Dear Sir/Madam,

In my previous mail I already mentioned the intention of Kassa to air an item about Ferratum in our show on Saturday the 16th of January. In this mail you can find the subject of our item and several questions for Ferratum.

Ferratum currently offers payday loans to Dutch consumers via the sites Saldodipje.nl and Ferratum.nl for which a guarantor must be arranged. If this guarantor is not arranged within 5 days (previously 14 days) after the money is transferred to the costumer, a fine will follow.

Kassa has asked the Dutch Financial Regulator AFM about this practice. In a general sense, the AFM responds as follows:

If a penalty is included in the loan agreement for not arranging a guarantor on time, the total costs associated with the loan, including the costs of the penalty, must remain within the maximum credit compensation of currently 10%.

If the statement of the AFM is compared to the practices of Ferratum via Ferratum.nl and Saldodipje.nl, it appears that Ferratum does not meet the requirements.

Via the following links:

<https://www.saldodipje.nl/sites/saldodipje.nl/files/Declaration%20guarantee.pdf>

<https://www.ferratum.nl/sites/ferratum.nl/files/Declaration_guarantee.pdf>

Ferratum provides the following pricing information:

|  |  |  |  |
| --- | --- | --- | --- |
| **Leenbedrag**  **(EUR)** | **Termijn**  **(dagen)** | **Rente (EUR)** | **Boete Wanprestatie**  **(EUR)** |
| **100** | 15 | 0.25 | 15 |
| **100** | 30 | 0.49 | 25 |
| **150** | 15 | 0.37 | 20 |
| **150** | 30 | 0.74 | 33 |
| **200** | 15 | 0.49 | 40 |
| **200** | 30 | 0.99 | 45 |
| **250** | 15 | 0.62 | 52 |
| **250** | 30 | 1.23 | 57 |
| **300** | 15 | 0.74 | 60 |
| **300** | 30 | 1.48 | 70 |
| **350** | 30 | 1.73 | 81 |
| **400** | 30 | 1.97 | 90 |
| **450** | 30 | 2.22 | 98 |
| **500** | 30 | 2.47 | 115 |
| **600** | 45 | 7.00 | 200 |
| **700** | 45 | 8.10 | 230 |
| **800** | 45 | 9.30 | 260 |
| **900** | 45 | 9.80 | 290 |
| **1000** | 45 | 11.50 | 320 |
| **1100** | 62 | 9.61 | 485 |
| **1100** | 93 | 13.02 | 520 |
| **1100** | 124 | 15.81 | 555 |
| **1200** | 62 | 10.54 | 530 |
| **1200** | 93 | 13.95 | 550 |

The penalty for non-performance (in Dutch: “Boete Wanprestatie”) means that the total costs for a loan at Ferratum.nl and Saldodipje.nl exceed the currently applicable maximum credit compensation of 10%. This maximum credit reimbursement applies from 10 August 2020. Before that, it was a maximum of 14% for several years. But the total costs, including the fine for not arranging a guarantor on time, also amount to more than a maximum credit compensation of 14%.

In the loan agreements of Saldodipje.nl and Ferratum.nl, on page 2 it states the following in Dutch:

[If we have not received the necessary documents from the guarantor on time or if the guarantor does not meet the criteria communicated to you by us in advance, you must pay us a fee. Because you do not pay any compensation if you meet your obligations under this credit agreement, this has not been included in the calculation of the APR.]

Kassa is in contact with various Ferratum customers who indicate that they took out a loan in 2020 via Saldodipje.nl or Ferratum.nl and had to pay a fine because they had not arranged a guarantor within the set period.

On the basis of all the above, we conclude that Ferratumoffers the loans with a fine in the loan agreement for not arranging a guarantor on time and in practice also imposed this fine on costumers in 2020. In practice this fine is not in line with the rules as stated by the regulator AFM.

In response to the above, would you like to answer the following questions:

Is it true that Ferratum offers loans via Saldodipje.nl and Ferratum.nl that include a fine if the customer has not arranged a guarantor in time?

Since when does Ferratum make use of this penalty clause with customers of Saldodipje.nl and Ferratum.nl?

How often has Ferratum imposed this fine on customers who have taken out a loan through Saldodipje.nl and Ferratum.nl?

How much has Ferratum collected in total in fines for not arranging a guarantor on time?

Why is Ferratum working with the fine for not arranging a guarantor on time, while according to the AFM’s general statement, this is not allowed?

Will Ferratum compensate customers who have wrongly paid this fine?

How is Ferratum going to do that?

Ferratum was fined by the AFM in 2013 for offering payday loans without a license, after that Ferratum worked with an overpriced commercial guarantor for which it was reprimanded by a dutch judge (RED: Correctie: De veroordeling was niet voor Ferratum, maar voor een andere bank <https://uitspraken.rechtspraak.nl/inziendocument?id=ECLI:NL:RBROT:2018:5661>) and now Ferratum works with a fine for the lack of a guarantor with which the maximum credit reimbursement is exceeded. Ferratum apparently pushes the boundaries of what the Dutch legislator wants, or even goes beyond, time and again. These rules have been drawn up by the legislator to protect financially vulnerable persons against extremely high costs for loans. Why does Ferratum still continue to charge extremely high costs through different constructions against the law and wishes of the Dutch Legislator?

**Reactie Ferratum:**

**Thank you for your email.**

**As a response to your questions below, we would like to emphasize that your conclusions about the penalty are incorrect and misleading.**

**Saldodipje S.L, is operating in full compliance with all applicable laws and regulations, including EU and national rules on calculating and disclosing the annual percentage rate of the loans and regulations on electronic commerce within the single digital market.**

Dear Sir/Madam,

Thanks for the response. For your information: This morning we decided to postpone airing the item about Ferratum. The airing is now planned for the 23rd of January.

In response to your answers I have a some follow up questions.

The Dutch regulator AFM in general states that every cost related to a loan must remain within the annual maximum credit compensation, 10% at this moment.

Specially, the cost related to a penalty for not arranging a guarantor on time also must remain within the annual maximum credit compensation according to the AFM.

Ferratum for example imposes a penalty of 660 Euro for not arranging a guarantor on time combined with a loan of 1500 euro. For a loan of 1500 euro, the annual maximum credit compensation would amount to 150 Euro. So, besides the interest Ferratum charges, the penalty of 660 Euro already surpasses the annual maximum credit compensation by far.

Is it the position from Ferratum that the statement, made by the Dutch Regulator AFM about the law and rules in the Netherlands, as I described, is wrong?

If so, why is the AFM wrong?

Does Ferratum have another reason to state Kassa is wrong with our conclusions about the penalty?

If so, what other reason do you have?

Kind regards,

**Reactie Ferratum:**

**Thank you for coming back to us with your additional questions.**

**We continue to highlight that Saldodipje´s online lending activities are fully compliant with the European Consumer Credit Directive, European E-Commerce Directive, Section 1:16 of the Dutch Financial Supervision Act and all other applicable regulations.**

**All amounts charged under the loan agreement are calculated in accordance with the relevant rules and are in conformity with the provisions regarding the maximum permitted credit compensation rate.**

**Kind regards,**

**Saldodipje**