Consumer credit: implementation of directive 87 /102/EEC. Report

1995/2071(COS) - 11/03/1997 - Text adopted by Parliament, single reading

In adopting the report by Mr Ernesto CACCAVALE (UPE, I) Parliament considered that the Union should employ every legal means provided by the Treaties in order to enable a European credit market to come into being. In particular, the Union should, while upholding the principle of subsidiarity, pursue a legislative policy with a view to adopting general rules governing the European credit market in the medium term, laying down standards for expansion of the market without neglecting the need to protect consumers' interests, while also stimulating free competition. However Parliament opposed a) the Commission proposal to extend the scope of the consumer credit directive to include loans for renovation and modernization work that are not secured by mortgage and b) the harmonization of credit secured by mortgage as this would entail EU-wide harmonization of national civil law provisions (e.g. rules on security). Parliament considered that consumers generally did not simply need more protective legislation but rather legislation that would encourage them to play an active role and protect their right freely to seek and receive the information that would enable them to act in conditions of contractual equality. It favoured encouraging the development of conciliation procedures and simple and efficient judicial procedures to safeguard consumer rights, taking into account the importance of cross-border legal disputes. Parliament also considered: - that all forms of advertising and promotion should be the subject of more detailed provisions; - that in the case of loans for the purchase of consumer goods debtors should be permitted to exercise the option of early payment without incurring unwarranted and unnecessary administrative costs; - that the entitlement to benefit from a specified cooling-off period should be guaranteed in a uniform manner throughout the Union.