

Mr. Alojz Kovšca
President of National Council of Slovenia
National Council
Šubičeva 4
1000 Ljubljana

The Consumer Voice in Europe

Ref.: BEUC-L-2019-047/MGO/cst

28 February 2018

Re: Draft law on Swiss franc loans in Slovenia

Dear Mr Kovšca,

I am writing to you on behalf of BEUC, The European Consumer Organisation, which represents 43 well respected, independent national consumer organisations from 32 European countries.

BEUC strongly supports the draft law on Swiss franc (CHF) loans which is currently being scrutinised by the Slovenian policy-makers, and which is advocated for by our Slovene member Zveza Potrošnikov Slovenije. The aim of this legislation is to protect Slovenian borrowers by converting the Swiss Franc loans taken up between 2004 and 2010 into euros at the exchange rate applicable on the day the loan was drawn up.

During the 2000s, millions of consumers in Central and Eastern Europe took out loans denominated in foreign currencies, mainly in Swiss Francs. An estimated 16,000-20,000 Slovenians took out a Swiss franc loan.

A wealth of evidence shows that financial institutions failed on their responsible lending obligations when granting these loans. Foreign currency loans should never have been marketed to individual borrowers as they do not have any protection against exchange rate risks to which they are being exposed. However, many banks actively advertised Swiss Franc loans as a safe and stable choice for consumers.

As a consequence, borrowers have suffered huge losses when the Swiss currency sharply appreciated in 2008 and 2015. Then, competent authorities in virtually all the affected countries have prohibited the issuing of new foreign currency loans by financial institutions. Also, several EU countries took timely measures to protect affected borrowers from currency exchange losses. Financial services providers have the responsibility to treat consumers fairly.

We welcome the draft law under discussion in Slovenia. It is high time to protect vulnerable borrowers and restore their confidence in the financial sector and public authorities. It is worth mentioning that the financial burden for banks resulting from the adoption of the aforementioned legislative proposal will not be very significant (less than EUR 500 million) and will be distributed among several banks that granted Swiss Franc loans.

We wish to stress that regulatory and supervisory authorities must ensure that financial service providers act responsibly and do not market toxic products to consumers in future.

With best wishes,



Monique Goyens
Director General