



Press and Information

Court of Justice of the European Union
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Judgment in Case C-567/13
Nóra Baczó and János István Vizsnyiczai v Raiffeisen Bank Zrt

European Union law does not preclude, in principle, Hungarian legislation pursuant to which disputes concerning the invalidity of unfair terms must be referred to the county courts in that country

In 2007, Ms Nóra Baczó and Mr János István Vizsnyiczai concluded a mortgage loan agreement with a Hungarian bank (Raiffeisen Bank Zrt). That agreement contained a term pursuant to which disputes arising from that agreement fall, in principle, within the jurisdiction of an arbitral tribunal.

In 2013, Ms Baczó and Mr Vizsnyiczai brought an action before Pesti Központi Kerületi Bíróság (Central District Court, Pest) for a declaration of invalidity of that loan agreement. They also sought from that court a declaration of invalidity of the term concerning the exclusive jurisdiction of the arbitral tribunal, arguing that it was an unfair term which, in accordance with EU law,¹ could not bind them.

The Pesti Központi Kerületi Bíróság referred the case to the Fővárosi Törvényszék (Budapest County Court). Hungarian law provides that actions seeking to have unfair contract terms set aside fall under the jurisdiction of the county courts.

Ms Baczó and Mr Vizsnyiczai challenge the referral of their case before the county court because proceedings before that court result in higher costs than those brought before the local court.

The Fővárosi Törvényszék asks the Court of Justice whether Hungarian law is compatible with the directive on that point. The directive requires Member States put in place adequate and effective means to prevent the continued use of unfair terms in contracts concluded with consumers.

In today's judgment, the Court of Justice states, first of all, that the directive does not determine the court competent to hear actions by consumers seeking a declaration of invalidity of unfair terms. It is for the domestic legal system of each Member State, in accordance with the principle of the procedural autonomy of the Member States, to designate the courts and tribunals having jurisdiction and to lay down the detailed procedural rules governing actions for safeguarding rights which individuals derive from EU law.

In those circumstances, the Court of Justice holds that the directive does not preclude national procedural rules pursuant to which a local court which has jurisdiction to rule on an action brought by a consumer seeking a declaration of invalidity of a standard contract does not have jurisdiction to hear an application by the consumer for a declaration of unfairness of contract terms in the same contract. However, that would not be the case if declining jurisdiction by the local court gives rise to procedural difficulties that would make the exercise of the rights conferred on consumers by the EU legal order excessively difficult, which is for the national court to verify.

NOTE: A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the

¹ Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ 1993 L 95, p. 29).

dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The [full text](#) of the judgment is published on the CURIA website on the day of delivery.

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