
Guidelines on complaints handling by credit servicers under Directive (EU) 2021/2167

Noemie Papp, Policy expert
Conduct, Payments and Consumer unit
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Guidance for participants

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- Do not start your camera if you are not the speaker. To increase audio quality please turn off video streaming.
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About us

- The EBA is an independent member-based authority, accountable to the EU Parliament and EU Council and has as its highest governing body the EBA Board of Supervisors, comprising the Heads of the 27 national supervisory authorities
 - The EBA has the objective of protecting the public interest by contributing to the stability and effectiveness of the financial system and by protecting consumers.
 - The EBA achieves this objective through many tasks, including through contributing to the sound, effective and consistent level of regulation and supervision;
 - The EBA has different legal instruments at its disposal, including Technical Standards, Guidelines, Opinions. While these were originally addressed primarily to credit institutions, the EBA's remit has been continuously extended across time so that many instruments are now addressed to non-bank entities, including credit servicers.
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Purpose of the public hearing

The EBA organises ‘public hearings’ for its Technical Standards and Guidelines (GL) to allow interested parties to ask clarifications

- An EBA public hearing takes place during the consultation period, usually a month or so before the submission deadline of responses to the Consultation Paper (CP).
- The purpose of the hearing is for the EBA to present a summary of the CP, reproduce the questions of the CP, and ask attendees whether they require additional explanations or clarifications from the EBA so as to be able to answer the questions in the CP.
- The public hearing does therefore not replace written responses to the CP, as it is only through written responses that the EBA is able to give the views of stakeholders the required consideration.

Legal basis

- Directive (EU) 2021/2167 on credit servicers and credit purchasers (Credit Servicers Directive – CSD, at times also referred to as the ‘NPL Directive’ or ‘Loan Servicers Directive’) was published on 8 December 2021.
- EU Member States have been required to adopt and publish the national measures to transpose the provisions of the Directive by 29 December 2023.
- Article 24 (1) of the Directive provides that “Member States shall ensure that credit servicers establish and maintain effective and transparent procedures for the handling of complaints from borrowers”.
- Article 16 (1) of EBA founding Regulation 1093/2010 states that the EBA shall, with a view to establishing consistent, efficient and effective supervisory practices within the European System of Financial Supervision (ESFS), and to ensuring the common, uniform and consistent application of Union law, issue GLs and recommendations addressed to competent authorities (CA) or financial institutions.

Approach chosen for the development of the Guidelines

- This is not the first time that the EBA (and the other ESAs – ESMA and EIOPA) have developed complaints handling requirements. The ESAs have done so already, as early as 2014, by publishing the Joint Committee GLs for complaints handling for the securities (ESMA) and banking (EBA) sectors (JC GLs).
- When the ESAs issued those GLs at the time, they took the view that complaints handling is something that is not specific to types of products or types of firms and therefore they should develop a single set of requirements that is uniformly applicable across all three sectors and all types of financial institutions. The ESAs also aimed at reducing compliance burdens for firms that offer more than one type of product.
- The ESAs maintained these principles ever since, and extended the GLs, with identical requirements, to additional legal entities that became defined in EU law over time.
- The EBA took also this approach for the GLs under the CSD by addressing them to CAs and applying the JC GLs to credit servicers.

Aims of the approach

The proposed GLs set out how to give effect to the provisions in Article 24 of the CSD, and thus contribute to the EBA's objective of improving the functioning of the internal market and enhancing customer and consumer protection, in particular by:

- avoiding divergent transpositions across Member States (MS) and contributing to a consistent approach to complaints handling across the 27 EU MS with the same compliance impact as for other financial institutions for all credit servicers, no matter where they are registered, and thus
- ensuring the protection of consumers irrespective of the provider with whom they conclude the credit agreement, by imposing on credit servicers the same requirements that already successfully apply to nearly all other financial institutions across the three sectors.

Components of the proposed Guidelines

The draft Guidelines proposed in this CP re-produce, in the Annex and in verbatim wording, the aforementioned JC Guidelines which include the necessary changes to cover credit servicers (definitions part of the GLs).

The JC GLs cover not only the substantive requirements (consisting of the complaints management policy, complaints management function, registration, reporting, internal follow-up, provision of information, and procedures for responding to complaints) but also chapters on the subject matter, scope, addressees, and definitions of the GLs.

Consultation question: Do you consider there to be a reason why the requirements on complaints handling for credit servicers under Directive (EU) 2021/2167 that are being proposed in this CP should differ from the ones in the existing JC Guidelines on complaints handling that are applicable to other financial institutions across the banking, Investment and insurance sectors?

Next steps

The public consultation started on 9 November 2023 and will close on **9 February 2024**.

Each of the consultation responses will then be assessed by the EBA to identify which, if any, of the suggestions should be retained before the GLs are finalized. This assessment will be published as part of the final GLs in the form of a “feedback table”.

The application date of the final GLs that the EBA will issue after consultation will not predate the entry into force of the proposed Payment Services Regulation with the amendment of the EBA Regulation regarding the ‘dynamic reference’ to ‘competent authorities’.

We encourage you to submit a response to our Consultation Paper which you can submit via the [link](#) that is shown on the same EBA webpage where you registered for today’s public hearing.

Questions and answers



Please indicate your name in the Webex chat if you'd like to take the floor [and indicate on which topic you'd like to intervene] or write your question / comment directly in the chat.



Thank you!



Floor 24-27, Tour Europlaza
20 Avenue André Prothin
92400 Courbevoie, France

Tel: +33 1 86 52 70 00
E-mail: info@eba.europa.eu

<https://eba.europa.eu/>