

Full title of law or regulation

DIRECTIVE (EU) 2023/2225 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of
18 October 2023 on credit agreements for consumers and repealing
Directive 2008/48/EC

Title of relevant section

CHAPTER II. INFORMATION TO BE PROVIDED PRIOR TO THE CONCLUSION OF THE
CREDIT AGREEMENT

Article 7

Advertising and marketing of credit agreements

Without prejudice to Directive 2005/29/EC, Member States shall require that any advertising and marketing communications concerning credit agreements are fair, clear and not misleading. Wording in such advertising and marketing communications that may create false expectations for a consumer regarding the availability or the cost of credit or the total amount payable by the consumer shall be prohibited.

Article 8

Standard information to be included in advertising of credit agreements

1. Member States shall require that advertising concerning credit agreements include a clear and prominent warning to make consumers aware that borrowing costs money, using the wording 'Caution! Borrowing money costs money' or an equivalent wording.

2. Member States shall require that advertising concerning credit agreements which indicates an interest rate or any figures relating to any cost of credit to the consumer include standard information in accordance with this Article.

The obligation referred to in the first subparagraph shall not apply where national law requires the indication of the annual percentage rate of charge in advertising concerning credit agreements which does not indicate an interest rate or any figures relating to any cost of credit to the consumer within the meaning of the first subparagraph.

3. The standard information shall be easily legible or clearly audible, as appropriate, and adapted to the technical constraints of the medium used for advertising and shall specify, in a clear, concise and prominent way, all of the following elements:

- a) the borrowing rate, fixed or variable or both, together with particulars of any charges included in the total cost of the credit to the consumer;
- b) the total amount of credit;
- c) the annual percentage rate of charge;
- d) where applicable, the duration of the credit agreement;
- e) in the case of credit in the form of deferred payment for specific goods or services, the cash price and the amount of any advance payment;
- f) where applicable, the total amount payable by the consumer and the amount of the instalments.

In specific and justified cases where the medium used to communicate the standard information referred to in the first subparagraph does not allow the information to be visually displayed, points (e) and (f) of that subparagraph shall not apply.

4. The standard information referred to in paragraph 3, first subparagraph, shall be specified by means of a representative example.

5. Where the conclusion of a contract regarding an ancillary service relating to the credit agreement is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed, and the cost of that service cannot be determined in advance, the standard information referred to in paragraph 3, first subparagraph, shall specify in a clear, concise and prominent way the obligation to enter into that contract.

6. Without prejudice to Directive 2005/29/EC, in specific and justified cases where the electronic medium used to communicate the standard information referred to in paragraph 3 of this Article does not allow that information to be visually displayed in a prominent and clear manner, the consumer shall be able to access the information referred to in points (e) and (f) of the first subparagraph of that paragraph by means of clicking,

scrolling or swiping.

7. Member States shall prohibit advertising for credit products which:

- a) encourages consumers to seek credit by suggesting that credit would improve the financial situation of those consumers;
- b) specifies that outstanding credit agreements or registered credit in databases have little or no influence on the assessment of a credit application;
- c) falsely suggests that credit leads to an increase in financial resources, constitutes a substitute for savings or can raise a consumer's living standards.

8. Member States may prohibit, inter alia, advertising for credit products which:

- a) highlights the ease or speed with which credit can be obtained;
 - b) states that a discount is conditional upon taking up credit;
 - c) offers 'grace periods' of more than three months for the repayment of credit instalments.
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The equivalent clause from the repealed Directive 2008/ 48/EC

Article 4 Standard information to be included in advertising

1. Any advertising concerning credit agreements which indicates an interest rate or any figures relating to the cost of the credit to the consumer shall include standard information in accordance with this Article. This obligation shall not apply where national legislation requires the indication of the annual percentage rate of charge in advertising concerning credit agreements which does not indicate an interest rate or any figures relating to any cost of credit to the consumer within the meaning of the first subparagraph.

2. The standard information shall specify in a clear, concise and prominent way by means of a representative example:

- a) the borrowing rate, fixed or variable or both, together with particulars of any charges included in the total cost of the credit to the consumer;
- b) the total amount of credit;
- c) the annual percentage rate of charge; in the case of a credit agreement of the kind referred to in Article 2(3), Member States may decide that the annual percentage rate of charge need not be provided;
- d) if applicable, the duration of the credit agreement;
- e) in the case of a credit in the form of deferred payment for a specific good or service, the cash price and the amount of any advance payment; and
- f) if applicable, the total amount payable by the consumer and the amount of the instalments.

3. Where the conclusion of a contract regarding an ancillary service relating to the credit agreement, in particular insurance, is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed, and the cost of that service cannot be determined in advance, the obligation to enter into that contract shall also be stated in a clear, concise and prominent way, together with the annual percentage rate of charge. 4. This Article shall be without prejudice to Directive 2005/ 29/EC.
