



France – Consumer Code - Credit



Full titles	<p>Law No. 2010-737 of 1 July 2010 on Consumer Credit Reform Bill ("Lagarde Law"). Implements European Directive 2008/48/EC on credit agreements for consumers; Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities- art. 60 (V) amends the Consumer Code Article 311-4-1; Article 41 of Act No. 2014-344 of 17 March 2014 on Consumption amends Article 311-5 of the Consumer Code</p> <p>Ordinance No. 2016-301 of 14 March 2016 on the legislative part of the Consumer Code re-orders some sections of the Consumer Code, including Credit:</p> <p>https://www.legifrance.gouv.fr/affichTexteArticle.do;jsessionid=CB21B53629B654FDB1C67E5BD1CCB5F0.tpdila22v_2?cidTexte=JORFTEXT000032209352&idArticle=LEGIARTI000032216177&dateTexte=20160316</p>
Title of relevant section	(Of the Consumer Code) Book III: Credit. Title I: Credit operations
Chapter	II. Consumer Credit. Section 2: Advertising
Article L312-5	<p>Created by Ordinance No. 2016-301 of 14 March 2016</p> <p>All advertising on any medium, apart from that on radio, must contain the following reference: "A loan is a commitment that must be repaid. Make sure that you are able to make the repayments before you make the commitment."</p>
Article L 312-6	<p>Created by Ordinance No. 2016-301 of 14 March 2016</p> <p>All advertising of any kind concerning one of the activities referred to in Article L. 312-1 and giving an interest rate or other figures related to the cost of credit must provide the following information clearly, accurately and visibly, using a representative example:</p> <ol style="list-style-type: none"> 1. The borrowing rate and whether it is fixed, variable or adjustable, except for rental-sale deals or rent with the option to buy, together with any information relating to all costs included in the total cost of credit for the borrower; 2. The total amount of credit; 3. The annual percentage rate, except for rental-sale deals or rent with the option to buy; 4. If appropriate, the duration of the credit agreement; 5. If the credit takes the form of a deferred payment for the item or service provided, the cash price and the amount of any down payment; 6. The total amount payable by the borrower & the amount of the instalments. <p>For those credits referred to in article L. 311-16, a decree specifies the content and</p>

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	<p>format of the representative example that must accompany the information about the cost of credit.</p> <p>If the lender requires an ancillary service to be provided in order to obtain credit, particularly insurance, this fact must be mentioned clearly, accurately and visibly in the advertising.</p>
Article L312-7	<p>Created by Ordinance No. 2016-301 of 14 March 2016</p> <p>Where a lender usually offers credit agreements with an insurance proposal intended to guarantee the repayment of the credit, any advertising referred to in the first paragraph of article L. 312-6 distributed on his behalf in these agreements must mention the cost of the insurance, using the representative example referred to in the aforementioned paragraph. This cost is expressed:</p> <p>1° Excluding any other rate, as an annual percentage rate for the insurance, which enables the borrower to compare this rate with the overall annual percentage rate of charge;</p> <p>2° As the total amount payable in Euros by the borrower for insurance over the total period of the loan;</p> <p>3° In Euros per month. It must be specified whether or not this amount is added to the credit repayments.</p>
Article L 312-8	<p>Created by Ordinance No. 2016-301 of 14 March 2016</p> <p>In all written advertising, whatever medium is used, information relating to the annual percentage rate and whether it is fixed, variable or adjustable, the total amount payable by the borrower and the amount of the instalments, as well as the reference mentioned in L312-5, must be displayed in a font size larger than that used for all other information relating to the characteristics of the financing, particularly the promotional rate, and be included in the main body of the text.</p>
Article L 312-9	<p>Created by Ordinance No. 2016-301 of 14 March 2016</p> <p>When an advertisement is sent by post or email, distributed directly to the home or displayed in public, the document sent to consumers must clearly, accurately and visibly state their right to object, at no expense to themselves, to the use of personal information for the purpose of direct marketing, as well as stating the modalities (means) of exercising this right. If the advertising mentions an index rate or figures relating to the cost of credit, the information referred to in article L312-8 must be displayed in a text box or as a header above the advertising text.</p>
Article L 312-10	<p>Created by Ordinance No. 2016-301 of 14 March 2016</p> <p>In any advertising, it is prohibited to state that a credit agreement or transaction or any credit operation consisting of grouping previous loans together may be agreed without an element of information allowing the borrower to understand the financial situation or to imply that the loan will improve the borrower's financial situation or budget, will increase the borrower's resources, will be an adequate substitute for savings or will provide an automatic reserve of funds immediately available without some identifiable form of financial counterbalance.</p> <p>When an advertisement compares the total amount payable for one or more previous</p>

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credits and, if appropriate, for other debts, with the amount payable resulting from a credit consolidation transaction, it shall refer clearly and visibly to the total sum of all costs of the previous credits and to the total cost of the credit subsequent to the aforementioned transaction.

It is also prohibited in any advertising to refer to the existence of a grace period in excess of three months for the payment of rent or loan instalments. This prohibition does not apply to state-aided loans intended to finance driver or road safety training or to loans guaranteed by the government intended to finance the studies of students.

Article L 312-11

Created by Ordinance No. 2016-301 of 14 March 2016

Offering promotional prizes or packages in any form which are dependent on the acceptance of a previous offer of credit is prohibited in any advertising.

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