



European Commission



CONSUMER PROTECTION REVISION OF THE CONSUMER CREDIT DIRECTIVE

Factsheet | 30 June 2021

#consumercredit

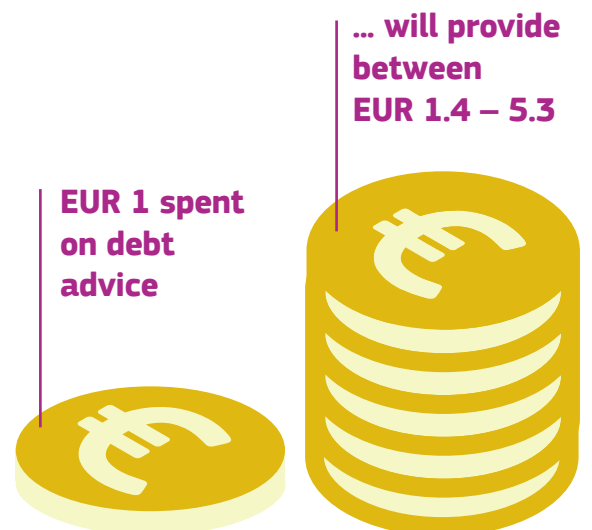
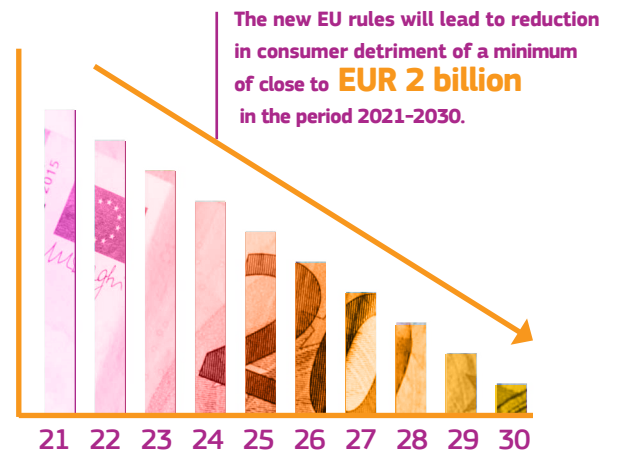
Consumer credit helps consumers finance all sorts of projects and goods. However, if the costs of the credits are excessive, its conditions unclear or its consequences not carefully assessed, the credit becomes a risk.

Digitalisation has profoundly changed the lending sector. New market players and new products have appeared on the market. New ways of disclosing information digitally and of assessing the creditworthiness of consumers using automated decision-making systems and non-traditional data need to be addressed.

*The COVID-19 crisis has had a major impact on the credit market and consumers: a survey in 21 Member States shows that **6 in 10 consumers** face financial difficulties since the start of the crisis.*

The European Commission is revising the existing EU rules on consumer credit to:

- Include risky loans currently not in scope of the EU regulation, such as loans of less than EUR 200.
- Adapt information requirements to make sure they cater for digital devices.
- Make information related to credit offers more clear and avoid information overload for consumers.
- Address practices that exploit consumer behaviour such as product tying, pre-ticked boxes or unsolicited credit sales.
- Improve rules on the assessment of consumer creditworthiness, i.e. their ability to repay the credit in a sustainable way, to make sure appropriate and proportionate data is used and to prevent over-indebtedness.
- Cap the cost of the credit for consumers.
- Support consumers who experience financial difficulties through forbearance measures and debt advice services.
- Introduce requirements for businesses to put consumers' needs first and act ethically while ensuring that their staff have an appropriate knowledge and competence on credit.



Justice and Consumers