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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the implementation of Directive 2008/48/EC on credit agreements for consumers

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1. INTRODUCTION

More than twenty years after the adoption of the first Directive on consumer credit in 1987[1], Directive 2008/48/EC (Consumer Credit Directive – CCD)[2] was adopted and Member States had to transpose it by 11 June 2010. Since then, the Commission has adopted Directive 2011/90/EU[3] in order to ensure that the assumptions for the calculation of the annual percentage rate of charge (APR) more accurately reflect the products sold on the market and has also published guidelines on the application of the CCD in relation to costs and the APR.

The main aim of the CCD is to offer a high degree of consumer protection and thus to boost consumer confidence, enable free movement of credit offers across borders and remedy distortions of competition arising from differences in national laws regarding consumer credit. At the same time it should be stressed that it is not the objective of the Directive to incite consumers to take more credit, but rather to provide them with all necessary information and rights to thoroughly reflect before taking credit.

However, it is important to remember that the following credit agreements are outside the scope of the directive:

1. All credit agreements which are secured either by a mortgage or by another comparable security commonly used in a Member State on immovable property or secured by a right related to immovable property (Article 2(2)(a)), and
2. All credit agreements whose purpose is to acquire or retain property rights in land or in an existing or projected building (Article 2(2)(b)).

It should also be noted that any credit agreement involving a total amount of less than EUR 200 or more than EUR 75 000 is outside the scope of the CCD as well, although Member States may voluntarily extend the application of the CCD to credit agreements outside its scope.

Article 27(2) of the CCD requires the Commission to undertake, every five years, a review of the thresholds laid down in this Directive and the percentages used to calculate the compensation due in the event of early repayment, and also to monitor the way in which the regulatory choices of Member States affect the internal market and consumers. Additionally, the European Parliament, in its resolution of 20 November 2012, called on the Commission to present a report on the implementation of the Directive and to assess fully its impact in terms of consumer protection.

The Commission has accordingly adopted this report, based on the transposition check that is still on-going and on the evidence gathered by a consumer credit market study[4], as well as a study on regulatory choices of the Member States[5], the latter two having been carried out by external contractors.

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1 Council Directive 87/102/EEC of 22 December 1986 for the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit (OJ L 42, 12.2.1987).

2 Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers (OJ L 133/66 22.5.2008).

3 Commission Directive 2011/90/EU of 14 November 2011 amending Part II of Annex I to Directive 2008/48/EC of the European Parliament and of the Council providing additional assumptions for the calculation of the annual percentage rate of charge.

4 Study on the functioning of the consumer credit market in Europe, carried out by IPSOS and London Economics.

5 Study on the Impact of the Legal Choices of the Member States and other Aspects of Implementing the Directive 2008/48/EC on the Functioning of the Consumer Credit Market in the European Union, Final Report - September 2013 prepared for the

2. TRANSPOSITION OF THE DIRECTIVE IN THE MEMBER STATES

2.1. Deadline for transposition

According to Article 27(1), Member States had to adopt and publish the provisions necessary to comply with the CCD before 11 June 2010, 24 months after the entry into force of the Directive. They also had to apply those provisions as from the same day. A large number of Member States failed to communicate their national implementing measures on time. For this reason, upon expiry of the transposition deadline the Commission initiated infringement proceedings against 16 Member States. Furthermore, four Member States failed to ensure its timely entry into force or effective application, requiring a transitional period not provided for by the Directive. In the meantime, since all Member States have adopted and communicated their transposition measures, the infringement proceedings based on the ground that the transposition measures have not been notified to the Commission have been closed.

2.2. Follow-up to transposition

Twenty Member States transposed the CCD by adopting new legislation, while the rest introduced amendments to pre-existing legislation. Two Member States transposed the CCD via secondary legislation, while one transposed it by an emergency ordinance which was later confirmed by a Law.

According to the Commission's evaluation, no systematic deficiencies in the transposition of the Directive by Member States have been identified so far. However, in a number of Member States, some provisions of the Directive appear to be absent or to have been wrongly or incompletely transposed. Those are the findings of a preliminary analysis by the Commission.

The Commission services first launched a dialogue with the Member States to obtain more information about the manner in which they have transposed the Directive, as well as to receive certain clarifications/ confirmation on existing information. Certain Member States already acknowledged at this stage deficiencies in their transposing provisions and promised to amend them in order to bring them into compliance with the Directive. For other Member States, the Commission services have opened more thorough investigations, which might lead to infringement procedures.

3. EXERCISE AND IMPACT OF THE REGULATORY CHOICES UNDER ARTICLE 27(2)[6]

Some provisions of the CCD are optional, in that Member States can choose whether or not to implement their requirements (hereinafter 'regulatory choices'). According to Article 27(2) of the CCD, the European Commission must monitor the effect that regulatory choices, as referred to in Articles 2(5), 2(6), 4(1), 4(2)(c), 6(2), 10(1), 10(5)(f), 14(2) and 16(4), have on the internal market and consumers. The study commissioned by the Commission, while focusing on the possible consequences of the regulatory choices exercised by the Member States in terms of impact on the internal credit market and the protection of consumers, in each Member State separately and across the European Union, has demonstrated the complexity of such assessment. The main factors influencing the qualitative assessment of

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Executive Agency for Health and Consumers by Risk & Policy Analysts Limited. The study is included in the country-specific reports and in the horizontal Final Report covering analysis of the situation across the European Union and drawing on the country-specific information and assessments.

6 This section is based on the findings of the Study on the Impact of the Legal Choices of the Member States and other Aspects of Implementing the Directive 2008/48/EC on the Functioning of the Consumer Credit Market in the European Union, prepared for the Executive Agency for Health and Consumers by Risk & Policy Analysts Limited.

such impacts include the relatively short time that has elapsed since the transposition of the Directive, strongly diverging national regulatory and credit market contexts, in particular as to national situation prevailing before the CCD entered into force and the actual behaviour and/or actions of consumers and credit providers. Finally, some impacts could stem from market developments, especially the financial crisis, rather than from the implementation of the CCD. [7]

3.1. Exemption for organisations established for the mutual benefit of their members (Art. 2(5))

Six Member States (Cyprus, Ireland, Lithuania, Latvia, Romania and United Kingdom (England and Wales, Scotland and Northern Ireland)) have used the Article 2(5) option to apply only certain provisions of the Directive to credit agreements concluded by organisations established for the mutual benefit of their members as described in Article 2(5)(a) to (e).

Some stakeholders[8] consider this legal choice has had a positive impact on the internal market and consumer protection as it lightens the administrative burden on those organisations that offer a less aggressive and cheaper alternative to some other types of credit provider. They also increase consumer choice, help restrict the market penetration of more expensive types of credit (e.g. payday loans) and improve financial inclusion. Potentially negative aspects stemming from the use of this regulatory choice by some Member States include issues relating to fairness and equity between credit providers[9], maximum harmonisation as a legislative principle, ease of enforcement and legal clarity for consumers.

3.2. Credit agreements in respect of deferred payment or repayment methods (Art. 2(6))

Eighteen Member States (Belgium, Croatia, Cyprus, Czech Republic, Denmark, Germany, Greece, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain) have used the option provided for in Article 2(6) to apply only certain provisions of the CCD to credit agreements which provide for arrangements to be agreed by the creditor and the consumer in respect of deferred payment or repayment methods, where the consumer is already in default on the initial credit agreement and where the conditions set out in Article 2(6)(a) and (b) are satisfied.

The purpose of this regulatory choice is to encourage credit providers to seek a more mutually beneficial solution whereby the consumer can defer payment or arrange different repayment methods. Presumably, this would have a positive impact in terms of consumer protection. However, stakeholders tend not to be aware of the practical application of this regulatory choice or of any impact that could be directly attributable to it (which may be explained by

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7 It is important to recognise that the methodology adopted for the above study, namely assessment of impacts based on literature review and stakeholder consultation (online survey and telephone interviews involving public authorities, credit providers, consumer representatives, research institutes, industry associations and complaint-gathering bodies), the extent of information obtained from consultation and the findings of the analysis of the impacts of the regulatory choices as set out by the CCD determine the extent and nature of the information referred to within the present report. It has to be noted that where impacts of the regulatory choices on the internal credit market have been identified, this is on the basis that — even if these impacts have been, in some cases, identified in a domestic market — they are likely to affect other EU countries, cross-border aspects or at least the interfaces between national markets and the EU market as a whole. Finally, it is worth noting that the nature of the findings of the study did not easily yield to an analysis of quantitative impacts.

8 This view was expressed by public authorities, consumer protection bodies and credit unions across the countries that exercised this regulatory choice.

9 Bringing credit unions under the scope of application of all provisions of the CCD in Ireland resulted, according to credit providers, in an uneven playing field when compared with similar organisations in some other countries where the exception under Article 2(5) of the CCD has been applied (e.g. United Kingdom).

the fact that, for some Member States, the national transposition of the regulatory choice reflects the standard business practice which existed prior to the CCD). Around 15% of respondents to the online survey indicated that exercising the regulatory choice under Article 2(6) had resulted in a positive impact in terms of consumer protection, while 5% of respondents indicated that there had been a negative impact; however, these views were not substantiated[10].

3.3. National rules requiring APR to be shown in advertising which does not indicate an interest rate or figures relating to any cost of credit to the consumer (Art. 4(1))

Four Member States (Cyprus, Hungary, Sweden and United Kingdom (all jurisdictions)) have used the exception provided for in the second paragraph of Article 4(1), i.e. they require the indication of the APR in advertising concerning credit agreements which does not indicate an interest rate or figures relating to any cost of credit to the consumer but not the 'standard information' listed in Article 4(2)

In general, stakeholders consulted in the Member States concerned were unable to identify specific impacts relating to the transposition of this regulatory choice. The main perceived benefit was that it makes advertisements short and clear[11], at the same time providing consumers with the information on the APR which enables them to compare different offers. However, concerns were expressed that not all consumers realise that the APR indicated in advertising may refer, according to national law and if applicable, only to a 'representative example' and that the advertised rate may not be the rate that they will actually receive.

3.4. APR in advertising, in pre-contractual information and in credit agreements covered by Article 2(3) (overdrafts to be paid on demand or within three months) (Art. 4(2)(c), Art. 6(2) and Art. 10(5)(f))

Eight Member States (Bulgaria, Denmark, Ireland, Luxembourg, Malta, Poland, Spain and United Kingdom (England and Wales, Scotland and Northern Ireland)) have used the Article 4(2)(c) option allowing Member States to decide that the APR does not need to be provided in advertising concerning credit agreements in the form of an overdraft facility and where the credit has to be repaid on demand or within three months (Art. 2(3) credit agreements). Ten Member States (Croatia, Denmark, Germany, Ireland, Luxembourg, Malta, Poland, Slovakia, Spain and United Kingdom (England and Wales, Scotland and Northern Ireland)) have used the option under Article 6(2) allowing Member States to decide that the APR does not need to be provided in pre-contractual information concerning Article 2(3) credit agreements. Eleven Member States (Czech Republic, Germany, Denmark, Luxembourg, Spain, Ireland, Malta, Netherlands, Poland, Slovakia and United Kingdom (England and Wales, Scotland and Northern Ireland)) have used the Article 10(5)(f) option allowing Member States to decide that the APR does not need to be provided in credit agreements covered by Article 2(3).

The opinions expressed on the consequences of those regulatory choices appear to depend significantly upon whether the view is taken that information on the APR is useful (or not) to

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10 Some stakeholders had difficulty in disentangling or differentiating between the impacts of the regulatory choice and the impacts of the fact that Article 2(6) refers to credit agreements which provide for arrangements to be agreed by the creditor and the consumer in respect of deferred payment or repayment methods. It was understood by some stakeholders that the existence of this type of contract in a national legal system is a consequence of the regulatory choice although the regulatory choice under Article 2(6) is not itself intended to introduce this type of contract into national legal systems.

11 This view was expressed by public authorities and credit providers.

the consumer for the specific credit agreements covered by Article 2(3)[12]. It is also important to note that stakeholders were either not aware of any impact resulting from those regulatory choices or believed that there had been limited (if any) impact on the internal credit market or on consumers. This is because it appears that the credit agreements covered by Article 2(3) are, in the main, 'niche' products which are only used in some Member States[13] by specific credit providers and/or consumers. Moreover, it is fundamentally difficult to assess the impact of non-provision of information and to distinguish the impact of non-provision of information on APR from other influencing factors (the financial situation of the debtor, the financial knowledge of the debtor, the impact of the financial crisis on borrowing, etc.).

Statements as to the positive impact[14] of those regulatory choices in terms of consumer protection assume that information on the APR for overdrafts might be misunderstood by consumers (for instance, due to difficulties with calculating the APR for advertising purposes for this specific product). Furthermore, the provisions in question have given Member States the opportunity to find a balance between ensuring an adequate level of consumer protection and placing burden on creditors. Indeed during the consultation process, credit providers and industry associations noted that, if they had been required to calculate the APR for credit agreements under Article 2(3), they would have incurred additional costs for minimal additional benefit. In that respect the regulatory choices were seen as having a positive impact on the internal credit market. On the other hand, it has been suggested that, regardless of any possible failings, the APR needs to be shown for all types of credit product in order to promote transparency and consistency and provide all possible information to the consumer[15]. This presupposes that the APR is likely to help a consumer (if sufficiently financially literate) to compare different offers and make an informed decision. From this perspective, it could be argued that some negative impacts may have occurred in the Member States that exercise those regulatory choices. This would however be very limited, given the small proportion of credit agreements under Article 2(3) across the Union.

3.5. National rules regarding the validity of the conclusion of credit agreements (Art. 10(1))

All 28 Member States have maintained or introduced national rules regarding the validity of the conclusion of credit agreements in accordance with Article 10(1). All Member States have decided under this regulatory choice that electronic signatures should generally be valid for the conclusion of credit agreements. While some positive impact on consumer welfare has been indicated by users (particularly as internet and online activity increases), in Germany the use of written contracts is considered important for maintaining a high level of consumer protection (allowing consumers to reflect on and realise the importance of the contract). This is particularly relevant in the light of the negative experiences associated with the electronic provision of credit, such as SMS credit, which is widely available in the Nordic countries. At present, the reality is that across the Union most credit agreements are still drawn up in paper form.

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12 Fifteen Member States (Austria, Belgium, Cyprus, Estonia, Greece, Finland, France, Hungary, Italy, Latvia, Lithuania, Portugal, Romania, Sweden and Slovenia) specify that the APR should be provided in advertising, pre-contractual information and in the actual credit agreement for credit agreements covered by Article 2(3).

13 Overdraft debt appears to be common in Germany, Cyprus, Slovenia and Netherlands.

14 This view was expressed by many different types of stakeholders, including credit providers, industry associations and consumer organisations.

15 This view was mostly expressed by consumer organisations/representatives, but also industry associations, credit providers and public authorities.

3.6. Right of withdrawal in the case of linked credit agreements (Art. 14(2))

Three Member States (France, Romania and Slovenia) have invoked the existence of pre-existing legislation in order to use the exception set out in Article 14(2) regarding linked credit agreements as defined in Article 3(n), according to which where legislation pre-dating the Directive's entry into force already provides that funds cannot be made available to the consumer before the expiry of a specific period, Member States can reduce the 14-day withdrawal period to that specific period at the consumer's explicit request.

This regulatory choice provides consumers with the opportunity to receive the goods or services they have purchased early, and is supposed to help ensure regulatory consistency with existing national legislation. In addition it gives more legal clarity for credit providers. By specifying that this request has to be made by the consumer, it seeks to ensure that the consumer is not pressured into reducing his/her waiting period. At the same time, it allows consumers who are sure of their purchase to proceed more quickly. However, stakeholders were not aware of the practical application of this regulatory choice or of any impact that could be directly attributable to it.

3.7. Right of early repayment and creditor's compensation (Art. 16(4))

Seventeen Member States (Austria, Croatia, Cyprus, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Slovakia, Slovenia and United Kingdom (all jurisdictions)) have transposed Article 16(4)(a) concerning the creditor's right to compensation for early repayment on condition that the amount of the early repayment exceeds the threshold defined by national law.

Nine Member States (Bulgaria, Cyprus, Denmark, Lithuania, Luxembourg, Malta, Netherlands, Spain and United Kingdom (only Gibraltar)) have transposed Article 16(4)(b) concerning the creditor's right exceptionally to claim higher compensation for early repayment.

Five Member States (Cyprus, Lithuania, Luxembourg, Malta and United Kingdom (Gibraltar)) have made use of both options.

Stakeholders tend not to be aware of any impact which could be directly attributable to the regulatory choices set out in Article 16(4)(a) and (b). In general, these impacts are likely to be limited as the vast majority of consumer credit arrangements in Europe are of an insufficiently high value to trigger the credit providers' right to claim compensation according to the threshold applied by Member States, while some credit providers waive the opportunity to claim financial compensation for early repayment (despite being legally entitled to do so), and in some Member States early repayment is relatively uncommon.

Nevertheless, in the majority of Member States that have taken up the regulatory choice under Article 16(4)(a), it is considered to have had a positive impact on consumer protection and/or the internal market, particularly as regards the legal clarity it gives to both credit providers and consumers. In particular, it is seen as beneficial for consumers in countries where credit providers now have to meet more restrictive conditions before they can claim any compensation, and for credit providers in that they are not placed in a disadvantaged position as a result of early repayment of loans by consumers.

4. SPECIFICATION OF CERTAIN CONCEPTS CONTAINED IN THE DIRECTIVE [16]

The Directive contains some open wordings to enable MS to adjust to their legal culture and market situation. The present section has been drafted on the basis of the Study on the Impact of the Legal Choices of the Member States and other Aspects of Implementing Directive 2008/48/EC on the functioning of the consumer credit market in the European Union.

4.1. The concept of 'insignificant charges' with regard to credit agreements under which the credit has to be repaid within three months (Art. 2(2)(f))

Article 2(2)(f) excludes from the scope of the CCD credit agreements under the terms of which the credit has to be repaid within three months and only insignificant charges are payable. Nine Member States (Belgium, Hungary, Cyprus, Finland, Netherlands, Romania, Slovenia, Spain and United Kingdom) have specified or clarified this term.

Overall, the explanation of this concept is considered to have had a positive impact on both the internal credit market and consumer protection. It has reportedly helped to protect consumers from unscrupulous creditors trying to circumvent the CCD; stakeholders believe that in the long term this could improve the overall relationship between credit providers and their beneficiaries. For credit providers, the specification of this concept ensures legal clarity. It allows for more effective enforcement and monitoring of their activities. In some Member States stakeholders were unable to identify any impact attributable to the clarification of the concept, either because the concept was specified in pre-CCD legislation or because the number of credit agreements that are covered is relatively small.

4.2. The concept of 'in good time' with regard to the provision of pre-contractual information (Art. 5(1) and 6(1))

Articles 5(1) and 6(1) require the creditor or credit intermediary to provide the consumer with pre-contractual information in good time before he or she is bound by any credit agreement or offer. Six Member States (France, Lithuania, Netherlands, Romania, Sweden and United Kingdom) have specified or clarified what 'in good time' means. The transposing legislation of some Member States, only refer to the provision of information "before" being bound or concluding the contract.

In general, the clarification of the concept is said to have had slightly positive impacts on consumer protection. For instance, Swedish consumers now have enough time to familiarise themselves with the information and to consider it (the preparatory works mention that different consumers might need different amounts of time to familiarise themselves with the conditions in the agreement). On the other hand, some stakeholders question the extent to which online credit providers can and do actually comply with this requirement.

4.3. The concept of 'adequate explanations' and the provision of assistance by creditors or credit intermediaries to the consumer (Art. 5(6))

Article 5(6) requires creditors and credit intermediaries to provide adequate explanations to the consumer, in order to enable the consumer to assess whether the proposed credit agreement is adapted to his/her needs and financial situation. Member States may adapt the

[16] The wording 'have specified or clarified' used in the present section of the Report relates to the specification drawn up in Member States under the relevant law, explanatory memorandum to the law, the legal preparatory works, explanatory notes and similar documents explaining the meaning of the concepts used in the CCD. As to the identified impacts of the clarification of terms/concepts, any impacts relating to the internal market actually refer to the domestic credit markets.

manner in which and the extent to which such assistance is given, as well as by whom it is given. Eight Member States (Austria, Hungary, Italy, Netherlands, Poland, Slovenia, Sweden and United Kingdom) have specified or clarified what the concept of 'adequate explanations' means.

As to positive impacts, stakeholders in Hungary have indicated that the specification of this concept has made it easier for authorities to monitor and check regulatory compliance (i.e. there is better enforcement). In Italy, stakeholders feel that the pre-contractual information provided to consumers is more complete and clear as a result of specifying this concept. In addition, the terms and conditions of consumer credit agreements are said to have become more transparent and the information more uniform and simple. In terms of negative impacts, credit providers have pointed to an increase in the administrative burden faced by creditors and the large amount of information consumers need to process before making a decision. For some stakeholders, better enforcement is required as some credit providers' explanations are still ambiguous.

On the basis of complaints and preliminary rulings[17], the Commission is aware that it is not uncommon that consumers sign contracts that are ill-adapted to their needs. Therefore, a proper enforcement of pre-contractual information requirements in general and, in particular, this provision is very important as a preventive measure.

4.4. The provision of pre-contractual information for certain credit agreements by means of the European Consumer Credit Information (SECCI) form set out in Annex III (Art. 6(1))

Article 6(1) requires the creditor to provide the consumer with the information needed to compare different offers in order to take an informed decision on whether to conclude a credit agreement in the form of an overdraft facility and for other certain specific credit agreements. Such information may be provided by means of the European Consumer Credit Information (SECCI) form set out in Annex III to the CCD[18]. Ten Member States (Belgium, Bulgaria, Croatia, Hungary, Ireland, Lithuania, Luxembourg, Portugal, Slovenia and Slovakia) have made the use of the SECCI form mandatory for those specific credit agreements.

The vast majority of stakeholders agree that, in general, the SECCI form has had a positive impact on consumer protection and achieved its intended purpose of allowing consumers to compare different prices and offers. Mandatory use of the SECCI form has reportedly reduced the risk of default or non-payment, facilitated the online credit process and increased transparency and competition in the internal credit market. That said, some believe that the benefits of the SECCI form have been moderated by the fact that many consumers do not have sufficient financial literacy to fully understand the information provided in the form. In Belgium and Ireland the SECCI form is considered to be more complicated than the information that was previously being provided to consumers and, as such, was even perceived as resulting in a low negative impact in terms of consumer protection. Credit providers generally point to administrative and operational costs, in some countries without a corresponding benefit. In any event it seems clear that the SECCI form will become more

[17] See, for instance, Case C-76/10 Pohotovost' s..r.o. ./. Iveta Korčkovská, in particular paragraphs 23- 25.

[18] Such information shall be provided by means of the SECCI for other types of credit according to Article 5(1).

effective if it is accompanied by measures aiming to improve the financial awareness of consumers and compliance with Article 5 (6).

4.5. The concept of 'sufficient information' with regard to the obligation to assess the creditworthiness of the consumer (Article 8(1))

Article 8(1) requires the creditor to assess the consumer's creditworthiness on the basis of sufficient information, where appropriate obtained from the consumer and, where necessary, on the basis of a consultation of the relevant database. Two Member States (Belgium and United Kingdom) have specified or clarified what 'sufficient information' means.

The clarification of this concept has had a positive impact, for example stakeholders in Belgium say that the obligation on credit providers to register certain financial products and preserve the results of consultations on consumers' creditworthiness has been beneficial for consumers, this is the case even if 'complete and correct' information was already required and obtained from consumers before the transposition of the Directive. However, there are concerns regarding the enforcement of this provision (some stakeholders believe that sufficient information is not always obtained by creditors offering point-of-sale contracts due to a conflict of interest between selling a good/service and upholding legal obligations). As a result, consumer creditworthiness is not always assessed in sufficient detail.

4.6. The concept of 'significant increase' with regard to the obligation to assess the creditworthiness of the consumer (Article 8(2))

Article 8(2) requires the creditor to assess the consumer's creditworthiness before any significant increase in the total amount of the credit. Three Member States (Bulgaria, Slovenia and Sweden) have clarified what 'significant increase' means by adopting a specific threshold upon which the creditor's obligation to assess the consumer's creditworthiness is triggered.

In terms of positive impacts, stakeholders in Slovenia take the view that the specification of this concept has reduced the level of risk for all parties to the credit agreement and ensures that all consumers are treated equally. In Bulgaria, stakeholders have noted that, in practice, creditworthiness is assessed regardless of the percentage specified in the legislation and, as such, this clarification has not necessarily changed the status quo. In Sweden, stakeholders were generally unaware of the clarification of 'significant increase' and, as such, could not provide information on its impact.

4.7. The term 'significant overrunning' (Article 18(2))

Article 18(2) requires creditors to provide consumers with certain information, without delay, on paper or on another durable medium, in the event of a 'significant overrunning' exceeding a period of one month. Three Member States (Belgium, Romania and United Kingdom) have specified what constitutes a 'significant overrunning' (Belgium and Romania by adopting specific thresholds).

The specification of this term is considered to have a positive effect on consumer protection in Belgium (due to the legal clarity for both the creditor and consumer which facilitates regulatory compliance, and also due to the psychological barrier established by the specified amount that an overrunning may reach) and in Romania (due to the simplicity and legal clarity associated with a quantitative figure provided for by national law, which is particularly beneficial for consumers with lower levels of financial literacy).

5. RELEVANCE TO THE CONSUMER CREDIT MARKETS OF THRESHOLDS AS SET OUT IN ARTICLE 2(2)(C)AND THRESHOLDS AND PERCENTAGES USED TO CALCULATE THE COMPENSATION DUE FOR EARLY REPAYMENT[19]

Article 2(2)(c) limits the scope of the Directive to credit agreements involving a total amount of credit of more than EUR 200 and less than EUR 75 000[20]. The survey of stakeholders does not give a clear answer as to the relevance of those thresholds.

While responses from the national lenders' associations suggest that the lower threshold is important in allowing lenders to provide small loans at low cost, the majority of consumer protection bodies are in favour of removing the thresholds. Those consumer protection bodies which do not advocate removing the thresholds are mostly from Member States applying the CCD to consumer credits regardless of their amount. The lender survey on the other hand suggests that some lenders would like to see the lower threshold raised and the upper threshold reduced. However, two lenders are in favour of increasing the upper threshold.

As to the thresholds for compensation on early repayment, the few stakeholders replying did not mention any impact on their respective credit markets. As to percentages of compensation, no feedback was received.

6. THE DIRECTIVE'S IMPACT ON CONSUMER CREDIT MARKETS[21]

6.1. Size of the consumer credit market

In the wake of the financial crisis, households have been reducing their consumer credit debt and lenders have tightened up their lending criteria, and outstanding consumer credit debt has dropped from 9.1% of GDP in 2009 to 8.2% at the end of 2011. Behind this aggregate picture[22] lies a great deal of variation in the extent of consumer credit in the EU, with the average amount outstanding at the end of 2011 ranging on a per capita basis from EUR 212 in Lithuania to EUR 4 111 in Cyprus. Cyprus also has the highest proportion of consumer credit to GDP (19%), followed by Greece (15%), Hungary (14%), United Kingdom (14%), Bulgaria (12%), Romania (11%), Ireland (11%) and Poland (10%). The lowest proportion occurs in Lithuania, Luxembourg, Estonia and Latvia, which have less than 5%.

Despite the large cross-country variations, there is also evidence that, over the period 2000-2011, the level of consumer credit outstanding on a per capita basis has been converging, albeit at a slow rate. That is to say, consumer credit per capita is rising more quickly in Member States with previously low levels of consumer credit than in Member States where levels of consumer credit are already high.

Consumer credit denoted in a foreign currency represents an additional risk for consumers, and is common in some Member States, usually outside the euro area. For instance, the ratio of consumer credit denoted in foreign currency to total consumer credit has been steadily

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19 The present section has been drafted on the basis of the "Study on the functioning of the consumer credit market in Europe", carried out by IPSOS and London Economics.

20 In the future credit agreements the purpose of which is the renovation of a residential immovable property involving a total amount of credit above EUR 75000 will fall within the scope of Directive 2008/48/EC as amended by the Directive on credit agreements relating to residential immovable property (OJ L60 28.2.2014).

21 The present section has been drafted on the basis of the "Study on the functioning of the consumer credit market in Europe", carried out by IPSOS and London Economics.

22 The data come from an ECRI database, which in many countries does not cover creditors that are not monetary financial institutions (banks taking deposits). Thus the actual size of the consumer credit market is underestimated.

increasing in Lithuania, from only 3% in early 2004 to 45% at the end of July 2012. Austria is the only euro area Member State which reports any foreign currency consumer credit. However, a large proportion of the foreign currency credit is composed of home equity loans, i.e. consumption loans secured by mortgages common in many Eastern and Central European Member States, or by residential loans. The ratios are also fluctuating because of changes in exchange rates.

In times of financial crisis, the overall value of consumer credit in several Member States has been falling in recent years. While this has coincided with the dates of adoption and implementation of the CCD, a large majority of the respondents to the lenders' survey[23] indicated that they did not perceive CCD adoption and transposition as affecting the volume of new credit granted by them. Nonetheless, a number of lenders indicated that the CCD had influenced the new credit they granted for domestic currency credit. Among those who did see an impact, some were positive about it but others took a negative view.

6.2. Structure of the consumer credit market and range of credit products available on national markets

The surveys of regulators and national lending associations asked for a list of the largest providers of consumer credit not secured by real estate property, broken down into credit institutions and specialist lenders. The information gathered through these surveys is incomplete and an absence of information on specialist lender activity should therefore not be interpreted as a sign of weak specialist lender activity. The relative importance of credit institutions (i.e. banks) and specialist lenders in the provision of consumer credit varies across the EU. The results from the consumer survey[24] suggest that specialist lender activity is the highest in Italy, Sweden and United Kingdom.

No reliable data on market concentration in the consumer credit market are available at the present time and responses from regulators and national lender associations did not provide any further insight into this question. On the basis of European Central Bank (ECB) data[25], Estonia, Finland and the Netherlands have market concentration levels which can be considered as high. There appears to be no common development in market concentration over time: market concentration fell in Estonia but rose in Finland and Netherlands. Similarly across all other Member States, there appears to be no common trend in market concentration and the overall EU average index rose slightly, yet remains competitive.

All regulators who gave the range of domestically provided credit products available on their national market (10 out of 20)[26] say overdrafts are either common or very common in their respective countries, and are provided mostly domestically and in the domestic currency. The same is true for credit cards and personal loans. However, it should be noted that the definition of credit and charge card is not necessarily the same in all countries. For example, in France deferred debit cards are often referred to as credit cards.

In terms of number of credit products available on each domestic market, the Slovakian regulator lists 19 (out of 20) credit products as being either common or very common and the

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23 Carried out by Ipsos and London Economics in their 'Study on the functioning of the consumer credit market in Europe'.

24 Carried out by Ipsos and London Economics.

25 Concentration measured by Herfindahl Hirschman Index, based on the total assets of banks .

26 These are: the Czech Republic, Belgium, Estonia, Germany, Luxembourg, Lithuania, Portugal, Slovakia, Sweden and United Kingdom.

regulator from United Kingdom lists 16 as common or very common. The smallest number of products provided is found in Germany and Luxembourg, where the regulator notes only seven and eight types of credit as common or very common respectively.

Loans from specialist lenders (in general) are only listed as common or very common by lender associations from United Kingdom. Similarly, payday loans from specialist lenders are common or very common in United Kingdom. A Hungarian lending association also states that foreign currency denoted payday loans, provided by foreign institutions, are common in Hungary.

6.3. Reliance on consumer credit in the EU

The reliance on credit to finance consumers' day-to-day needs can be measured by the ratio of the flow of credit to household expenditure. Such a ratio indicates what fraction of yearly expenditure is financed by credit. If consumers' credit repayments amount to more than what they take out in new credit, this ratio can also be negative, indicating that consumers have reduced their outstanding stock of debt. The reliance on consumer credit varies significantly between Member States.

With the exception of Germany, all Member States were increasing consumer credit relative to household expenditure prior to the onset of the financial crisis. After 2007, consumers in several Member States reduced their reliance on credit, most notably in Ireland (-1.4%), Spain (-1.3%) and United Kingdom (-1.2%). Germany and Slovakia are the only two Member States in which the reliance on consumer credit was higher after 2007 than before.

6.4. Provision of cross-border credit

Only 11 out of the 20 responding regulatory bodies have provided general data on credit issued in their countries and, importantly, the share of cross-border credit has only been included by three respondents. Respondents to the survey stated that cross-border credit is of no relevance in their country or that the volume of cross-border credit issued is negligible. Only six out of 50 lenders who responded to the survey stated that they do engage in cross-border lending. Three of these respondents say that their cross-border lending is done through branches, two through subsidiaries and one through direct lending. The average percentage of cross-border credit out of the total volume of credit is 1.43% among those who provided data.

According to the consumer survey, cross-border borrowing is relatively infrequent among consumers, yet significantly more common than previous studies have suggested (roughly 5%). There is a wide dispersion of cross-border borrowing across Member States. While in Austria it is close to zero (0.2%), in Slovakia institutions from other Member States issued around one in four (23%) of the most recent credit products held by borrowers[27]. Higher income earners are more likely to borrow from a lender from another Member State.

Regarding possible obstacles to cross-border credit provision and borrowing, most lenders did not indicate what type of barriers had hindered them from accessing another EU consumer credit market, although some of them indicated that the lack of access to good-quality credit information was a barrier to entry or that their product was unsuitable for cross-border offer. Other responses included 'liquidity', 'compliance in the instigation of legal actions if need

[27] It is however possible that some respondents misunderstood the notion of cross-border credit, classifying as such loans provided by the banks registered in their country, but having a foreign name, or credit extended in foreign currency.

arises', 'cost of funding differential between different countries', 'difficult to recover outstanding amounts through litigation', as well as 'cultural and linguistic barriers'.

6.5. Difference in price of comparable credit products within and between countries

According to ECB data, the APR fell from 2009 to 2013 in all but seven Member States (Slovakia, Hungary, Estonia, Latvia, Lithuania, Czech Republic and Bulgaria), with the sharpest decline (3.2 percentage points) in Romania. Unfortunately, it is not possible to assess whether the Directive had any impact on the APR charged as the transposition coincided with the financial crisis.

The cost of consumer credit varies markedly across countries. For example, APR ranges from 6% or less in a number of euro area countries to up to 35% in a number of Member States from Central Europe. However, the financial crisis has resulted in a sharp reduction of central banks' interest rates throughout the EU. Over the period 2003-2012 a convergence of consumer interest rates (net of central bank rates) among the EU countries appears to have taken place at a reasonable speed.

The analysis of APR differences between and within countries' comparable credit offers draws on the hard-copy advertisements which were gathered by mystery shoppers and the web-based advertisements which were collected by London Economics. Overall, 80% of all advertisements collected showed the APR.

The most expensive offers were found for personal loans advertised by specialist lenders with an APR averaging 80%. This is unsurprising given that specialist lenders often provide very short-term loans which carry a high interest rate. It was found that offers advertised with more completely disclosed information are cheaper.

The APR incorporates all costs associated with the credit, including the borrowing rate, but also including all other fees and charges. The difference between the APR and the borrowing rate is therefore a measure of how much in additional charges the consumer has to pay. Ireland and the United Kingdom stand out as having the largest difference between APR and borrowing rate, while in Iceland and Luxembourg all advertisements analysed include borrowing rates which are identical to the APRs stated. Across the EU, personal loans exhibit in general terms the largest difference (almost 7 percentage points) between APR and borrowing rate, while car loans and deferred payments account for the smallest difference of 2.5 and 3.8 percentage points respectively.

7. THE DIRECTIVE'S IMPACT ON CONSUMER PROTECTION[28]

Before looking at how lenders fulfil the obligations imposed by the Directive, it is important to note that, according to the surveyed regulators, all or at least the majority of lenders are aware of their general obligations. Half of the regulators also indicated that they had not taken any enforcement action with regard to lenders' non-fulfilment of their obligations. Only 20% of the surveyed regulators had to do so in 2010 and 2011. It should be noted, however, that only 70% of regulators checked whether lenders actually fulfil their obligations towards their customers.

[28] The present section has been drafted on the basis of the "Study on the functioning of the consumer credit market in Europe", carried out by IPSOS and London Economics.

7.1. Fulfilment of informational requirements at advertisement stage

Under Article 4, advertisements for consumer credit products must disclose all relevant information in the form of a representative example. This requirement does not apply to advertisements that omit all cost information and, in some Member States, to advertisements that only display the APR. For this reason, in the following analysis we consider only those advertisements that report any borrowing cost other than the APR; since there are different informational requirements for different types of consumer credit, the level of compliance has to be analysed separately for each type of credit. Within the analysed sample, only 22% of advertisements displaying some sort of financial information fulfilled all the informational requirements. While in some countries all the advertisements for certain products met the informational requirements, this was not the case in other countries. Comparing different types of advertisements, those for credit cards were by far the worst in terms of completeness of information and advertisements for car loans stood out as the best.

Article 4 also requires standard information to be disclosed in a clear, concise and prominent way. The analysis of advertisements showed great variability in terms of clarity across Member States and consumer credit products. Comparing how advertisements fared, the Netherlands ranked in the top five countries under each of the criteria for standard information. Over all four types of consumer credit, the average score was 5.5 out of 8. For car loans the range is the largest with Estonian advertisements being the most unclear and earning on average just one out of eight points. An equally low score is observed only for deferred payments in Bulgaria. Again, advertisements from the Netherlands do consistently well and score highest for both credit cards and personal loans. However, no Member State achieves a perfect score of eight out of eight.

Overall, regardless of type of lender, type of credit or medium of reaching consumers, many advertisements do not conform to several requirements of the Directive and this makes the comparison of offers unnecessarily complicated for consumers. This situation indicates a need to improve enforcement on this issue.

7.2. Fulfilment of informational requirements regarding APR and the representative example

Overall, only 73% of all advertisements which show borrowing costs have included a representative example. Credit card advertisements are particularly poor in this respect. Many of them state the annual card fee, yet fail to provide a representative example. Since annual fees are a component of the borrowing cost for consumers using a credit card, these advertisements should have included a representative example.

However, several Member States have an excellent record with 100% of advertisements in a particular category including a representative example. For the purpose of the assessment on those advertisements which included a representative example as well as all the necessary information, the simulator available on the Commission's website[29] was used to compare the results with the APR stated in the representative example. For slightly less than half of all advertisements that provided enough information to calculate the APR, the APR obtained using the simulator did not match the APR reported in the advertisement. The average difference between stated and simulated APRs was 0.35 percentage points. In Austria, Ireland, Luxembourg and the Netherlands, all APRs analysed matched those calculated

[29] http://ec.europa.eu/consumers/index_en.htm

according to the simulator and all the information required to reproduce the APR was provided in the representative example.

7.3. Fulfilment of informational requirements at pre-contractual stage

Is the information full and correct?
Article 5 outlines the type of pre-contractual information the creditor must give the consumer in good time before the consumer is bound by a credit agreement or offer. This information is intended to help the consumer to make a well-informed decision by being able to easily compare several credit offers. According to Article 5, all pre-contractual information requirements are satisfied if the consumer obtains the SECCI form.

Getting access to offers was the major difficulty encountered during the mystery shopping exercise. In a number of countries the mystery shoppers were asked to undergo credit checks before they could actually receive detailed information on the credit they were asking for. This made the selection of mystery shoppers more challenging, in particular in Germany, Latvia, the Netherlands, Sweden, the United Kingdom and Denmark. Also, in a number of cases the shoppers were not given any offer because they were available only to the actual customers of a given lender.

The majority of mystery shoppers were not informed of their rights as consumers by the creditors, particularly as regards the right of withdrawal within the first 14 days (on average roughly 11% were informed of their rights) and the right to be immediately informed if the credit application has been rejected as a result of consultation of a database (less than 30% were informed of their rights). In 80% of cases the shoppers did not receive explanations on how the APR was calculated. Overall, the results of the mystery shopping exercise show that the CCD pre-contractual information requirements are very frequently not met, although, on more positive side, only 15% of mystery shoppers were not told the level of the interest rate and only 16% were not told whether the interest rate was fixed or variable. Finally, even after prompting, only about half of shoppers received the SECCI form.

Germany and Slovenia are ranked the highest in terms of providing adequate pre-contractual information for car loans, Poland and Portugal for credit cards and, again, Slovenia and Portugal for personal loans. The lowest ranking countries are Estonia and Luxembourg for car loans. In the case of credit cards, Luxembourg is ranked the lowest, followed by Denmark. For personal loans, again Denmark is the worst-performing country. Overall, Estonia, Sweden, Luxembourg, Austria and Denmark are at the bottom of the ranking. There are also clear differences between different credit products, with credit cards receiving the worst scores.

Explanations: are the credit providers willing to explain the credit conditions to borrowers?
Provision of information is not sufficient if it is not presented in a clear and understandable form and if the creditor is not willing and able to explain the terms clearly. According to Article 5(6) creditors and where applicable credit intermediaries shall provide adequate explanations to the consumer. In the mystery shopping exercise, subjects were asked whether their creditors ensured that they had all the information necessary to make a decision about the loan or credit card. The majority of credit providers passed the test for all types of credit (53-61%). Nevertheless, for more than half of the countries considered this is not the case. Malta performs particularly poorly, with only 24% of mystery shoppers indicating that they

felt they had all the information necessary to make a decision. Cyprus, Italy and Germany are the top-performing Member States (79%, 77% and 71% respectively).

There is no clear evidence from the mystery shopping exercise that credit providers tailor their explanations to borrowers' needs or level of education. However, a large proportion of creditors (for all types of credit) do request information on the prospective borrower's employment, income and homeowner status.

Around 60% of respondents to the consumer survey sought information from just one lender, typically their own bank. Close to 9 in 10 of consumers were of the view that creditors contacted were open and fair, and that the information provided to them by lenders was comprehensive and clear. This view, contrasting with the mystery shoppers' finding that not all information was provided to them, seems to prove that an ordinary borrower is not fully aware of the information that he or she should receive.

The survey shows that certain demographic characteristics make it significantly more likely that consumers will be provided with explanations that they ask for. Women are much more likely to receive explanations, as are the elderly and those with higher incomes.

7.4. Objective assessment of consumers' understanding of the information disclosed[30]

The consumer credit market study also looked into the issue of consumers' financial literacy. In order to assess consumers' financial literacy, a reliable and objective measure is needed. Unlike for other forms of literacy, there is at present no standardised and generally accepted test for assessing the level of financial literacy.

To assess their level of financial literacy, respondents to the consumer survey were asked to evaluate which of two credit offers was cheaper based on interest rate and APR information in order to test whether they were aware of the definition of APR and its relationship to the interest rate. Fewer than 40% of respondents provided the correct answer, objectively suggesting that many consumers do not have an understanding of the information disclosed to them on the APR (and its relation to the interest rate). This result demonstrates that 60% of consumers essentially do not understand what an APR is and how to use it, and suggests that their level of financial literacy is rather low.

The existence of the rights allowing consumers to make early repayment and to withdraw from a contract within the first 14 days of signing the agreement is important, yet consumers also have to be aware of these rights in order for them to have the desired effect. If consumers are not aware of these rights, they may falsely assume that they are locked into a contract from the moment of signing the agreement to the stated end date. This would greatly undermine consumer empowerment, consumer protection and market competition. Awareness of the rights of early repayment and withdrawal varies according to socio-demographic characteristics. As expected, those respondents who are more financially literate are also more likely to know of either right. Respondents in full-time employment were also more likely to know of their right of early repayment, yet not of their right of withdrawal.

Consumers' awareness of the financial details of their own credit contracts is uneven. 64% of surveyed borrowers knew whether the APR was mentioned in their contract, while 84% were

[30] Based on a survey carried out in the framework of the consumer credit market study.

aware of the type of interest rate (i.e. fixed or variable) and 74% knew whether early repayment might incur a penalty. In terms of awareness of the rights of early repayment and withdrawal within the first 14 days of signing a contract, 73% and 71% of consumer survey participants respectively were aware that creditors have to provide pre-contractual information on these rights, although the level of awareness varies considerably across Member States.

7.5. Right of withdrawal and right to make early repayment

How often do consumers withdraw from credit contracts within the legal deadline?
Article 14 stipulates that consumers have to be given a period of 14 calendar days in which they can withdraw from the credit agreement without giving any reason. Particularly in the light of aggressive marketing and sales tactics, this period of reflection offers important protection to consumers. Further, it helps to improve market competition as consumers can still opt for a more competitive offer during the first 14 days of signing a credit contract.

According to the consumer survey, only a small number of borrowers –around 1% – attempt to withdraw within the 14-day period after signing. Of those, 42.2% were unsuccessful. It is important to keep in mind that some respondents may have signed their contracts prior to the introduction of the Directive.

How often do consumers repay early and what is the impact of the application of compensation on willingness to repay early?
Article 16 states that the consumer is entitled to 'discharge fully or partially his obligations under a credit agreement'. The benefit of this right is once again twofold: First, it offers increased consumer empowerment and protection, allowing consumers greater freedom in managing their finances. Second, it is an important component of a competitive credit market, allowing consumers to switch contracts if a better credit offer becomes available elsewhere.

There is mixed evidence on how frequently consumers repay their credit agreements early. While both lenders and consumer associations report this to be rather infrequent, the consumer survey has shown that close to one quarter of all respondents have attempted to repay early, of which 86% were successful. However, these aggregate numbers disguise a large variance between Member States and types of consumer credit. There is also strong evidence from the consumer survey that respondents who are more financially literate and younger are more likely to repay early.

7.6. Satisfaction, problems and complaints

According to the consumer survey, 9% of all consumers have faced problems with a credit agreement or a creditor in the last five years. However, the results suggest that there is a large amount of cross-country variation. In terms of socio-demographic characteristics, older respondents were found to be significantly less likely to have faced any problems in relation to their credit agreements. Overall, the majority of complaints appear to be about charges, right of withdrawal and right to make early repayment.

However, only one third of the consumers who faced problems said that they complained. There are several procedures for resolving consumer problems, either through third parties, such as consumer protection bodies and ombudsmen, or directly through the creditor. On average, 41% of the problems raised with creditors were solved while 28% of the problems

raised with third parties were resolved. Out of every 20 consumers whose problem was only partly resolved, only 8 took further action.

Overall, there is some evidence that consumer satisfaction with the information provided and with the rights of early repayment and of withdrawal has increased. In particular, lenders, consumer protection bodies and ombudsmen are observing improvements in satisfaction. Consumer associations say that they have not noted any improvements in consumer satisfaction with the exception of one association which has noted an improvement in relation to the right of withdrawal. Lenders and lender associations are in agreement that satisfaction has risen. The survey found fairly high consumer satisfaction with the service received in respect of their current loans (73% completely satisfied) and with the scope for direct contact with the provider of the loan (66%), but a much lower level of satisfaction with the fees (36%) and with the choice of offers (48%). Positive resolution of complaints has a significant impact on consumers' satisfaction with creditors' service.

8. CONCLUSIONS

It should be kept in mind that some Member States implemented the CCD after the stipulated deadline, and some of them implemented it at the end of 2011. Therefore, creditors and consumers had little time to adapt their behaviour and to fully reap the benefits of the CCD. This explains why it has been difficult to identify the impact of the regulatory choices exercised by the Member States.

Furthermore, the implementation of the CCD has coincided with the financial crisis, which impacted the consumer credit market. Creditors are more cautious about lending and borrowers prefer to pay back their existing loans instead of contracting new ones. The understandable reaction to those external circumstances has limited the potential impact the CCD could have on cross-border lending and therefore on further integrating the Single Market for credit.

The mystery shopping exercise showed that several provisions of the CCD are not being respected by creditors. This applies to advertisements and pre-contractual information, and fulfilment of the obligation to inform consumers about their rights (particularly in respect of right of withdrawal from the contract within the first 14 days and early repayment). The mystery shopping exercise confirms the results of the sweep carried out in September 2011.[31] The consumer survey showed that consumers encounter problems when exercising those rights. Consumers' financial awareness remains insufficient. In addition, they have limited knowledge of their rights and of the provisions contained in contracts. In that respect, it is important to ensure that credit providers tailor their explanations to borrowers' needs or level of education.

At this stage, there seems to be no need to modify either the scope of the regulatory choices or the thresholds and percentages applied in accordance with the CCD. Research has revealed some possible misunderstanding as to the degree of choice the Member States could have in applying the CCD. The Commission will work with the Member States to clarify this.

However, in order to be effective, the guarantees laid down in the CCD require proper enforcement. In light of Article 22, which obliges Member States to make sure that the

[31] For more details on the results see: http://europa.eu/rapid/press-release_IP-12-6_en.htm

national provisions implementing the CCD cannot be circumvented, attention must also be given to practices and legal constructions aiming at circumventing the national rules implementing the CCD and consumer law at large.

In conclusion, there is a need to continue monitoring the enforcement of the CCD in the Member States, starting with an assessment of the supervisory practices by Member States. The Commission intends to carry out such an assessment in 2014. Furthermore, building on the results of the evaluation of the information campaign on CCD carried out in some Member States and other evidence including on the behaviour of consumers, the Commission may consider further activities in the area of financial awareness.