

Directive 2008/48/EC Of the European Parliament and  
of the Council of 23 April 2008 on credit agreements for  
consumers and repealing Council Directive 87/102/EEC

CHAPTER I

**SUBJECT MATTER, SCOPE AND DEFINITIONS**

*Article 3*

**Definitions**

For the purposes of this Directive, the following definitions shall apply:

- (a) 'consumer' means a natural person who, in transactions covered by this Directive, is acting for purposes which are outside his trade, business or profession;
- (b) 'creditor' means a natural or legal person who grants or promises to grant credit in the course of his trade, business or profession;
- (c) 'credit agreement' means an agreement whereby a creditor grants or promises to grant to a consumer credit in the form of a deferred payment, loan or other similar financial accommodation, except for agreements for the provision on a continuing basis of services or for the supply of goods of the same kind, where the consumer pays for such services or goods for the duration of their provision by means of instalments;
- (d) 'overdraft facility' means an explicit credit agreement whereby a creditor makes available to a consumer funds which exceed the current balance in the consumer's current account;
- (e) 'overrunning' means a tacitly accepted overdraft whereby a creditor makes available to a consumer funds which exceed the current balance in the consumer's current account or the agreed overdraft facility;
- (f) 'credit intermediary' means a natural or legal person who is not acting as a creditor and who, in the course of his trade, business or profession, for a fee, which may take a pecuniary form or any other agreed form of financial consideration:
  - (i) presents or offers credit agreements to consumers;
  - (ii) assists consumers by undertaking preparatory work in respect of credit agreements other than as referred to in (i); or
  - (iii) concludes credit agreements with consumers on behalf of the creditor;
- (g) 'total cost of the credit to the consumer' means all the costs, including interest, commissions, taxes and any other kind of fees which the consumer is required to pay in connection with the credit agreement and which are known to the creditor, except for notarial costs; costs in respect of ancillary services relating to the credit agreement, in particular insurance premiums, are also included if, in addition, the conclusion of a service contract is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed;

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- (h) ‘total amount payable by the consumer’ means the sum of the total amount of the credit and the total cost of the credit to the consumer;
- (i) ‘annual percentage rate of charge’ means the total cost of the credit to the consumer, expressed as an annual percentage of the total amount of credit, where applicable including the costs referred to in Article 19(2);
- (j) ‘borrowing rate’ means the interest rate expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn down;
- (k) ‘fixed borrowing rate’ means that the creditor and the consumer agree in the credit agreement on one borrowing rate for the entire duration of the credit agreement or on several borrowing rates for partial periods using exclusively a fixed specific percentage. If not all borrowing rates are determined in the credit agreement, the borrowing rate shall be deemed to be fixed only for the partial periods for which the borrowing rates are determined exclusively by a fixed specific percentage agreed on the conclusion of the credit agreement;
- (l) ‘total amount of credit’ means the ceiling or the total sums made available under a credit agreement;
- (m) ‘durable medium’ means any instrument which enables the consumer to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored;
- (n) ‘linked credit agreement’ means a credit agreement where
  - (i) the credit in question serves exclusively to finance an agreement for the supply of specific goods or the provision of a specific service, and
  - (ii) those two agreements form, from an objective point of view, a commercial unit; a commercial unit shall be deemed to exist where the supplier or service provider himself finances the credit for the consumer or, if it is financed by a third party, where the creditor uses the services of the supplier or service provider in connection with the conclusion or preparation of the credit agreement, or where the specific goods or the provision of a specific service are explicitly specified in the credit agreement.