



## Greece: Consumers affected by CHF Loans win a class-action law suit against Eurobank.



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- The Multi Member Court of First Instance in Athens has dictaminated a ruling against Eurobank for the placement of CHF Loans to retail clients
- There are more than 60.000 families affected by CHF Loans in Greece

SUMMARY BY – [Evi Avlogiari](#) · Additional Information by [Amalia Sarantopoulos](#)

On 24th of May 2016 the Multi Member Court of First Instance of Athens issued its judgment under the number 334/2016 concerning a first class action lodged by Consumers Institute – General Greek Consumers Federation, Consumers Union – Consumers Institute of Crete and the Association of Lenders in CHF Loans against the bank under the name " EFG Eurobank Ergasias SA". According to the above judgment's operative part Eurobank is prohibited in the future to use under loan agreements in Swiss francs any contractual term which seeks the result that the consumer is obliged to pay any installment on the basis of the exchange rate at the day of payment as well as terms by which the Bank is entitled to convert the whole outstanding loan into Euros on the basis of the exchange rate at the day of termination of the loan. The judgment also prohibits the above bank in the future to invoke and use in Swiss Franc loan agreements any terms, inherent to debt adjustment or reduction of loan installments, which content result that the debtor acknowledges his debt in Swiss francs and accepts the above amounts as legitimate and accurate. Further, Eurobank, according to the Court, should object to any payment, partial or total, based on the exchange rate at the date of payment and should accept payments in Euros based on the exchange rate at the time of the loan disbursement. Eurobank is also prohibited to terminate any CHF loan due to payments in Euros based on the exchange rate at the time of the loan disbursement and in case of termination it should abstain from converting the outstanding balance of the loan into Euros on the basis of the exchange rate at the date of termination.

Finally, the Court orders Eurobank to recalculate all fx loans on an installment and outstanding loan level on the basis of the exchange rate at the date of disbursement and imposed against Eurobank a fine of three thousand (EUR 3,000) for each violation of the above orders.

The Greek Court concluded to its decision above considering that relevant terms in CHF Loans do not meet transparency requirements set by Law no. 2251/1994 (the Greek Law who transposed Directive 93/13 to the Greek legal

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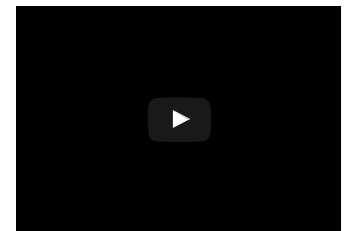
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system). The rationale behind this is that relevant terms might be grammatically clear and intelligible to consumers, but having to regard to all relevant evidences and particularly the fact consumers were not delivered adequate information with regards to the currency risk and the economic consequences of these terms as well as their relationship with other contractual term, they cannot eventually foresee, on the basis of clear, intelligible criteria, the economic consequences which derive from them and especially, the significant economic consequence to the total cost of lending which remains unspecified and potentially can be increased on installment and outstanding loan level.

The lack of transparency failed to be outweighed, according to The Greek Court, even by other contractual terms and letters sent by the Bank or the hedging product offered in parallel with the FX loans. The reason for that remains that all of them fail to make clear and intelligible the substance of the above terms to consumers and their consequences, especially the economic ones.

The Greek Court with its decision highly acknowledged the economic consequences of the above terms not only in installment level but also in outstanding loan level as well as the disclosure obligation of bank institutions in case of loans denominated in a foreign currency as set by the Bank of Greece Governor's ACT No. 2051/2002 and took a bold step stating for the first time that unfairness of the relevant terms is related to risks inherent to these loans which seek to investment risks, accepting by this consideration the investment nature of FX Loans.

The above decision in general terms concerns about 70.000 loans in CHF in Greece but yet it is not clear which of the them were advanced by Eurobank.

The decision above is the first who rules on a bank's behavior contrary to Consumers Law and can be invoked before Courts by any consumer.

Lawyers defending consumers were Mr. Marinakos, Mr Mitaloulis and Mrs Nouka. The desicion is positive but yet not enforceable.

**We will talk about this case and more next 9th June in Madrid. GET YOUR PLACE HERE!**

#### Applicants/plaintiffs:

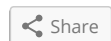
1. **General Consumer Federation of Greece** – Γενική Ομοσπονδία Καταναλωτων Ελλαδασ Ινκα (ΓΟΚΕ)  
<http://www.inka.gr/>
2. **Cretan Consumers Institute** – Ινστιτούτο Καταναλωτών Κρήτης (INKA Κρήτης): <http://www.inkakritis.gr/>
3. Consumer Association of Aitolokarnania – Ένωση Καταναλωτών Αιτωλοακαρνανίας
4. **Club Borrowers Swiss Franc** (Additional Intervention in favor of Plaintiffs) – Σύλλογος Δανειοληπτών Ελβετικού Φράγκου (ΣΥΔΑΝΕΦ) : <http://www.daneia-chf.gr/>

**Lawyers: Mr. Marinakos, Mr. Mitaloulis and Mrs Nouka**

**Bank: Eurobank**

**PDF: [S\\_160524\\_EUROBANK\\_ATHENS\\_CLASS\\_ACTION\\_334\\_2016.pdf](#)**

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