



REPUBLIC OF CYPRUS

MINISTRY OF ENERGY, COMMERCE, INDUSTRY AND TOURISM

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Subject: Unfair Commercial Practices of Traders to Consumers Law of 2007
Your complaint against Bank of Cyprus Public Ltd

The Consumer Protection Service (CPS) has completed its investigation against Bank of Cyprus Public Limited Company regarding the use of unfair commercial practices in connection with housing loan contracts. The investigation included evidence collected from various complaints, including yours.

The CPS issued its Decision No 2017/7 (ΑΠ), in which it found that the following practices violate Arts 4, and 6 of the Unfair Commercial Practices of Traders to Consumers Law of 2007 (Arts 5 and 7 of Directive 2005/29/EC):

- Use of unclear contractual terms that enable the Bank to vary unilaterally the interest rate and other charges imposed on the consumer.
- Use of unclear contractual terms on charges and expenses imposed on the consumers without analysis.
- Provision of unclear and incomplete information on the conditions and the total cost of the early payment of the loan.
- Connection of the loan contract with an insurance contract – rendering the validity of the loan contract dependent on payment of the insurance premium using unclear contractual terms.
- Unilateral modification of the duration of the loan without a contractual right to do so and subsequent initiation of bilateral procedures to amend the contract in order to restore it to the previous condition.

Therefore, the CPS has ordered the Bank of Cyprus Public Limited Company to stop using the above-mentioned practices and, in addition, imposed an administrative fine of € 170,000.00.

You can find the Decision (in Greek) attached (Annex I), alongside with the applicable provisions of the Unfair Commercial Practices of Traders to Consumers Law of 2007 Law (Annex II).

Yours sincerely,

M. Pieridou
(Maria Pieridou)
for Acting Director
Consumer Protection Service