



2018 EDITION

NATIONAL CODES OF CONDUCT

for consumer lending

eurofinas 

SPECIALISED CONSUMER CREDIT PROVIDERS IN EUROPE

ABOUT EUROFINAS

REPRESENTATION AT EU LEVEL

EUROFINAS, THE EUROPEAN FEDERATION OF FINANCE HOUSE ASSOCIATIONS, IS THE VOICE OF CONSUMER CREDIT PROVIDERS IN EUROPE.

As a Federation, Eurofinas brings together associations throughout Europe that represent consumer credit providers. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, linked credit, credit cards and store cards. Consumer credit facilitates access to assets and services as diverse as cars, furniture, electronic appliances, education, etc. It is estimated that together Eurofinas members financed more than 427 billion Euros worth of new loans during 2016 with outstandings reaching 1024 billion euros at the end of the year. Companies represented through Eurofinas employ more than 91,000 individuals.

WHAT IS CONSUMER CREDIT?

Consumer credit enables people to purchase goods or services for personal or household purposes. It is a vital tool to finance individuals or households' needs and projects. Vehicles, higher education, home repairs are examples of assets and services financed by consumer credit.

More information at www.eurofinas.org

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FOREWORD

RESPONSIBLE LENDING IS A GUIDING PRINCIPLE FOR THE SPECIALISED CONSUMER CREDIT PROVIDERS THAT EUROFINAS REPRESENTS.

Taking into account both the consumer and credit providers' interests is a crucial element of a sustainable business relationship. Indeed, as emphasised by my predecessors Pedro Guijarro and Valentino Ghelli, responsible lending is a guiding principle for the specialised consumer credit providers that Eurofinas represents.

The codes of conducts presented in this brochure serve as a guide for lending institutions in their relationships with customers. This publication displays a total of 15 codes of conduct, implemented by national associations across Europe, most of them being Eurofinas members. They present standards of behaviours through non-rigid frameworks, additional to regulatory provisions in force. These codes aim at ensuring sustainable, long-term client relationships.

The existence of these codes and the strict adherence thereto are testament to the commitment of the consumer credit industry to sound lending practices and safe credit markets. This Publication displays a total of fifteen, up-to-date, local codes of conducts.

All codes can be consulted online. Further information can be obtained directly from the relevant Eurofinas member association using the contact details provided herein.



A handwritten signature in black ink, appearing to read 'Alain Van Groenendael'.

Alain Van Groenendael
Eurofinas' Chairman

1 BELGIUM

BVK-UPC



Responsible Borrowing and Lending Standards

Principes pour Contracter et Accorder des Crédits de Manière Responsable
Principes om op Verantwoorde Wijze Krediet aan te gaan en te Verstreken



DATE OF ADOPTION
September 2009



SIGNATORIES
Lending institutions representing 100% of full membership.



ACCESS
www.upc-bvk.be/fr/upc-bvk/codes-of-conduct
Electronic versions sent upon request.



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BACKGROUND

National authorities reacted positively to the code and invited BVK-UPC to start a dialogue on responsible lending with non-member institutions and credit intermediaries.

OBJECTIVES OF THE CODE

By acting as responsible lenders, BVK-UPC members take all reasonable and relevant measures in order to protect their customers and themselves from inappropriate lending practices, thereby strictly fulfilling their duty to:

- > Inform their customers.
- > Care about their customers.
- > Assess their customers' creditworthiness as well as the credit risk for the lender.
- > Prevent and manage loan delinquency.

KEY MEASURES

The code requires companies to:

1. Provide clear, understandable, non-misleading and user-friendly information to the applicant borrower.
2. Explain the principles of budget management and warn against potential consequences of repayment default. Companies help their customers choose the financial solution that best suit their needs.
3. Monitor levels of indebtedness and credit use in order to detect loan delinquency and to anticipate default.

2 CZECH REPUBLIC

CLFA



Ethical Code of Conduct of the Czech Leasing and Finance Association

Etický kodex jednání členů České leasingové a finanční asociace

BACKGROUND

The code was an initiative taken by CLFA members in 1994 in order to structure lending practices of leasing and non-banking consumer credit providers in the then emerging Czech market.

The code was last amended in March 2010 based on observations provided by national regulators and consumer organisations.

OBJECTIVES OF THE CODE

The objectives of the code are to:

- > Formulate principles of entrepreneurial and business ethics (going beyond existing statutory provisions) for CLFA members.
- > Position CLFA members as reliable and ethical entities.
- > Demonstrate the key role of self-regulation in the non-banking financial market.

KEY MEASURES

The code requires companies to:

1. Provide strictly objective, truthful and binding information on the financial products offered to customers in all informational, promotional and advertising materials.
2. Prohibit the provision of financial services to applicants who are obviously not able or not willing to meet their contractual obligations.
3. Respect the interests and needs of customers before entering into a contractual relation as well as throughout the duration of the transaction.



DATE OF ADOPTION
24 January 1994



SIGNATORIES
Lending institutions representing 100% of full membership.



ACCESS
www.clfa.cz
Paper or electronic versions sent upon request.



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NEW UPDATE
FORESEEN IN 2018

3 DENMARK

FINANS OG LEASING

Finance and Leasing
The Association of Danish Finance Houses

Code of Good Practice Kodeks For God Forretningsskik



DATE OF ADOPTION
4 May 2009



SIGNATORIES
Lending institutions representing 100% of full membership.



ACCESS
www.finansogleasing.dk
Paper or electronic versions sent upon request.



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BACKGROUND

The code is an initiative of the Danish finance and leasing association and was developed internally with member institutions. The code consists of general principles governing lending transactions and lenders' operational procedures.

OBJECTIVES OF THE CODE

The objective of the code is to create and safeguard responsible behaviour among finance and leasing members towards their customers (both consumers and SMEs). The code sets out standards of good practice for member lending institutions. By promoting a consistent and reliable environment, the code aims to increase consumer confidence in member institutions.

KEY MEASURES

The code requires companies to:

1. Provide clear and understandable contractual information.
2. Have an internal procedure for handling complaints, inform their customers on whom a complaint can be addressed to and deal with complaints smoothly and quickly.
3. Ensure that their business partners comply with Danish law and behave in an appropriate manner towards their (common) customers.

4 ESTONIA

FINANCEESTONIA



Krediidiandjate Ja - Vahendajate Hea Tava Code of Conduct for Credit Providers and Intermediaries

BACKGROUND

Since Spring 2016 all consumer credit providers in Estonia need a licence from the Financial Supervision Authority. As a result most active non-bank credit providers joined under the umbrella of FinanceEstonia and drafted the Code of Conduct.

OBJECTIVES OF THE CODE

The Code of Conduct has been prepared taking into account the fact that the activities of credit providers have been regulated in detail by the laws and their implementing acts. Thus, this code focuses on aspects that are not regulated by legislation. The goal is to point out principles that contribute to achieving a mutual understanding, fair and free competition, the functioning of a sound financial system, and securing good reputation. With the issuance of this code, credit providers and intermediaries aim to emphasize the importance of best practices and business ethics and to inform of principles that should be followed by customers, employees and other stakeholders.

KEY MEASURES

The Best Practice has been created based on the principle of comply or explain, which means that on its website each credit provider must confirm to the public whether it complies or does not comply with the Code of Conduct in the areas such as:

1. Responsible lending
2. Preventing of Money Laundering and Terrorism
3. Professionalism of Staff
4. Consumer protection and Advertising
5. Data processing and Security

When a credit provider joins the code, FinanceEstonia issues a respective label to the credit provider which it may use on its website and in its marketing material.



DATE OF ADOPTION
October 2016



SIGNATORIES
Credit providers who have joined FinanceEstonia.



ACCESS
www.financeestonia.eu



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NEW

Good Banking Practice

Hyvä Pankkitapa



DATE OF ADOPTION
18 November 2015



SIGNATORIES
Lending institutions representing 100% of full membership.



ACCESS
www.finanssiala.fi/en/material/Good-Banking-Practice-2015.pdf



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BACKGROUND

The code has evolved from practical experience and has been updated in 2015. It consists of general principles governing the bank-customer relationship and the banks' internal operating procedures. The principles of good banking apply to a bank's customer relationships and operating procedures.

OBJECTIVES OF THE CODE

By adopting this code, member institutions wish to define the contents of good banking practice and to inform their customers, employees and other interest groups of the code of conduct to be followed. The code aims at promoting the importance of good banking practices and informing the customers about their entitlement and member institutions of the rules to follow.

KEY MEASURES

Regarding the provision of retail credit, the code requires companies to:

1. Provide a customer with information on the various loan alternatives, their essential terms and conditions, and their costs.
2. Adopt a specific procedure for the processing of complaints and other feedback. In this regard, customer feedback has to be processed appropriately and complaints have to be responded to within reasonable time.

Customers are free to select the desired services from a bank's service portfolio. A bank will inform its customers of alternative services suitable for the customer's needs.

Code of Responsible Lending for Consumers

Kodex Verantwortungsvolle Kreditvergabe für Verbraucher

BACKGROUND

The code was developed internally with member institutions.

OBJECTIVES OF THE CODE

The objectives of the code are to:

- > Highlight and promote the importance of responsible lending.
- > Stress that member institutions provide consumers with more rights than those provided by law.
- > Emphasise the high consumer protection standards in place in Germany.
- > To position member institutions as responsible lenders.

KEY MEASURES

The code requires companies to:

1. Deal with repayment problems with understanding. In case of repayment problems, the credit banks will liaise with their customers in order to find a solution.
2. Regularly train their partners at the point of sale (i.e. retailers/dealers) in order to guarantee high lending standards.
3. Support consumers' financial education by offering online information on financial issues, publishing leaflets, giving presentations or taking part in school projects in order to increase scholars' financial literacy.

The code is part of a website offering credit information to consumers: www.kredit-mit-verantwortung.de. The website displays different examples of how the credit banks implement the code in their banking practice.



DATE OF ADOPTION
11 June 2010



SIGNATORIES
Lending institutions representing 100% of full membership.



ACCESS
www.bfach.de/media/file/5308.Code_2011_bfach.pdf
Paper or electronic versions sent upon request.



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Ethical Code
Codice Deontologico



DATE OF ADOPTION
21 October 2009



SIGNATORIES
Lending institutions representing 100% of full membership.



ACCESS
www.assofin.it
Paper or electronic versions sent upon request.



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BACKGROUND

The adoption of the code formed part of a series of measures aimed at promoting responsible lending and borrowing. It coincided with the launch of self regulatory initiatives on advertising, the offer of self assessment tools to consumers and the development of financial education program and training. In parallel, over the last years, Assofin has also signed new agreement protocols with consumer associations to improve customer protection, notably a Protocol of best practices to ensure transparency on Payment Protection Insurances, a self-regulatory code for a typical Italian personal loan, so called “salary and pension backed-loan” and the launch of a joint conciliation to resolve disputes between financial institutes and consumers. Many Italian banks and financial intermediaries have joined these initiatives.

OBJECTIVES OF THE CODE

The code sets out standards of good practice for Assofin members when providing consumer or mortgage credits to customers. As a full member of Assofin, companies are bound by the code at all times. Members are responsible for the compliance of their partners and credit intermediaries and must also comply with the code of the Self Discipline Advertising Institute.

KEY MEASURES

The code requires companies to:

1. Respect principles of fair competition and to abide by the Assofin anti-trust code.
2. Ensure high quality standards of advertising, pre-contractual and contractual information as well as to guarantee fair and attentive post-sale assistance to their customers.
3. Use distribution channels (including credit intermediaries and dealers) that comply with the standards of fairness and good practice set out in the code.

Ethical Code
Etikos Kodeksas

BACKGROUND

The code is a recent initiative of FINCO and was developed internally with member institutions. The code consists of general principles governing lending transactions and lenders operational procedures.

OBJECTIVES OF THE CODE

The code sets out standards of good practice for FINCO member institutions. By adhering to the code, companies commit to implementing high ethical standards of transparency and professionalism when servicing their clients.

KEY MEASURES

The code requires companies to:

1. Take utmost care of private data provided by customers before entering into a contractual relation as well as throughout the duration of the transaction.
2. Provide clear and detailed information on products and services offered to consumers. All customers shall be treated equally in this respect.
3. Have an internal procedure for handling complaints, inform their customers on whom a complaint can be addressed to and deal with complaints smoothly and quickly. Responses to verbal or written complaints should be provided to customers within a period of 30 days.



DATE OF ADOPTION
13 August 2009



SIGNATORIES
Lending institutions representing 100% of full membership.



ACCESS
New webpage available soon



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9 NETHERLANDS (THE)

VFN



VFN Code of Conduct

VFN Gedragscode



DATE OF ADOPTION

27 April 1983



SIGNATORIES

Lending institutions representing 100% of full membership.



ACCESS

www.vfn.nl/gedragscodes/

Paper or electronic versions sent upon request.



CONTACT INFORMATION

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BACKGROUND

Standards are set annually in collaboration with Nibud, the Dutch association for budgeting issues. The Dutch Financial Authority (AFM) acknowledges the VFN code as providing sufficient and concurrently minimal lending transaction standards to prevent overindebtedness in The Netherlands.

OBJECTIVES OF THE CODE

The main goal of the VFN code is to highlight the importance of sound lending practices and to guarantee a responsible lending market. While demonstrating the key role of self-regulation in the credit market, the code ensures that the interests of both consumers and credit providers are taken into account and that VFN members can be considered as reliable and responsible entities.

KEY MEASURES

The code sets out standards related to the provision of advice, complaints procedures, intermediaries and consumer credit related insurance fees.

The code establishes principles to determine the set-up of standards on the responsible amount of credit that can be granted based on the financial situation of the customer.

10 NORWAY

FINFO



Ethical Code

Etiske Regler

BACKGROUND

The code was developed internally by members of Finfo to achieve high ethical standards in lending and leasing practice.

OBJECTIVES OF THE CODE

The objectives of the code are to ensure that finance companies conduct their business in a responsible manner. The code aims to promote good business practices both with competing institutions and customers.

KEY MEASURES

The code requires companies to:

1. Carry out a serious creditworthiness assessment of applicant borrowers.
2. Provide a customer with a repayment plan when, due to extraordinary circumstances, he experiences difficulties in repaying his loan.
3. Handle complaint inquiries in a fast and appropriate manner.



DATE OF ADOPTION

15 May 1991



SIGNATORIES

Lending institutions representing 100% of full membership.



ACCESS

www.finno.no/om-oss/etiske-regler

Paper or electronic versions sent upon request.



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Principles of Good Practice

Zasady Dobrych Praktyk



DATE OF ADOPTION

June 2005



SIGNATORIES

Lending institutions,
credit intermediaries,
debt collection
companies, economic
information bureaus
and equity release
companies, representing
100% of membership.



ACCESS

www.kpf.pl

English or electronic
versions sent upon
request.



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BACKGROUND

The set of principles were an answer to the need for tangible evidence that the industry represented by KPF acts responsibly. Different stakeholders were consulted in the elaboration process. Opinions and recommendations of consumer associations, consumer rights authorities and non-member industry representatives were taken on board.

OBJECTIVES OF THE PRINCIPLES

The key objective of the Principles is to confirm that companies acting in compliance with them are entities of public trust. By adhering to the Principles, companies commit to treating their customers and business partners fairly by acting with diligence and competence, avoiding conflicts of interest and observing rules and procedures.

KEY MEASURES

The Principles requires companies to:

1. Assess their customers' capacity to discharge liabilities resulting from the purchase of a credit product.
2. Provide their customers with a dispute/complaint resolution mechanism. Complaints are analysed by KPF's Ethics Committee. Companies may be required to abandon or change practices in line with the decision of the Ethics Committee.
3. Conduct a yearly internal audit to check their compliance with the code. Results of the internal audit are analysed by KPF's Ethics Committee which issues compliance certificates.

Code of conduct

Código de Conduta

BACKGROUND

The code sets out key principles and standards of an ethical and deontological nature which consumer credit specialised institutions agree to comply with. It is a response to the legitimate expectation that lenders should always act with integrity and care.

OBJECTIVES OF THE CODE

The objectives of the code are to harmonise standards of conduct among members and thereby to defend the specific interests of the Portuguese consumer credit market, from the perspectives of the borrowers, the lenders and the supervisory authorities. The intention is that the standards of conduct set out in the code be fully understood and implemented by ASFAC members. Members are required to inform their customers by publishing the code on their website.

KEY MEASURES

The code requires companies to:

1. Service their clients with all due professionalism, efficiency, respect, and loyalty.
2. Provide their clients with the best possible products and services as a standard market practice and with a view to provide them with adequate cost-benefit standards.
3. Act in conformity with high standards of ethics and speed when assessing the validity of customer complaints.



DATE OF ADOPTION

4 December 2008



SIGNATORIES

Lending institutions
representing 100%
of full membership.



ACCESS

www.asfac.pt/?idc=47

Paper versions sent
upon request.



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The Code of Ethics

Etický Kódex



DATE OF ADOPTION
Beginning of 2010



SIGNATORIES
Lending institutions
representing 100%
of full membership.



ACCESS
www.apsu.sk/eticky-kodex/



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BACKGROUND

The Code of Ethics was created by Apsú and its members to improve the perception of the credit market by customers, media and regulators and to ensure a level of consumer protection that is higher than the actual legislation. All members are obliged to act in accordance with the Code. Failure to do so results in the exclusion of the breaching member.

OBJECTIVES OF THE CODE

The objectives of the code are to:

- > Prevent unfair practice
- > Protect consumers
- > Make members act sympathetically consumers or search for a way to help consumers to stay out of serious financial difficulties
- > Improve the image that consumers, regulators, media and other financial institutions have of our members

KEY MEASURES

Members are obliged to:

1. Act responsibly and treat consumers with respect, regardless if there is a delay in repayments.
2. Help consumers when they are in delay with repayments in case of financial difficulties (e.g. in case of job loss).
3. Honestly inform consumers about all information they need to understand all obligations of the agreement.

Ethical Guidelines for Good Conduct in Finance Companies

God Sed i Finansbolag – Etiska Riktlinjer

BACKGROUND

The objective of self-regulation is to prevent and resolve potential problems between lending institutions and their customers.

OBJECTIVES OF THE CODE

The objective of the code is to provide members with support and guidance in outlining general internal policies.

KEY MEASURES

The code *inter alia* requires companies to:

1. Provide a customer, whose application has been denied, with an opportunity to have its application reconsidered if the customer believes that relevant information has been misinterpreted.
2. Provide a customer with a reasonable repayment plan when, due to extraordinary conditions, he experiences difficulties in repaying his loan according to the conditions of the agreement.
3. Follow the principles expressed in the decisions of the National Board for Consumer Disputes (a public authority which settles disputes between consumers and business operators).

In parallel, another code on Private Leasing was developed and is accessible here:

www.finansbolagens-forening.se/system/files/ff5-slutlig_-_27_jan_2017_1.pdf



DATE OF ADOPTION
February 1999



SIGNATORIES
Lending institutions
representing 100%
of full membership.



ACCESS
finansbolagens-forening.se/goda-seder
Paper or electronic versions sent upon request.



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The Lending Code

Raising standards for consumers



DATE OF ADOPTION

1992



SIGNATORIES

Lending institutions representing 100% of full membership.



ACCESS

www.fla.org.uk/index.php/consumer-information/lending-code/



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BACKGROUND

Self-regulation provides a flexible adjunct to the statutory system and can adapt quickly to changing market conditions. The FLA's Consumer Lending Code (the Code) provides consumers with more protections than those provided by law. The Code is monitored by an independent group comprised of practitioners from both industry and consumer advocacy backgrounds. Each FLA member providing consumer finance has a Code compliance officer and internal auditing procedures to ensure that they comply with the Code.

OBJECTIVES OF THE CODE

Last revised in September 2017, and previously updated in 2014 and 2012 to reflect regulatory changes, the Code sets out standards of good practice for lenders dealing with consumers who have taken out a consumer credit loan, irrespective of value, with an FLA member. The current version adds additional protections and also greater emphasis on helping customers in difficult financial or personal circumstances. It is intended to assure customers that they may buy with confidence from full members of the FLA, and an accessible explanation of the standards they can expect if they do so. As a full member, companies are bound by the Code at all times.

KEY MEASURES

The code requires companies to:

1. Ensure that all loans go through a sound and proper credit assessment.
2. Act fairly, reasonably and responsibly in all dealings with consumers.
3. Consider cases of financial and personal difficulty sympathetically and positively.

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Editors: Nadia Hazeveld, Legal Adviser and Shana Fernandes, Legal Intern

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