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Data Protection: More uniform interpretation of existing rules is needed

BRUSSELS – 6 January 2010 – Eurofinas, the voice of specialised consumer credit providers at European level, welcomes the European Commission’s recent consultation on the current EU data protection regime.

This consultation clearly demonstrates the European Commission’s commitment to an effective and comprehensive legal framework aimed at protecting individuals’ personal data within the EU whilst facilitating pan European data flows.

The access to, and exchange of, credit data is an important tool used by consumer credit providers when assessing the creditworthiness of the applicant borrowers. This is in line with the new Consumer Credit Directive which requires credit providers to assess a consumer’s creditworthiness on the basis of sufficient information.

Acknowledging that the current Data Protection Directive is a gold standard in the protection of personal data, Eurofinas Director General T. van de Werve explained that “more uniform interpretation of existing rules is what is needed, not new rules”.

Given that the Data Protection Directive has been interpreted differently by Member States, divergent credit data access/exchange landscapes exist across Europe. This situation is problematic for consumer credit providers who need access to both credit and fraud data to facilitate sound lending practices. Proper implementation and more uniform interpretation at national level are essential to assist pan European data flows.

“It is amazing to see how differently national data protection authorities have interpreted the Directive. In some cases it smells of ‘ivory tower’ behaviour. Less nationalistic views are definitely needed here. The Commission should stand firm”, van de Werve added.

The Data Protection dossier will be a key priority for incoming Commissioner Viviane Reding who will be faced with the challenge of maintaining a pragmatic yet reform-oriented approach aimed at helping businesses that require straightforward ways to access relevant personal data.

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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.