

(English version)

Question for written answer E-003733/25
to the Commission
Giorgos Georgiou (The Left)
(25 September 2025)

Subject: Illegal banking practices to the detriment of borrowers in Cyprus due to failure to transpose European directives

The Republic of Cyprus has failed to transpose European Directives 93/13/EEC and 2005/29/EC. As a result, the Commission has opened infringement procedure INFR(2024)0018 against Cyprus by sending a letter of formal notice on 24 January 2024. However, unaccountability continues, to the detriment of borrowers.

On 22 September, Cyprus' Consumer Protection Service imposed a fine of EUR 600 000 on Eurobank and EUR 800 000 on the Bank of Cyprus due to the existence of unfair terms in mortgage loan contracts concluded with consumers.

Given the above, can the Commission say:

1. Is the Commission satisfied with the current status quo as regards the transposition of this European legislation in Cyprus?
2. What action is the Commission planning to take to ensure that Cyprus transposes European directives without delay and puts an end to the illegal practice of Cypriot banks including unfair terms in their contracts?

Submitted: 25.9.2025

Answer given by Mr McGrath on behalf of the European Commission
(1 December 2025)

Cyprus has transposed ⁽¹⁾ Directive 93/13/EEC ⁽²⁾ and Directive 2005/29/EC ⁽³⁾ and there is no open infringement procedure in that regard.

The Commission opened an infringement procedure against Cyprus in 2013 concerning their correct application and enforcement ⁽⁴⁾.

Further to changes of the Cypriot legislation in 2021 and 2022, as well as additional data received from the Cypriot authorities in February and October 2025 regarding the relevant practice of the authorities responsible for enforcement of consumer law, the Commission is finalising its assessment of the case to consider next steps.

The Commission does not have direct enforcement powers in business-to-consumer relationships. It is the primary responsibility of the national authorities, such as the Cypriot Consumer Protection Service, and national courts to ensure the monitoring and enforcement of the application of consumer law in individual cases, considering the circumstances of each case, and to provide redress where appropriate. In its role as guardian of the Treaties, the Commission continues monitoring the situation and may decide to take appropriate action.

Infringement procedure INFR(2024)0018 ⁽⁵⁾ concerns another directive, namely Directive (EU) 2021/2167 ⁽⁶⁾ on non-performing loans, originally issued by credit institutions established in the Union, that have been transferred to a credit purchaser. The directive aims to harmonise authorisation requirements for credit servicers.

⁽¹⁾ In particular the Cypriot Law 112(I)/2021 — Law on consumer protection and Law 166(I)/2022 — Law amending the consumer protection laws of 2021 and 2022, consolidating consumer legislation and incorporating the amendments introduced by Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules, OJ L 328, 18.12.2019, p. 7.

⁽²⁾ Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, OJ L 95, 21.4.1993, p. 29-34.

⁽³⁾ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive'), OJ L 149, 11.6.2005, p. 22-39.

⁽⁴⁾ [https://ec.europa.eu/implementing-eu-law/search-infringement-decisions/?r_dossier=&noncom=0&decision_date_from=&decision_date_to=&active_only=0&DG=FISM&submit=Search&lang_code=fr&langCode=EN&version=v1&typeOfSearch=byCase&page=1&size=10&order=desc&sortColumns=refId&refId=INFR\(2013\)2082](https://ec.europa.eu/implementing-eu-law/search-infringement-decisions/?r_dossier=&noncom=0&decision_date_from=&decision_date_to=&active_only=0&DG=FISM&submit=Search&lang_code=fr&langCode=EN&version=v1&typeOfSearch=byCase&page=1&size=10&order=desc&sortColumns=refId&refId=INFR(2013)2082).

⁽⁵⁾ [https://ec.europa.eu/implementing-eu-law/search-infringement-decisions/?r_dossier=&noncom=0&decision_date_from=&decision_date_to=&active_only=0&DG=FISM&submit=Search&lang_code=fr&langCode=EN&version=v1&typeOfSearch=byCase&page=1&size=10&order=desc&sortColumns=refId&refId=INFR\(2024\)0018](https://ec.europa.eu/implementing-eu-law/search-infringement-decisions/?r_dossier=&noncom=0&decision_date_from=&decision_date_to=&active_only=0&DG=FISM&submit=Search&lang_code=fr&langCode=EN&version=v1&typeOfSearch=byCase&page=1&size=10&order=desc&sortColumns=refId&refId=INFR(2024)0018).

⁽⁶⁾ Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU (OJ L 438, 8.12.2021, p. 1) which has been in application since 30 December 2023, <http://data.europa.eu/eli/dir/2021/2167/oj>.

Cyprus has communicated national transposition measures of this directive and the Commission decided in May 2025 to close the infringement procedure INFR(2024)0018 ⁽⁷⁾.

⁽⁷⁾ The Commission is still in the process of assessing the conformity of the national transposition measures notified by Cyprus.