



Press and Information

Court of Justice of the European Union
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Judgment in Case C-42/15
Home Credit Slovakia, a.s. v Klára Bíróová

The failure by a lender granting consumer credit to include in the agreement certain essential information may be penalised by depriving the lender of entitlement to interest and charges

Such a penalty is permitted where the failure to include that information prevents the consumer from assessing the full extent of his contractual liability

In June 2011, Home Credit Slovakia, a bank, granted Ms Klára Bíróová a loan in the sum of €700 without specifying in the credit agreement certain information relating to the loan, such as the annual percentage rate of charge (APR). The agreement provided that the lender's general terms and conditions also formed an integral part of the agreement. By entering into the agreement with her signature, Ms Bíróová confirmed that she had read and understood the general terms and conditions, even though she did not sign a copy of them.

Having made two monthly payments, Ms Bíróová stopped repaying the loan and Home Credit Slovakia brought an action against her before the Okresný súd Dunajská Streda (District Court, Dunajská Streda, Slovakia) seeking payment of the capital, default interest and the late payment penalties provided for in the credit agreement.

The Slovak court seized of the dispute has doubts as to the validity of the credit agreement in so far as its general terms and conditions were not signed by the parties. It also questions whether certain provisions of Slovak consumer protection legislation are compatible with EU law. In particular, one of those provisions deprives the lender of entitlement to interest and charges where he fails to include certain information in the credit agreement. Accordingly, the Slovak court asks the Court of Justice to provide clarification with regard to these questions in the light of the directive on credit agreements for consumers¹.

By today's judgment, the Court notes that that directive does not require credit agreements to be drawn up as a single document. Nevertheless, where such an agreement makes reference to another document which it states is an integral part of the agreement, that document, in the same way as the credit agreement itself, must be on paper or another durable medium and must actually be given to the consumer prior to the conclusion of the agreement, so as to give him the opportunity to acquaint himself with all his rights and obligations.

The Court also observes that, even though the directive does not require a credit agreement drawn up on paper to be signed, it does not preclude national legislation which makes the validity of such agreements subject to the requirement that it be signed by the parties, even where that requirement applies to all the documents containing the essential details of the agreement.

Lastly, the Court holds that **failure by a lender to include in the credit agreement all the information which, under the directive, must necessarily be included in such an agreement may be penalised** by Member States **by forfeiture of entitlement to interest and charges**

¹ Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ 2008 L 133, p. 66, and corrigenda OJ 2009 L 207, p. 14; OJ 2010 L 199, p. 40; OJ 2011 L 234, p. 46, and OJ 2015 L 36, p. 15).

where failure to provide such information may compromise the ability of a consumer to assess the extent of his liability.

This applies to mandatory information such as the APR, the number and frequency of payments to be made by the consumer, notarial fees and the sureties and insurance required by the lender.

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 EU law or the validity of a European Union act. The Court of Justice does not decide the 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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