

FOR IMMEDIATE RELEASE

**European Parliament Vote on Data Protection:
Significant Impact for Retail Borrowers**

Brussels – 12 March 2014 – Today, the European Parliament voted on the Commission’s proposal for a General Data Protection Regulation and confirmed the position taken by its Civil Liberties, Justice and Home Affairs (LIBE) Committee in October 2013.

Eurofinas, the voice of consumer credit providers at European level, regrets the overly prescriptive approach which the Parliament insists upon.

“The Parliament has failed to deliver a framework which both protects European citizens and allows European businesses to deliver valued and sought-after products and services. Unfortunately, the Parliament’s position does not provide the necessary legal certainty for retail lenders to process data in order to thoroughly assess the creditworthiness of applicant borrowers. This will have significant consequences for European businesses and consumers alike” said Eurofinas’ Director General T. van de Werve.

Eurofinas is also concerned that the proposed provisions on data portability and automated processing will lead to additional red-tape without providing any real benefits for European citizens.

“A ban on automated profiling would jeopardise the application of automated decision-making mechanisms used by consumer credit and credit scoring professionals to make prompt, objective and accurate assessments of the creditworthiness of applicant borrowers. 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. This data is only handled under carefully controlled circumstances” added van de Werve.

The Parliament also missed the opportunity to identify the fight against fraud and other financial crimes as legitimate grounds for the processing of data.

“Fraud, such as identity theft, is of great concern for financial service providers, their clients as well as the overall economy. The costs can be measured in billions of Euros.¹ By not allowing financial services providers the appropriate tools to fight against fraud in an effective manner, European citizens are put at unnecessary risk” added van de Werve.

Commenting on the next steps, van de Werve said: “Hopefully, the next 7 to 8 months can be used to remedy the main flaws of the proposal as it stands now with the support of the Member States. We 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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Media Contact

Anne Valette
Head of Communications
+32 2 778 05 65
a.valette@eurofinas.org

Isak Bengtzboe
Legal Adviser
+32 2 778 05 73
i.bengtzbøe@eurofinas.org

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, unlike a Directive, is directly applicable in all EU Member States with no need for a transposition into national legislation, thus leaving no flexibility for Member States to adapt the framework to their national context.

The Council is yet to agree on a common position before the negotiations between the EU institutions can commence. The work will continue into the fall.

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, universal banks, specialised banks and captive finance companies of car, equipment, etc. manufacturers. 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, education, 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