Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and will provide for further harmonisation. A regulation is directly applicable in all EU Member States without prior implementation.

The LIBE vote provided the Rapporteur with the mandate to enter into negotiations with the Council to reach a common agreement between the European Parliament and the Council before the European elections in May 2014.

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. Eurofinas members financed over 312 billion euro worth of new loans during 2012 with outstandings reaching 828 billion euros at the end of the year.

More information on Eurofinas activities available at www.eurofinas.org