



Press and Information

Court of Justice of the European Union
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Judgment in Case C-28/18
Verein für Konsumenteninformation v Deutsche Bahn AG

The option to pay by SEPA direct debit cannot be subject to a condition of residence in the national territory

The Verein für Konsumenteninformation, the Austrian Consumer Information Association, challenges before the Austrian courts a **clause** included in the general conditions of carriage of the German rail transport company **Deutsche Bahn**, according to which tickets booked on **Deutsche Bahn's website may be paid for by means of the SEPA direct debit scheme¹ only if the payer is resident in Germany.**

The **Oberster Gerichtshof** (Supreme Court, **Austria**), hearing the case, **asks the Court of Justice whether such a contractual clause is contrary to EU law.**

By today's judgment, the Court answers that question in the affirmative: the EU regulation on credit transfers and direct debits in euro² precludes a contractual clause, such as that at issue, which excludes payment by means of the SEPA direct debit scheme where the payer does not have his place of residence in the same Member State as that in which the payee has established his place of business.

Since consumers most often have a payment account in the Member State in which they are resident, the requirement to have a place of residence in the national territory indirectly amounts to indicating the Member State in which the payment account must be situated, which the payee is expressly prohibited from doing by the regulation. By such a prohibition, the regulation **aims, in respect of payments by direct debit, to allow consumers to use a single payment account for any transaction carried out within the European Union, thus reducing costs associated with maintaining several payment accounts.**

In this regard it is irrelevant that the consumer may use alternative methods of payment, such as credit card, PayPal or credit transfer. While payees remain free either to offer payers the possibility of making payments by SEPA direct debit or not, by contrast, contrary to what Deutsche Bahn maintains, when they do offer such a possibility those payees may not subject the use of that payment method to conditions which undermine the practical effects of the prohibition on requiring that the payment account is located in a specific Member State.

Furthermore, nothing prevents a payee from reducing the risk of abuse or of default on payment by, for example, providing that delivery or printing of tickets will only be possible once the payee has received confirmation that the payment has actually been collected.

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 This scheme was established at EU-level in the context of the single euro payments area (SEPA).

² Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (OJ 2012 L 94, p. 22).

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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Pictures of the delivery of the judgment are available from "[Europe by Satellite](#)" ☎ (+32) 2 2964106