RAISING CAPITAL BY WAY OF BILLS OF EXCHANGE - FINES FOR BREWE LEASING

* **President of UOKiK Tomasz Chróstny has issued a decision on BREWE Leasing which gives bills of exchange with the intention to raise funds from consumers for its operations.**
* **The company misleads consumers as to the security of their money and the promised profits.**
* **President of the Office has imposed more than PLN 150 thousand fine on the company and has ordered it to immediately discontinue the contested practices.**

**[Warsaw, 26 January 2023]** BREWE Leasing from Warsaw offers bills of exchange under the name "Income Note". A consumer pays the money and receives a promise of profit amounting to 7.5 to 9.5 per cent and a bill of exchange as a guarantee of repayment. The company finances its leasing operations, e.g. purchase of cars and factoring - acquisition of receivables - with the funds raised this way.

- *We have challenged BREWE Leasing's mechanism of raising capital for its operations. A bill of exchange is a method of securing debt while for investment purposes the law provides for financial instruments such as corporate bonds, for example. They provide equivalent safeguards for the interests of both parties, provide the consumer with access to the information necessary for the assessment of the investment and are subject to the supervision of the authorities of the State. The use by BREWE Leasing' of the bill of exchange for raising capital is a violation of good morals and transferring the risk of leasing and factoring onto consumers* – explains Tomasz Chróstny, President of UOKiK.

The Authority has also challenged the practices of BREWE Leasing which consisted in misleading consumers:

* **on the security of the money transferred.** BREWE Leasing uses e.g. such advertising slogans: “*You invest, you collect the profits, return on capital”* or “*a security such as a bill of exchange is the guarantor of safe investment, as well as secure withdrawal”.* Meanwhile, the company operates in two very risky industries – leasing and factoring. Among its customers you will often find business entities that cannot count on receiving bank financing. It is also worrying that consumers are not in possession of bills of exchange as they are deposited which may hinder the claims enforcement;
* **on the amount of future profits.** The Company promises: "*it is an investment of high profitability: from 7.5% to 9.5% annually, with regular coupons paid out*". In fact, however, the possibility and amount of profit will depend on a number of factors, including the financial condition of BREWE Leasing, the ability of its counterparties to meet payment deadlines, the need for leasing and factoring services.

- *BREWE Leasing, through its false message about the safety of the undertaking and high profitability has encouraged consumers to entrust it with their money. If they were aware of the risk and lack of profit guarantee, they could invest the funds safer”* - says Tomasz Chróstny, President of UOKiK.

For violating collective consumer interests, President of the Office has imposed fines on BREWE Leasing in the total amount of PLN 154,117. He has also ordered the company, under the pain of immediate enforceability, to abandon the contested practices. Moreover, once the decision of the President of UOKiK has become final, the company will have to inform consumers about it by letter, on its website and on Facebook.

This is not the first decision of President of UOKiK in the case of "investment notes". In June 2021, he imposed [almost PLN 400 thousand of fines on the Yanok Mortgage Fund](https://uokik.gov.pl/news.php?news_id=17653), which acquired funds for its operations in that way.

**Consumer, stay sharp**

* In the regulations, there is no such term as “investment note”. It was invented by entrepreneurs to describe another product enabling them to raise capital.
* The security of the “investment note” is guaranteed only by the solvency of its issuer - they are not secured by the Bank Guarantee Fund's guarantee scheme.
* In the event the note issuer goes bankrupt, consumers may not get their money back.
* The offers wrongly inform about the guaranteed rate of return and full security of the bills of exchange, while in fact the investment is subject to high risk.

Read the answers to [frequent questions about 'investment bills'](https://finanse.uokik.gov.pl/faq/) (in the alternative investment section).

**Consumer Support:**

Phone: 801 440 220 or 222 66 76 76 – consumer helpline  
E-mail: [porady@dlakonsumentow.pl](mailto:porady@dlakonsumentow.pl)   
[Consumer Ombudsmen](https://uokik.gov.pl/pomoc.php) – in your town or district  
[Financial Ombudsman](https://rf.gov.pl/jak-pomaga-rzecznik-finansowy/porady/) – when a complaint has been rejected by a financial institution