

NOTE

This note is an extract from EASA's October 2023 newsletter (issued October 11, 2023) and in this case updates the situation on the (new) Consumer Credit Directive .

The Consumer Credit Directive¹ has been formally adopted on 12th September² by the European Parliament and on 9th October³ by the Council. This new Directive will replace Directive 2008/48, is making sure that advertising concerning credit agreements of up to 100'000€ remains "fair, clear and not misleading", and do not create "false expectations". As compared with the former Directive 2008/48, compulsory information to be provided in ads for credit agreements remain broadly similar, with a new exception for justified cases, where clicking, scrolling or swiping will be acceptable.

A few notable changes have been made, nonetheless. In particular, an obligatory warning will have to be displayed, reading 'Caution! Borrowing money costs money' or equivalent. The borrowing rate, charges and costs will have to be illustrated by a representative example. Banned advertising practices under the new Directive include suggesting that credit would improve the financial situation of consumers or be a substitute for savings, or that having a history of indebtedness has no influence on the credit application. Member states will be allowed to go beyond these rules, with possible ad prohibitions at national level on the "ease or speed" of the credit, for instance.

The proposal will be soon published in the Official Journal of the EU and will enter into force 20 days later.

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¹ https://www.europarl.europa.eu/doceo/document/TA-9-2023-0304_EN.html

² [https://www.europarl.europa.eu/news/en/press-room/20230911IPR04902/meps-adopted-new-rules-](https://www.europarl.europa.eu/news/en/press-room/20230911IPR04902/meps-adopted-new-rules-protecting-consumers-from-taking-on-too-much-debt)

[protecting-consumers-from-taking-on-too-much-debt](https://www.europarl.europa.eu/news/en/press-room/20230911IPR04902/meps-adopted-new-rules-protecting-consumers-from-taking-on-too-much-debt)

³ <https://www.consilium.europa.eu/en/press/press-releases/2023/10/09/asking-for-a-loan-will-be-safer-in-the-eu-after-the-council-s-final-approval-of-the-consumer-credit-directive/>