LENDING MONEY - DECISIONS BY PRESIDENT OF UOKIK

* **More than PLN 10 million has been imposed by President of UOKiK on seven lenders and consumer loan brokers - the actions were taken following complaints received from consumers affected by the practices.**
* **The fined entities were involved in "rolling" loans, that is, alternating loans to consumers to repay the original debt.**

**[Warsaw, 21 February 2024]** UOKiK took action following the complaints and signals from consumers who had used the services of related companies offering loan refinancing. President of UOKiK found that the collected material confirmed the use of circumvention practices and issued decisions against the dishonest entrepreneurs. The first decision concerns Creamfinance Poland and three others related by capital: MDP Finance, KIM Finance and JJK Credit. The second decision concerns the Szybka Gotówka which operated together with two entities: Gwarant24 and Centrum Rozwiązań Kredytowych.

**Loan rollover**

A consumer looking for a quick loan ended up on one of the websites: [lendon.pl](http://www.lendon.pl), [lendon.com.pl](http://www.lendon.com.pl), [ekstraportfel.pl](http://www.ekstraportfel.pl) or [ekstraportfel.com.pl](http://ekstraportfel.com.pl). Having set up an account and a successful application they received money. Even before the repayment deadline, one of the companies in the Creamfinance Poland group was offering them a new loan to pay off the previous one with a commission that oscillated around the maximum costs stipulated by law. The entities in question might be: MDP Finance, KIM Finance and JJK Credit. When repaying another debt, the mechanism was identical, that is, the entities affiliated with Creamfinance took turns entering into further loan agreements with them. The money has never been given to the borrowers. They were paying off the cost of subsequent loans all the time. For example, a consumer borrowed PLN 2.4 thousand. After a cycle of consecutive refinancing agreements, they ended up with several loan agreements, with a total commission of more than PLN 2,500. If there had been no violation of the law, the maximum fees incurred by the consumer in this case would have been about PLN 850.

As a result of the unlawful actions, the consumer incurred costs in excess of the maximum non-interest credit costs. **If loans were refinanced in accordance with the regulations, a consumer who failed to repay the loan within 120 days and took out another loan from the same entity would be protected. This is because all fees charged at the time had to be within the limit of non-interest costs charged on the amount of the first loan**. By circumventing the law, the companies exposed borrowers to very high loan costs.

Other three related companies have adopted an analogous operating model - Szybka Gotówka, Gwarant24 and Centrum Rozwiązań Kredytowych provided loans through sites [www.szybkagotowka.pl](http://www.szybkagotowka.pl) and [www.freezl.pl](http://www.freezl.pl). In this case, the companies used so-called “self-refinancing," that is, they granted subsequent loans to finance previous obligations without an explicit request from the consumer, a mechanism that could be repeated a number of times causing an exponential increase in debt.

- *All the companies mentioned above have created a model that allows them to charge more commissions than allowed by law. Each of them calculated the commission of loans taken to repay the growing debt separately. Refinancing in practice consisted of alternating another loan. This allowed lenders to charge higher commissions than if each lender had made another loan to pay off a previous one granted to the same consumer. The commission oscillated around the upper limit of non-interest credit costs. Common courts in identical cases have repeatedly pointed out the illusory nature of such models created by lenders to circumvent the law so our decisions could not have been different -* explains President of UOKiK, Tomasz Chróstny.

President of UOKiK imposed a financial penalty - PLN 2,949,471 - on Creamfinance Poland for violating collective consumer interests. Three affiliates were also fined: MDP Finance - PLN 1,885,941, KIM Finance - PLN 2,545,098 and JJK Credit - PLN 88,833. Szybka Gotówka was sanctioned for the same practice - PLN 86,043 - and its two related entities: Gwarant24 - PLN 1,359,986 and Centrum Rozwiązań Kredytowych - PLN 993,822. In addition, information about the decisions of President of UOKIK is to go to affected customers in mail and email correspondence, as well as in the form of a statement to websites offering loans.

**No form**

At the same time, President of UOKiK sanctioned Creamfinance Poland with PLN 632,029 for failing to provide consumers with an information form before concluding a loan agreement. The information form for the loan is mandatory and allows you to clearly present the terms of the commitment you are making. It always follows the same model and scope of information, makes it easier to compare offers in different institutions - so the lender must give it to the consumer even before signing the agreement.

The decisions issued are not final and can be appealed to the court by the entrepreneurs.

**Consumer Support:**

Phone: +48 801 440 220 or +48 222 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/) - after rejection of the complaint by the financial institution